12-028

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT

RECEIVED
MAR 21 2012
HEALTH FACILITIES & SERVICES REVIEW BOARD

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: Orland Park Surgical Center		
Street Address: 9550 W 167th St		
City and Zip Code: Orland Park, IL 60467		
County: Cook	Health Service Area: 7	Health Planning Area: 7

Applicant /Co-Applicant Identification
[Provide for each co-applicant [refer to Part 1130.220].

Exact Legal Name: Orland Park Surgical Center, LLC
Address: 9550 W 167th St Orland Park, IL 60467
Name of Registered Agent: Steven R. Wardell, M.D.
Name of Chief Executive Officer: Robert Semba (President)
CEO Address: 7600 W. College Dr., Palos Heights, IL 60463
Telephone Number: (708) 361-0600

Type of Ownership of Applicant/Co-Applicant

☐	Non-profit Corporation	☐	Partnership		
☐	For-profit Corporation	☐	Governmental		
☒	Limited Liability Company	☐	Sole Proprietorship	☐	Other

- Corporations and limited liability companies must provide an **Illinois certificate of good standing.**
- Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.

APPEND DOCUMENTATION AS ATTACHMENT-1, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Primary Contact
[Person to receive all correspondence or inquiries during the review period]

Name: Steven R. Wardell, M.D. c/o PMI Diagnostic Imaging, LLC
Title: Board member
Company Name: Orland Park Surgical Center, LLC c/o PMI Diagnostic Imaging, LLC
Address: 7600 West College Drive, Palos Heights, IL 60463
Telephone Number: (708) 361-0600
E-mail Address: swardell@parkviewortho.com
Fax Number: (708) 361-8710

Additional Contact
[Person who is also authorized to discuss the application for permit]

Name: Jeffrey C. Clark
Title: Attorney at Law
Company Name: McGuireWoods, LLP
Address: 77 West Wacker Drive, Suite 4100, Chicago, Illinois 60601-1818
Telephone Number: (312) 750-8636
E-mail Address: jclark@mcguirewoods.com
Fax Number: (312) 920-7230

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name:		
Street Address:		
City and Zip Code:		
County:	Health Service Area:	Health Planning Area:

Applicant /Co-Applicant Identification

[Provide for each co-applicant [refer to Part 1130.220].

Exact Legal Name:
Address:
Name of Registered Agent:
Name of Chief Executive Officer:
CEO Address:
Telephone Number:

Type of Ownership of Applicant/Co-Applicant

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- Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.

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Primary Contact

[Person to receive all correspondence or inquiries during the review period]

Name:
Title:
Company Name:
Address:
Telephone Number:
E-mail Address:
Fax Number:

Additional Contact

[Person who is also authorized to discuss the application for permit]

Name:
Title:
Company Name:
Address:
Telephone Number:
E-mail Address:
Fax Number:

Post Permit Contact

[Person to receive all correspondence subsequent to permit issuance-**THIS PERSON MUST BE EMPLOYED BY THE LICENSED HEALTH CARE FACILITY AS DEFINED AT 20 ILCS 3960**

Name: Steven R. Wardell, M.D. c/o PMI Diagnostic Imaging, LLC
Title: Board member
Company Name: Orland Park Surgical Center, LLC c/o PMI Diagnostic Imaging, LLC
Address: 7600 West College Drive, Palos Heights, IL 60463
Telephone Number: (708) 361-0600
E-mail Address: swardell@parkviewortho.com
Fax Number: (708) 361-8710

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Midwest Physician Group, Ltd
Address of Site Owner: 20110 Governors Highway, Olympia Fields, IL 60461
Street Address or Legal Description of Site: 9550 W 167th St Orland Park, IL 60467 **Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statement, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease or a lease.**
APPEND DOCUMENTATION AS ATTACHMENT-2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Operating Identity/Licensee

[Provide this information for each applicable facility, and insert after this page.]

Exact Legal Name: Orland Park Surgical Center, LLC
Address: 9550 W 167th St Orland Park, IL 60467

☐	Non-profit Corporation	☐	Partnership		
☐	For-profit Corporation	☐	Governmental		
☒	Limited Liability Company	☐	Sole Proprietorship	☐	Other

- Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.
- Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.
- **Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.**

APPEND DOCUMENTATION AS ATTACHMENT-3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Organizational Relationships

Provide (for each co-applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.

APPEND DOCUMENTATION AS ATTACHMENT-4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Flood Plain Requirements

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2005-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at **www.FEMA.gov** or **www.illinoisfloodmaps.org**. **This map must be in a readable format**. In addition please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2005-5 **(http://www.hfsrb.illinois.gov)**.

APPEND DOCUMENTATION AS ATTACHMENT -5, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

Provide documentation regarding compliance with the requirements of the Historic Resources Preservation Act.

APPEND DOCUMENTATION AS ATTACHMENT-6, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

DESCRIPTION OF PROJECT

1. Project Classification

[Check those applicable - refer to Part 1110.40 and Part 1120.20(b)]

Part 1110 Classification:	Part 1120 Applicability or Classification: [Check one only.]
☐ Substantive	☐ Part 1120 Not Applicable
☒ Non-substantive	☐ Category A Project
	☒ Category B Project
	☐ DHS or DVA Project

2. Narrative Description

Provide in the space below, a brief narrative description of the project. Explain **WHAT** is to be done in **State Board defined terms**, **NOT WHY** it is being done. If the project site does NOT have a street address, include a legal description of the site. Include the rationale regarding the project's classification as substantive or non-substantive.

The Applicant, Orland Park Surgical Center, LLC ("OPSC"), is proposing to enter a transaction whereby OPSC would redeem the seventy-four (74) Units in OPSC that are currently owned by MPG, LLC ("Proposed Transaction"). OPSC will pay $550,000 to MPG for the redemption of MPG's Units, using funds contributed by PMI Diagnostic Imaging LLC ("PMI"); PMI is a current member of OPSC and is run by many of the physicians who practice at OPSC. In exchange for PMI's capital contribution, OPSC will transfer seventy-four (74) Units to PMI.

MPG currently holds majority control in OPSC. Accordingly, OPSC submits this application because of the proposed change in majority control.

The Proposed Transaction is "non-substantive" because a transaction to acquire membership units in an LLC is not one of the specific examples identified as a substantive project in the Illinois Health Facilities Planning Act, as amended on June 30, 2009. See 20 ILCS 3960/12(8).

The Proposed Transaction was consummated on January 31, 2012, with an effective date of January 1, 2012. The Proposed Transaction is contingent upon approval by the Health Facilities and Services Review Board.

Project Costs and Sources of Funds

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must equal.

Project Costs and Sources of Funds			
USE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
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			
Movable or Other Equipment (not in construction contracts)			
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment			
Other Costs To Be Capitalized	$550,000		$550,000
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS	**$550,000**		**$550,000**
SOURCE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Cash and Securities	$550,000		$550,000
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	**$550,000**		**$550,000**

NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

***Note the Applicant is not making a capital expenditure in connection with the transaction. The figures above represent the proposed payment to MPG.**

Related Project Costs

Provide the following information, as applicable, with respect to any land related to the project that will be or has been acquired during the last two calendar years:

Land acquisition is related to project ☐ Yes ☒ No
Purchase Price: $_____
Fair Market Value: $_____

The project involves the establishment of a new facility or a new category of service
☐ Yes ☒ No

If yes, provide the dollar amount of all **non-capitalized** operating start-up costs (including operating deficits) through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100.

Estimated start-up costs and operating deficit cost is $ _____.

Project Status and Completion Schedules

Indicate the stage of the project's architectural drawings:

☒ None or not applicable ☐ Preliminary
☐ Schematics ☐ Final Working

Anticipated project completion date (refer to Part 1130.140): June 30, 2012

Indicate the following with respect to project expenditures or to obligation (refer to Part 1130.140):

☐ Purchase orders, leases or contracts pertaining to the project have been executed.
☐ Project obligation is contingent upon permit issuance. Provide a copy of the contingent "certification of obligation" document, highlighting any language related to CON Contingencies
☒ Project obligation will occur after permit issuance.

APPEND DOCUMENTATION AS ATTACHMENT-8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

State Agency Submittals

Are the following submittals up to date as applicable:

☒ Cancer Registry
☐ APORS – NOT APPLICABLE
☒ All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
☒ All reports regarding outstanding permits

Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.

Cost Space Requirements -- NOT APPLICABLE

Provide in the following format, the department/area **DGSF** or the building/area **BGSF** and cost. The type of gross square footage either **DGSF** or **BGSF** must be identified. The sum of the department costs **MUST** equal the total estimated project costs. Indicate if any space is being reallocated for a different purpose. Include outside wall measurements plus the department's or area's portion of the surrounding circulation space. **Explain the use of any vacated space.**

		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept. / Area	**Cost**	**Existing**	**Proposed**	**New Const.**	**Modernized**	**As Is**	**Vacated Space**
REVIEWABLE							
Medical Surgical							
Intensive Care							
Diagnostic Radiology							
MRI							
Total Clinical							
NON REVIEWABLE							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
TOTAL							

APPEND DOCUMENTATION AS ATTACHMENT-9, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Facility Bed Capacity and Utilization

Complete the following chart, as applicable. Complete a separate chart for each facility that is a part of the project and insert following this page. Provide the existing bed capacity and utilization data for the latest **Calendar Year for which the data are available. Include observation days in the patient day totals for each bed service.** Any bed capacity discrepancy from the Inventory will result in the application being deemed **incomplete**.

FACILITY NAME: Orland Park Surgical Center		**CITY:** Orland Park, IL			
REPORTING PERIOD DATES:		**From: 1/1/2011**		**To: 12/31/2011**	
Category of Service	**Authorized Rooms**	**Cases**	**Room Set Up Time**	**Actual Surgery Time**	**Room Clean Up Time**
Gastroenterology	1	786	196.50	334	196.50
OB/Gynecology	4	11	2.75	4.25	2.75
Ophthalmology	4	543	135.75	124.25	135.75
Orthopedic	4	465	116.25	259.75	116.25
Otolaryngology	4	48	12	20	12
Pain Management	4	1159	289.75	136.50	289.75
Plastic	4	69	17.25	20.75	17.25
Podiatry	4	3	.75	2.50	.75
Urology	4	26	6.50	13	6.50
TOTALS:	**5**[1]	**3310**	**777.50**	**915.0**	**777.50**

[1] OPSC maintains five operating rooms. One is exclusively designated for gastroenterology. The other four rooms are used interchangeably for the remaining services that are provided.

CERTIFICATION

The application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) are:

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole manger or member when two or more managers or members do not exist);
- in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application for Permit is filed on the behalf of Orland Park Surgical Center, LLC* in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the permit application fee required for this application is sent herewith or will be paid upon request.

SIGNATURE

Steve Wardell MD
PRINTED NAME

MEDICAL DIRECTOR
PRINTED TITLE

Notarization:
Subscribed and sworn to before me this 9th day of MARCH 2012

Signature of Notary

Seal

OFFICIAL SEAL
CINDY FERRIN
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:12/16/13

SIGNATURE

PRINTED NAME

PRINTED TITLE

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

Signature of Notary

Seal

*Insert EXACT legal name of the applicant

SECTION III – BACKGROUND, PURPOSE OF THE PROJECT, AND ALTERNATIVES - INFORMATION REQUIREMENTS

This Section is applicable to all projects except those that are solely for discontinuation with no project costs.

Criterion 1110.230 – Background, Purpose of the Project, and Alternatives

READ THE REVIEW CRITERION and provide the following required information:

BACKGROUND OF APPLICANT

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.

2. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant during the three years prior to the filing of the application.

3. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**

4. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest the information has been previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

APPEND DOCUMENTATION AS ATTACHMENT-11, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 11.

PURPOSE OF PROJECT

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.

2. Define the planning area or market area, or other, per the applicant's definition.

3. Identify the existing problems or issues that need to be addressed, as applicable and appropriate for the project. [See 1110.230(b) for examples of documentation.]

4. Cite the sources of the information provided as documentation.

5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.

6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals **as appropriate.**

For projects involving modernization, describe the conditions being upgraded if any. For facility projects, include statements of age and condition and regulatory citations if any. For equipment being replaced, include repair and maintenance records.

NOTE: Information regarding the "Purpose of the Project" will be included in the State Agency Report.

APPEND DOCUMENTATION AS ATTACHMENT-12, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-6) MUST BE IDENTIFIED IN ATTACHMENT 12.

ALTERNATIVES

1) Identify **ALL** of the alternatives to the proposed project:

Alternative options **must** include:

A) Proposing a project of greater or lesser scope and cost;

B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;

C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and

D) Provide the reasons why the chosen alternative was selected.

2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short term (within one to three years after project completion) and long term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**

3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

APPEND DOCUMENTATION AS ATTACHMENT-13, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION VI - MERGERS, CONSOLIDATIONS AND ACQUISITIONS/CHANGES OF OWNERSHIP

This Section is applicable to projects involving merger, consolidation or acquisition/change of ownership.

NOTE: For all projects involving a change of ownership THE TRANSACTION DOCUMENT must be submitted with the application for permit. The transaction document must be signed dated and contain the appropriate contingency language.

A. Criterion 1110.240(b), Impact Statement

Read the criterion and provide an impact statement that contains the following information:

1. Any change in the number of beds or services currently offered.
2. Who the operating entity will be.
3. The reason for the transaction.
4. Any anticipated additions or reductions in employees now and for the two years following completion of the transaction.
5. A cost-benefit analysis for the proposed transaction.

B. Criterion 1110.240(c), Access

Read the criterion and provide the following:

1. The current admission policies for the facilities involved in the proposed transaction.
2. The proposed admission policies for the facilities.
3. A letter from the CEO certifying that the admission policies of the facilities involved will not become more restrictive.

C. Criterion 1110.240(d), Health Care System

Read the criterion and address the following:

1. Explain what the impact of the proposed transaction will be on the other area providers.
2. List all of the facilities within the applicant's health care system and provide the following for each facility.
   a. the location (town and street address);
   b. the number of beds;
   c. a list of services; and
   d. the utilization figures for each of those services for the last 12 month period.
3. Provide copies of all present and proposed referral agreements for the facilities involved in this transaction.
4. Provide time and distance information for the proposed referrals within the system.
5. Explain the organization policy regarding the use of the care system providers over area providers.
6. Explain how duplication of services within the care system will be resolved.
7. Indicate what services the proposed project will make available to the community that are not now available.

APPEND DOCUMENTATION AS ATTACHMENT-19, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

The following Sections DO NOT need to be addressed by the applicants or co-applicants responsible for funding or guaranteeing the funding of the project if the applicant has a bond rating of A- or better from Fitch's or Standard and Poor's rating agencies, or A3 or better from Moody's (the rating shall be affirmed within the latest 18 month period prior to the submittal of the application):

- **Section 1120.120 Availability of Funds – Review Criteria**
- **Section 1120.130 Financial Viability – Review Criteria**
- **Section 1120.140 Economic Feasibility – Review Criteria, subsection (a)**

VIII. - 1120.120 - Availability of Funds

The applicant shall document that financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following sources, as applicable: **Indicate the dollar amount to be provided from the following sources:**

$550,000	a)	Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to: 1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and 2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
N/A	b)	Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
N/A	c)	Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
N/A	d)	Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including: 1) For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated; 2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate; 3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.; 4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment; 5) For any option to lease, a copy of the option, including all terms and conditions.
N/A	e)	Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;
N/A	f)	Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
N/A	g)	All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
$550,000	**TOTAL FUNDS AVAILABLE**	

APPEND DOCUMENTATION AS ATTACHMENT-39, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

IX. 1120.130 - Financial Viability

All the applicants and co-applicants shall be identified, specifying their roles in the project funding or guaranteeing the funding (sole responsibility or shared) and percentage of participation in that funding.

Financial Viability Waiver

The applicant is not required to submit financial viability ratios if:

1. **All of the projects capital expenditures are completely funded through internal sources**
2. **The applicant's current debt financing or projected debt financing is insured or anticipated to be insured by MBIA (Municipal Bond Insurance Association Inc.) or equivalent**
3. **The applicant provides a third party surety bond or performance bond letter of credit from an A rated guarantor.**

See Section 1120.130 Financial Waiver for information to be provided

APPEND DOCUMENTATION AS ATTACHMENT-40, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

The applicant or co-applicant that is responsible for funding or guaranteeing funding of the project shall provide viability ratios for the latest three years for which **audited financial statements are available and for the first full fiscal year at target utilization, but no more than two years following project completion.** When the applicant's facility does not have facility specific financial statements and the facility is a member of a health care system that has combined or consolidated financial statements, the system's viability ratios shall be provided. If the health care system includes one or more hospitals, the system's viability ratios shall be evaluated for conformance with the applicable hospital standards.

Provide Data for Projects Classified as:	Category A or Category B (last three years)			Category B (Projected)
Enter Historical and/or Projected Years:				
Current Ratio				
Net Margin Percentage				
Percent Debt to Total Capitalization				
Projected Debt Service Coverage				
Days Cash on Hand				
Cushion Ratio				

The Applicant has satisfied the requirements to qualify for the Financial Viability Waiver. Accordingly, this table and Attachment 41 are inapplicable.

Provide the methodology and worksheets utilized in determining the ratios detailing the calculation and applicable line item amounts from the financial statements. Complete a separate table for each co-applicant and provide worksheets for each.

2. Variance

Applicants not in compliance with any of the viability ratios shall document that another organization, public or private, shall assume the legal responsibility to meet the debt obligations should the applicant default.

APPEND DOCUMENTATION AS ATTACHMENT 41, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

X. 1120.140 - Economic Feasibility

This section is applicable to all projects subject to Part 1120.

A. Reasonableness of Financing Arrangements

The applicant shall document the reasonableness of financing arrangements by submitting a notarized statement signed by an authorized representative that attests to one of the following:

1) That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or

2) That the total estimated project costs and related costs will be funded in total or in part by borrowing because:

A) A portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or

B) 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.

B. Conditions of Debt Financing

This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:

1) That the selected form of debt financing for the project will be at the lowest net cost available;

2) That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;

3) That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

1. Identify each department or area impacted by the proposed project and provide a cost and square footage allocation for new construction and/or modernization using the following format (insert after this page).

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE

Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Cost/Square Foot Mod.	Gross Sq. Ft. New	Gross Sq. Ft. Circ.*	Gross Sq. Ft. Mod.	Gross Sq. Ft. Circ.*	Const. $ (A x C)	Mod. $ (B x E)	
Contingency									
TOTALS									

This table is not applicable because the Proposed Transaction does not involve any new construction or modernization.

* Include the percentage (%) of space for circulation

D. Projected Operating Costs

The applicant shall provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service.

E. Total Effect of the Project on Capital Costs

The applicant shall provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full fiscal year at target utilization but no more than two years following project completion.

APPEND DOCUMENTATION AS ATTACHMENT -42, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

XI. Safety Net Impact Statement – NOT APPLICABLE BECAUSE THE PROPOSED TRANSACTION IS NON-SUBSTANTIVE

SAFETY NET IMPACT STATEMENT that describes all of the following must be submitted for ALL SUBSTANTIVE AND DISCONTINUATION PROJECTS:

1. The project's material impact, if any, on essential safety net services in the community, to the extent that it is feasible for an applicant to have such knowledge.

2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.

3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community, if reasonably known by the applicant.

Safety Net Impact Statements shall also include all of the following:

1. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with an appropriate methodology specified by the Board.

2. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaidpatients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.

3. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service.

A table in the following format must be provided as part of Attachment 43.0

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
Total			
Charity (cost in dollars)			
Inpatient			
Outpatient			
Total			
MEDICAID			
Medicaid (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
Total			
Medicaid (revenue)			
Inpatient			
Outpatient			
Total			

0

APPEND DOCUMENTATION AS ATTACHMENT-43, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

XII. Charity Care Information

Charity Care information MUST be furnished for ALL projects.

1. All applicants and co-applicants shall indicate the amount of charity care for the latest three **audited** fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.

2. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility under review.

3. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.

Charity care" means care provided by a health care facility for which the provider does not expect to receive payment from the patient or a third-party payer. (20 ILCS 3960/3) Charity Care must be provided at cost.

A table in the following format must be provided for all facilities as part of Attachment 44.

CHARITY CARE			
	2009	2010	2011
Net Patient Revenue	4566066	3943779	3586367
Amount of Charity Care (charges)	26157	67755	21760
Cost of Charity Care	15235	13636	11924

APPEND DOCUMENTATION AS ATTACHMENT-44, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

After paginating the entire, completed application, indicate in the chart below, the page numbers for the attachments included as part of the project's application for permit:

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ATTACHMENT 1

Applicant Ownership Information

Please find attached the following information:

1. Certificate of Good Standing for Orland Park Surgical Center, LLC from the Illinois Secretary of State.

File Number 0042792-6

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

ORLAND PARK SURGICAL CENTER, L.L.C., HAVING ORGANIZED IN THE STATE OF ILLINOIS ON JUNE 20, 2000, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 28TH *day of* FEBRUARY *A.D.* 2012 .

Authentication #: 1205902854

Authenticate at: http://www.cyberdriveillinois.com

Jesse White

SECRETARY OF STATE

ATTACHMENT 2

Site Ownership

Midwest Physician Group, LTD is the site owner. Evidence of site ownership immediately follows this Attachment 2.

AMBULATORY SURGICAL TREATMENT CENTER

OFFICE LEASE

MIDWEST PHYSICIAN GROUP, LTD.

LANDLORD

FOR

ORLAND PARK SURGICAL CENTER, L.L.C.

A ILLINOIS LIMITED LIABILITY COMPANY

TENANT

Dated: October __, 2001

MIDWEST PHYSICIAN CENTER

Orland Park, Illinois

Reference Page

LANDLORD:	Midwest Physician Group, Ltd. an Illinois medical corporation
LANDLORD'S ADDRESS:	20110 Governor's Highway Olympia Fields, Illinois 60461
TENANT:	Orland Park Surgical Center, L.L.C. an Illinois limited liability company
TENANT'S CURRENT ADDRESS:	9550 W. 167th Street Orland Park, IL 60467
PREMISES:	7,079 sq. ft. of first floor (See Exhibit "A" attached hereto for plan of Premises)
RENTABLE AREA:	7,079 sq. ft.

COMMENCEMENT DATE: January 1, 2002, or such earlier or later date when Premises have been substantially completed and all permits necessary to operate surgery center have been obtained.

TERMINATION DATE:	Five (5) years after Commencement Date.
ANNUAL BASE RENT:	$25.00/sq. ft.
TENANT'S PROPORTIONATE SHARE:	21%
SECURITY DEPOSIT:	Two (2) month's annual base rent
CPI FACTOR:	
REAL ESTATE BROKER:	None

LEASE EXECUTION DATE: October __, 2001

The reference page information and definitions are incorporated into and made a part of the Lease.

LANDLORD:

Midwest Physician Group, Ltd.
an Illinois medical corporation

By: David F Thoms
Name: DAVID F. THOMS
Title: CEO MPL

TENANT:

Orland Park Surgical Center, L.L.C.
an Illinois limited liability Company

By: Robert J. Eckman
Name: Robert J. ECKMAN
Title: Vice President

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LEASE

AGREEMENT OF AMBULATORY SURGICAL CENTER LEASE (hereinafter referred to as the "Lease") made as of the Lease Execution Date between Landlord and Tenant;

WITNESSETH:

Landlord hereby agrees to lease to Tenant, and Tenant hereby agrees to accept the Premises designated on the plan attached hereto as Exhibit A and containing the Rentable Area in the building commonly known as Midwest Physician Center (hereinafter referred to as the "Building") located on the property commonly known as 9550 W. 167th Street, in the City of Orland Park, Cook County, Illinois (hereinafter referred to, together with all present and future easements, additions, improvements and other rights appurtenant thereto, as the "Land"), subject to the terms and conditions of this Lease.

The Reference Page is hereby incorporated into and made a part of this Lease. All defined terms in this Lease shall have the same meaning in this Lease as set forth in the Reference Page.

In consideration thereof, Landlord and Tenant covenant and agree as follows:

1. TERM

The term of this Lease (hereinafter referred to as "Term") shall commence on the Commencement Date and end on the Termination Date, unless sooner terminated or extended further as provided herein.

2. BASE RENT

Tenant shall pay to Landlord or Landlord's agent at the office of Landlord in the Building, or at such other place as Landlord may from time to time designate in writing, in currency which, at the time of payment, is legal tender for private or public debts in the United States of America, the Annual Base Rent set forth on the Reference Page in equal monthly installments on or before the first day of each and every month during the Term, without demand and without any set-off or deduction whatsoever. Tenant shall pay the first full monthly installment of Annual Base Rent at the time of execution of this Lease. Any Annual Base Rent payable for a partial month shall be prorated based on the number of days in such partial month.

Tenant shall also pay to Landlord the sum of Four Hundred Thousand Dollars ($400,000) as Tenant's payment for Landlord's construction of Tenant's improvements in the Premises as contemplated by this Lease. Such sum shall be paid in installments in the form of Tenant reimbursing Landlord for Tenant's Allocated Share of all costs of

such construction when and as paid by Landlord, up to a maximum of such reimbursement of $400,000. "Tenant's Allocated Share" means $400,000 divided by $1,409,000 [insert total cost of construction], or 28.4%.

3. ADDITIONAL RENT

In addition to paying the Annual Base Rent specified in Section 2 hereof, Tenant shall pay as "Additional Rent" the amounts described in this Section 3. It is the intention of Landlord and Tenant that this Lease shall be deemed and construed to be a "net lease" and Annual Base Rent, Additional Rent and all other charges, costs and sums to be paid by Tenant hereunder shall be paid to Landlord absolutely net and without any charges, assessments, impositions, expenses or deductions of any kind or nature whatsoever. The Annual Base Rent, the Additional Rent and all other charges, costs and sums required to be paid by Tenant to Landlord under this Lease are sometimes herein collectively referred to as the "Rent." All Additional Rent shall be payable for the same periods and in the same manner, time and place as the Annual Base Rent. Without limitation on other obligations of Tenant which shall survive the expiration of the Term, the obligations of Tenant to pay Additional Rent shall survive the expiration of the Term. For any partial Calendar Year (as hereinafter defined), Tenant shall be obligated to pay only a pro rata share of the Additional Rent for such Calendar Year based on the number of days of the Term falling within such Calendar Year. Tenant recognizes that late payment of any Rent will result in administrative expenses to Landlord, the extent of which additional expenses are extremely difficult and economically impractical to ascertain. Tenant, therefore, agrees that, if Rent remains due and unpaid 5 days after said amount is due, such amount shall be increased by a late charge in an amount equal to the greater of: (a) $50; or (b) a sum equal to five percent (5%) of the unpaid Rent.

A. Definitions. As used in this Section 3, the terms:

(i) "Calendar Year" shall mean each calendar year in which any part of the Term falls, through and including the year in which the Term expires.

(ii) "Tenant's Proportionate Share" shall be deemed to be the percentage set forth on the Reference Page. Tenant's Proportionate Share has been calculated by Landlord on the following basis: the square feet of the Premises (7,079) as a percentage of the total square footage of the Building, including lobby, administration and common area. Tenant accepts Tenants' Proportionate Share as set forth on the Reference Page and the underlying calculation thereof.

(iii) "Taxes" shall mean all real estate taxes, assessments (whether they be general or special), sewer rents, rates and charges, transit taxes, taxes based upon the receipt of rent, and any other federal, state or local governmental charge, general, special, ordinary or extraordinary (but not including income or franchise taxes (other than personal property replacement income taxes) or any other taxes imposed upon or measured by Landlord's income or profits, unless the same shall be imposed in lieu of the real estate taxes or other ad valorem taxes), which may now or hereafter be levied,

imposed or assessed against the Building or the Land. (The Building and the Land are sometimes hereinafter collectively referred to as the "Real Property.")

Notwithstanding the foregoing provisions of this Section 3A(iii):

(a) If at any time during the Term the method of taxation then prevailing shall be altered so that any new tax, assessment, levy, imposition or charge or any part thereof shall be imposed upon Landlord in addition to, or in place or partly in place of any such Taxes, or contemplated increase therein, and shall be measured by or be based in whole or in part upon the Real Property or the rents or other income therefrom, then all such new taxes, assessments, levies, impositions or charges or part thereof, to the extent that they are so measured or based, shall be included in Taxes levied, imposed, or assessed against the Real Property to the extent that such items would be payable if the Real Property were the only property of Landlord subject thereto and the income received by Landlord from the Real Property were the only income of Landlord.

(b) Notwithstanding the year in which any such taxes or assessments are levied, (1) in the case of special taxes or special assessments which may be payable in installments, the amount of each installment, plus any interest payable thereon, paid during a Calendar Year shall be included in Taxes for that year, and (2) if any taxes or assessments payable during any Calendar Year shall be computed with respect to a period in excess of 12 calendar months, but not to exceed 13 calendar months, then taxes or assessments applicable to the excess period shall be included in Taxes for that year. Except as provided in the preceding sentence, all references to Taxes "for" a particular year shall be deemed to refer to taxes levied, assessed or otherwise imposed for such year without regard to when such taxes are payable.

(c) Taxes shall also include any personal property taxes (attributable to the calendar year in which paid) imposed upon the furniture, fixtures, machinery, equipment, apparatus, systems and appurtenances used in connection with the Real Property or the operation thereof.

(iv) "Operating Expenses" shall mean all expenses, costs and disbursements of every kind and nature (determined for the applicable Calendar Year on an annual basis) paid or incurred by Landlord in connection with the ownership, management, operation, maintenance and repair of the Land and Building, except the following:

(a) Costs of capital improvements to any tenant's premises;

(b) Brokerage commissions;

(c) Depreciation;

(d) Principal or interest payments on loans secured by mortgages or trust deeds on the Building or Land or rent payable on any ground lease of the Land;

(e) Costs of capital improvements to the Building, except that Operating Expenses shall include the cost of any capital improvement which is made by Landlord to bring the Land or Building into compliance with all governmental rules and regulations promulgated from time to time after the Lease Execution Date. Operating Expenses shall also include the cost of any capital improvement which is intended to reduce any component of Operating Expenses, as evenly amortized over the useful life of each such capital improvement with interest on the unamortized amount at the greater of (i) 12% per annum or (ii) 2% per annum above the prime rate or base rate or other comparable reference rate of interest announced from time to time by The First National Bank of Chicago, or other bank designated by Landlord if The First National Bank of Chicago is not at any time announcing a prime rate or base rate or other comparable reference rate (but in no event at a rate which is more than the highest lawful rate allowable in the State of Illinois) (the "Stipulated Rate").

B. Expense Adjustment. Tenant shall pay to Landlord or Landlord's agent as Additional Rent, an amount ("Expense Adjustment Amount") equal to Tenant's Proportionate Share of the amount of Operating Expenses incurred with respect to each Calendar Year. The Expense Adjustment Amount with respect to each Calendar Year shall be paid in monthly installments during such Calendar Year in an amount estimated from time to time by Landlord and communicated by written notice to Tenant. Landlord shall cause to be kept books and records showing Operating Expenses in accordance with an appropriate system of accounts and accounting practices consistently maintained. Following the close of each Calendar Year, Landlord shall cause the amount of the Expense Adjustment Amount for such Calendar Year to be computed based on Operating Expenses for such Calendar Year and shall deliver to Tenant a statement of such amount plus a statement of all estimated installments paid by Tenant with respect to such Calendar Year. Tenant shall pay to Landlord any deficiency shown by such statement within 30 days after receipt of such statement. If the installments paid exceed the amount due, and if Tenant is not then in default hereunder, Landlord shall either credit the excess against payments next due to Landlord from Tenant hereunder or, at Landlord's option, refund the excess to Tenant. Delay in computation of the Expense Adjustment Amount shall not be deemed a default hereunder or a waiver of Landlord's right to collect the Expense Adjustment Amount.

C. Tax Adjustment. Tenant shall pay to Landlord or Landlord's agent as Additional Rent, an amount ("Tax Adjustment Amount") equal to Tenant's Proportionate Share of the amount of Taxes payable for each Calendar Year. The Tax Adjustment Amount with respect to each Calendar Year shall be paid in monthly installments during such Calendar Year in an amount estimated from time to time by Landlord and communicated by written notice to Tenant. If any portion of Taxes for any Calendar Year are payable in whole or in part before the end of such Calendar Year, Tenant shall,

within 30 days after the written request of Landlord, promptly pay its Proportionate Share of such payment as a special installment, after deducting installments previously paid by Tenant under this Section 3C for such Calendar Year. Following the final payment of Taxes for each Calendar Year, Landlord shall cause the amount of the Tax Adjustment Amount for such Calendar Year to be computed and deliver to Tenant a statement of such amount plus a statement of all estimated installments paid by Tenant for such Calendar Year. Tenant shall pay to Landlord any deficiency shown by such statement within 30 days after receipt of such statement. If the installments paid exceed the actual amount due, and, if Tenant is not then in default hereunder, Landlord shall either credit the excess against payments next due to Landlord from Tenant hereunder or, at Landlord's option, refund the excess to Tenant. The amount of any refund of Taxes received by Landlord shall be credited against Taxes for the year in which such refund is received. Delay in computation of the Tax Adjustment Amount shall not be deemed a default hereunder or a waiver of Landlord's right to collect the Tax Adjustment Amount.

D. Base Rent Adjustment.

(i) Definitions:

(a) "Adjustment Date" shall mean the first day of the Term and each January 1 thereafter occurring within the Term.

(b) "Adjustment Year" shall mean each calendar year during which an Adjustment Date occurs.

(c) "Consumer Price Index" shall mean the U.S. City Average Consumer Price Index for All Urban Consumers for All Items (Base Year 1982-1984=100) ("CPI") as published by the United States Department of Labor, Bureau of Labor Statistics. If the manner in which the CPI is determined by the Bureau of Labor Statistics shall be substantially revised, including without limitation a change in the base index year, an adjustment shall be made by Landlord in such revised index which would produce results equivalent, as nearly as possible, to those which would have been obtained if such CPI had not been so revised. If the CPI shall become unavailable to the public because publication is discontinued, or otherwise, or, if equivalent data is not readily available to enable Landlord to make the adjustment referred to in the preceding sentence, then Landlord will substitute therefor a comparable index based upon changes in the cost of living or purchasing power of the consumer dollar published by any other governmental agency or, if no such index shall be available, then a comparable index published by a major bank or other financial institution or by a university or a recognized financial publication. If the percentage change in the CPI is negative, it shall be deemed to be zero for purposes of making calculations hereunder.

(d) "Base Consumer Price Index" shall mean the CPI for the December preceding the Commencement Date.

(ii) CPI Adjustment. Commencing with the Adjustment Year in which the second Adjustment Date occurs, Annual Base Rent shall be increased by an amount equal to the product of Annual Base Rent in effect at the Adjustment Date, multiplied by the CPI Factor, multiplied by the percentage increase, if any, in the CPI for the December preceding each Adjustment Date, over the Base Consumer Price Index (said adjustment being called the "Base Rent Adjustment"); provided, however, that in no event shall the Base Rent Adjustment, as so computed with respect to any Adjustment Year, be less than 3% or the highest Base Rent Adjustment as computed herein with respect to any preceding Adjustment Year.

(iii) Payment of Base Rent Adjustment. Tenant shall pay the Base Rent Adjustment, effective as of the Adjustment Date with respect to each Adjustment Year, as follows:

(a) Tenant shall pay Landlord on or before the first day of each month of each Adjustment Year an amount equal to 1/12 of the Base Rent Adjustment, except as herein provided. Landlord shall furnish Tenant a notice ("CPI Notice") showing the Consumer Price Index and the amount of Tenant's Base Rent Adjustment with respect to such Adjustment Year after Landlord shall have ascertained the Consumer Price Index to be used in calculating the Base Rent Adjustment with respect to an Adjustment Year.

(b) Until such time as Landlord furnishes a CPI Notice, Tenant shall continue to pay to Landlord monthly installments of Base Rent Adjustment in an amount equal to the latest monthly installment of Base Rent Adjustment. On or before the first day of the next calendar month following the Landlord's service of a CPI Notice, Tenant shall pay any amounts owed by Tenant, if any, for monthly installments of Base Rent Adjustment retroactive to the beginning of the period covered by such CPI Notice, and the Rent payable for each month of the then current Calendar Year shall be increased to reflect such adjustment. Amounts previously paid by Tenant in excess of the Base Rent Adjustment, if any, shall be credited against installments of Base Rent Adjustment payable after the date of the CPI Notice until exhausted.

E. Books and Records. Landlord shall maintain books and records showing Operating Expenses, Taxes, and expenses contemplated in Paragraph 6 below (collectively "Books and Records") in accordance with Generally Accepted Accounting Principles and sound management practices. Tenant (or its representative who is a certified public accountant licensed to do business in Illinois) shall have the right to audit, during regular business hours, the Books and Records within fourteen (14) days after Tenant receives Landlord's annual statements pursuant to Paragraphs 3(B), 3(C) or 6(B) or within seven (7) days after Tenant receives Landlord's monthly statement pursuant to Paragraph 6(B). Unless Tenant shall take written exception to any items within thirty (30) days after Tenant receives Landlord's statements, Landlord's statements shall be considered final and accepted by Tenant. Any amount due to Landlord as shown on such statements, whether or not disputed by Tenant, shall be paid by Tenant when due as provided herein, without prejudice to any written exception taken by Tenant. Tenant

shall receive the benefit of any refund due to any error discovered. In addition, Tenant shall be reimbursed for the reasonable costs of the audit if the error amounts to 25% or more of the Operating Expenses, Taxes or expenses contemplated in Paragraph 6 charged to Tenant for the Calendar Year or month, as applicable.

4. USE OF THE PREMISES

A. Reserved Areas. This Lease does not give Tenant any right to use, and Landlord hereby excludes and reserves for its sole and exclusive use, the following areas in and about the Premises: janitor closets, stairways and stairwells, fan, mechanical, electrical, telephone and similar rooms (other than those installed for Tenant's exclusive use); elevator, pipe and other vertical shafts, flues and ducts; all areas above the acoustical ceiling and below the finished floor covering installed in the Premises; all other structural or mechanical elements serving other areas of the Building; and all subterranean, mineral, air, light and view rights.

B. Permitted Use. Tenant shall use and occupy the Premises for the purpose of owning and operating an ambulatory surgery treatment center and incidental related purposes.

C. Compliance with Laws. Tenant shall not use or permit the use of any part of the Premises for any purpose prohibited by law. Tenant shall, at its sole expense, comply with and conform to all of the requirements of all governmental authorities having jurisdiction over the Building which relate in any way to the condition, use and occupancy of the Premises throughout the entire Term of this Lease.

5. POSSESSION

A. Possession of the Premises shall be tendered to Tenant by Landlord on the Commencement Date. Landlord's obligations shall not be deemed incomplete if only insubstantial details of construction, decoration or mechanical adjustments remain to be done. The determination of Landlord's architect or interior space planner for the Building shall be final and conclusive on Tenant as to whether such obligations have been substantially completed.

B. If Landlord's obligations to improve the Premises are substantially completed prior to the Commencement Date and Landlord agrees in writing, without in any way being bound to so agree, Tenant may take possession of the Premises or part thereof prior to the Commencement Date. In such event, all of the covenants and conditions of this Lease shall be binding upon the parties hereto with respect to such whole or part of the Premises as of the date when Tenant took possession and Tenant shall pay Annual Base Rent at the initial annual rate stated herein, without abatement, prorated for the period of such occupancy prior to the Commencement Date. If less than the whole Premises are occupied, Rent shall also be prorated based on the percentage the occupied portion comprises of the full Premises.

C. Under no circumstances shall the occurrence of any of the events described in this Section 5 be deemed to accelerate or defer the Termination Date.

D. Tenant's taking possession of any portion of the Premises shall be conclusive evidence that such portion of the Premises was in good order and satisfactory condition when the Tenant took possession, except as to defects contained on a punch list to be prepared and signed by Landlord and Tenant based on an inspection made prior to the date on which Tenant takes possession of such portion of the Premises; provided, however, that if the Premises are not available to Tenant for such inspection prior to the date on which Tenant takes possession, such punch list shall be prepared and signed by Landlord and Tenant within seven days after Tenant takes possession of such portion of the Premises. Landlord shall promptly correct all defects noted on such agreed punch list. No promise of the Landlord to construct, alter, remodel or improve the Premises or the Building and no representation by Landlord or its agents respecting the condition of the Premises or the Building have been made to Tenant or relied upon by Tenant other than as may be contained in this Lease.

6. SERVICES

A. List of Services. Landlord shall provide the following services:

(i) Heating and air conditioning when necessary for normal comfort in the Premises, from Monday through Friday, during the period from 8 a.m. to 5 p.m. and on Saturday during the period from 8 a.m. to 12 noon, excluding holidays. Tenant will pay for all heating and air conditioning requested and furnished prior to or following such hours and on Sundays and holidays at rates to be established from time to time by Landlord. Landlord's obligations with respect to heating and air conditioning are subject to all governmental rules, regulations and guidelines applicable thereto.

(ii) Water from the regular Building outlets for drinking, lavatory, toilet, and special surgical purposes at all times.

(iii) Janitorial services as specified in Exhibit C attached hereto and made a part hereof.

(iv) Window washing of the inside and outside of those windows in the Building's perimeter walls which are situated in the Premises at intervals to be determined by Landlord.

(v) Adequate automatic passenger elevator service in common with other Tenants at all times.

(vi) Freight elevator services for normal office deliveries during normal business hours subject to scheduling by Landlord.

Landlord also shall provide adequate electrical wiring and facilities for standard building lighting fixtures provided by Landlord and for Tenant's incidental uses. Tenant shall bear the cost of replacement of all lamps, tubes, ballasts and starters for lighting fixtures. With respect to such incidental uses, adequate electrical wiring and facilities will be furnished in the Premises by Landlord, provided that (a) the connected electrical load of the incidental use equipment does not exceed an average of 1 watt per square foot of the Premises; (b) the electricity so furnished for incidental uses will be at a nominal 120 volts and no electrical circuit for the supply of such incidental use will have a current capacity exceeding 15 amperes; and (c) such electricity will be used only for equipment and accessories normal to office usage. If Tenant's requirements for electricity for incidental uses are in excess of those set forth in the preceding sentence, Landlord reserves the right to require Tenant to install the conduit, wiring and other equipment necessary to supply electricity for such excess incidental use requirements at Tenant's expense by arrangement with Commonwealth Edison Company or another approved local utility.

B. Electricity. Landlord shall furnish all electric energy consumed in the Premises during the Term of this Lease. Separate submeters will be installed by Landlord to measure Tenant's consumption of electricity and Tenant shall obtain all current used in the Premises from Landlord and shall pay to Landlord the charges therefor as Additional Rent. The charges for electricity with respect to each Calendar Year shall be paid in monthly installments during such Calendar Year in an amount estimated from time to time by Landlord and communicated by written notice to Tenant. The charge for electricity which Tenant shall pay shall be the amount which Tenant would pay for such electricity if the same were billed directly to Tenant by the local electric utility company at such utility company's current retail rates. Following the close of each Calendar Year, Landlord shall compute the amount of electricity consumed by Tenant and the charges therefor (in the manner set forth in this paragraph) and shall deliver to Tenant a statement of such amount plus a statement of all estimated installments paid by Tenant with respect to such Calendar Year. Tenant shall pay to Landlord any deficiency shown by such statement within 30 days after delivery of such statement. If the installments paid exceed the amount due, and if Tenant is not then in default hereunder, Landlord shall either credit the excess against electricity payments next due to Landlord from Tenant hereunder or, at Landlord's option, refund the excess to Tenant. Delay in computation of the electricity charge shall not be deemed a default hereunder or a waiver of Landlord's right to collect said charge. Tenant's failure to pay either the monthly installment or the annual charge for electricity shall entitle Landlord, upon not less than 10 day's notice, to discontinue furnishing electricity to Tenant and shall constitute a default hereunder. Without limiting the generality of the foregoing, all electricity used during janitor service, alterations and repairs to the Premises shall also be paid for by Tenant.

C. Interruption of Services. Except for the limited abatement of Rent upon a fire or casualty described in Section 11, Tenant agrees that Landlord shall not be liable in damages, by abatement of Rent or otherwise, for failure to furnish or delay in furnishing any service, or for any diminution in the quality or quantity thereof, when such failure or

delay or diminution is occasioned, in whole or in part, by repairs, renewals, or improvements, by any strike, lockout or other labor trouble, by inability to secure electricity, gas or other fuel, or water, by any accident or casualty whatsoever, by act or default of Tenant or other parties, or by any cause beyond Landlord's reasonable control. Such failures or delays or diminution shall never be deemed to constitute an eviction or disturbance of Tenant's use and possession of the Premises or relieve Tenant from paying Rent or performing any of its obligations under this Lease; provided, however, that Landlord will use reasonable efforts to promptly remedy any situation which might interrupt such services.

D. Charges for Services. Charges for any service for which Tenant is required to pay, from time to time hereunder, including, but not limited to, after hours freight elevator services or after hours heating or air conditioning shall be due and payable at the same time as the installment of Rent with which they are billed, or if billed separately, shall be due and payable within 10 days after such billing. If Tenant shall fail to make payment for any such services, Landlord may, with notice to Tenant, discontinue any or all of such services and such discontinuance shall not be deemed to constitute an eviction or disturbance of Tenant's use and possession of the Premises or relieve Tenant from paying Rent or performing any of its other obligations under this Lease.

E. Energy Conservation. Notwithstanding anything to the contrary in this Section 6 or elsewhere in this Lease, Landlord shall have the right to institute such policies, programs and measures as may be necessary or desirable, in Landlord's discretion, for the conservation and/or preservation of energy or energy related services, or as may be required to comply with any applicable codes, rules and regulations, whether mandatory or voluntary.

7. REPAIRS

Tenant will, at Tenant's own expense, keep the Premises in good order, repair and condition at all times during the Term, and Tenant shall promptly and adequately repair all damage to the Premises and replace or repair all damaged or broken fixtures, equipment and appurtenances with materials equal in quality and class to the original materials, under the supervision and subject to the approval of Landlord, and within any reasonable period of time specified by Landlord. If Tenant does not do so, Landlord may, but need not, make such repairs and replacements, and Tenant shall pay Landlord the cost thereof, including Landlord's Costs, forthwith upon being billed for same. (As used in this Lease, the term "Landlord's Costs" shall mean 15% of any costs or expenses paid by Landlord, in order to reimburse Landlord for all overhead, general conditions, fees and other costs and expenses arising from Landlord's actions or involvement). Landlord may, but shall not be required to, enter the Premises at all reasonable times to make such repairs, alterations, improvements and additions to the Premises or to the Building or to any equipment located in the Building as Landlord shall desire or deem necessary or as Landlord may be required to do by governmental authority or court order or decree.

8. ADDITIONS AND ALTERATIONS

Tenant shall not, without the prior written consent of Landlord, make any alterations, improvements or additions to the Premises. Landlord's refusal to give said consent shall be conclusive. If Landlord consents to said alterations, improvements or additions, it may impose such conditions with respect thereto as Landlord deems appropriate, including, without limitation, requiring Tenant to furnish Landlord with security for the payment of all costs to be incurred in connection with such work, insurance against liabilities which may arise out of such work, plans and specifications plus permits necessary for such work and "as-built" drawings or an accurately marked record set of drawings showing the actual location of said alterations, improvements and additions. The work necessary to make any alterations, improvements or additions to the Premises, whether prior to or subsequent to the Commencement Date, shall be done at Tenant's expense by employees of or contractors hired by Landlord except to the extent Landlord gives its prior written consent to Tenant's hiring its own contractors. Tenant shall promptly pay to Landlord or Tenant's contractors, as the case may be, when due, the cost of all such work and of all decorating required by reason thereof. Tenant shall also pay to Landlord, Landlord's Costs for such work, forthwith upon being billed for the same. Upon completion of such work Tenant shall deliver to Landlord, if payment is made directly to contractors, evidence of payment, contractors' affidavits and full and final waivers of all liens for labor, services or materials all in form satisfactory to Landlord. Tenant shall defend and hold Landlord harmless from all costs, damages, liens and expenses related to such work, whether or not Landlord or Tenant performed such work. All work done by Tenant or its contractors pursuant to Section 7 or 8 shall be done in a first-class workmanlike manner using only good grades of materials and shall comply with all insurance requirements and all applicable laws and ordinances and rules and regulations of governmental departments or agencies.

9. COVENANT AGAINST LIENS

Tenant has no authority or power to cause or permit any lien or encumbrance of any kind whatsoever, whether created by act of Tenant, operation of law or otherwise, to attach to or be placed upon Landlord's title or interest in the Land, Building or Premises, and any and all liens and encumbrances created by Tenant shall attach to Tenant's interest only. Tenant covenants and agrees not to suffer or permit any lien of mechanics or materialmen or others to be placed against the Land, Building or the Premises with respect to work or services claimed to have been performed for or materials claimed to have been furnished to Tenant or the Premises, and, in case of any such lien attaching, or claim thereof being asserted, Tenant covenants and agrees to cause it to be immediately released and removed of record, unless it is being contested in good faith by Tenant in such a manner that the Land, Building and/or Premises are not subject to a risk of imminent sale, foreclosure or other disposition. In the event that such lien is not immediately released and removed or is being so contested, Landlord, at its sole option, may take all action necessary to release and remove such lien (without any duty to investigate the validity thereof) and Tenant shall promptly upon notice reimburse

Landlord for all sums, costs and expenses (including reasonable attorneys' fees and Landlord's Costs) incurred by Landlord in connection with such lien.

10. INSURANCE

A. Coverage. Tenant shall maintain at its sole expense during any period of occupancy prior to the Commencement Date and throughout the Term, with insurance companies authorized to do business in the State of Illinois having a Policyholders Rating and a Financial Rating satisfactory to Landlord, and in form and on terms and conditions satisfactory from time to time to Landlord, the following types of insurance:

(i) commercial general liability insurance for bodily injury, death and damage to property of others, including tenant's legal liability and blanket contractual liability, with respect to all business conducted in, at, upon or from the Premises and the use and occupancy thereof and the use of the common areas of the Building including the activities, operations and work conducted or performed by Tenant, by any other person on behalf of Tenant, by those for whom Tenant is in law responsible and by any other person on the Premises. The aforesaid policy or policies shall be written with inclusive limits of not less than $2,000,000 for any one accident or occurrence or such higher limits as Landlord shall reasonably require from time to time;

(ii) property damage insurance on an "All Risks" basis, including extended coverage endorsement for the risks of earthquake and flood and such additional perils as Landlord shall reasonably require from time to time with respect to Tenant's fixtures, Tenant's furnishings, Tenant's equipment, the Premises and leasehold improvements, and such other property in or forming part of the Premises as Landlord may from time to time require. The aforesaid policy or policies shall be written with insurance limits of not less than the full replacement cost thereof, shall include a Replacement Cost Endorsement and an Agreed Amount Endorsement, with permission to replace at any site, subject only to such deductibles and exclusions as Landlord may approve. If there is a dispute as to the amount which represents full replacement cost, the decision of Landlord shall be conclusive; and

(iii) such other insurance as Landlord may reasonably require having regard to the risks which are customarily insured against by prudent tenants of similar premises.

B. Physical Damage Insurance. All policies of physical damage insurance required to be effected by Tenant on property covered under this paragraph shall be non-contributing with, and shall apply only as primary and not as excess to, any other insurance available to Landlord where Landlord also has any interest in the property and shall include Landlord as named insured as its interest may appear with respect to the Premises and the leasehold improvements. The Policy shall provide that any loss is to be adjusted with Landlord only and shall provide that any proceeds recoverable in the event of damage to the Premises and the leasehold improvements shall be payable to Landlord, Tenant hereby waiving any and all right, title, interest or claim in and to such insurance

policies or the proceeds thereof (but Landlord agrees to make available such proceeds towards the repair or replacement of the insured property if this Lease is not terminated pursuant to any other provision hereof). Tenant agrees to execute and deliver to Landlord any and all releases, directions or other instruments that may be required for Landlord to settle and adjust and effect collection on any policies of insurance. Landlord and Tenant each hereby waive any and every claim for recovery from the other for any and all loss of or damage to the Building or Premises or to the contents thereof, which loss or damage is covered by valid and collectible physical damage insurance policies, to the extent that such loss or damage is recoverable under said insurance policies. Inasmuch as this mutual waiver will preclude the assignment of any such claim by subrogation (or otherwise) to an insurance company (or any other person), Landlord and Tenant each agree to give to each insurance company which has issued, or in the future may issue, to it policies of physical damage insurance, written notice of the terms of this mutual waiver, and to have said insurance policies properly endorsed, if necessary, to prevent the invalidation of said insurance coverage by reason of said waiver.

C. Liability Insurance. All policies of liability insurance required to be effected by Tenant shall include Landlord as named insured and in addition shall contain crossliability and severability clauses protecting Landlord with respect to claims by Tenant or other persons or both as if Landlord were separately insured. If both Landlord and Tenant have claims to be indemnified under any such liability insurance, the indemnity shall be first applied to the settlement of the claim of Landlord and the balance to the settlement of the claim of Tenant.

D. Notice of Cancellation. All policies of insurance required to be effected by Tenant shall contain firm provisions prohibiting the insurer from materially altering to the detriment of Landlord or cancelling the coverage or allowing it to lapse without first giving Landlord at least 30 days prior to written notice thereof. In addition, all policies of insurance shall contain a clause that states that the coverage shall not be invalidated by any act or omission of Landlord.

E. Deliver Policies. Tenant shall deliver to Landlord not less than 10 days before the Commencement Date or any expiration date of the policies of insurance, copies of current policies or certificates of insurance together with paid receipts or other proof as may be required by Landlord to establish Tenant's insurance coverage in effect from time to time and the payment of premiums thereon. If Tenant fails to insure or pay premiums or to deliver satisfactory proof thereof as so required, Landlord may but shall not be obligated to procure such insurance on behalf of Tenant and Tenant shall pay to Landlord forthwith on demand the cost of procuring such insurance.

F. Avoid Action Increasing Rates. Tenant shall not keep or use in or upon the Premises any article which may be prohibited by any insurance policy in force from time to time covering the Premises or the Building. If the occupancy of the Premises, the conduct of business in the Premises or any act or omission of Tenant in the Premises, causes or results in any increase in premiums for the insurance carried from time to time

by Landlord with respect to the Building, Tenant shall pay to Landlord forthwith on demand the cost of any increase in premiums.

G. Landlord Insurance. Throughout the Term of the Lease, Landlord shall maintain: (1) comprehensive general liability insurance covering the portion of the Building not leased to Tenant with a combined single limit for bodily injury and property damage of not less that $2,000,000; and (2) casualty insurance covering the Building (including any of the improvements installed by Landlord in the Premises) against loss, damage or destruction by fire and the perils specified in the standard extended coverage endorsement, in an amount not less than the then current replacement value of the Building.

11. FIRE OR CASUALTY

A. Section 7 hereof notwithstanding, if the Premises or the Building (including machinery or equipment used in its operation) shall be damaged by fire or other casualty and if such damage does not render all or a substantial portion of the Premises or Building untenantable, then Landlord shall repair and restore the same with reasonable promptness, subject to reasonable delays for insurance adjustments and delays caused by matters beyond Landlord's reasonable control, but shall not be obligated to expend therefor an amount in excess of the proceeds of insurance re covered with respect thereto. If any such damage renders all or a substantial portion of the Premises or Building untenantable, Landlord shall have the right to terminate this Lease as of the date of such damage (with appropriate prorations of Rent being made for Tenant's possession subsequent to the date of such damage of those tenantable portions of the Premises) upon giving written notice to Tenant at any time within 60 days after the date of such damage. Landlord shall have no liability to Tenant, and Tenant shall not be entitled to terminate this Lease, by virtue of any delays in completion of such repairs and restoration. Rent, however, shall abate on those portions of the Premises as are, from time to time, untenantable as a result of such damage.

B. For purposes of this Section 11 only, Landlord shall repair or restore any portion of the alterations, additions or improvements in the Premises or the decorations thereto to the extent that such alterations, additions, improvements and decorations were provided by Landlord at the beginning of the Term or specifically approved of by Landlord during the Term as provided in Section 8. Landlord shall have no further obligation pursuant to this Lease to repair or restore any alterations, additions or improvements in the Premises or the decorations thereto. If Tenant desires any other or additional repairs or restoration and if Landlord consents thereto, the same shall be done at Tenant's sole cost and expense subject to all of the provisions of Sections 7 and 8 hereof. Tenant acknowledges that Landlord shall be entitled to the full proceeds of any insurance coverage, whether carried by Landlord or Tenant, for damage to alterations, additions, improvements or decorations. Provided, however, that in the case of fire, casualty or condemnation which results in the termination of this Lease, in whole or in part, Tenant shall be entitled to receive from the insurance proceeds, condemnation award or other monies paid to Landlord in consideration of the fire, casualty or condemnation,

Tenant's Allocated Share of the unamortized leasehold improvement cost (as defined at §22 (iii) below).

12. WAIVER OF CLAIMS - INDEMNIFICATION

To the extent not prohibited by law, Landlord and Landlord's beneficiaries, and their respective partners, affiliates, officers, agents, servants and employees shall not be liable for any damage either to person, property or business or resulting from the loss of use thereof sustained by Tenant or by other persons due to the Building or any part thereof or any appurtenances thereof becoming out of repair, or due to the happening of any accident or event in or about the Building, including the Premises, or due to any act or neglect of any tenant or occupant of the Building or of any other person. This provision shall apply particularly, but not exclusively, to damage caused by gas, electricity, snow, ice, frost, steam, sewage, sewer gas or odors, fire, water or by the bursting or leaking of pipes, faucets, sprinklers, plumbing fixtures and windows, and shall apply without distinction as to the person whose act or neglect was responsible for the damage and whether the damage was due to any of the causes specifically enumerated above or to some other cause of an entirely different kind. Tenant further agrees that all personal property upon the Premises, or upon loading docks, receiving and holding areas, or freight elevators of the Building, shall be at the risk of Tenant only, and that Landlord shall not be liable for any loss or damage thereto or theft thereof. Without limitation of any other provisions thereof, Tenant agrees to defend, protect, indemnify and save harmless Landlord and Landlord's beneficiaries and their respective partners, affiliates, officers, agents, servants and employees from and against all liability to third parties arising out of the use of the Premises or acts of Tenant or its servants, agents, employees, contractors, suppliers, workers or invitees.

13. NONWAIVER

No waiver of any provision of this Lease shall be implied by any failure of Landlord to enforce any remedy on account of the violation of such provisions, even if such violation be continued or repeated subsequently, and no express waiver shall affect any provision other than the one specified in such waiver and that one only for the time and in the manner specifically stated. No receipt of monies by Landlord from Tenant after the termination of this Lease shall in any way alter the length of the Term or of Tenant's right of possession hereunder or after the giving of any notice shall reinstate, continue or extend the Term or affect any notice given Tenant prior to the receipt of such monies, it being agreed that after the service of notice or the commencement of a suit or after final judgment for possession of the Premises, Landlord may receive and collect any Rent due, and the payment of said Rent shall not waive or affect said notice, suit or judgment.

14. CONDEMNATION

If the Land or the Building or any portion thereof shall be taken or condemned by any competent authority for any public or quasi-public use or purpose (a "taking"), or if

the configuration of any street, or alley, adjacent to the Building is changed by any competent authority and such taking or change in configuration makes it necessary or desirable to remodel or reconstruct the Building, Landlord shall have the right, exercisable at its sole discretion, to cancel this Lease upon not less than 90 days notice prior to the date of cancellation designated in the notice. No money or other consideration shall be payable by Landlord to Tenant for the right of cancellation and Tenant shall have no right to share in the condemnation award or in any judgment for damages caused by such taking or change in configuration, except as set forth in Paragraph 11B.

15. ASSIGNMENT AND SUBLETTING

A. Tenant shall not, without the prior written consent of Landlord (which consent may be withheld arbitrarily except as provided below), (i) assign, convey or mortgage this Lease or any interest hereunder; (ii) permit to occur or permit to exist any assignment of this Lease, or any lien upon Tenant's interest, voluntarily or by operation of law; (iii) sublet the Premises or any part thereof; or (iv) permit the use of the Premises by any parties other than Tenant and its employees. Any such action on the part of Tenant shall be void and of no effect. The term "sublease" and all words derived therefrom, as used in this Section 15, shall include any subsequent sublease or assignment of such sublease and any other interest arising under such sublease. Landlord's consent to any assignment, subletting or transfer or Landlord's election to accept any assignee subtenant or transferee as the tenant hereunder and to collect rent from such assignee, subtenant or transferee shall not release Tenant or any subsequent tenant from any covenant or obligation under this Lease. Landlord's consent to any assignment, subletting or transfer shall not constitute a waiver of Landlord's right to withhold its consent to any future assignment, subletting, or transfer. Landlord may condition its consent upon execution by the subtenant or assignee of an instrument confirming such restrictions on further subleasing or assignment and joining in the waivers and indemnities made by Tenant hereunder.

B. If Tenant desires the consent of Landlord to an assignment or subletting, Tenant shall submit to Landlord at least 30 days prior to the proposed effective date of the assignment or sublease a written notice which includes:

(i) all documentation then available related to the proposed sublease or assignment (copies of final executed documentation to be supplied on or before the effective date); and

(ii) sufficient information to permit Landlord to determine the identity and character of the proposed subtenant or assignee and the financial condition of the proposed assignee.

C. If Landlord does not terminate this Lease, in whole or in part, pursuant to Section 15D it may, nevertheless withhold its consent to such assignment or subletting if:

(i) in the reasonable judgment of Landlord the subtenant or assignee is of a character or engaged in a business which is not in keeping with the standards maintained by Landlord in the Building; or

(ii) in the reasonable judgment of Landlord the subtenant or assignee does not have a financial condition or financial or moral responsibility comparable to other tenants in the Building; or

(iii) in the reasonable judgment of Landlord the purpose for which the subtenant or assignee intends to use the subleased space is in violation of the terms of this Lease or the lease of any other tenant in the Building which prohibits such use, requires excessive use of the Building's mechanical systems or requires a large volume of pedestrian traffic; or

(iv) other vacant space in the Building is suitable for assignee's or sublessee's use; or

(v) if Tenant is in default.

D. In addition to withholding its consent, Landlord shall have the right to terminate this Lease as to that portion of the Premises which Tenant seeks to assign or sublet, whether by requesting Landlord's consent thereto or otherwise. Landlord may exercise such right to terminate by giving written notice to Tenant at any time prior to Landlord's written consent to such assignment or sublease. In the event that Landlord exercises such right to terminate, Landlord shall be entitled to recover possession of and Tenant shall surrender such portion of the Premises on the later of (i) the proposed date for possession by such assignee or subtenant, or (ii) 90 days after the date of Landlord's notice of termination to Tenant. If Landlord does not elect to terminate this Lease as aforesaid, but approves a proposed assignment or sublease, the original Tenant shall not be released from any covenant or obligation under this Lease.

E. In the event that Landlord consents to any assignment or sublease of any portion of the Premises, as a condition of Landlord's consent, if Landlord so elects to consent, Tenant shall pay to Landlord any attorneys' fees and expenses incurred by Landlord in connection with such assignment or sublease plus all profit derived by Tenant from such assignment or sublease. Tenant shall furnish Landlord with a sworn statement, certified by an independent certified public accountant, setting forth in detail the computation of profit (which computation shall be based upon generally accepted accounting principles), and Landlord, or its representatives, shall have access to the books, records and papers of Tenant in relation thereto, and to make copies thereof. Any rent in excess of that paid by Tenant hereunder for the Premises so assigned or sublet realized by reason of such assignment or sublease shall be deemed an item of such profit. If a part of the consideration for such assignment or sublease shall be payable other than in cash, the payment to Landlord shall be payable in such form as is satisfactory to Landlord. Tenant's profits shall be paid to Landlord promptly by Tenant upon Tenant's receipt from time to time of periodic payments from such assignee or subtenant or at such

other time as Tenant shall realize its profits from such assignment or sublease. If such sublease or assignment is part of a larger transaction in which other assets of Tenant are being transferred, the consideration for the assignment or sublease shall be the fair market value of such assignment or the fair market rental for such sublease, as reasonably determined by Landlord.

16. SURRENDER OF POSSESSION

All alterations, improvements and additions to the Premises, whether temporary or permanent in character, made or paid for by Landlord or Tenant, shall without compensation to Tenant become Landlord's property upon completion of such alterations, improvements and additions.

Upon the expiration of the Term or upon the termination of Tenant's right of possession, whether by lapse of time or at the option of Landlord as herein provided, Tenant shall forthwith surrender the Premises to Landlord in good order, repair and condition, ordinary wear and tear excepted, and shall, if Landlord so requires, remove those alterations, improvements and additions to the Premises including built-in furniture or shelves and all other attached items which Landlord shall request Tenant remove and restore the Premises to the condition existing at the beginning of the Term, ordinary wear and tear excepted. Prior to the termination of the Term or of Tenant's right of possession Tenant shall remove its office furniture, trade fixtures, office equipment and all other items of Tenant's movable property on the Premises. Tenant shall pay to Landlord upon demand the cost of repairing any damage to the Premises and to the Building caused by any removal plus Landlord's Costs. If Tenant shall fail or refuse to remove any property which it is required to remove from the Premises, Tenant shall be conclusively presumed to have abandoned the same, and title thereto shall thereupon pass to Landlord without any cost either by set-off, credit, allowance or otherwise, and Landlord may at its option accept the title to such property or at Tenant's expense may (i) remove the same or any part in any manner that Landlord shall choose, repairing any damage to the Premises caused by such removal, and (ii) store, destroy or otherwise dispose of the same without incurring liability to Tenant or any other person.

17. HOLDING OVER

Tenant shall pay to Landlord an amount as Rent equal to 200% of 1/12 of the Annual Base Rent and 200% of 1/12 of the Additional Rent payable by Tenant during the previous Calendar Year herein provided during each month or portion thereof for which Tenant shall retain possession of the Premises or any part thereof after the expiration or termination of the Term or of Tenant's right of possession, whether by lapse of time or otherwise. The provisions of this Section 17 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or at law or in equity.

18. ESTOPPEL CERTIFICATE

Tenant agrees, that, from time to time upon not less than 10 days prior request by Landlord, Tenant, or Tenant's duly authorized representative having knowledge of the following facts, will deliver to Landlord a statement in writing certifying (i) that this Lease is unmodified and in full force and effect (or if there have been modifications, a description of such modifications and that the Lease as modified is in full force and effect); (ii) the dates to which Rent and other charges have been paid; (iii) that the Landlord is not in default under any provision of this Lease, or, if in default, the nature thereof in detail; and (iv) such further matters as are set forth on the form of estoppel certificate attached hereto as Exhibit D and made a part hereof, or as may be requested by Landlord, it being intended that any such statement may be relied upon by any prospective assignee of any tenant of the Building, any mortgagees or prospective mortgagees thereof, or any prospective assignee of any mortgagee thereof, or any prospective and/or subsequent purchaser or transferee of all or a part of Landlord's interest in the Land and/or Building. Tenant shall execute and deliver whatever instruments may be required for such purposes, and in the event Tenant fails so to do within 10 days after demand in writing, Tenant shall be considered in default under this Lease.

19. OBLIGATIONS TO MORTGAGEES

A. Subordination. Upon request of Landlord, and any mortgagee or beneficiary of Landlord, Tenant will in writing subordinate its rights hereunder to the lien of any mortgage or deed of trust in force against all or any part of the Building. Any such subordination shall be subject to the condition that such mortgagee or beneficiary enters into a written agreement with Tenant, in recordable form, binding upon the successors and assigns of the parties thereto, by the terms of which such mortgagee or beneficiary agrees: (i) not to disturb the possession and other rights of Tenant under this Lease so long as Tenant continues to perform its obligations hereunder; (ii) in the event of acquisition of title, or coming into possession, by the mortgagee or beneficiary, through foreclosure proceedings, deed in lieu of foreclosure or otherwise, to accept Tenant as tenant of the Premises under the terms and conditions of this Lease accruing after such acquisition of title or coming into possession.

In the event any proceedings are brought for foreclosure, or in the event of the exercise of the power of sale under any mortgage or deed or trust made by Landlord covering the Premisses, Tenant shall attorn to the purchaser and recognize the purchaser as Landlord under this Lease; provided that the purchaser shall be obligated to acquire and accept the Premises subject to this Lease and to perform all of Landlord's obligations under the terms of this Lease accruing after such acquisition of title or coming into possession.

B. Notice to Landlord and Mortgagee. In the event of any act or omission by Landlord which would give Tenant the right to damages from Landlord or the right to terminate this Lease, Tenant will not sue for such damages or exercise any such right to terminate until (i) it shall have given written notice of the act or omission to Landlord and to the holder(s) of the indebtedness or other obligations secured by any mortgage or deed

of trust affecting the Premises or of any ground or underlying lease, if the name and address of such holder(s) have been furnished to Tenant, and (ii) a reasonable period of time, in light both of the time required to effect a remedy and of the impact of the act or omission on Tenant's business operations on the Premises, for remedying the act or omission has elapsed following the giving of the notice, during which time Landlord and such holder(s), or either of them, their agents or employees, will be entitled to enter upon the Premises and do therein whatever may be necessary to remedy the act or omission.

20. CERTAIN RIGHTS RESERVED BY LANDLORD

Landlord shall have the following rights, each of which Landlord may exercise without notice to Tenant and without liability to Tenant for damage or injury to property, person or business on account of the exercise thereof, and the exercise of any such rights shall not be deemed to constitute an eviction or disturbance of Tenant's use or possession of the Premises and shall not give rise to any claim for set-off or abatement of rent or any other claim:

(i) To change the name or street address of the Building.

(ii) To install, affix and maintain any and all signs on the exterior or interior of the Building.

(iii) To decorate or to make repairs, alterations, additions, or improvements, whether structural or otherwise, in and about the Building, or any part thereof, and for such purposes to enter upon the Premises, and during the continuance of any of said work, to temporarily close doors, entryways, public space and corridors in the Building and to interrupt or temporarily suspend services or use of facilities, all without affecting any of Tenant's obligations hereunder, so long as the Premises are reasonably accessible and usable.

(iv) To furnish door keys for the entry door(s) in the Premises at the commencement of the Lease and to retain at all times, and to use in appropriate instances, keys to all doors within and into the Premises. Tenant agrees to purchase only from Landlord additional duplicate keys as required, to change no locks, and not to affix locks on doors without the prior written consent of Landlord. Notwithstanding the provisions for Landlord's access to Premises, Tenant relieves and releases Landlord of all responsibility arising out of theft, robbery, pilferage and personal assault. Upon the expiration of the Term or Tenant's right to possession, Tenant shall return all keys to Landlord and shall disclose to Landlord the combination of any safes, cabinets or vaults left in the Premises.

(v) To designate and approve all window coverings used in the Building.

(vi) To approve the weight, size and location of safes, vaults, vertical files and other heavy equipment and articles in and about the Premises and the Building

so as not to exceed the legal live load per square foot designated by the structural engineers for the Building, and to require all such items and furniture and similar items to be moved into or out of the Building and Premises only at such times and in such manner as Landlord shall direct in writing. Tenant shall not install or operate machinery or any mechanical devices of a nature not directly related to Tenant's ordinary use of the Premises without the prior written consent of Landlord. Movements of Tenant's property into or out of the Building or Premises and within the Building are entirely at the risk and responsibility of Tenant, and Landlord reserves the right to require permits before allowing any property to be moved into or out of the Building or Premises.

(vii) To establish controls for the purpose of regulating all property and packages, both personal and otherwise, to be moved into or out of the Building and Premises and all persons using the Building after normal office hours.

(viii) To regulate delivery and service of supplies and the usage of the loading docks, receiving areas and freight elevators.

(ix) To show the Premises to prospective tenants at reasonable times and, if vacated or abandoned, to show the Premises at any time and to prepare the Premises for reoccupancy.

(x) To enter the Premises at any reasonable time to inspect the Premises.

(xi) To grant to any person or to reserve unto itself the exclusive right to conduct any business or render any service in the Building other than the business engaged in by the Tenant..

(xii) If Landlord elects to make available to tenants in the Building any services or supplies, or arranges a master contract therefor, Tenant agrees to obtain its requirements, if any, therefor from Landlord or under any such contract, provided that the charges therefor are reasonable.

21. RULES AND REGULATIONS

Tenant agrees to observe the rules and regulations for the Building attached hereto as Exhibit E and made a part hereof. Landlord shall have the right from time to time to prescribe additional rules and regulations which, in its judgment, may be desirable for the use, entry, operation and management of the Premises and Building, each of which rules and regulations and any amendments thereto shall become a part of this Lease. Tenant shall comply with all such rules and regulations; provided, however, that such rules and regulations shall not contradict or abrogate any right or privilege herein expressly granted to Tenant.

22. LANDLORD'S REMEDIES

If default shall be made in the payment of the Rent or any installment thereof or in the payment of any other sum required to be paid by Tenant under this Lease or under the terms of any other agreement between Landlord and Tenant and such default shall continue for 5 days after written notice to Tenant, or if default shall be made in the observance or performance of any of the other covenants or conditions in this Lease which Tenant is required to observe and perform and such default shall continue for 10 days after written notice to Tenant, or if a default involves a hazardous condition and is not cured by Tenant immediately upon written notice to Tenant, or if the interest of Tenant in this Lease shall be levied on under execution or other legal process, or if any voluntary petition in bankruptcy or for corporate reorganization or any similar relief shall be filed by Tenant, or if any involuntary petition in bankruptcy shall be filed against Tenant under any federal or state bankruptcy or insolvency act and shall not have been dismissed within 30 days from the filing thereof, or if a receiver shall be appointed for Tenant or any of the property of Tenant by any court and such receiver shall not have been dismissed within 30 days from the date of his appointment, or if Tenant shall make an assignment for the benefit of creditors, or if Tenant shall admit in writing Tenant's inability to meet Tenant's debts as they mature, or if Tenant defaults with respect to any other Lease between Tenant and Landlord, or if Tenant fails to take occupancy of the Premises when tendered, or if Tenant shall abandon or vacate the Premises during the Term, then Landlord may treat the occurrence of any one or more of the foregoing events as a breach of this Lease, and thereupon at its option may, with or without notice or demand of any kind to Tenant or any other person, have any one or more of the following described remedies in addition to all other rights and remedies provided at law or in equity or elsewhere herein:

(i) Landlord may terminate this Lease and the Term created hereby, in which event Landlord may forthwith repossess the Premises and be entitled to recover forthwith, in addition to any other sums or damages for which Tenant may be liable to Landlord, as damages (a) a sum of money equal to the excess of the present value of the Rent provided to be paid by Tenant for the balance of the Term over the present value of the fair market rent for the Premises, taking into account the time the Premises may be vacant and the expenses necessary to obtain a replacement tenant or tenants, and commissions and expenses relating to the recovery of the Premises, preparation for reletting and for reletting itself; (b) the unamortized leasehold improvement costs (as hereinafter defined) and (c) the cost of performing any other covenants to be performed by Tenant. For the purpose of determining present value, Landlord and Tenant agree that the interest rate shall be the rate applicable to the then-current yield on obligations of the U.S. Treasury having a maturity date on or about the Termination Date. Should the present value of the fair market rent for the Premises, after deduction of all anticipated expenses of reletting for the balance of the Term exceed the present value of the Rent provided to be paid by Tenant for the balance of the Term, Landlord shall have no obligation to pay to Tenant the excess or any part thereof or to credit such excess or any part thereof against any other sums or damages for which Tenant may be liable to Landlord.

(ii) Landlord may terminate Tenant's right of possession and may repossess the Premises by forcible entry and detainer suit, by taking peaceful possession or otherwise, without terminating this Lease, in which event and subject to Landlord's right to first rent other vacant areas in the Building, Landlord may, but shall be under no obligation to, relet the same (except to the extent required by applicable law) for the account of Tenant, for such rent and upon such terms as shall be satisfactory to Landlord. For the purpose of such reletting, Landlord is authorized to decorate, repair, remodel or alter the Premises. If Landlord shall fail to relet the Premises, Tenant shall pay to Landlord as damages a sum equal to the amount of the Rent reserved in this Lease for the balance of the Term as such Rent shall become due and payable hereunder from time to time during the Term. If the premises are relet and a sufficient sum shall not be realized from such reletting after paying all of the costs and expenses of all decoration, repairs, remodeling, alterations and additions and the expenses of such reletting and of the collection of the rent accruing therefrom to satisfy the Rent provided for in this Lease, Tenant shall satisfy and pay the same upon demand therefor from time to time. Tenant shall not be entitled to any rents received by Landlord in excess of the Rent provided for in this Lease. Tenant agrees that Landlord may file suit to recover any sums falling due under the terms of this Section 22 from time to time and that no suit or recovery of any portion due Landlord hereunder shall be any defense to any subsequent action brought for any amount not theretofore reduced to judgment in favor of Landlord.

(iii) For purposes hereof "unamortized leasehold improvement cost" shall mean the cost to Landlord of purchasing, fabricating and installing all improvements which were installed on the Premises by Landlord pursuant to this Lease prior to the beginning of the Term including interest thereon calculated by amortizing such costs over the Term with interest at the rate specified herein for delinquent Rent payments and multiplying the total costs and interest by a fraction, the numerator of which is the number of months of the Term not yet elapsed on the date the Term is terminated or Tenant's right to possession is terminated, as the case may be, and the denominator of which is the total number of months of the Term. For example, if the total cost to Landlord of installing such improvements was $10,000, the Term was 24 months, the interest rate was 10%, and the Lease was terminated by reason of Tenant's default at the end of 12 months, the unamortized leasehold improvement cost would be determined as follows:

($461.45 = monthly amortization) x 24 months
= $11,074.80 x 12/24 = $5,537.40

23. EXPENSES OF ENFORCEMENT

Each party shall pay upon demand all costs, charges and expenses including the fees and out-of-pocket expenses of counsel, agents and others retained by the other party, incurred by the other party in any litigation, negotiation or transaction in which a party causes the other party without the other party's fault to become involved or concerned. In the event of any litigation between Landlord and Tenant arising out of an alleged breach

of this Lease by either party and such litigation terminates upon the issuance of a final, unappealable judicial order, the unsuccessful party therein shall pay the successful party's reasonable attorney's fees and expenses in such litigation. This provision shall inure only to the Landlord and Tenant and their respective successors and permitted assigns, if any.

24. COVENANT OF QUIET ENJOYMENT

Landlord covenants that Tenant, on paying the Rent, charges for services and other payments herein reserved and on keeping, observing and performing all the other terms, covenants, conditions, provisions and agreements herein contained on the part of Tenant to be kept, observed and performed, shall, during the Term, peaceably and quietly have, hold and enjoy the Premises subject to the terms, covenants, conditions, provisions and agreements hereof.

25. SECURITY DEPOSIT

Tenant hereby deposits with Landlord the Security Deposit, as security for the prompt, full and faithful performance by Tenant of each and every provision of this Lease and of all obligations of Tenant hereunder.

A. If Tenant fails to perform any of its obligations hereunder, Landlord may use, apply or retain the whole or any part of the Security Deposit for the payment of (i) any Rent or other sums of money which Tenant may not have paid when due, (ii) any sum expended by Landlord on Tenant's behalf in accordance with the provisions of this Lease, and/or (iii) any sum which Landlord may expend or be required to expend by reason of Tenant's default, including, without limitation, any damage or deficiency in or from the reletting of the Premises as provided in Section 22. The use, application or retention of the Security Deposit, or any portion thereof, by Landlord shall not prevent Landlord from exercising any other right or remedy provided by this Lease or by law (it being intended that Landlord shall not first be required to proceed against the Security Deposit) and shall not operate as a limitation on any recovery to which Landlord may otherwise be entitled. If any portion of the Security Deposit is used, applied or retained by Landlord for the purposes set forth above, Tenant agrees, within 10 days after written demand there for is made by Landlord, to deposit cash with Landlord in an amount sufficient to restore the Security Deposit to its original amount. Within ten (10) days of any use, application or retention of the Security Deposit (or any portion thereof), Landlord shall provide to Tenant a detailed statement describing the basis for the use, application of retention ("Security Deposit Statement"). Landlord shall maintain books and records with respect to the items in the Security Deposit Statement in the same manner as provided in Paragraph 3E. Tenant shall have the right to audit, during regular business hours, such books and records within thirty (30) days after receipt of the Security Deposit Statement.

B. If Tenant shall fully and faithfully comply with all of the provisions of this Lease, the Security Deposit, or any balance thereof, shall be returned to Tenant without interest after the expiration of the Term or upon any later date after which Tenant has

vacated the Premises. In the absence of evidence satisfactory to Landlord of any permitted assignment of the right to receive the Security Deposit, or of the remaining balance thereof, Landlord may return the same to the original Tenant, regardless of one or more assignments of Tenant's interest in this Lease or the Security Deposit. In such event, upon the return of the Security Deposit, or the remaining balance thereof to the original Tenant, Landlord shall be completely relieved of liability under this Section 25 or otherwise with respect to the Security Deposit.

C. Tenant acknowledges that Landlord has the right to transfer or mortgage its interest in the Land and the Building and in this Lease and Tenant agrees that in the event of any such transfer or mortgage, Landlord shall have the right to transfer or assign the Security Deposit to the transferee or mortgagee. Upon such transfer or assignment, Landlord shall thereby be released by Tenant from all liability or obligation for the return of such Security Deposit and Tenant shall look solely to such transferee or mortgagee for the return of the Security Deposit.

26. [INTENTIONALLY OMITTED]

27. MISCELLANEOUS

A. Rights Cumulative. All rights and remedies of Landlord under this Lease shall be cumulative and none shall exclude any other rights and remedies allowed by law.

B. Interest. All payments becoming due under this Lease and remaining unpaid when due shall bear interest until paid at the greater of (i) 12% per annum or (ii) the Stipulated Rate (but in no event at a rate which is more than the highest rate which is at the time lawful in the State of Illinois).

C. Terms. The necessary grammatical changes required to make the provisions hereof apply either to corporations or partnerships or individuals, men or women, as the case may require, shall in all cases be assumed as though in each case fully expressed.

D. Binding Effect. Each of the provisions of this Lease shall extend to and shall, as the case may require, bind or inure to the benefit not only of Landlord and of Tenant, but also of their respective successors or assigns, provided this clause shall not permit any assignment by Tenant contrary to the provisions of Section 15 hereof.

E. Lease Contains All Terms. All of the representations and obligations of Landlord are contained herein and in the Work Letter, Riders, if any, and other Exhibits attached hereto, and no modification, waiver or amendment of this Lease or of any of its conditions or provisions shall be binding upon Landlord unless in writing signed by Landlord or by a duly authorized agent of Landlord empowered by a written authority signed by Landlord.

F. Delivery for Examination. Submission of the Lease for examination shall not bind Landlord in any manner, and no Lease or obligations of Landlord shall arise until this instrument is signed by both Landlord and Tenant and delivery is made to each, provided, however, the execution and delivery by Tenant of this Lease to Landlord or the Manager shall constitute an irrevocable offer by Tenant to lease the Premises on the terms and conditions herein contained, which offer may not be withdrawn or revoked for 30 days after such execution and delivery. If Tenant is a corporation, it shall deliver to Landlord concurrently with the delivery to Landlord of an executed Lease, certified resolutions of Tenant's directors authorizing execution and delivery of this Lease and the performance by Tenant of its obligations hereunder.

G. No Air Rights. No rights to any view or to light or air over any property, whether belonging to Landlord or any other person, are granted to Tenant by this Lease.

H. Modification of Lease. If any lender requires, as a condition to its lending funds the repayment of which is to be secured by a mortgage or trust deed on the Land and Building or either, that certain modifications be made to this Lease, which modifications will not require Tenant to pay any additional amounts or otherwise change materially the rights or obligations of Tenant hereunder, Tenant shall, upon Landlord's request, execute appropriate instruments effecting such modifications.

I. [INTENTIONALLY OMITTED]

J. Transfer of Landlord's Interest. Tenant acknowledges that Landlord has the right to transfer its interest in the Land and Building and in this Lease, and Tenant agrees that in the event of any such transfer Landlord shall automatically be released from all liability under this Lease and Tenant agrees to look solely to such transferee for the performance of Landlord's obligations hereunder. Tenant further acknowledges that Landlord may assign its interest in this Lease to a mortgage lender as additional security and agrees that such an assignment shall not release Landlord from its obligations hereunder and that Tenant shall continue to look to Landlord for the performance of its obligations hereunder.

K. Landlord's Title. Landlord's title is and always shall be paramount to the title of Tenant. Nothing herein contained shall empower Tenant to commit or engage in any act which can, shall or may encumber the title of Landlord.

L. Prohibition Against Recording. Neither this Lease, nor any memorandum, affidavit or other writing with respect thereto, shall be recorded by Tenant or by anyone acting through, under or on behalf of Tenant, and the recording thereof in violation of this provision shall make this Lease null and void at Landlord's election.

M. Captions. The captions of Paragraphs and subparagraphs are for convenience only and shall not be deemed to limit, construe, affect or alter the meaning of such paragraphs or subparagraphs.

N. Covenants and Conditions. All of the covenants of Tenant hereunder shall be deemed and construed to be "conditions," if Landlord so elects, as well as "covenants" as though the words specifically expressing or importing covenants and conditions were used in each separate instance.

O. Only Landlord/Tenant Relationship. Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent, partnership, joint venturer or any association between Landlord and Tenant, it being expressly understood and agreed that neither the method of computation of Rent nor any act of the parties hereto shall be deemed to create any relationship between Landlord and Tenant other than the relationship of landlord and tenant.

P. Application of Payments. Landlord shall have the right to apply payments received from Tenant pursuant to this Lease (regardless of Tenant's designation of such payments) to satisfy any obligations of Tenant hereunder, in such order and amounts, as Landlord in its sole discretion, may elect.

Q. Definition of Landlord. All indemnities, covenants and agreements of Tenant contained herein which inure to the benefit of Landlord shall be construed to also inure to the benefit of Landlord's officers, directors, agents and employees.

R. Time of Essence. Time is of the essence of this Lease and each of its provisions. However, whenever there is provided a time limitation for performance by either party of construction, repair, maintenance or service, the time provided for shall be extended but only to the extent that the delay is due to strikes, war, casualty, inability to obtain necessary materials, causes beyond the reasonable control of the party rendering such performance, acts of God, or otherwise specifically provided in this Lease.

S. Time for Performance. Whenever under the terms of this Lease the time for performance falls on a Saturday, Sunday or Legal Holiday as defined in 205 ILCS 630/17, as amended, such time for performance shall be on the next day that is not a Saturday, Sunday or Legal Holiday.

T. Governing Law. Interpretation of this Lease shall be governed by the laws of the State of Illinois.

U. Partial Invalidity. If any term, provision or condition contained in this Lease shall, to any extent, be invalid or unenforceable, the remainder of this Lease (or the application of such term, provision or condition to persons or circumstances other than those in respect to which it is invalid or unenforceable) shall not be affected thereby, and each and every other term, provision and condition of this Lease shall be valid and enforceable to the fullest extent possible permitted by law.

V. Where this Lease references the Landlord's discretion approval, consent, requirement, decision or judgment, such discretion, approval, consent, requirement,

decision, or judgment shall be reasonable and shall not be unreasonably withheld or delayed.

W. Tenant's waivers, indemnities and agreements to defend or hold Landlord harmless shall not apply in situations involving Landlord's gross negligence or willful misconduct.

X. In addition to Tenant's rights contained herein or available in law or at equity, in the event Landlord fails to comply with any of its obligations contained herein and such failure would make it impossible to operate an ambulatory surgical center on the Premises, Tenant may, after giving Landlord not less than thirty (30) days prior written notice, (i) cure any such Landlord's default and (ii) withhold Rent in an amount not to exceed any amount which Tenant spent to cure such default or otherwise incurs by reason of Landlord's default (including attorney's fees and costs).

28. NOTICES

All notices to be given under this Lease shall be in writing and delivered personally, or by facsimile transmission or deposited in the United States mail, certified or registered mail with return receipt requested, postage prepaid, addressed as follows:

A. If to Landlord: 20110 Governors Highway
Olympia Fields, Illinois 60461
Attn: Chief Executive Officer

or to such other person or such other address designated by notice sent by Landlord to Tenant.

B. If to Tenant: at Tenant's address set forth on the Reference Page;
Attn: _____.

or to such other person or such other address as is designated by Tenant in a notice to Landlord.

Notices served by U.S. mail shall be deemed given on the date received by the party to be notified. Notices sent by fax shall be deemed given on the date sent as evidenced by the confirmation of transmission.

29. LIMITATION ON LANDLORD'S LIABILITY

It is expressly understood and agreed by Tenant that none of Landlord's covenants, undertakings or agreements are made or intended as personal covenants, undertakings or agreements by Landlord, and any liability for damage or breach or nonperformance by Landlord shall be collectible only out of Landlord's interest in the Building and no personal liability is assumed by, nor at any time may be asserted against,

Landlord, its officers, directors, agents, employees, legal representatives, successors or assigns, all such liability, if any, being expressly waived and released by Tenant.

IN WITNESS WHEREOF, the parties have signed and delivered this Lease as of the day and year first above written.

LANDLORD:	TENANT:
Midwest Physician Group, Ltd.	Orland Park Surgical Center, L.L.C.
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Attest: _____	Attest:
Name: _____	Name: _____
Title: _____	Title: _____

EXHIBIT A

FLOOR PLAN OF PREMISES

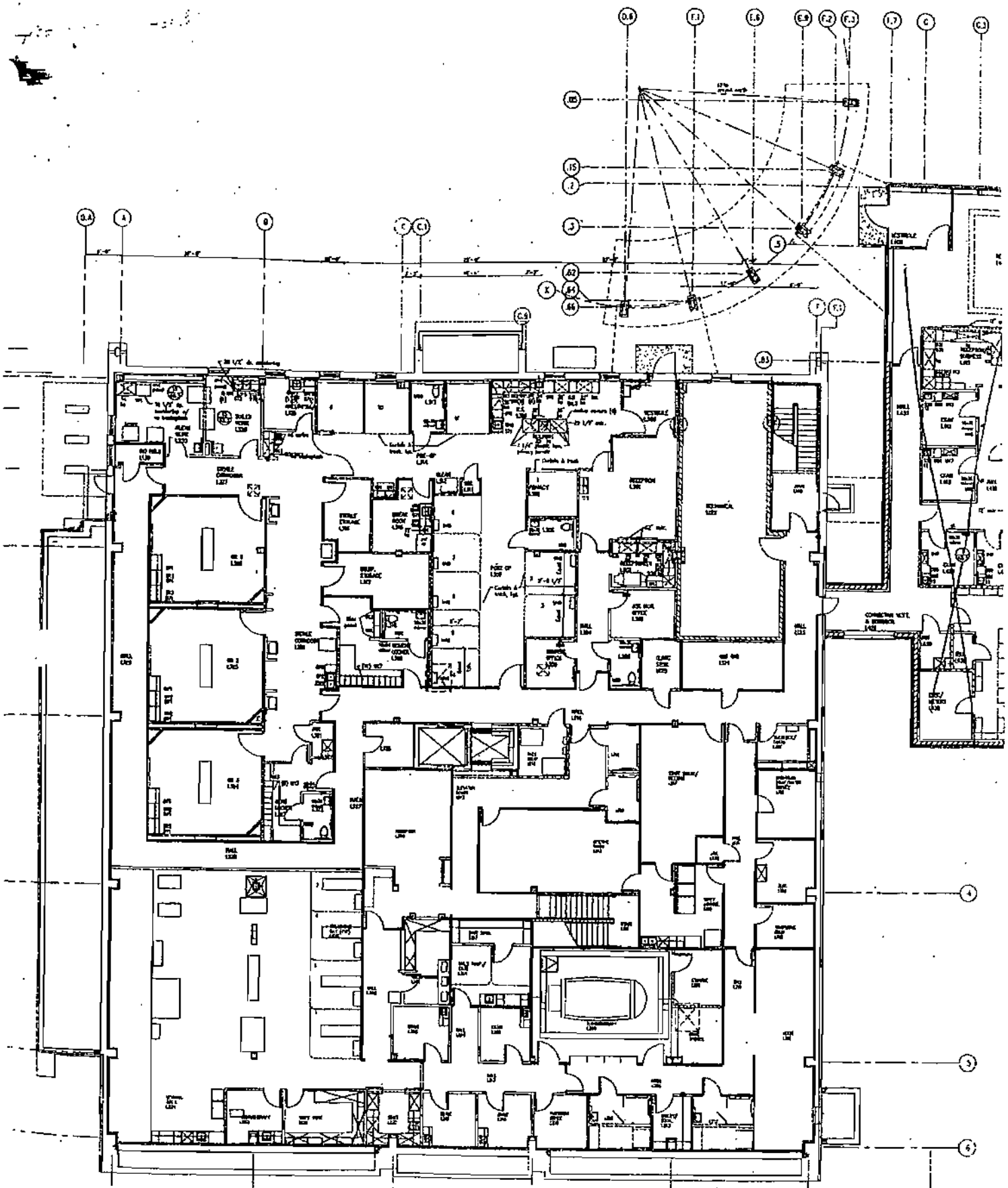


EXHIBIT B

WORKLETTER

TENANT CONSTRUCTION AGREEMENT

All defined terms not specifically defined herein shall have the same meaning as set forth on the Reference Page to the Lease or in the Lease. This is the "Work Letter" referred to in and made a part of the foregoing Lease (the "Lease") wherein Tenant has agreed to lease certain space from Landlord.

Landlord and Tenant agree as follows:

1. Work. Landlord, at Landlord's sole cost and expense, shall do the things in the Premises (hereinafter called the "Work") which are provided for in Landlord's Design-Build Contract For Orland Park Surgical Center with Marshall Erdman & Associates, Inc. dated April 23, 2001, a copy of which is attached hereto as Attachment A.

Tenant's obligation to pay Rent under the Lease shall not commence until Landlord shall have substantially completed the Work to be done by Landlord as described in this Section 1 and the Additional Work (if any) as described in Section 2 below.

2. Additional Work. If Tenant wishes Landlord, prior to the commencement of the Term, to do any construction, decorating or similar things in the Premises in addition to the Work to be performed by Landlord pursuant to Section 1 hereof (the "Additional Work"), Tenant may, at its expense, submit drawings and specifications for the Additional Work (the "Additional Plans") to Landlord for its approval. Landlord shall have no duty to approve the same or to do or permit any Additional Work and shall not be deemed to have done so, unless it approves the same in writing or agrees in writing to do or permit such Additional Work. If Landlord approves the Additional Plans, Landlord shall obtain and submit to Tenant estimates of the cost of the Additional Work. Within 7 days after receipt of such estimates, Tenant shall either direct Landlord in writing to do the Additional Work at Tenant's cost, or Tenant shall be deemed to have abandoned its request for such Additional Work. Tenant agrees to pay to Landlord within 7 days after receipt of bills therefor (which bills may be rendered by Landlord from time to time during the course of such Additional Work or at any time) the cost of all such Additional Work (without regard to whether such cost exceeds the estimates furnished), together with an additional amount of 23% of said cost for administrative, insurance, general conditions and other overhead items and profit ("Landlord's Overhead").

Any work or alterations to the Premises desired by Tenant after the Commencement Date shall be subject to the provisions of Sections 8 and 9 of the Lease.

3. Access by Tenant Prior to Completion of Work and Additional Work. Landlord will permit Tenant and Tenant's agents, suppliers, contractors and workmen to enter the Premises prior to the completion of all Work to be performed by Landlord and its contractors to enable Tenant to install furniture or do such other things as may be required by Tenant to make the Premises ready for Tenant's occupancy, provided that Tenant and its agents, contractors, workmen, and suppliers and their activities in the Premises and Building will not interfere with or delay the completion of the Work or Additional Work to be done by Landlord and will not interfere with other activities of Landlord or occupants of the Building. Landlord shall have the right, on 24 hours' written notice to Tenant, to cause Tenant or any such agent, contractor, workman or supplier to leave the Premises and the Building if Landlord determines that any such interference or delay has been or may be caused. Without limiting the foregoing, Tenant acknowledges that Landlord may, at its discretion, bar the entry of any such agent, contractor, workman or supplier if such entry would cause labor problems or labor disharmony at the Building. Tenant agrees that any such entry into the Premises shall be at Tenant's own risk and Landlord shall not be liable in any way for any injury, loss or damage which may occur to any of Tenant's property or Tenant's installations made in the Premises and Tenant agrees to protect, defend, indemnify and save harmless Landlord, its affiliates, beneficiaries, partners and their respective agents from all liabilities, costs, damages, fees and expenses arising out of or connected with the activities of Tenant or its agents, employees, contractors, suppliers or workmen in or about the Premises or the Building. In addition, prior to the initial entry to the Premises by Tenant and by each contractor or subcontractor for Tenant, Tenant shall furnish Landlord with policies of insurance covering Landlord as an insured party with such coverages and such amounts as Landlord may then reasonably require in order to insure Landlord against liability for injury or death or damage to property of Landlord or its tenants by reason of such entry and any activity or work carried on in or about the Premises or the Building.

4. The terms and provisions of the Lease, insofar as they are applicable to this Work Letter, are hereby incorporated herein by reference. All amounts payable by Tenant to Landlord hereunder shall be deemed to be Rent under the Lease and, upon any default in the payment of same, Landlord shall have all of the rights and remedies provided for in the Lease.

LANDLORD:	TENANT:
Midwest Physician Group, Ltd.	Orland Park Surgical Center, L.L.C.
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Attest:	Attest:
Name: _____	Name: _____
Title: _____	Title: _____

ATTACHMENT A

(Attach copy of Erdman's Contract)

EXHIBIT C

CLEANING SPECIFICATIONS

AS REQUIRED PER INDUSTRY STANDARDS FOR FREE STANDING AMBULATORY SURGICAL CENTERS.

EXHIBIT D

FORM OF TENANT ESTOPPEL CERTIFICATE

DATED:_____

TO: _____
_____
_____

Lease Dated: _____

Landlord: _____
_____
_____
_____

Tenant: _____

Premises: Suite No. _____
_____
_____, Illinois _____

Gentlemen:

The undersigned ("Tenant") hereby confirms, as of the date hereof, the following:

1. Tenant is the tenant under the captioned lease (the "Lease").

2. Tenant is in full and complete possession of the captioned premises (the "Premises"), such possession having been delivered by the captioned landlord (the "Landlord"), pursuant to the Lease and having been accepted by Tenant. If the Landlord named in the Lease is other than Landlord, Tenant has received notice of the assignment to Landlord of the Landlord's interest in the Lease and Tenant recognizes Landlord as the landlord under the Lease.

3. The improvements and space required to be furnished by the terms of the Lease have been completed in all respects to the satisfaction of Tenant and are open for the use of Tenant, its employees, patients (or customers) and invitees.

4. All duties of an inducement nature required of the Landlord in the Lease have been fulfilled except as follows:

(if none, write none.)

5. The Lease is in full force and effect; there is no existing default on the part of the Landlord under the Lease in the terms thereof; and said Lease has not been amended, modified, supplemented or superseded except as follows:

(if none, write none.)

6. No rents have been prepaid except as provided by the Lease; and Tenant has not asserted and has no actual knowledge of any claim against the Landlord under the Lease which might be set-off or credited against future accruing rents.

7. Tenant has received no notice of a prior sale, transfer, assignment, hypothecation or pledge of the Lease or of the rents secured therein.

8. Tenant understands that the Lease has been collaterally assigned to you as security for a loan to Landlord and that rent may not be prepaid more than 30 days in advance of its due date nor the Lease amended, modified, supplemented, superseded, surrendered or terminated without your written approval; provided, however, Tenant retains its right to terminate the Lease pursuant thereto on account of Landlord's default thereunder, if such default remains uncured after the expiration of the time allowed for cure under Paragraph 13 hereof.

9. Rents provided in the Lease commenced to accrue on the _____ day of _____, 19__.

10. A security deposit of $_____ has been paid to Landlord. Tenant agrees not to look to you, as mortgagee, mortgagee in possession, or successor in title to the property, for accountability for any security deposit received by the Landlord, unless said sums have actually been received by you as security for performance by Tenant under the Lease.

11. The term of the Lease commenced on _____, 19__.

12. The current monthly rental due under the Lease is $_____.

13. Tenant agrees to give to you, by certified mail, a copy of any notice of default under the Lease served by Tenant upon Landlord. Tenant further agrees that, if the Landlord shall have failed to cure such default within the time provided in the Lease, then you shall have an additional 30 days after the expiration of Landlord's cure period within which to cure such default or, if such default cannot be cured within that time, then such additional time as may be necessary if, within your initial 30 day cure period, you shall have commenced and shall be diligently pursuing the remedies necessary to cure such default (including, but not limited to, commencement of foreclosure proceedings if necessary to effect such cure). Such period of time shall be extended by any period within which you are prevented from commencing or pursuing such

foreclosure proceedings by reason of the bankruptcy of the Landlord. Until the time allowed as aforesaid for you to cure such default has expired without cure, Tenant shall have no right to and shall not terminate the Lease on account of default.

14. Tenant covenants that it will not subordinate the Lease to any mortgage or trust deed without your consent.

15. There are no actions, whether voluntary or otherwise, pending against Tenant under the bankruptcy laws of the United States or any state thereof.

16. Tenant acknowledges that you will rely upon this statement in making a loan to Landlord secured by a mortgage lien upon the property of which the Premises is a part.

Very truly yours,

_____
(Name of Tenant)

By: _____
Name: _____
Title: _____

Attest:
Name: _____
Title: _____

EXHIBIT E

RULES AND REGULATIONS

RULES AND REGULATIONS. Tenant agrees to observe the rights reserved to Landlord in the Lease and agrees, for itself, its employees, agents, clients, customers, invitees and guests, to comply with the following rules and regulations with such reasonable modifications thereof and additions thereto as Landlord may make, from time to time, for the Building.

(a) Any sign, lettering, picture, notice or advertisement installed within Tenant's Premises which is visible to the public from within the Building shall be installed at Tenant's cost and in such manner, character and style as Landlord may approve in writing such approval not to be unreasonably withheld. No sign, lettering, picture, notice or advertisement shall be placed on any outside window or in any position so as to be visible from outside the Building or from any atrium or lobbies of the Building.

(b) Tenant may use the name of the Building or use pictures or illustrations of the Building in advertising or other publicity, but only with prior written consent of Landlord. Landlord's consent may be arbitrarily withheld. Tenant may use the address of the Building as its business address for any reasonable business purpose.

(c) Tenant, its patients, customers, invitees, licensees, and guests shall not obstruct sidewalks, entrances, passages, courts, corridors, vestibules, halls, elevators and stairways in and about the Building. Tenant shall not place objects against glass partitions or doors or windows or adjacent to any open common space which would be unsightly from the Building corridors or from the exterior of the Building, and will promptly remove the same upon notice from Landlord.

(d) Tenant shall not make excessive noises, cause disturbances, create excessive vibrations, odors or noxious fumes or use or operate any electrical or electronic devices or other devices that emit excessive sound waves or are dangerous to other tenants and occupants of the Building or that would interfere with the operation of any device or equipment or radio or television broadcasting or reception from or within the Building or elsewhere, and shall not place or install any projections, antennae, aerials or similar devices outside of the Premises.

(e) Tenant shall not make any room-to-room canvas to solicit business from other tenants in the Building, and shall not exhibit, sell or offer to sell, use, rent or exchange any item or services in or from the Premises unless ordinarily embraced within the Tenant's use of the Premises as specified in its lease.

(f) Tenant shall not waste electricity or water and agrees to cooperate fully with Landlord to assure the most effective operation of the Building's heating and

air conditioning and shall refrain from attempting to adjust any controls except for the thermostats within the Premises. Tenant shall keep public corridor doors closed.

(g) Door keys for doors in the Premises will be furnished at the commencement of the Lease by Landlord. Tenant shall not affix additional locks on doors and shall purchase duplicate keys only from Landlord. When the Lease is terminated, Tenant shall return all keys to Landlord and will provide to Landlord the means of opening any safes, cabinets or vaults left in these Premises.

(h) Tenant assumes full responsibility for protecting its space from theft, robbery and pilferage. Tenant's responsibility includes keeping doors locked and other means of entry to the Premises closed and secured.

(i) Peddlers, solicitors and beggars shall be reported to the Landlord.

(j) Tenant shall neither install nor operate machinery or any mechanical devices of a nature not directly related to Tenant's ordinary use of the Premises without the written permission of the Landlord.

(k) Tenant shall not:

(1) Use the Premises for lodging or for any immoral or illegal purposes;

(2) Use the Premises to engage in the manufacture or sale of any spirituous, fermented, intoxicating or alcoholic beverages;

(3) Use the Premises to engage in the manufacture or sale of, or permit the use of, any illegal drugs on the Premises.

(l) In no event shall any person bring into the Building inflammables such as gasoline, kerosene, naphtha and benzene, or explosives or firearms or any other articles of intrinsically dangerous nature, but excluding in any event oxygen, anesthetic gases and any other materials used in the ordinary course by an outpatient ambulatory surgery treatment center. If by reason of the failure of Tenant to comply with the provisions of this paragraph, any insurance premium payable by Landlord for all or any part of the Building shall at any time be increased above normal insurance premiums for insurance not covering the items aforesaid, Landlord shall have the option to require Tenant to make immediate payment for the whole of the increased insurance premium.

(m) Tenant shall comply with all applicable federal, state and municipal laws, ordinances and regulations and building rules, and shall not directly or indirectly make any use of the Premises which may be prohibited thereby or which shall be dangerous to person or property or shall increase the cost of insurance or require additional insurance coverage.

(n) If Tenant desires signal, communication, alarm or other utility or service connection installed or changed, the same shall be made at the expense of Tenant, with approval and under direction of Landlord.

(o) Bicycles shall not be permitted in the Building in other than Landlord designated locations.

(p) Tenant shall cooperate and participate in all reasonable security programs affecting the Building.

(q) Tenant, its patients, customers, invitees, licensees, and guests shall not loiter, eat, drink, sit or lie in the lobby, plaza or other spaces in the Building which are open to the public.

(r) Tenant shall not, and Tenant shall not permit or suffer anyone to, allow any pets in the Premises.

(s) Tenants shall not use any draperies or other window coverings instead of or in addition to the building standard window coverings designated and approved by Landlord for exclusive use throughout the Building.

(t) Tenant, its patients, customers, invitees, licensees, and guests shall not use the freight or passenger elevators of the Building except in accord with the reasonable regulations for their use established by Landlord.

(u) Except with the prior approval of Landlord, all cleaning, repairing, janitorial, decorating, painting or other services and work in and about the Premises shall be done only by authorized Building personnel.

(v) Safes, furniture, equipment, machines and other large or bulky articles shall be brought to the Building and into and out of the Premises at such times and in such manner as the Landlord shall direct (including the designation of elevator) and at Tenant's sole cost, risk and expense. Prior to Tenant's removal of such articles from the Building, Tenant shall obtain written authorization of the Office of the Building and shall present such authorization to a designated employee of Landlord.

(w) Tenant shall ascertain from Landlord the maximum amount of electrical current which can safely be used in the Premises, taking into account the capacity of the electric wiring of the Building and the Premises and the needs of other tenants and shall not use more than such safe capacity. Landlord's consent to the installation of electrical equipment shall not relieve Tenant from the obligation not to use more electricity than such safe capacity.

(x) To the extent permitted by law, Tenant shall not permit picketing or other union activity involving its employees in the Building, except in those locations

and subject to time and other limitations as to which Landlord may give prior written consent.

(y) Tenant shall not enter into or upon the roof or basement of the Building or any storage, heating, ventilation, air conditioning, mechanical or elevator machinery housing areas.

(z) Tenant shall not move into or out of the Building during normal business hours.

(aa) In the event Landlord allows one or more tenants in the Building to do any act prohibited herein, Landlord shall not be precluded from denying any other tenant the right to do any such act.

(bb) In the event of a conflict between the terms of these rules and regulations and the terms of the Lease, the terms of the Lease shall control.

RIDER ATTACHED TO AND MADE A PART OF THAT CERTAIN OFFICE LEASE DATED _____, ____ BY AND BETWEEN

_____

("LANDLORD") AND _____ ("TENANT")

OPTION TO EXTEND LEASE. A. Tenant shall have the right, to be exercised as hereinafter provided, to extend the Term of this Lease for _____ additional consecutive periods of _____ years each (each such period is hereinafter referred to as an "Extended Term"), upon satisfaction of the following terms and conditions

(i) that, at the time of the exercise of such right and at the time an Extended Term begins, Tenant shall not be in default in the performance of any of the terms, covenants and conditions herein contained:

(ii) that this Lease shall not have been terminated during the initial Term or any Extended Term and shall be in full force and effect at the date of such exercise of the right to extend and at the date an Extended Term begins;

(iii) that such extension shall not be effective as to any portions of the Premises which are subleased or assigned at any time between the date of exercise of such right and the date an Extended Term begins; and

(iv) that such extension shall be upon the same terms, covenants and conditions contained in this Lease except that the Annual Base Rent for each Extended Term shall be the greater of (a) the Annual Base Rent for the last year of the Lease Term just ended or (b) the current fair market Annual Base Rent for the Premises at the commencement of an Extended Term, as determined by Landlord in its reasonable business judgment, which Landlord could obtain in an arm's length transaction with a willing and informed tenant for a term equal to the Extended Term.

B. Tenant shall exercise its rights of extension for each Extended Term granted hereby only in the following manner: at any time after the commencement of this Lease, but no later than 12 months prior to the end of the then current term, Tenant shall notify Landlord in writing of its election to exercise the right to extend the Term of this Lease for one or more additional periods, pursuant to any rights granted hereby. This notice of election shall be given in the manner in this Lease provided for the giving of notices to Landlord.

C. At the request of Landlord, Tenant shall, prior to the beginning of any Extended Term, execute a written memorandum confirming the Annual Base Rent for such Extended Term.

D. Wherever reference is made in this Lease to the Term of the Lease hereunder, the same shall include any and all extensions of the Term resulting from the

exercise of one or more of the options conferred hereunder, unless the context requires otherwise.

E. All defined terms in this Rider shall have the same meaning as set forth on the Reference Page to the Lease or in the Lease. Tenant shall have no other right to extend the Term beyond the Extended Term provided for in this Rider.

LANDLORD:	TENANT:
_____,	_____,
a(n) _____ corporation	a(n) _____ corporation
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Attest: _____	Attest: _____
Name: _____	Name: _____
Title: _____	Title: _____

RIDER ATTACHED TO AND MADE A PART OF THAT CERTAIN OFFICE LEASE DATED _____, ____ BY AND BETWEEN

_____

("LANDLORD") AND _____ ("TENANT")

BASE RENTAL ABATEMENT. In consideration of Tenant's performance of all obligations, terms and conditions to be performed by Tenant under the Lease, and provided, that Tenant shall not be in default under the Lease at any time during the Term, Landlord hereby excuses Tenant from the payment of monthly installments of Annual Base Rent for the following months:

_____

_____

_____; should Tenant at any time during the Term be in default under the Lease, then the total sum of such Annual Base Rent so conditionally excused shall become immediately due and payable by Tenant to Landlord. If at the date of expiration of the Term of this Lease, Tenant is not in default hereunder, Landlord shall waive any payment of all such Annual Base Rent so excused.

LANDLORD:	TENANT:
_____ _____ _____, a(n) _____ corporation	_____, a _____ corporation
By: _____ Name: _____ Title: _____	By: _____ Name: _____ Title: _____
Attest: _____ Name: _____ Title: _____	Attest: _____ Name: _____ Title: _____

ORLAND PARK
SURGICAL CENTER

November 20, 2002

Mr. Geoffrey Tryon
Vice President, CFO
Silver Cross Hospital
1200 Maple Road
Joliet, IL 60432

Mr. Morgan Moran
Ross & Hardies
150 North Michigan Avenue
Chicago, IL 60601-7567

Dear Mr. Tryon and Mr. Moran:

Enclosed for your files are the signature pages for the Ambulatory Surgical Treatment Center Office Lease, along with a complete copy of the Non-Physician Personnel Agreement for the Orland Park Surgical Center.

Should you require additional information, please feel free to contact me.

Sincerely,

Deborah J. Nelson
Secretary/Treasurer

Enclosure

9550 West 167th Street
Orland Park, IL 60467
(708) 478-7437 ~ Fax (708) 873-4568

Landlord, its officers, directors, agents, employees, legal representatives, successors or assigns, all such liability, if any, being expressly waived and released by Tenant.

IN WITNESS WHEREOF, the parties have signed and delivered this Lease as of the day and year first above written.

LANDLORD:	TENANT:
Midwest Physician Group, Ltd.	Orland Park Surgical Center, L.L.C.
By: Dad Thomas	By: Geoffrey Tryon
Name: David Thomas	Name: Geoffrey Tryon
Title: C.E.O.	Title: Vice President
Attest: _____	Attest:
Name: _____	Name: _____
Title: _____	Title: _____

3. Access by Tenant Prior to Completion of Work and Additional Work. Landlord will permit Tenant and Tenant's agents, suppliers, contractors and workmen to enter the Premises prior to the completion of all Work to be performed by Landlord and its contractors to enable Tenant to install furniture or do such other things as may be required by Tenant to make the Premises ready for Tenant's occupancy, provided that Tenant and its agents, contractors, workmen, and suppliers and their activities in the Premises and Building will not interfere with or delay the completion of the Work or Additional Work to be done by Landlord and will not interfere with other activities of Landlord or occupants of the Building. Landlord shall have the right, on 24 hours' written notice to Tenant, to cause Tenant or any such agent, contractor, workman or supplier to leave the Premises and the Building if Landlord determines that any such interference or delay has been or may be caused. Without limiting the foregoing, Tenant acknowledges that Landlord may, at its discretion, bar the entry of any such agent, contractor, workman or supplier if such entry would cause labor problems or labor disharmony at the Building. Tenant agrees that any such entry into the Premises shall be at Tenant's own risk and Landlord shall not be liable in any way for any injury, loss or damage which may occur to any of Tenant's property or Tenant's installations made in the Premises and Tenant agrees to protect, defend, indemnify and save harmless Landlord, its affiliates, beneficiaries, partners and their respective agents from all liabilities, costs, damages, fees and expenses arising out of or connected with the activities of Tenant or its agents, employees, contractors, suppliers or workmen in or about the Premises or the Building. In addition, prior to the initial entry to the Premises by Tenant and by each contractor or subcontractor for Tenant, Tenant shall furnish Landlord with policies of insurance covering Landlord as an insured party with such coverages and such amounts as Landlord may then reasonably require in order to insure Landlord against liability for injury or death or damage to property of Landlord or its tenants by reason of such entry and any activity or work carried on in or about the Premises or the Building.

4. The terms and provisions of the Lease, insofar as they are applicable to this Work Letter, are hereby incorporated herein by reference. All amounts payable by Tenant to Landlord hereunder shall be deemed to be Rent under the Lease and, upon any default in the payment of same, Landlord shall have all of the rights and remedies provided for in the Lease.

LANDLORD:	TENANT:
Midwest Physician Group, Ltd.	Orland Park Surgical Center, L.L.C.
By: David Thomas	By: Geoffrey Tryk
Name: David Thomas	Name: Geoffrey Tryk
Title: C.E.O.	Title: Vice President
Attest:	Attest:
Name: _____	Name: _____
Title: _____	Title: _____

FIRST AMENDMENT TO LEASE

This First Amendment to the Lease (this "Amendment") is entered into as of the 31st day of January, 2012 (the "Effective Date") by and between Orland Park Surgical Center, LLC, an Illinois limited liability company (the "Tenant"), and Midwest Physician Group, Ltd., an Illinois corporation (the "Landlord"). The Landlord and Tenant are sometimes referred to herein singly as a "Party" and together as the "Parties."

WHEREAS, the Tenant entered into a lease (the "Lease") with the Landlord on October 1, 2001 to lease ambulatory surgery center space located at 9550 W. 167th Street, Orland Park, Illinois; and

WHEREAS, the Tenant and Landlord desire to amend Section 1 of the Lease.

NOW THEREFORE, in consideration of the terms and conditions set forth herein, and other valuable consideration which is hereby acknowledged, the Tenant and Landlord agree and acknowledge as follows:

1. Lease Term. Upon the Effective Date, as defined in that certain Transfer, Settlement and Release Agreement (the "Settlement Agreement") by and among the Tenant, Landlord and Advocate Healthcare, of even date herewith, Section 1 of the Lease is hereby deleted in its entirety and replaced with the following:

   "1. TERM. The term of this Lease (hereinafter referred to as "Term") shall commence on the Commencement Date and end on June 1, 2016, or such earlier date as Tenant shall determine upon no less than ninety (90) days advanced written notice to Landlord. Tenant shall not have a right to renew the Term thereafter without obtaining the consent of Landlord."

2. Conflicts. The Tenant and Landlord agree that the Lease is amended only to the extent set forth herein and, to the extent there are any conflicts between this Amendment and the Lease, the terms of this Amendment shall govern. All other terms, conditions and provisions of the Lease shall remain in full force and effect.

3. Counterparts. This document may be executed in several counterparts and as so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all of the parties have not signed the original or the same counterpart.

4. Recitals. The recitals set forth above are incorporated herein by reference as reflecting the general understanding and intent of the parties.

5. Entire Agreement; Survival. This Amendment constitutes the entire agreement among the Parties hereto pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether written or oral, of the Parties, and there are no representations, warranties or other agreements among the Parties in connection with the subject matter hereof, except as specifically set forth herein. No change, modification or amendment of this Amendment shall be valid unless the same be in

writing and signed by each of the Parties to be bound. No waiver of any provision of this Amendment shall be valid unless in writing and signed by the Party to be charged.

6. **Language Construction.** The language in all parts of this Amendment shall be construed, in all cases, according to fair meaning. Each of the Parties acknowledges that no single Party bears sole responsibility for the preparation and drafting of this Amendment. Consequently, no rule of construction to the effect that ambiguities are to be resolved against the drafting Party should be employed in the interpretation of this Amendment.

7. **Successors and Assigns.** This Amendment shall inure to the benefit of and bind the respective successors and permitted assigns of the Parties. Nothing expressed or referred to in this Amendment is intended or shall be construed to give any person other than the Parties or their respective successors or permitted assigns any legal or equitable right, remedy or claim under or in respect of this Amendment or any provision contained herein, it being the intention of the Parties that this Amendment be for the sole and exclusive benefit of such Parties or such successors and assigns and not for the benefit of any other person.

8. **Waiver.** No delay or omission on the part of any Party hereto in exercising any right hereunder shall operate as a waiver of such right or any other right under this Amendment.

9. **Condition Precedent.** It is an express condition precedent to the effectiveness of this Amendment that the Settlement Agreement shall have closed and the consideration paid or conveyed and all other ancillary transactions shall have been completed as required or contemplated therein.

10. **Assignment.** No assignment may be made without the consent of the other Party, which consent may be given or withheld.

(signature page follows)

IN WITNESS WHEREOF, the undersigned hereby certify that the foregoing Amendment has been duly adopted by the Parties as of the date first set forth above.

ORLAND PARK SURGERY CENTER, LLC.

By: _____
Its: MEDICAL DIRECTOR

MIDWEST PHYSICIAN GROUP, L.T.D.

By: _____
Its: _____

\34952911.7

IN WITNESS WHEREOF, the undersigned hereby certify that the foregoing Amendment has been duly adopted by the Parties as of the date first set forth above.

ORLAND PARK SURGERY CENTER, LLC.

By:_____
Its:_____

MIDWEST PHYSICIAN GROUP, L.T.D.

By:_____
Its:_____

\34952911.7

ATTACHMENT 3

Operating Entity/Licensee Information

I. Certificate of Good Standing

The operating entity of the affected health care facility is Orland Park Surgical Center, LLC ("OPSC"), an Illinois limited liability company registered and in good standing with the Illinois Secretary of State.

II. Ownership Disclosures

Prior to the Proposed Transaction, the following persons had an ownership interest in OPSC.

Member	Units
MPG	74
PMI Diagnostic Imaging, LLC, formerly known as Parkview Musculoskeletal Instititute, LLC	40
Brian Farrell, M.D.	2
Neeraj Jain, M.D.	1
Scott Glaser, M.D.	2
Phillip Kooiker, M.D.	2
Eligius Lelis, M.D.	2
Jerry Chow, M.D.	3
Henry Fuentes, M.D.	2
TOTAL	**128**

After the Proposed Transaction, the following persons will have an ownership interest in OPSC.

Member	Units
PMI Diagnostic Imaging, LLC, formerly known as Parkview Musculoskeletal Instititute, LLC	114
Brian Farrell, M.D.	2
Neeraj Jain, M.D.	1
Scott Glaser, M.D.	2
Phillip Kooiker, M.D.	2
Eligius Lelis, M.D.	2
Jerry Chow, M.D.	3
Henry Fuentes, M.D.	2
TOTAL	**128**

Attached please find the following information:

1. Certificate of Good Standing for Orland Park Surgical Center, LLC from the Illinois Secretary of State.

File Number 0042792-6

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

ORLAND PARK SURGICAL CENTER, L.L.C., HAVING ORGANIZED IN THE STATE OF ILLINOIS ON JUNE 20, 2000, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 28TH *day of* FEBRUARY *A.D.* 2012 .

Jesse White

SECRETARY OF STATE

Authentication #: 1205902854

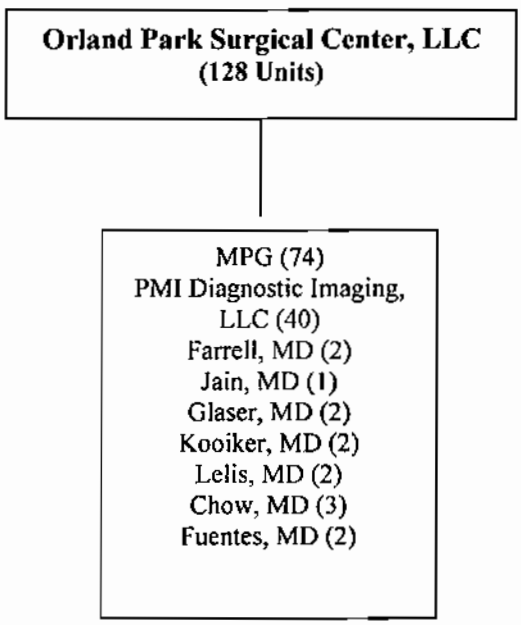
Authenticate at: http://www.cyberdriveillinois.com

ATTACHMENT 4

Organizational Relationship

Pre-Acquisition Organizational Chart

Ownership Interests



Board of Managers and Membership Voting

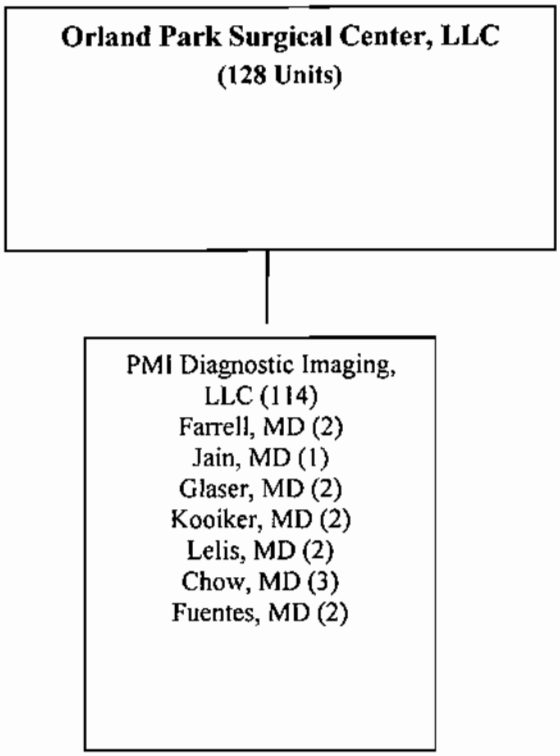
Member	Board of Managers Voting
MPG	2
Physician Members and PMI	2
Total	**4**
Majority to Pass Action Items	**3**

ATTACHMENT 4

Organizational Relationship

Post-Acquisition Organizational Chart

Ownership Interests



Board of Managers and Membership Voting

Member Class	Board of Managers Voting
Physician Members and PMI	3
Total	**3**
Majority to Pass Action Items	**3**

ATTACHMENT 5

Flood Plain Requirements

This section of the application is not applicable as the project does not involve any construction.

ATTACHMENT 6

Illinois Historical Preservation Letter

This section of the application is not applicable as the project does not involve the demolition of any structures, construction of new buildings or modernization of existing buildings.

ATTACHMENT 7

Project Costs and Sources of Funds

Project Costs and Sources of Funds			
USE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Other Costs to be Capitalized	$550,000		$550,000
TOTAL USES OF FUNDS	**$550,000**		**$550,000**
SOURCE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Cash and Securities	$550,000		$550,000
TOTAL SOURCES OF FUNDS	**$550,000**		**$550,000**

Use of Funds

The Proposed Transaction involves a redemption and transfer of membership units in a limited liability company that owns and operates an ambulatory surgical treatment center ("ASTC"). Specifically, Orland Park Surgical Center, LLC ("OPSC") has offered $550,000 in cash to one of the ASTC's members, MPG, in exchange for the extinguishment of MPG's membership interest. The transaction is being funded by a capital contribution from another member, PMI, which is run by many of the physicians who practice at OPSC. In return for PMI's contribution, the ASTC will transfer membership units to PMI. There is no capital expenditure that is being made in connection with the Proposed Transaction.

The transaction value was based on arms-length negotiations between the physicians and MPG with each party represented by counsel. The parties believe that this transaction value reflects a reasonable approximation of fair market value. The full transaction amount of the $550,000, has already been provided in cash and is being maintained in an escrow account that is held by McGuireWoods LLP. The funds are to be released by McGuireWoods LLP upon State Board approval of this Certificate of Need application.

Source of Funds

To facilitate the redemption of MPG's seventy-four (74) membership units, the Company will pay an aggregate amount of $550,000 to MPG. The entire $550,000 has already been provided by PMI and placed into an escrow account. Thus, the funds for the transaction are currently available and will be disbursed upon State Board approval of this Certificate of Need application.

Fund Source	Amount
Cash (capital contribution from PMI, a current member)	**$550,000**
Total	**$550,000**

Additional information concerning the funding of the proposed transaction is available herein at Attachment 39.

ATTACHMENT 7
Project Costs And Sources of Funds

ATTACHMENT 8

Project Status and Completion Schedules

Project obligation will occur after permit issuance.

ATTACHMENT 9

Cost Space Requirements

This section of the application is not applicable as the project does not involve construction.

ATTACHMENT 11

Criterion 1110.230 -- Background of Applicant

Please find attached the following information:

1. A certification that Orland Park Surgical Center, LLC ("OPSC") has no ownership interest in any other health care facility apart from the facility that is subject to this application.

2. A copy of OPSC's ASTC license and a copy of a 2002 letter from Medicare granting OPSC certification.

3. A certification by OPSC related to adverse actions in the past three (3) years and an authorization permitting the State Board and IDPH access to any documents necessary to verify information submitted in this CON permit application.

Health Care Facilities

I. Orland Park Surgical Center, LLC

Orland Park Surgical Center, LLC ("OPSC") owns one (1) ambulatory surgical treatment center, located at 1302 Franklin Avenue, Suite 1000, Normal, Illinois 61761. OPSC does not own or operate any other health care facilities in Illinois.

ORLAND PARK SURGICAL CENTER, LLC

March 7, 2012

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

RE: Certificate of Need Permit Application
Orland Park Surgical Center, LLC
Criterion 1110.230 -- Background of Applicant

Dear Ms. Avery:

As an authorized representative of Orland Park Surgical Center, LLC ("OPSC"), I hereby certify to the following:

1. Pursuant to 77 Ill. Adm. Code § 1110.230(b), I hereby certify that no adverse actions have been taken against any healthcare facility owned or operated by OPSC in Illinois during the three (3) years prior to the filing of this Certificate of Need permit application.

2. Pursuant to 77 Ill. Adm. Code § 1110.230(b), I hereby authorize the Illinois Health Facilities and Services Review Board and the Illinois Department of Public Health ("IDPH") to access any documents necessary to verify the information submitted, including, but not limited to: official records of IDPH or other State of Illinois agencies; the licensing or certification of records of other states, where applicable; and the records of nationally recognized accreditation organizations.

Signature

Steve Wardell MD
Name

MEDICAL DIRECTOR
Title

Subscribed and sworn to before me this 7th day of March, 2012.

Cindy Ferrin
Signature of Notary Public

Seal

OFFICIAL SEAL
CINDY FERRIN
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:12/16/13

ATTACHMENT 11
Criterion 1110.230 – Background of Applicant

State of Illinois 2068841
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

Issued under the authority of
The State of Illinois
Department of Public Health

KENNETH SOYEMI, M.D. M.P.H.
ACTING DIRECTOR

EXPIRATION DATE	CATEGORY	I.D. NUMBER
02/16/13	566D	7002710

FULL LICENSE

AMBUL SURGICAL TREAT CNTR

EFFECTIVE: 02/17/12

BUSINESS ADDRESS

PRAIRIELAND OUTPT DIAGNOSTIC CTR,LLC
D/B/A DIGESTIVE DISEASE ENDOSCOPY CENTE
1302 FRANKLIN AVE, SUITE 100C
NORMAL IL 61761

The face of this license has a colored background. Printed by Authority of the State of Illinois • 4/97 •

DISPLAY THIS PART IN A CONSPICUOUS PLACE

REMOVE THIS CARD TO CARRY AS AN IDENTIFICATION

State of Illinois 2068841
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

PRAIRIELAND OUTPT DIAGNOSTIC CTR,LLC

EXPIRATION DATE	CATEGORY	I.D. NUMBER
02/16/13	566D	7002710

FULL LICENSE

AMBUL SURGICAL TREAT CNTR

EFFECTIVE: 02/17/12

12/17/11

DIGESTIVE DISEASE ENDOSCOPY CENTER
1302 FRANKLIN STREET

NORMAL IL 61761

FEE RECEIPT NO. 26869

CENTERS FOR MEDICARE & MEDICAID SERVICES

CLINICAL LABORATORY IMPROVEMENT AMENDMENTS

CERTIFICATE OF WAIVER

LABORATORY NAME AND ADDRESS
PRAIRIELAND OUTPATIENT DIAGNOSTIC CENT
D/B/A DIGESTIVE DISEASE ENDOSCOPY CENT
1302 FRANKLIN AVE-SUITE 1000
NORMAL, IL 61761

CLIA ID NUMBER
14D1015916

EFFECTIVE DATE
08/15/2011

LABORATORY DIRECTOR
DR KENNETH SCHOENIG

EXPIRATION DATE
08/14/2013

...ant to Section 353 of the Public Health Services Act (42 U.S.C. 263a) as revised by the Clinical Laboratory Improvement Amendments (CLIA), the above named laboratory located at the address shown hereon (and other approved locations) may accept human specimens for the purposes of performing laboratory examinations or procedures.

This certificate shall be valid until the expiration date above, but is subject to revocation, suspension, limitation, or other sanctions for violation of the Act or the regulations promulgated thereunder.

Judith A. Yost

Judith A. Yost, Director
Division of Laboratory Services
Survey and Certification Group
Center for Medicaid and State Operations

CMS
CENTERS for MEDICARE & MEDICAID SERVICES

October 16, 2002

Midwest Physician Group
ATTN: Sherry Baker
20110 Governors Highway
Olympia Fields, IL. 60461

RE: Orland Park Surgical Ctr, LLC

WPS/Medicare Part B Welcomes You!

To facilitate the most prompt and efficient processing of your claims, Medicare has assigned you the **Provider Identification Number (PIN)** shown below. This number must be used to identify you on all claims and correspondence submitted to Medicare. You have been established as a Participating Provider.

Your Medicare PIN Number is: 202554

Effective Date: 8-30-02

Each claim form submitted will have an area for entering your provider number. This PIN is not interchangeable with other insurance carriers. Please make this information available to your office personnel involved in insurance billing.

Proper use of this number will eliminate delays in processing your claims. **The actual reimbursement of your claims will depend on the coverage provided by the government health benefit program.**

If you have any further questions concerning your enrollment as a Medicare Part B provider call (877) 908-8476 or write to our office at:

WPS/Medicare Part B IL/MI
Provider Enrollment Unit
PO Box 8248
Madison, WI 53708-8248

For billing questions contact the Customer Service Department at (877) 908-9499 for Illinois or for Michigan at (877) 567-7201.

Sincerely,

Shirley Sommer
Provider Enrollment Analyst
WPS Medicare Part B IL/MI

Acknowledgement of Medicare Part B Participation Agreement

This acknowledges receipt of your 2002 Medicare participating or supplier agreement. We're returning a copy of the agreement for your files.

Your name will be included in a directory, which will be available for Medicare Part B beneficiaries. This information is available on line at **www.wpsic.com.** Toll-free lines will also be available for beneficiaries' use in obtaining name of participating physicians and suppliers.

WPS Medicare Part B
Provider Enrollment Unit IL/MI
PO Box 8248
Madison, WI 53708-8248

877-908-8476

WPS Medicare Part B
Provider Enrollment Unit WI
PO Box 1787
Madison, WI 53701-1787

877-908-8475 ext 12742

CMS/ CENTERS for MEDICARE & MEDICAID SERVICES

Medicare

Control Number: 1110035010004

COPY

April 10, 2010

Erika Horstmann
Orland Park Surgical Center LLC
9550 W 167th St
Orland Park, IL 60467

Subject: Revalidation of Medicare Enrollment

Dear Mr. Horstmann:

We have approved the CMS 855B application submitted for purposes of revalidating the Medicare enrollment of Orland Park Surgical Center LLC. Consistent with federal regulations found at 42 CFR 424.515, the approval of this revalidation starts the mandatory 5-year revalidation cycle for Medicare enrollment.

Listed below is the information reflected in your Medicare enrollment record.

PTAN	NPI	Address	Effective Date
202554	1861470486	9550 W 167th Street Orland Park, IL 60467	08/30/2002

Medicare Participation Status: Participating

Authorized Official(s): Erika Horstmann

Delegated Official(s):

The NPI must be reported on all Medicare claims. The Provider Transaction Access Number (PTAN) is required for all written inquiries and all telephone inquiries to our customer service department, and our Interactive Voice Response (IVR) telephone system. The IVR telephone number for Illinois is 1-877-908-9499. Instructions on how to use the IVR can be obtained from our web site at: *http://www.wpsmedicare.com*.

To maintain an active enrollment status in the Medicare program, regulations found at 42 CFR §424.516 require that you submit updates and changes to your enrollment information in accordance with specified timeframes. Reportable changes include, but are not limited to changes in: (1) legal business name (LBN/tax identification number (TIN), (2) practice location, (3) ownership, (4) authorized/delegated officials, (5) changes in payment information such as changes in electronic funds transfer information, and (6) final adverse legal actions, including felony convictions, license suspensions or revocations of a health care license, an exclusion or debarment from participation in a Federal or State health care program, or a Medicare revocation by a different Medicare contactor.

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Information about Medicare provider enrollment changes can be obtained from our web site at *http://www.wpsmedicare.com*.

Providers and suppliers may enroll or make changes to their existing enrollment in the Medicare program using the Internet-Based PECOS or to download the CMS-855 enrollment application, go to: *http://www.cms.hhs.gov/MedicareProviderSupEnroll.*

Please send your paper application, or your signed Certification Statement along with required documents for Internet-based PECOS, to the following address:

Wisconsin Physicians Service
Medicare Provider Enrollment
P O Box 8248
Madison, WI 53708-8248

Priority Mailing Address
Wisconsin Physicians Service
Medicare Provider Enrollment
1707 W. Broadway
Madison, WI 53713-1834

You must also update your National Provider Identifier (NPI) information maintained with the National Plan and Provider Enumeration System (NPPES) within 30 days when information reported to NPPES changes. To make changes to an NPI record, please contact the NPI Enumerator at *https://NPPES.cms.hhs.gov* or call the Enumerator at 1-800-465-3203 or TTY 1-800-692-2326. For more information about NPI enumeration, visit *http://www.cms.hhs.gov/NationalProvIdentStand/.*

Additional information about the Medicare program, including billing, fee schedules, and Medicare policies and regulations can be found on our Web site at *http://www.wpsmedicare.com* or at the Centers for Medicare & Medicaid Services' (CMS) Web site at *www.cms.hhs.gov/home/medicare.asp.*

If you would like to receive e-News messages regarding the most current Medicare Part B news, you can subscribe to the WPS Medicare Listserv at www.wpsmedicare.com/listserv.

If you are not currently filing claims electronically, please contact our Electronic Data Interchange (EDI) department for Illinois at 1-877-567-7261. If you have questions regarding Medicare claims, please call the IVR telephone number shown above or our Customer Service Department for Illinois at 1-866-234-7340.

Please verify the accuracy of your enrollment information. If you disagree with any portion of this initial determination, you may request a reconsideration before a contractor hearing officer. The reconsideration is an independent review and will be conducted by a person who was not involved in the initial determination. You must request the reconsideration in writing to this office within 60 calendar days of the postmark date of this letter. The request for reconsideration must state the issues, or the findings of fact with which you disagree and the reasons for the disagreement.

COPY

You may submit additional information with the reconsideration request that you believe may have a bearing on the decision. The reconsideration request must be signed and dated by the physician, non-physician practitioner or any responsible authorized or delegated official within the entity. Failure to timely request a reconsideration is deemed a waiver of all rights to further administrative review.

The request for reconsideration should be sent to: Wisconsin Physicians Service, Medicare Part B, Attention: Provider Enrollment Reconsideration Requests, PO Box 4433, Marion, IL 62959.

If you have questions about the information provided in this letter, you can call our toll-free line at:1-877-908-8476, Monday through Friday between the hours of 8:00 a.m. and 4:00 p.m. (CT). Per regulation 42 CFR 405.874, a provider or supplier may only appeal a denial or revocation decision.

Sincerely,

Betty Geisler
Medicare Provider Enrollment

ATTACHMENT 12

Criterion 1110.230 -- Purpose of the Project

Purpose

The purpose of the transaction is to enhance patient care at Orland Park Surgical Center ("OPSC"). Since July of 2009, MPG, LLC ("MPG") and OPSC's physician members have been forced to allocate substantial time, money, and other resources to resolving the business differences that had arisen between the members and MPG. Miscommunications and other issues have taken a toll on all parties involved and have distracted from the primary focus of the ASTC. In order to ensure that it is able to function as a unified, streamlined ASTC, OPSC proposes to redeem MPG's seventy-four (74) Unit ownership interest in OPSC. OPSC will then transfer the Units to PMI, who is already a current member of OPSC and is run by many of the physicians who practice at OPSC. OPSC will remain as the same operating entity, and the Center's licensing and certification will be unaffected by the Proposed Transaction.

The Project Will Improve Health Care Services and Well-Being in the Market Area

OPSC looks forward to having a unified management team running the organization on a going forward basis. If the Board approves the Proposed Transaction, there will no longer be a need to allocate time and resources to addressing conflicts with MPG. Moreover, the physician members of OPSC will not have to spend time and resources handling administrative duties, as the Company plans to delegate its management and billing services to an independent management and billing company, Pinnacle III. Accordingly, the physician members will be able to focus exclusively on the high quality of patient care that they provide at the facility, secure in the knowledge that they are well aligned with Pinnacle III for the provision of management and billing services.

Likewise, patients should benefit from the Proposed Transaction. As the physician members will have more time to spend on health care services, patients will realize more direct access to their physicians and the physicians should have enhanced availability. Additionally, the agreement to have Pinnacle III handle management and administrative duties will improve the quality of customer service at OPSC. OPSC believes that patients will enjoy a more efficient handling of their accounts and more streamlined scheduling of appointments.

Market Area

OPSC serves the population within thirty minutes' travel time from the ASTC. The Proposed Transaction will not affect OPSC's market area.

Problems or Issues to be Addressed by Project

OPSC is a limited liability company ("LLC") that owns and operates an ambulatory surgical treatment center ("ASTC") located at 9550 W 167th St , Orland Park, IL 60467. The

ASTC license issued by the Illinois Department of Public Health is held by OPSC (i.e., the LLC entity). Prior to the Proposed Transaction, Membership in the LLC entity was held as follows: (i) MPG held seventy-four (74) membership Units; (ii) PMI Diagnostic Imaging, LLC held forty (40) membership Units; and (iii) seven (7) individual physicians collectively held fourteen (14) membership Units.

MPG was to provide management and billing services under two agreements: the Management Agreement between MPG and OPSC ("the Management Agreement") and the Billing Service Agreement between MPG and OPSC ("the Billing Agreement").

Both before and after July of 2009, differences arose between MPG and the physician members regarding MPG's performance of its obligations under both the Management Agreement and the Billing Agreement.

The downward trend in the relationship between the physicians, MPG, and Advocate continued thereafter. The physicians alleged that MPG and Advocate had shirked certain obligations under the terms of the Management Agreement and the Billing Agreement. Additionally, the physician members had concerns because they believed that MPG was no longer truly a medical entity and because of potential restrictive covenant issues that would exist as a result of MPG's new relationship with Advocate Health Care. Consequently, the Company engaged Pinnacle III, an independent surgery center management company, to assess the state of the facility's management and billing services.

The Company and MPG/Advocate attempted to resolve their differences, but these efforts failed. Ultimately, the two sides recognized that their continued relationship posed potential risks to the optimal provision of health care services and agreed that a buy-out would best serve both the short-term and long-term interests of the ASTC.

Sources

The Settlement Agreement between the parties reflects that they have compromised the disputes that existed between and amongst them in order to allow OPSC to move forward with a more unified ownership.

Goals

The goal of the Proposed Transaction is to re-establish OPSC as an efficiently managed ASTC. Without the distractions of managerial in-fighting, the physician members of OPSC will have more time to devote to patient care. Similarly, support staff at OPSC will be relieved of the burden of being directed by two different managerial teams. Just as the Illinois Health Facilities Planning Act aims to eliminate "unnecessary duplication of [ ] facilities," OPSC strives to eliminate or reduce the red-tape that has impeded the optimal business operations of its facility for the past few years. 20 ILCS § 390/2. OPSC expects the Proposed Transaction to yield measurable gains in productivity, clinical efficiencies, and patient satisfaction within two years.

ATTACHMENT 13

Criterion 1110.230 -- Alternatives

Pursuant to 77 Ill. Adm. Code § 1110.230(c), CON permit applicants are required to consider alternatives to their proposed project. The applicants considered the following alternatives:

1. Do Nothing.

A potential alternative to the project would be to do nothing. If MPG remained as a part-owner, there would be no resolution of the aforementioned administrative and managerial conflicts. Those conflicts could reasonably be expected to continue and would accrue to the detriment of OPSC. Additionally, the provision of duplicative services would continue. As a result, the workplace environment at the ASTC would remain acrimonious and efficiency would be lost.

Total Project Cost: It is anticipated that there would be substantial long-term costs that would be associated with this alternative due to the duplication of efforts and due to lost efficiencies as a result of the ongoing dispute between the parties.

Reason(s) for Rejecting Alternative: Both the physician owners and MPG rejected this alternative because the parties would remain deadlocked to the detriment of the efficient operation of the ASTC. Moreover, redeeming MPG will provide several benefits over the status quo, such as the elimination of duplicative administrative operations and greater contact between physicians and patients. Additionally, MPG has been purchased by Advocate and there would be a potential restrictive covenant issue that would arise through MPG's continued ownership.

2. Alternative B: Litigate.

Another potential alternative is for MPG and the Company and its member physicians to litigate their disputes. Before the Proposed Transaction was agreed upon, protracted litigation appeared to be likely in light of the substantial disputes that existed between MPG and the physicians. This option could have brought finality to the dispute through adjudication before a court of law, however, exploring this option would have been costly and quite time consuming. During the intervening time period, the members of the ASTC would still be in conflict and OPSC's operations would be affected. Moreover, attorneys' fees and other expenses would have been substantial, which would have resulted in the inefficient allocation of resources that could have been better used by OPSC.

Total Project Cost: The costs of pursuing this alternative would have been substantial as the parties would have been forced to retain counsel, draft pleadings, engage in discovery, and likely proceed to a hearing. Additionally, there would have been costs

associated with the result of such litigation. Thus, this alternative created both substantial short-term costs, as well as untenable long-term costs.

Reason(s) for Rejecting Alternative: A heated legal battle would have undercut the long-term stability of the facility and would have been quite expensive for the parties. Moreover, there is substantial uncertainty that would exist in litigation. Because neither MPG nor the physician members desired this outcome, the parties looked towards other alternatives that would help to obtain certainty and would avoid wasting or inefficiently using OPSC's resources.

Documentation and Evidence

OPSC's physician owners and MPG considered alternative options before deciding on the current project and filing the present application to obtain State Board approval relating to the complete redemption of MPG's membership interest. The chart that follows compares the various concepts examined by the applicants in terms of cost and other factors set forth in the State Board's rules. In some cases, the applicants were not able to determine the cost of a stated alternative option, but were able to approximate the relative cost associated with pursuing such a stated alternative.

Alternatives to the Proposed Project
Cost Benefit Analysis

Project / Alternative	Community Need	Access	Cost	Status
Proposed Project	Met because the proposed project will result in increased time for patient care and less time spent by the physician members on administrative tasks and on attempting to resolve disputes with other members in OPSC.	Increased because the ASTC's physician owners will be able to dedicate the maximum amount of time available to patient care rather than being distracted by conflict amongst the members. As a result, more patients are expected to be treated and existing patients are expected to gain faster scheduling of needed surgical procedures.	$550,000	Accepted
Do Nothing	Not met because maintaining the status quo will not resolve the problems that have affected the operations of the ASTC	No positive effect on access because physician owners will remain in conflict with the MPG management team over the direction and day-to-day operation of the ASTC	High long-term costs	Rejected
Litigate	Not met because services will suffer if the physician members and managers are distracted by a costly, drawn-out law suit	No positive effect because the rigors of litigation could impose significant time requirements upon the physician members, which will result in less physician availability for direct interaction with patients	High short-term and untenable long-term costs	Rejected

ATTACHMENT 19

Criterion 1110.240(b) – Impact Statement

1. Change in Services Currently Offered

The proposed transaction contemplates a redemption of MPG's membership Units. There will be no change in the services offered as a result of this transaction.

2. Operating Entity

OPSC will continue to be the operating entity and a new ASTC license will not be required.

3. Reason for the Transaction

The purpose of the transaction is to enhance patient care at OPSC. Since July of 2009, MPG and the Company's physician members have lost time and money trying to resolve their differences. Miscommunications have taken their toll on all parties involved. Additionally, MPG is no longer acting truly as a medical entity at this point in time and its relationship with Advocate could create potential issues relating to restrictive covenants.

To re-establish itself as a unified, more efficiently run ASTC, OPSC proposes to redeem MPG's seventy-four (74) Unit ownership interest in the company.

4. Anticipated Additions or Reductions of Employees

No material clinical staffing changes are anticipated now or for the next two years, except to the extent that OPSC will be managed by a single set of managerial staff.

5. Cost-Benefit Analysis

As discussed throughout this application, the proposed transaction contemplates the redemption of MPG's membership Units to resolve the ongoing disputes that have hamstrung the organization. By virtue of the settlement between MPG and the Company, OPSC will no longer be plagued by corporate in-fighting and overlapping management systems. Accordingly, the Company expects the proposed transaction to yield appreciable cost savings and enhanced patient care.

Pursuant to the application requirements, copies of the executed transaction documents immediately follow this Attachment 19.

ADVOCATE HEALTH CARE,
MIDWEST PHYSICIAN GROUP LTD.,
THE ORLAND PARK SURGICAL CENTER, L.L.C.
AND ALL MEMBERS

SIGNING DATE: JANUARY 31, 2012

Unit Transfer, Settlement and Release Agreement 1

Termination Agreement for Management Services Agreement and Billing Services Agreement ..... Exhibit A

First Amendment to Lease ..... Exhibit B

Unanimous Consent Amending the Operating Agreement ..... Exhibit C

UNIT TRANSFER, SETTLEMENT AND RELEASE AGREEMENT

THIS UNIT TRANSFER, SETTLEMENT AND RELEASE AGREEMENT (this "Agreement") is made and entered into this 31st day of January, 2012 ("Signing Date") and effective as of the Effective Date below, by and among Advocate Health Care ("Advocate"), Midwest Physician Group Ltd. ("MPG"), the Orland Park Surgical Center, L.L.C. (the "Company"), and all of the members of the Company set forth on the signature page hereto (the "Members"). The term "the Parties" as used herein, shall include MPG, Advocate, the Members and the Company.

WITNESSETH:

WHEREAS, the Company was formed on June 21, 2001, for purposes of providing cost-efficient ambulatory patient care in Orland Park, Illinois, and the surrounding areas;

WHEREAS, MPG is a Member of the Company and owns 74 Units of the Company;

WHEREAS, the Company entered into a dispute with MPG and Advocate regarding Advocate's alleged purchase of MPG's ownership in the Company, the operation of the Company and the provision of services under both that certain Management Services Agreement by and between the Company and MPG, dated June 18, 2001 (the "Management Services Agreement") and that certain Billing Services Agreement by and between the Company and MPG, dated June 18, 2001 (the "Billing Services Agreement") (the "Dispute");

WHEREAS, the Company, MPG and Advocate have engaged in settlement discussions regarding the Dispute;

WHEREAS, to resolve the Dispute, MPG has agreed to transfer all of its 74 Units (the "Transferred Units") to the Company for a purchase price equal to Five Hundred Fifty Thousand Dollars ($550,000.00) (collectively, the "Purchase Price") upon the terms and conditions hereinafter set forth;

WHEREAS, the Company has agreed to pay the Purchase Price and accept transfer of the Transferred Units from MPG upon the terms and conditions hereinafter set forth (the "Transfer"); and

WHEREAS, the Operating Agreement will be amended to limit MPG's voting rights during the period between the Signing Date and the Effective Date.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. **Mutual Release.**

(a) Release of MPG and Advocate. Except with regard to the obligations and ancillary documents contemplated hereunder, in exchange for transferring the Transferred Units and the covenants and agreements of MPG and Advocate contained herein, the Company and its Members, officers, directors, employees, agents, parents, affiliates, subsidiaries, predecessors, successors and assigns hereby release, acquit, waive and forever discharge MPG and Advocate, as well as their respective shareholders, officers, directors, employees, agents, parents, affiliates, subsidiaries, predecessors, successors, and assigns from any and all claims whether at law or in equity, known or unknown, foreseen or unforeseen, asserted or unasserted, contingent or absolute, for direct, incidental, consequential, presumed or punitive damages, or any other loss or damages.

(b) Release of the Company and the Members. Except with regard to the obligations and ancillary documents contemplated hereunder, in exchange for receipt of the Purchase Price for the Transferred Units and the covenants and agreements of the Company contained herein, MPG and Advocate, as well as their respective shareholders, officers, directors, employees, agents, parents, affiliates, subsidiaries, predecessors, successors and assigns hereby release, acquit, waive and forever discharge the Company and the Company's Members, officers, directors, employees, agents, parents, affiliates, subsidiaries, predecessors, successors and assigns from any and all claims whether at law or in equity, known or unknown, foreseen or unforeseen, asserted or unasserted, contingent or absolute, for direct, incidental, consequential, presumed or punitive damages, or any other loss or damages.

Section 2. **Transfer of Units.** MPG hereby agrees to transfer the Transferred Units to the Company on the Effective Date for the Purchase Price. MPG acknowledges and agrees that it waives any and all rights to contest the determination of the valuation of the Purchase Price. MPG agrees and acknowledges that it shall not have any further rights with respect to the Transferred Units upon the receipt of the full amount of the Purchase Price from the Company. The Parties acknowledge and agree that the Purchase Price reflects the fair market value of the Transferred Units.

Section 3. **Payment of Purchase Price/Escrow.**

(a) The Purchase Price for the Transferred Units shall be deposited into escrow with McGuireWoods LLP on the Signing Date. The Parties shall cause McGuireWoods LLP to pay the Purchase Price to MPG on the Effective Date in accordance with Section 3(c) below.

(b) The Parties hereby appoint McGuireWoods LLP ("MW") as the escrow agent, to hold the Purchase Price in escrow for the benefit of the Parties and to be released in accordance with the terms and conditions of this Agreement. MW hereby accepts such appointment. The Purchase Price will be held in escrow until released in accordance with Section 3(c) below.

(c) After the Parties receive approval from the HFSRB (as defined in Section 5 below) approving the transfer of the Transferred Units, MW shall release the Purchase Price to MPG upon the delivery to MW of notice ("Notice") from a properly designated representative of either MPG/Advocate or Company providing evidence of the approval from the HFSRB for the transfer of the Transferred Units by MPG to Company and requesting that the Purchase Price be released. MW shall immediately release the Purchase Price to MPG following receipt of the Notice (the "Effective Date").

(d) Notwithstanding any provision contained herein to the contrary, MW shall:

(i) not be held liable for any action taken or omitted as escrow agent hereunder so long as it shall have acted in good faith; shall have no responsibility to inquire into authenticity of any documents submitted to it in connection with its duties, and shall be entitled to deem the signatures of any documents submitted hereunder as being those properly executed and with full authority;

(ii) shall only have those duties as are specifically provided herein, which shall be deemed purely ministerial in nature.

(e) Any notice or other communication to be made by any Party to MW may be delivered to MW via first class mail, registered/certified mail, overnight commercial courier service, email or facsimile, receipt verified by MW, to McGuireWoods LLP, 77 West Wacker, Suite 4100, Chicago IL 60601, Attention: Scott Downing; sdowning@mcguirewoods.com; 312-920-6126 (facsimile number). Senders of such notices should also use reasonable efforts to provide copies of such notice (by first class mail, registered/certified mail, overnight commercial courier service, email or facsimile) to each of the other Parties pursuant to Section 16 hereof.

(f) MW may resign as escrow agent at any time upon fifteen (15) days prior written notice to the Parties. In such event, MW shall then deliver the Purchase Price to a successor escrow agent jointly appointed in writing by the Parties, and assist the Parties in establishing an escrow agreement with such successor escrow agent with substantially the same terms for release as set forth herein.

(g) **AS THE PARTIES KNOW AND UNDERSTAND, MW ACTS AS COUNSEL TO THE COMPANY WITH RESPECT TO THE AGREEMENT, INCLUDING THE NEGOTIATION AND COMPLETION OF ALL OF THE RELATED DOCUMENTS. PURSUANT TO THE NEGOTIATION OF THE AGREEMENT, MPG, ADVOCATE AND THEIR COUNSEL REQUESTED THAT MW ACT AS ESCROW AGENT. MW HAS AGREED TO DO SO, SO LONG AS MPG AND ADVOCATE DO NOT REQUEST THAT MW BE BARRED FROM REPRESENTING THE COMPANY IN ANY DISPUTE AMONGST COMPANY AND MPG AND ADVOCATE IN THAT REGARD, IN THE EVENT ANY DISPUTE ARISES FROM THIS AGREEMENT, THE OTHER DOCUMENTS RELATED HERETO, MW RESERVES THE RIGHT, AND MPG**

AND ADVOCATE AND THEIR COUNSEL ACKNOWLEDGE AND AGREE, THAT MW MAY CONTINUE TO REPRESENT THE COMPANY NOTWITHSTANDING MW'S ROLE AS THE ESCROW AGENT HEREUNDER. MPG AND ADVOCATE HEREBY WAIVE ANY SUCH CONFLICT OF INTEREST THAT EXISTS OR MAY ARISE AS A RESULT OF THIS ESCROW AGREEMENT.

Section 4. **Delivery**. The Company, MPG, the Members and Advocate will execute and deliver such other documents, instruments and items as the Parties and their respective attorneys may require to effectuate the transfer of the Transferred Units from MPG to the Company and to fulfill the covenants and agreements set forth herein.

Section 5. **Government Approvals.** Between the Signing Date and the Effective Date, each Party: (a) shall use its best efforts and, as applicable, cooperate with the other Parties, to secure, as promptly as practicable all consents, approvals, authorizations, clearances, certificates of need (or certificates of exemption) and licenses required to be obtained from governmental and regulatory authorities in order to carry out the Transaction and to cause all of its covenants and agreements to be performed, satisfied and fulfilled, including a certificate of need or certificate of exemption, as applicable, from the Illinois Health Facilities and Services Review Board ("HFSRB"), and (b) will provide such information and communications to governmental and regulatory authorities as any Party or such authorities may reasonably request.

Section 6. **Representations of MPG and Advocate.**

(a) MPG hereby represents and warrants that MPG has good and marketable title to the Transferred Units, free and clear of all encumbrances, pledges, restrictions, liens, and charges of every kind, except as provided in the Operating Agreement; and

(b) MPG and Advocate hereby each represent and warrant that neither this Agreement to transfer the Transferred Units nor anything to be done hereunder violates nor shall violate any contract, agreement or instrument to which MPG or Advocate is a party, or which affects the Transferred Units or any part thereof.

Section 7. **Termination of the Management Service Agreement and Billing Services Agreement.** As of the January 1, 2012, each of the Management Services Agreement and Billing Services Agreement shall be terminated pursuant to the terms and conditions of the Termination of the Management Services Agreement and Billing Services Agreement (the "Termination Agreement"), a form of which is set forth in Exhibit A, attached hereto. In addition, MPG hereby consents to the Company entering into a new management services agreement and billing services agreement with one or more third parties.

Section 8. **Lease Amendment**. The Company and MPG shall enter into a lease amendment, amending the Company's current real estate lease so that the lease ends no later than June 1, 2016, pursuant to the term of the Lease Agreement Amendment (the "Lease Amendment"), a form of which is set forth in Exhibit B, attached hereto.

Section 9. **Additional Covenants of MPG and Advocate**. As a material condition to the Company entering into this Agreement, MPG and Advocate hereby make the following covenants:

(a) MPG and Advocate shall fully support, including signing a written statement of support (as drafted by the Company and reasonably acceptable to MPG and Advocate), the Company termination of the Company's Certificate of Need ("CON") and an application by the Company, its owners or any other combination of persons, as determined by the Company after the Effective Date, to establish a new multispecialty ambulatory surgery center in or around Orland Park, Illinois or such other location as the Company shall determine.

(b) Advocate shall continue to employ the employees working at the Company's center until the earlier of the Effective Date, the date Company notifies Advocate of the Company's intent to transfer such employees to the Company or 90 days after the Signing Date. Company shall pay Advocate the costs of such employees during such period. Company or its new management company shall make offers of employment to all non-physician staff currently working for the Company, subject to background checks and related reviews of personnel files. Company shall be responsible for any professional liability claims that relate to actions or omissions following the Signing Date.

(c) Advocate shall transition to the Company those phone and IT services which currently serve the Company during the sixty (60) day period following the Signing Date. Company shall reimburse Advocate its cost for providing phone and IT services to the Company during such sixty (60) day period.

Section 10. **Operating Agreement**. The Operating Agreement shall be amended upon the Signing Date as set forth in Exhibit C, attached hereto (the "Operating Agreement Amendment"). Notwithstanding the foregoing, in the event the HFSRB denies approval, or does not approve by September 30, 2012, of the transfer of the Transferred Units as described herein, the Operating Agreement Amendment shall (unless otherwise agreed to by the Parties) automatically, without further action by the Parties, restore MPG's voting and other rights to distributions which were amended in Section 1 and 2 of the Operating Agreement Amendment. Notwithstanding the foregoing, the new management company shall remain in place unless the non-MPG/Advocate Members of the Company unanimously agree.

Section 11. **Successors**. This Agreement shall be binding upon and inure to the benefit of the respective successors, assigns and the legal representatives of the Parties hereto.

Section 12. **Entire Agreement**. This Agreement constitutes the entire agreement between the parties and contains all of the agreements and understandings between the parties with respect to the subject matter hereof. No change, modification or amendment to this Agreement shall be valid unless the same be in writing and signed by

each of the Parties to be bound thereby. No waiver of any provision of this Agreement shall be valid unless in writing and signed by the Party to be charged.

Section 13. **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois, without giving effect to conflicts of law principles.

Section 14. **Recitals**. The recitals set forth above are hereby incorporated into this Agreement by this reference as reflecting the general intent and understanding of the Parties hereto.

Section 15. **Counterparts**. This Agreement may be executed in two or more counterparts each of which shall be deemed an original but together shall constitute one and the same instrument.

Section 16. **Notices**. Other than notices given under this Agreement to MW as escrow agent, all notices, requests and other communications to any Party shall be in writing and shall be addressed to the receiving Party's address set forth below or to any other address as a Party may designate by notice hereunder, and shall be (i) delivered by hand, (ii) sent by recognized courier, or (iii) sent by certified overnight mail, return receipt requested, postage prepaid.

If to Advocate or MPG

Advocate Health Care
Dr James Dan
2026 Windsor Drive
Oak Brook, IL 60523

With a copy to:

Brian Sher
Bryan Cave
161 North Clark Street, Suite 4300
Chicago, Illinois

If to Company:

7600 W. College Drive
Palos Heights, IL 60463
Attn: Dr. Steve Wardell

With a copy to:

Scott Becker
McGuireWoods LLP
77 W. Wacker Drive, Suite 4100
Chicago, Illinois 60601

Section 17. **Division of Space**. The parties agree to discuss a possible division of the Company's space to determine if a mutually agreeable division of the Company's space can be accomplished that is both permissible from a legal/regulatory basis as well as economical. Notwithstanding the foregoing, nothing contained herein shall require the Parties to divide the Company's space.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto on the date and year first above written.

MPG:

Midwest Physician Group, Ltd.

By: _____

Its: Member

Advocate:

Advocate Health Care

By: _____

Its: _____

Company:

Surgery Center of Orland Park, L.L.C.

By: _____

Its: _____

Members:

Solely with respect to Section 3:

_____

McGuireWoods LLP

_____

Eligius Lelis, M.D.

_____

Jerry Chow, M.D.

_____

Henry Fuentes, M.D.

PMI Diagnostic Imaging, LLC, formerly known as Parkview Musculoskeletal Institute, LLC

By: _____

Its: _____

_____

Brian Farrell, M.D.

_____

Neerig Jain, M.D.

_____

Scott Glaser, M.D.

_____

Phillip Kooiker, M.D.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto on the date and year first above written.

MPG:

Midwest Physician Group, Ltd.

By: _____

Its: Member

Company:

Surgery Center of Orland Park, L.L.C.

By: _____

Its: _____

Solely with respect to Section 3:

_____

McGuireWoods LLP

_____

Eligius Lelis, M.D.

_____

Jerry Chow, M.D.

_____

Henry Fuentes, M.D.

Advocate:

Advocate Health Care

By: _____

Its: PRESIDENT, PHYSICIAN AND AMBULATORY SERVICES

Members:

PMI Diagnostic Imaging, LLC, formerly known as Parkview Musculoskeletal Institute, LLC

By: _____

Its: _____

_____

Brian Farrell, M.D.

_____

Neerig Jain, M.D.

_____

Scott Glaser, M.D.

_____

Phillip Kooiker, M.D.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto on the date and year first above written.

MPG:

Midwest Physician Group, Ltd.

By: _____

Its: _____

Advocate:

Advocate Health Care

By: _____

Its: _____

Company:

Surgery Center of Orland Park, LLC.

By: _____

Its: MEDICAL DIRECTOR

Members:

Solely with respect to Section 3:

_____

McGuireWoods LLP

PMI Diagnostic Imaging, LLC, formerly known as Parkview Musculoskeletal Institute, LLC

By: _____

Its: VICE PRESIDENT

_____

Eligius Lelis, M.D.

_____

Brian Farrell, M.D.

_____

Jerry Chow, M.D.

_____

Neerig Jain, M.D.

_____

Henry Fuentes, M.D.

_____

Scott Glaser, M.D.

_____

Phillip Kooiker, M.D.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto on the date and year first above written.

MPG:

Midwest Physician Group, Ltd.

By: _____

Its: _____

Advocate:

Advocate Health Care

By: _____

Its: _____

Company:

Surgery Center of Orland Park, LLC.

By: Steven Wardell MD

Its: MEDICAL DIRECTOR

Members:

Solely with respect to Section 3:

_____

McGuireWoods LLP

_____

Eligius Lelis, M.D.

_____

Jerry Chow, M.D.

_____

Henry Fuentes, M.D.

PMI Diagnostic Imaging, LLC, formerly known as Parkview Musculoskeletal Institute, LLC

By: Steven Wardell MD

Its: VICE PRESIDENT

_____

Brian Farrell, M.D.

_____

Neerig Jain, M.D.

_____

Scott Glaser, M.D.

_____

Phillip Kooiker, M.D.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto on the date and year first above written.

MPG:

Midwest Physician Group, Ltd.

By: _____

Its: _____

Advocate:

Advocate Health Care

By: _____

Its: _____

Company:

Surgery Center of Orland Park, L.L.C.

By: [signature]

Its: MEDICAL DIRECTOR

Members:

Solely with respect to Section 3:

_____

McGuireWoods LLP

PMI Diagnostic Imaging, LLC, formerly known as Parkview Musculoskeletal Institute, LLC

By: [signature]

Its: VICE PRESIDENT

_____

Eligius Lelis, M.D.

_____

Brian Farrell, M.D.

_____

Jerry Chow, M.D.

_____

Neerig Jain, M.D.

_____

Henry Fuentes, M.D.

_____

Scott Glaser, M.D.

_____

Phillip Kooiker, M.D.

Execution Version

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto on the date and year first above written.

MPG:

Midwest Physician Group, Ltd.

By: _____

Its: _____

Advocate:

Advocate Health Care

By: _____

Its: _____

Company:

Surgery Center of Orland Park, L.L.C.

By: _____

Its: _____

Members:

Solely with respect to Section 3:

_____

McGuireWoods LLP

_____

Eligius Lelis, M.D.

_____

Jerry Chow, M.D.

_____

Henry Fuentes, M.D.

PMI Diagnostic Imaging, LLC, formerly known as Parkview Musculoskeletal Institute, LLC

By: _____

Its: _____

_____

Brian Farrell, M.D.

_____

Neeraj Jain, M.D.

_____

Scott Glaser, M.D.

_____

Phillip Kooiker, M.D.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto on the date and year first above written.

MPG:

Midwest Physician Group, Ltd.

By: _____

Its: _____

Advocate:

Advocate Health Care

By: _____

Its: _____

Company:

Surgery Center of Orland Park, L.L.C.

By: _____

Its: _____

Members:

Solely with respect to Section 3:

McGuireWoods LLP

PMI Diagnostic Imaging, LLC, formerly known as Parkview Musculoskeletal Institute, LLC

By: _____

Its: _____

_____
Eligius Lelis, M.D.

_____
Brian Farrell, M.D.

_____
Jerry Chow, M.D.

_____
Neerig Jain, M.D.

_____
Henry Fuentes, M.D.

_____
Scott Glaser, M.D.

_____
Phillip Kooiker, M.D.

TERMINATION AGREEMENT

This **TERMINATION AGREEMENT** (the "Termination Agreement") is entered into this 1st day of January, 2012 to be effective as of January 1, 2012 (the "Effective Date"), by and between **Orland Park Surgery Center, LLC**, an Illinois limited liability company (the "Company"), and **Midwest Physician Group Ltd.**, an Illinois corporation ("MPG"). The Company and MPG are sometimes referred to herein singly as a "Party" and together as the "Parties."

RECITALS

WHEREAS, the Parties are each a party to that certain Management Services Agreement, effective June 18, 2001 (the "Management Services Agreement") and that certain Billing Services Agreement, effective June 18, 2001 (the "Billing Services Agreement"), pursuant to which MPG provides management and billing services to the Company (collectively, "the Agreements");

WHEREAS, pursuant to that certain Unit Transfer, Settlement and Release Agreement of even date herewith (the "Settlement Agreement"), each of the Parties has agreed to terminate the Agreements; and

WHEREAS, as a result of the foregoing, the Parties hereto desire to enter into this Termination Agreement to set forth in writing the understanding among the Parties hereto as to the subject matter hereof.

NOW THEREFORE, in consideration of the promises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned do hereby agree and acknowledge as follows:

TERMS AND CONDITIONS

1. Termination of the Agreements. Each of the Parties hereby mutually agrees to terminate the Agreements as of the Effective Date. As a result of the termination of the Agreements, no Party to the Agreements shall have any further or continuing obligation or responsibility to the any other Party, except for amounts owed with respect to services rendered prior to the date hereof. Each of the Parties hereto hereby waives any and all notice obligations to the other Parties set forth in the Agreements.

2. Counterparts. This Termination Agreement may be executed in one or more counterparts, each of which shall be an original, but all of which together shall comprise one and the same instrument.

3. Entire Termination Agreement; Survival. This Termination Agreement, together with the Settlement Agreement, constitutes the entire agreement between the Parties hereto pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether written or oral, of the Parties, and there are no representations, warranties or other agreements among the Parties in connection with the subject matter hereof, except as specifically set forth herein. No change, modification or amendment of this Termination Agreement shall be valid unless the same be in writing and signed by each of the Parties to be bound. No waiver of any provision of this Termination Agreement shall be valid unless in writing and signed by the Party to be charged.

4. Language Construction. The language in all parts of this Termination Agreement shall be construed, in all cases, according to fair meaning. Each of the Parties acknowledges that no single Party

bears sole responsibility for the preparation and drafting of this Termination Agreement. Consequently, no rule of construction to the effect that ambiguities are to be resolved against the drafting Party should be employed in the interpretation of this Termination Agreement.

5. Successors and Assigns. This Termination Agreement shall inure to the benefit of and bind the respective successors and permitted assigns of the Parties. Nothing expressed or referred to in this Termination Agreement is intended or shall be construed to give any person other than the Parties to this Termination Agreement or their respective successors or permitted assigns any legal or equitable right, remedy or claim under or in respect of this Termination Agreement or any provision contained herein, it being the intention of the Parties to this Termination Agreement that the Termination Agreement be for the sole and exclusive benefit of such Parties or such successors and assigns and not for the benefit of any other person.

6. Waiver. No delay or omission on the part of any Party hereto in exercising any right hereunder shall operate as a waiver of such right or any other right under this Termination Agreement.

7. Assignment. No assignment may be made without the consent of the other Party, which consent may be given or withheld in each party's sole and absolute discretion.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned hereto have executed this Termination Agreement as of the Effective Date.

COMPANY:

SURGERY CENTER OF ORLAND PARK, LLC

By:_____
Print:_____
Title:_____

MIDWEST PHYSICIAN GROUP, LTD

By: Richard F. Multack PC
Print: Richard F. Multack, PC
Title:_____

\34892611.5

IN WITNESS WHEREOF, the undersigned hereto have executed this Termination Agreement as of the Effective Date.

COMPANY:

SURGERY CENTER OF ORLAND PARK, LLC

By: Steve Wardell MD
Print: STEVE WARDELL MD
Title: MEDICAL DIRECTOR

MIDWEST PHYSICIAN GROUP, LTD.

By: _____
Print: _____
Title: _____

\34892611.5

UNNANIMOUS WRITTEN CONSENT AMENDING THE OPERATING AGREEMENT OF ORLAND PARK SURGERY CENTER, LLC

The undersigned, being all of the Members and Managers of Orland Park Surgical Center, LLC, an Illinois limited liability company (the "Company"), hereby certify their consent to the adoption of the following recitals and resolutions amending the Operating Agreement (as defined below) of the Company, in lieu of a meeting of the Members and Managers of the Company, effective as of January 31st, 2012.

WHEREAS, the Company is a limited liability company organized under the laws of the State of Illinois pursuant to its Operating Agreement, dated January 15, 2001 (the "Operating Agreement");

WHEREAS, pursuant to Section 7.3 of the Operating Agreement, the written consent of at least one Manager of each Institutional Member and Supermajority Approval of the Members to amend the terms of the Operating Agreement;

WHEREAS, the Members and Managers desire to amend the Operating Agreement to document the fact that Silver Cross Hospital ("SCH") is no longer a Member and to amend the rights of Midwest Physician Group Ltd. ("MPG") between the Signing Date and the Effective Date, as those terms are defined in that certain Transfer, Settlement and Release Agreement (the "Settlement Agreement") by and among the Company, MPG and Advocate Healthcare, of even date herewith.

NOW THEREFORE, the Members and Managers hereby adopt the following Resolutions:

RESOLVED, the current ownership structure of the Company is as set forth on Exhibit A, attached hereto;

FURTHER RESOLVED, all rights of MPG under the Operating Agreement are hereby limited as set forth below and MPG shall have no other rights under the Operating Agreement:

1. Between the Signing Date and the Effective Date, MPG shall have no voting rights with respect to the operations of the Company, provided, however, MPG's rights under this Consent, the Settlement Agreement and other agreements entered into in connection with the Settlement Agreement shall not be altered except as set forth in those agreements.

2. No distributions shall be made by the Company between the Signing Date and the Effective Date. MPG shall have no right to receive any distributions upon the closing of the transactions contemplated by the Settlement Agreement.

3. Between the Signing Date and the Effective Date the Managers of the Company shall be chosen by the non-MPG Members only.

4. Notwithstanding the foregoing, in the event the Illinois Health Facilities Planning Board denies its approval, or otherwise does not approve by September 30, 2012, of the transfer of units from MPG to the Company, items 1, 2 and 3 above, shall be of no further force or effect.

5. During the period between the Signing Date and the termination of the Lease (the "Lease") between Company and MPG, the Company shall not change its name or the names on its signage for identifying the Company's ambulatory surgical center.

FURTHER RESOLVED, that the Operating Agreement is amended only to the extent set forth herein and, to the extent there are any conflicts between this Consent and the Operating Agreement, the terms of this Consent shall govern.

FURTHER RESOLVED, that the proper officers and Managers of the Company be, and each of them hereby is, authorized to take all such further actions and to execute and deliver all such instruments, certificates and documents, on behalf of the Company, as in their judgment shall be necessary, proper or advisable in order to fully carry out the intent and to accomplish the purpose of the foregoing Resolutions.

FURTHER RESOLVED, that these amendments shall be entered into the minute book of the Company and are hereby deemed incorporated into the Company's Operating Agreement as provided herein.

FURTHER RESOLVED, that this document may be executed in several counterparts and as so executed shall constitute one consent binding on all parties hereto, notwithstanding that all of the parties have not signed the original or the same counterpart.

FURTHER RESOLVED, that the recitals set forth above are incorporated herein by reference as reflecting the general understanding and intent of the parties.

(signature page follows)

IN WITNESS WHEREOF, the undersigned hereby certify that the foregoing Resolutions have been duly adopted by the Members and Managers of the Company as of the date first set forth above.

INSTITUTIONAL CLASS MEMBERS

MIDWEST PHYSICIAN GROUP, L.T.D.

By:_____

Its:_____

PMI DIAGNOSTIC IMAGING, LLC,
formerly known as PARKVIEW
MUSCULOSKELETAL INSTITUTE, LLC

By:_____

Its:_____

PHYSICIAN CLASS MEMBERS

_____

Brian Farrell, M.D.

_____

Neeraj Jain, M.D.

_____

Scott Glaser, M.D.

_____

Phillip Kooiker, M.D.

_____

Bligius Lelis, M.D.

IN WITNESS WHEREOF, the undersigned hereby certify that the foregoing Resolutions have been duly adopted by the Members and Managers of the Company as of the date first set forth above.

INSTITUTIONAL CLASS MEMBERS

MIDWEST PHYSICIAN GROUP, L.T.D.

By:_____
Its:_____

PMI DIAGNOSTIC IMAGING, LLC, formerly known as PARKVIEW MUSCULOSKELETAL INSTITUTE, LLC

By: Steve Vandelune
Its: VICE PRESIDENT

PHYSICIAN CLASS MEMBERS

Brian Farrell
Brian Farrell, M.D.

Neeraj Jain, M.D.

Scott Glaser, M.D.

Phillip Kooiker, M.D.

Eligius Lelis, M.D.

IN WITNESS WHEREOF, the undersigned hereby certify that the foregoing Resolutions have been duly adopted by the Members and Managers of the Company as of the date first set forth above.

INSTITUTIONAL CLASS MEMBERS

MIDWEST PHYSICIAN GROUP, L.T.D.

By:_____
Its:_____

PMI DIAGNOSTIC IMAGING, LLC,
formerly known as PARKVIEW
MUSCULOSKELETAL INSTITUTE, LLC

By: Steve Vandelune
Its: VICE PRESIDENT

PHYSICIAN CLASS MEMBERS

_____
Brian Farrell, M.D.

_____
Neeraj Jain, M.D.

_____
Scott Glaser, M.D.

_____
Phillip Kooiker, M.D.

_____
Eligius Lelis, M.D.

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INSTITUTIONAL CLASS MEMBERS

MIDWEST PHYSICIAN GROUP, L.T.D.

By:_____
Its:_____

PMI DIAGNOSTIC IMAGING, LLC, formerly known as PARKVIEW MUSCULOSKELETAL INSTITUTE, LLC

By: Steve Wardell MD
Its: VICE PRESIDENT

PHYSICIAN CLASS MEMBERS

_____
Brian Farrell, M.D.

_____
Neeraj Jain, M.D.

_____
Scott Glaser, M.D.

_____
Phillip Kooiker, M.D.

_____
Eligius Lelis, M.D.

Jerry Chow, M.D.

Henry Fuentes, M.D.

THE COMPANY:

By: Steve Wardell
Its: MEDICAL DIRECTOR

Jerry Chow, M.D.

Henry Fuentes, M.D.

THE COMPANY:

By: Steve Warshaw

Its: MEDICAL DIRECTOR

EXHIBIT A

Ownership of the Company as of January 31, 2012

Member	Number of Units
MPG	74 Units
PMI Diagnostic Imaging, LLC, formerly known as Parkview Musculoskeletal Institute, LLC	40 Units
Brian Farrell, M.D.	2 Units
Neeraj Jain, M.D.	1 Units
Scott Glaser, M.D.	2 Units
Phillip Kooiker, M.D.	2 Units
Eligius Lelis, M.D.	2 Units
Jerry Chow, M.D.	3 Units
Henry Fuentes, M.D.	2 Units

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ASSIGNMENT AND ASSUMPTION OF MEMBERSHIP UNITS AND ACKNOWLEDGEMENT OF CONTRIBUTION ("ASSIGNMENT AND ASSUMPTION AGREEMENT")

The undersigned, Orland Park Surgical Center, LLC (the "Company"), hereby transfers seventy-four (74) Membership Units (the "Transferred Units") to PMI Diagnostic Imaging, LLC, formerly known as Parkview Musculoskeletal Institute, LLC ("PMI"). In connection with that certain Unit Transfer, Settlement and Release Agreement (the "Agreement"), PMI has contributed (the "Contribution") Five Hundred and Fifty Thousand Dollars ($550,000) to the Company to facilitate the Company's purchase of the Transferred Units from Midwest Physician Group, Ltd. ("MPG"). In consideration for the Contribution, the receipt and adequacy of which are hereby acknowledged, the Company is assigning the Transferred Units to PMI pursuant to the terms hereof.

The Company represents and warrants that it owns good and marketable title to the Transferred Units, free and clear of any and all encumbrances, liabilities, claims, liens, security interests and restrictions (other than those imposed by the Operating Agreement of the Company or by federal or state securities laws). The Company hereby agrees to warrant and defend title to the Transferred Units conveyed hereby to PMI, its successors and assigns against every person or entity who may make any claim with respect to the Transferred Units or any interest therein against or through the Company, but not otherwise. Notwithstanding anything contained herein to the contrary, this Assignment and Assumption Agreement shall not be effective unless and until the Company has received approval from the Illinois Health Facilities and Services Review Board approving the transfer of the Transferred Units under the Agreement and the Purchase Price (as defined in the Agreement) has been released from Escrow to MPG (the "Effective Date").

Separate copies of this Assignment and Assumption Agreement may be signed by the parties hereto, with the same effect as though all of the parties had signed one copy of same. Signatures received by facsimile or via other electronic transmission system shall be accepted as original signatures.

IN WITNESS WHEREOF, the undersigned has executed this Assignment and Assumption Agreement, as of the Effective Date.

ORLAND PARK SURGICAL CENTER, LLC

By _____

Name Steve Wardell

Title VICE PRESIDENT

(Intentionally left blank)

AGREEMENT OF PMI

The undersigned hereby consents to the assignment of the above described Transferred Units to the undersigned in accordance with the Assignment and Assumption Agreement and agrees (1) to undertake all duties and obligations of a Member of the Company that arise from and after the Effective Date and (2) to be bound by all of the terms and conditions of the operating agreement of the Company.

PMI

By: _____

Name: Steve Wardell

Title: VICE PRESIDENT

Criterion 1110.240(c) – Access

Admissions Policies

A copy of the current admissions policy for OPSC is attached immediately following this Attachment 19. No changes will be made to the admissions policy as a result of the proposed transaction. As a result, only the current admissions policy is attached.

Admission Policy Certification

Please find an executed copy of a certified letter submitted by Robert Semba, President of OPSC, immediately following this Attachment 19.

ORLAND PARK SURGICAL CENTER
POLICY AND PROCEDURE MANUAL

DEPARTMENT: **ORLAND PARK SURGICAL CENTER** POLICY: **PACU 13**

POLICY: **ADMISSION OF PATIENTS TO OPSC**

EFFECTIVE: **MARCH 2002** PAGE: **ONE OF TWO**

REVIEWED: **MARCH 2010**

APPROVED BY: _____ DIRECTOR, ORLAND PARK SURGICAL CENTER

POLICY:

Orland Park Surgical Center will admit patients in a professional and orderly manner.

PURPOSE:

To provide for admission of patients to OPSC for surgical treatment and care.

PROCEDURE:

1. Front desk personnel identifies patient upon arrival to OPSC.
   If patient is unable to speak, identity will be confirmed by family member, spouse, legal guardian, or accompanying person (i.e., ambulance attendant).

2. Front desk personnel will obtain identification confirmation and insurance information.

3. Patient's chart will be brought in to Preoperative area by front desk personnel and Preoperative Nurse will be notified of patient's arrival.

4. Preoperative Nurse will identify patient and bring patient into pre-op holding room. The Preoperative Nurse will place I.D. wristband on patient after identity is confirmed by two identifiers patient spelling their first and last name and giving their birth date. in pre-op area.

5. Preoperative Nurse will review with the patient the Special Consent to Operation or Other Procedure Form, and the Consent For Use of Anesthesia Form. Signed forms will be placed in the patient's chart after the physician has reviewed and signed the forms.

6. Patient will be instructed to remove clothing and shoes, and patient will be given hospital gown & non-skid slippers.

7. Patient's personal belongings will be placed in "Personal Belongings" bag and bag will be labeled with patient's I.D. label. Bag will be placed on bottom of patient cart. If applicable, denture cup will be provided for dentures, partials, or dental appliances.

8. Patient will be instructed to remove eyeglasses or contact lenses and place in container which will be given to family member or placed in "Personal Belongings" bag on bottom of patient's cart.

9. Jewelry and or valuables will be removed and given to patient's family member. If no one is present with the patient, items will be placed in a separate container which will be labeled with patient's I.D. label and container will be placed with other personal belongings in bag and placed on bottom of patient's cart. Notation will be made on Pre-op Admission Nursing Assessment Form.

10. If applicable, prosthesis will be removed and will be labeled with patient I.D. label and will be placed on bottom of patient cart.

11. Preoperative Nurse will complete Pre-op Admission Nursing Assessment Form and Medication Reconsiliation Farm.

12. Surgical site/procedure verification will be completed pre-operatively in the pre-op holding room per policy.

13. Physician and Anesthesiologist orders will be reviewed and initiated, and special orders/tests will be completed and documented (i.e., UCG, EKG, Accu-chek, etc.).

14. Preoperative Nurse will start intravenous line using aseptic technique and will monitor for patency and check for any signs of infiltration.

15. Preoperative Nurse will monitor patient in pre-op holding room until the Operating Room personnel move patient into the operating room area.

16. Anesthesiologist will interview and examine patient, review laboratory data, review patient interview sheet, order necessary medications, and discuss anesthesia options.

17. Surgeon will visit the patient pre-operatively. At this time, the patient and family member will have an opportunity to ask questions relating to the procedure, any alternative treatment methods, medical necessity and risks of surgery. The surgeon will verify and mark the surgical site/procedure.

18. No patient will undergo any surgical procedure if the patient does not meet a minimum level of risk as judged by the anesthesiologist or surgeon or has a specific condition (i.e. medical, surgical, or psychiatric) that the Medical Executive Committee has expressly prohibited as being appropriate for a freestanding ambulatory surgery center, including but not limited to chronic infections or communicable diseases. All prohibitions will be made approved by the Medical Executive Committee and communicated by the Medical Director to staff via written memo. Children under the age of 1 will not be candidates for procedures at OPSC.

19. Accommodations are available for one family member, or responsible caregiver to be present in the perianesthesia area with the patient. This family member will be allowed to stay in the Pre-op area until the patient is brought into the operating room. Once the patient is admitted to the OR area family members and/or caregiver will be escorted to the lobby. A family member will be allowed to rejoin the patient post operatively and post-op instructions will be reviewed with the patient and family member or caregiver.

Coffee, public toilets, and telephone are provided in the lobby for visitor convenience.

ORLAND PARK SURGICAL CENTER, LLC

March 7, 2012

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

RE: Certificate of Need Permit Application
Orland Park Surgical Center, LLC

Dear Ms. Avery:

I hereby certify that the admission policies of Orland Park Surgery Center, LLC ("OPSC") will not become more restrictive as a result of the proposed redemption of MPG, LLC's membership units in OPSC. The patients in the community that our ambulatory surgical treatment center serves will not be adversely affected by the proposed transaction; in fact, we firmly believe that patients from and within our community will ultimately achieve enhanced access to care, as our physician members will be able to allocate additional time to patient care and their patients' needs.

Respectfully submitted,

Robert Semba MD

Signature

Robert Semba

Robert Semba

President

Subscribed and sworn to before me this 7th day of March, 2012.

Cindy Ferrin

Signature of Notary Public

Seal

OFFICIAL SEAL
CINDY FERRIN
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:12/16/13

Criterion 1110.240(d) – Health Care System

Impact on Other Area Providers

There will be no change in the scope of services provided by OPSC as a result of the proposed redemption of MPG's membership Units. All anticipated changes will be operational. There will be no expansion, reduction or modification of the services offered at the ASTC. The proposed transaction therefore will not affect other ASTCs and hospitals within OPSC's market area.

Facilities Within Applicant's Health Care System

OPSC is the only ASTC in which the Company has an ownership interest. OPSC is not a part of a health care system. Nor is OPSC affiliated with a health care system.

Present and Proposed Referral Agreements

OPSC does not have any current or proposed referral agreements for the ASTC that will be impacted by the proposed transaction; therefore, this review criterion is not applicable.

Time and Distance for Proposed Referrals

OPSC does not have any current or proposed referral agreements for the ASTC that are impacted by the proposed transaction; therefore, this review criterion is not applicable.

Use of Care System Providers

The proposed redemption of MPG's membership Units will not result in the creation of a health care system. OPSC is the only ASTC in which the Company has an ownership interest. OPSC is not a part of a health care system. Nor is OPSC is affiliated with a health care system. After the Proposed Transaction, OPSC will remain an individual, independently owned ASTC.

Duplication of Services

The proposed transaction anticipates the redemption of a current owner's Membership Units. Because the proposed transaction involves an existing ASTC, there will be no duplication of services.

Services Not Available to the Community

OPSC will continue to provide ambulatory surgical care and treatment services at its facility. The proposed transaction will not result in the addition or reduction of categories of surgical services at OPSC.

ATTACHMENT 19

Criterion 1110.240(d) – Health Care System

Health Care Facilities

I. Orland Park Surgery Center, LLC

Orland Park Surgical Center, LLC ("OPSC") owns one (1) ambulatory surgical treatment center, located at 1302 Franklin Avenue, Suite 1000, Normal, Illinois 61761. OPSC does not own or operate any other health care facilities.

ORLAND PARK SURGICAL CENTER
POLICY AND PROCEDURE MANUAL

DEPARTMENT: **ORLAND PARK SURGICAL CENTER** POLICY: **PACU 44**

POLICY: **ADMISSION TO THE HOSPITAL**

EFFECTIVE: **MARCH 2002** PAGE: **ONE**

REVIEWED: **NOVEMBER 2010**
APPROVED BY: _____ DIRECTOR, ORLAND PARK SURGICAL CENTER

POLICY:
Will establish a defined process in the event that a patient requires additional care and is transported directly from Orland Park Surgical Center to an area hospital.

PROCEDURE:

A. Verify that the patient will be admitted in consultation with the physician and anesthesiologist. Obtain written physician order.

B. The attending physician, nursing staff, and office personnel, will coordinate arrangements with the referring hospital for admission protocol.

C. OPSC staff will assist in discussing the need for hospitalization as well as the established, and required, procedure with the family, patient and referring physician as indicated.

D. Contact the determined mode of transportation as ordered by the physician. Patients may be transferred by private car or ambulance depending on the severity of the situation.

E. OPSC PACU staff will copy and send the following records with the patient to the hospital:
1. Registration information (face sheet)
2. Transfer record
3. Nurses Notes
4. Medication Sheet
5. Physician History & Physical
6. Anesthesia Record
7. OR Record
8. Post op Record
9. Physician Progress Note
10. EKG /EKG Strip.

F. Telephone report will be given to the appropriate personnel at the hospital

G. Note transfer in log book.

H. Copy transfer record for QA..

ATTACHMENT 19

Criterion 1110.240(d) – Health Care System

Utilization Information - Prior 12 Month Period

See attached.

Illinois Health Facilities and Services Review Board
AMBULATORY SURGICAL TREATMENT CENTER QUESTIONNAIRE FOR 2011

This is a formal request by IDPH for full, complete and accurate information as stated herein. This request is made under the authority of the Health Facilities Planning Act [20 ILCS 3960/]. Failure to respond may result in sanctions including the following:

"A person subject to this Act who fails to provide information requested by the State Board or State Agency within 30 days of a formal, written request shall be fined an amount not to exceed $1,000 for each 30-day period, or fraction thereof, that the information is not received by the State Board or State Agency." [20 ILCS 3960/14.1(b)(6)]

This questionnaire is divided into 2 sections:

Part I
Collects information on your facility and facility utilization.
THIS PART MUST BE REPORTED FOR CALENDAR YEAR 2011.

Part II
Collects Financial and Capital Expenditure information for your facility.
THIS PART MUST BE REPORTED FOR THE MOST RECENT FISCAL YEAR AVAILABLE TO YOU.

The Certification Statement on page 15 must be completed before the survey data can be submitted.

This survey must be completed and submitted by February 29, 2012.

Facilities failing to submit this questionnaire within the required time frame will be reported to the Illinois Health Facilities and Services Review Board for the its consideration of the imposition of sanctions mandated by the Act.

If you have problems or questions concerning the survey, please check the [help] links provided. If you still have problems, contact this office via e-mail to DPH.FacilitySurvey@illinois.gov, or by telephone at 217-782-3516.

Please review the following information on file for your facility and contact this office to report any inaccuracies:

ASTC Name	ORLAND PARK SURGICAL CENTER, LLC			
ASTC Address	9550 WEST 167TH STREET			
ASTC City	ORLAND PARK	IL	**Zip Code**	60467

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Illinois Health Facilities and Services Review Board
AMBULATORY SURGICAL TREATMENT CENTER QUESTIONNAIRE FOR 2011

Instructions for Completing this Form:

NOTE: Validation rules have been set up for some items; If your responses do not meet the validation rules, or if you have not filled in some required fields, you will not be allowed to proceed to the next page.

Navigating and Saving:
There are 3 buttons at the bottom of each survey page except the last one.
'Next' takes you to the next page of the survey
'Back' returns you to the previous survey page
'Save' saves work in progress if you need to stop before finishing.

NOTE: YOU DO NOT NEED TO SAVE AFTER EACH PAGE.
ONLY SAVE IF YOU NEED TO STOP BEFORE COMPLETING THE SURVEY.

IMPORTANT

When you save your work, the unfinished survey is stored on our server with a new, random address. You will be prompted to set a bookmark or Favorite in your web browser. YOU MUST DO THIS; YOU CANNOT ACCESS YOUR SAVED FORM WITHOUT IT. The link provided in your e-mail notice WILL NOT access the saved form, only a blank survey. When you are ready to continue, use the bookmark or favorite to open the form. You will be returned to the place where you left off.

Saving the form also allows you to send the link created to another person to enter data, if needed. Since the link is to a file saved on our survey system, all the other person needs is the link to access the saved form.

Please contact this office at 217/782-3516 or by Email to DPH.FacilitySurvey@illinois.gov with any questions.
Thank you for your cooperation.

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Illinois Health Facilities and Services Review Board
AMBULATORY SURGICAL TREATMENT CENTER QUESTIONNAIRE FOR 2011
Part I - Facility Data

1. FACILITY OWNERSHIP INFORMATION

A. Indicate the type of ownership for your ASTC (Choose only one):

FOR PROFIT	NOT FOR PROFIT
○ Sole Proprietorship	○ Church Related
○ Corporation (*RA)	○ State
○ Partnership (registered with county)	○ County
○ Limited Partnership (*RA)	○ City
○ Limited Liability Partnership (*RA)	○ Township
◉ Limited Liability Company (*RA)	○ Other Not for Profit (Specify below)
○ Other For Profit (specify below)	

Other Ownership Type [ ] *RA - Registered Agent Required

B. If your facility ownership requires a Registered Agent with the Illinois Secretary of State (marked *RA above), indicate the name, address and telephone number of this person or company (must be an Illinois resident or company).

Name of Registered Agent:	BRIDGET GIBBONS
Address:	20110 GOVENORS HIGHWAY
City, State and Zip Code (plus Four):	OLYMPIA FIELDS, IL 60468
Telephone Number:	708 503 3979

C. Provide the name and relational interest of all organizations or entities that are legally, financially or otherwise related to the licensee (e.g., parent, subsidiary, affiliate, management agreement, etc.)

	Name	Relationship	Type of Interest
1	ADVOCATE MEDICAL GROUP	MANAGEMENT COMPAN	MANAGEMENT AGREEMENT
2			
3			
4			
6			

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Illinois Health Facilities and Services Review Board
AMBULATORY SURGICAL TREATMENT CENTER QUESTIONNAIRE FOR 2011
Part I - Facility Data

D. Indicate the name, address and telephone number of the legal owners/operators of the facility. If you have more than 25 owners to report, please enter the information into a spreadsheet using the format below and email to DPH.FacilitySurvey@illinois.gov:

	Owner Name	Address	City, State Zip Code-Plus 4	Telephone Number (xxx/xxx-xxxx.xxxx)
1	Midwest Physician Group	20110 Govenors Highway	Olympia Fields, IL 60458	708/ 503-3979
2	Parkview Orthopedics	7600 College Drive	Palos Heights, IL 60463	708/ 503-3979
3	Henry Fuentes	7600 College Drive	Palos Heights, IL 60463	708/ 503-3979
4	Jerry Chow	15300 West Avenue	Orland Park, IL 60462	708/ 349-3388
5	Brian Farrell	16001 108th Avenue	Orland Park, IL 60467	708/ 460-0007
6	Phillip Kooiker	16001 108th Avenue	Orland Park, IL 60467	708/ 460-0007
7	Scott Glaser	7055 Highgrove Blvd	Burr Ridge, IL 60527	630/ 371-9980
8	Neeraj Jain	905 Elm Street	Hinsdale, IL 60521	630/ 794-9999
9	Eligius Lolis	963-129 Infantry Drive	Joliet, IL 60435	815/ 729-3777
10				
11				
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Illinois Health Facilities and Services Review Board
AMBULATORY SURGICAL TREATMENT CENTER QUESTIONNAIRE FOR 2011
Part I - Facility Data

2. PROPERTY OWNERSHIP INFORMATION

If the facility property is not owned by the facility legal owner/operator, indicate the name, address (including Zip Code plus Four) and telephone number of the property owner:

	Property Owner	Address	City, State Zip Code-plus 4	Telephone (xxx/xxx-xxxx.xxxx)
1	Advocate Medical Group	20110 Govenors Highway	Olympia Fields, IL 60461	708/503-3979

3. CONTRACTUAL MANAGEMENT

If management of this facility is performed by independent contractor(s), not by an employee of the facility, list the individual name(s) and address(es) of each independent contractor. If management is NOT done by independent contractor(s), indicate by checking the box provided.

☐ No Contractual Management

	Contractor Name	Full Address
1	AMG	20110 Govenors Highway Olympia Fields, IL 60461
2		
3		
4		
5		

4. FACILITY STAFFING

A. Please indicate the number of hours in a work week for a full-time employee of your facility: 40

B. Staffing Patterns

Please indicate the number of Full-Time Equivalent employees (FTEs), paid directly by the facility, working at your facility during the first pay period of December, 2011.

Personnel	Full-Time Equivalents
Administrators	0
Physicians	0
Nurse Anesthetists	0
Director of Nursing	1.0
Registered Nurses	9.8
Certified Aides	0.5
Other Health Professionals	3.0
Other Non-Health Professionals	4.0
TOTAL FACILITY PERSONNEL	18.3

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Illinois Health Facilities and Services Review Board
AMBULATORY SURGICAL TREATMENT CENTER QUESTIONNAIRE FOR 2011
Part I - Facility Data

INFORMATION CONCERNING PATIENTS SERVED - CALENDAR YEAR 2011

5. Patients by Age Groups
Please indicate the number of patients during the calendar year 2011 by age and sex. If the patient was seen more than once, he/she should be counted for each new incident.

	MALE	FEMALE
0-14 Years	33	20
15-44 Years	270	303
45-64 Years	630	766
65-74 Years	240	392
75+ Years	133	323

TOTAL PATIENTS SERVED

TOTALS	1306	1804	3110

6. Source of Payment
Please indicate the numbers of patients your ASTC saw during calendar year 2011, by sex and PRIMARY PAYOR. The Total Male and Total Female patients reported must be the same as those reported in Question 5.

	Male	Female
Medicaid	27	33
Medicare	414	801
Other Public*	1	6
Private Insurance	856	960
Private Payment	8	4
Charity Care*	0	0
[Definitions] TOTALS	1306	1804

*Other Public payment includes individuals whose primary payment source is Veterans Administration, County Boards,
Community Aid Agencies, grants, CHAMPUS, CHAMP-VA, and other government-sponsored programs, excluding Medicare and Medicaid.

"Charity care" means care provided by a health care facility for which the provider does not expect to receive payment from the patient or a third-party payer. [20 ILCS 3960, Section 3] Charity care does not include bad debt or the unreimbursed cost of Medicare, Medicaid, and other federal, State, or local indigent health care programs, eligibility for which is based on financial need.

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Illinois Health Facilities and Services Review Board
AMBULATORY SURGICAL TREATMENT CENTER QUESTIONNAIRE FOR 2011
Part I - Facility Data

7. Patients by Place of Origin - Calendar Year 2011

Preferred Reporting Method:

For your ease of reporting, we have supplied a Microsoft Excel worksheet for the entry of Patient Origin Data:

1. CLICK HERE to ACCESS THE WORKSHEET.
2. Save the worksheet to your computer.
3. Follow the directions on the worksheet to enter your data.
4. Email the completed spreadsheet to DPH.FacilitySurvey@illinois.gov.
5. Retain a copy of the worksheet in case follow-up is required.

If you do not wish to use the Patient Origin worksheet, please use the spaces below to report the places of origin of the patients seen at your ASTC during Calendar Year 2011, and the number of patients from each area. 5-digit Zip Code areas are preferred; if Zip Code information is not available, please report counties of origin. If you need more spaces, click 'More Patients' at the bottom of this page, otherwise click 'Finished' to go on to the next question.

	Zip Code Area	County Name	Number of Patients
1	60473	COOK	25
2	60469	COOK	7
3	60462	COOK	160
4	60439	DUPAGE	81
5	60466	COOK	55
6	60472	COOK	9
7	60428	COOK	24
8	60433	WILL	12
9	46307	LAKE	7
10	60417	WILL	31
11	60449	WILL	39
12	60436	WILL	14
13	60471	COOK	44
14	60467	COOK	123
15	60403	WILL	10
16	60468	WILL	18
17	60453	COOK	34
18	60464	COOK	31
19	60429	COOK	31
20	60442	WILL	19
21	60450	GRUNDY	31
22	60445	COOK	107
23	60443	COOK	121
24	60586	WILL	11
25	60929	LIVINGSTON	1

	Zip Code Area	County Name	Number of Patients
26	60419	COOK	20
27	60616	COOK	2
28	60401	WILL	23
29	60655	COOK	33
30	60421	WILL	9
31	60447	GRUNDY	6
32	60411	COOK	74
33	60620	COOK	21
34	60491	WILL	92
35	60805	COOK	16
36	60629	COOK	9
37	60459	COOK	33
38	60477	COOK	162
39	60914	KANKAKEE	24
40	60484	COOK	16
41	60649	COOK	12
42	60478	COOK	58
43	60430	COOK	43
44	60440	WILL	8
45	60422	COOK	30
46	60487	COOK	84
47	60451	WILL	100
48	60452	COOK	89
49	60448	WILL	140
50	60423	WILL	106

(•) More Patients ( ) Finished

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Illinois Health Facilities and Services Review Board
AMBULATORY SURGICAL TREATMENT CENTER QUESTIONNAIRE FOR 2011
Part I - Facility Data

7. Patients by Place of Origin (Page 2)

Please report the places of origin of the patients seen at your ASTC during Calendar Year 2011, and the number of patients from each area. 5-digit Zip Code areas are preferred; if Zip Code information is not available, please report counties of origin. If you need more spaces, click on 'More Patients', otherwise click 'Finished' to go on to the next question.

	Zip Code Area	County Name	Number of Patients
51	60461	COOK	19
52	60425	COOK	17
53	60435	WILL	22
54	60431	WILL	15
55	60426	COOK	34
56	60441	WILL	88
57	60652	COOK	11
58	60544	WILL	21
59	60628	COOK	36
60	60643	COOK	34
61	60446	WILL	21
62	60482	COOK	7
63	60432	WILL	15
64	60803	COOK	17
65	60623	COOK	1
66	60465	COOK	23
67	60901	KANKAKEE	8
68	60950	KANKAKEE	21
69	60490	WILL	5
70	60481	WILL	6
71	46375	LAKE	4
72	60415	COOK	23
73	60532	DUPAGE	2
74	60475	COOK	11
75	60561	DUPAGE	7

	Zip Code Area	County Name	Number of Patients
76	60456	COOK	3
77	60438	COOK	28
78	60632	COOK	1
79	60148	DUPAGE	2
80	60527	DUPAGE	7
81	60189	DUPAGE	2
82	60506	KENDALL	7
83	60480	COOK	5
84	60638	COOK	5
85	60476	COOK	11
86	60002	LAKE	1
87	60513	COOK	1
88	60619	COOK	12
89	60954	WILL	1
90	60515	DUPAGE	2
91	61362	BUREAU	1
92	60137	DUPAGE	2
93	60525	COOK	7
94	60651	COOK	1
95	60174	DUPAGE	2
96	60585	WILL	1
97	60412	COOK	3
98	46322	LAKE	5
99	60617	COOK	17
100	60633	COOK	2

(•) More Patients ( ) Finished

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Illinois Health Facilities and Services Review Board
AMBULATORY SURGICAL TREATMENT CENTER QUESTIONNAIRE FOR 2011
Part I - Facility Data

7. Patients by Place of Origin (Page 3)

Please report the places of origin of the patients seen at your ASTC during Calendar Year 2011, and the number of patients from each area. 5-digit Zip Code areas are preferred; if Zip Code information is not available, please report counties of origin. If you need more spaces, click on 'More Patients', otherwise click 'Finished' to go on to the next question.

	Zip Code Area	County Name	Number of Patients
101	60827	COOK	15
102	60409	COOK	17
103	60406	COOK	13
104	60457	COOK	25
105	60404	WILL	6
106	60915	KANKAKEE	8
107	60955	IROQUOIS	1
108	60410	WILL	13
109	60526	COOK	3
110	49125	BERRIEN	1
111	46060	HAMILTON	1
112	60416	GRUNDY	5
113	60463	COOK	27
114	60516	DUPAGE	6
115	49091	ST. JOSEPH	3
116	46321	LAKE	4
117	46373	LAKE	1
118	46319	LAKE	2
119	60408	WILL	3
120	60455	COOK	10
121	61342	LASALLE	3
122	60004	COOK	1
123	60615	COOK	1
124	60653	COOK	8
125	60563	DUPAGE	2

	Zip Code Area	County Name	Number of Patients
126	60424	GRUNDY	2
127	60964	IROQUOIS	1
128	60514	DUPAGE	4
129	61068	OGLE	8
130	46410	LAKE	1
131	60139	DUPAGE	2
132	80816	TELLER	1
133	60927	IROQUIOS	1
134	60458	COOK	2
135	60534	COOK	2
136	60621	COOK	1
137	60173	COOK	1
138	60504	KENDALL	2
139	61310	LEE	3
140	46311	LAKE	1
141	60970	IROQUOIS	1
142	60542	KANE	2
143	46555	KOSCIUSKO	1
144	80913	KANKAKEE	1
145	75056	DENTON	1
146	60656	COOK	2
147	60517	DUPAGE	4
148	60940	KANKAKEE	5
149	60521	DUPAGE	4
150	60636	COOK	4

(•) More Patients ( ) Finished

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Illinois Health Facilities and Services Review Board

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AMBULATORY SURGICAL TREATMENT CENTER QUESTIONNAIRE FOR 2011

Part I - Facility Data

7. Patients by Place of Origin (Page 4)

Please report the places of origin of the patients seen at your ASTC during Calendar Year 2011, and the number of patients from each area. 5-digit Zip Code areas are preferred; if Zip Code information is not available, please report counties of origin. If you need more spaces, click on 'More Patients', otherwise click 'Finished' to go on to the next question.

	Zip Code Area	County Name	Number of Patients
151	60172	DUPAGE	1
152	60540	DUPAGE	1
153	60437	COOK	1
154	60453	KENDALL	1
155	46324	LAKE	1
156	60177	KANE	1
157	60680	COOK	1
158	60938	IROQUOIS	1
159	60098	MCHENRY	1
160	39345	NEWTON	1
161	46394	LAKE	1
162	60420	LIVINGSTON	1
163			0
164			0
165			0
166			0
167			0
168			0
169			0
170			0
171			0
172			0
173			0
174			0
175			0

	Zip Code Area	County Name	Number of Patients
176			0
177			0
178			0
179			0
180			0
181			0
182			0
183			0
184			0
185			0
186			0
187			0
188			0
189			0
190			0
191			0
192			0
193			0
194			0
195			0
196			0
197			0
198			0
199			0
200			0

○ More Patients ◉ Finished

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Illinois Health Facilities and Services Review Board
AMBULATORY SURGICAL TREATMENT CENTER QUESTIONNAIRE FOR 2011
Part I - Facility Data

FACILITY
OPERATIONS

8. Please indicate the number of hours your ASTC is in operation on each day of the week: (If the ASTC is open from 8am to 6pm, that is 10 hours of operation.) DO NOT REPORT OPENING AND/OR CLOSING TIME.

	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	TOTAL HOURS
Hours Open	11	11	11	11	11	0	0	55

9. Treatment Rooms by Type
Please indicate the number of rooms and stations in use at your ASTC for each category listed below:

	Rooms/ Stations
a. Operating Rooms (Class C)*	5
b. Special Procedure (not operating) Rooms (Class B)*	0
c. Examination Rooms	0
d. Stage 1 - Post-Anesthesia Recovery Stations	0
e. Stage 2 - Step-down Ambulatory Recovery Stations	0

10. Hospital Relationships
List all hospitals with which your ASTC has a contractual relationship, including transfer agreements.

	Hospital Name and City	Patient Transfers
1	SILVER CROSS HOSPITAL NEW LENOX	0
2		0
3		0
4		0
5		0

*Operating Room (Class C): Operating Room is defined as a setting designed and equipped for major surgical procedures that require general or regional block anesthesia and support of vital bodily functions.

Surgical Procedure Room (Class B): Surgical Procedure room is defined as a setting designed and equipped for major or minor surgical procedures performed in conjunction with oral, parenteral, or intravenous sedation or under analgesic or dissociative drugs.

(Source: Guidelines for Optimal Ambulatory Surgical Care and Office-based Surgery, third edition, American College of Surgeons)

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AMBULATORY SURGICAL TREATMENT CENTER QUESTIONNAIRE FOR 2011
Part I - Facility Data

SURGICAL UTILIZATION FOR CALENDAR YEAR 2011 - OPERATING ROOMS (Class C)* - Definition

11. For each listed surgical category, indicate the number of surgical cases, the number of hours spent in setting up the surgery rooms for use, the hours of actual surgical time, and the number of hours spent in clean-up after the surgery was completed. Round the time reported to the nearest quarter of an hour. For example, a total of 318 hours and 40 minutes would be rounded to 318.75 hours for reporting purposes.

	Number of Cases	Surgery Room Set-Up Time (in Hours)	Actual Surgery Time (in Hours)	Surgery Room Clean-Up Time (in Hours)
Cardiovascular	0	0	0	0
Dermatology	0	0	0	0
General Surgery	0	0	0	0
Gastroenterology	786	196.50	334	196.50
Neurological	0	0	0	0
OB/Gynecology	11	2.75	4.25	2.75
Oral/Maxillofacial	0	0	0	0
Ophthalmology	543	135.75	124.25	135.75
Laser Eye Surgery	0	0	0	0
Orthopedic	465	116.25	259.75	116.25
Otolaryngology	48	12	20	12
Pain Management	1159	289.75	136.50	289.75
Plastic	69	17.25	20.75	17.25
Podiatry	3	0.75	2.50	0.75
Thoracic	0	0	0	0
Urology	26	6.50	13	6.50
TOTALS	3110	777.50	915.0	777.50

*Operating Room (Class C): Operating Room is defined as a setting designed and equipped for major surgical procedures that require general or regional block anesthesia and support of vital bodily functions.
(Source: Guidelines for Optimal Ambulatory Surgical Care and Office-based Surgery, third edition, American College of Surgeons)

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Illinois Health Facilities and Services Review Board
AMBULATORY SURGICAL TREATMENT CENTER QUESTIONNAIRE FOR 2011
Part I - Facility Data

SURGICAL UTILIZATION FOR CALENDAR YEAR 2011 - PROCEDURE (not operating) ROOMS

12. For each listed surgical procedure category, indicate the number of dedicated procedure (non-operating) rooms, the number of surgical cases, the number of hours spent in setting up the procedure rooms for use, the hours of actual surgical time, and the number of hours spent in clean-up after the procedure was completed. Round the time reported to the nearest quarter of an hour. For example, a total of 318 hours and 40 minutes would be rounded to 318.75 hours for reporting purposes.

If your facility performs other, unlisted non-operating room procedures, use lines e. - h. to report these procedures. Indicate the type(s) of procedure(s), the number of surgical cases, the number of hours spent in setting up the procedure rooms for use, the hours of actual surgical time, and the number of hours spent in clean-up after the procedure was completed. Total multi-purpose procedure rooms are to be reported in the line below the table.

NOTE - For reporting purposes, a case is defined as a PATIENT TREATED. If a patient has 3 procedures performed, that is counted as 1 CASE. TOTAL PROCEDURE ROOMS must equal Procedure Rooms reported on line b., Question 9. Total Procedure Room Cases plus Total Operating Room Cases from Question 10 must equal Total Patients Served from Question 5.

Dedicated Procedure Rooms (Class B)*	Rooms	Cases	Procedure Room Set-Up Time	Actual Surgery Time	Procedure Room Clean-Up Time
a. Dedicated Gastro-Intestinal Procedures	0	0	0	0	0
b. Dedicated Laser Eye Procedures	0	0	0	0	0
c. Dedicated Pain Management Procedures	0	0	0	0	0
d. Cardiac Catheterization Procedures	0	0	0	0	0

	Multipurpose Rooms (Specify Procedure)	Cases	Procedure Room Set-Up Time	Actual Surgery Time	Procedure Room Clean-Up Time
e.		0	0	0	0
f.		0	0	0	0
g.		0	0	0	0
h.		0	0	0	0
	Total Multi-Purpose Procedure Rooms	0			
	TOTALS - ALL PROCEDURE ROOMS	0	0	0	0	0

*Surgical Procedure Room (Class B): Surgical Procedure room is defined as a setting designed and equipped for major or minor surgical procedures performed in conjunction with oral, parenteral, or intravenous sedation or under analgesic or dissociative drugs. (Source: Guidelines for Optimal Ambulatory Surgical Care and Office-based Surgery, third edition, American College of Surgeons)

Click on 'Next' to continue to Part II - Financial and Capital Expenditures Data

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Illinois Health Facilities and Services Review Board
AMBULATORY SURGICAL TREATMENT CENTER QUESTIONNAIRE FOR 2011
Part II - Financial and Capital Expenditures Data

THE DATA REQUESTED BY THIS QUESTIONNAIRE ARE AUTHORIZED PURSUANT TO THE ILLINOIS HEALTH FACILITIES PLANNING ACT [20 ILCS 3960/5.3]

THESE DOLLAR AMOUNTS MUST BE TAKEN FROM YOUR MOST RECENT ANNUAL FINANCIAL STATEMENTS, WHICH INCLUDE YOUR INCOME STATEMENT AND BALANCE SHEET. FINANCIAL STATEMENTS ARE DEFINED AS AUDITED FINANCIAL STATEMENTS, REVIEW OR COMPILATION FINANCIAL STATEMENTS, OR TAX RETURN FOR THE MOST RECENT FISCAL YEAR AVAILABLE TO YOU.

This part of the survey collects Financial and Capital Expenditure information for your facility. This part MUST BE REPORTED FOR THE MOST RECENT FISCAL YEAR AVAILABLE TO YOU.

If you have problems providing the information requested, contact this office via e-mail at DPH.FacilitySurvey@illinois.gov, or by telephone at 217-782-3516.

INDICATE THE STARTING AND ENDING DATES OF YOUR MOST RECENT FISCAL YEAR (mm/dd/yyyy)

Starting 01/01/2011 **Ending** 12/31/2011

Source of Financial Data Used

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Illinois Health Facilities and Services Review Board
AMBULATORY SURGICAL TREATMENT CENTER QUESTIONNAIRE FOR 2011
Part II - Financial and Capital Expenditures Data

A. CAPITAL EXPENDITURES

Provide the following information for all projects / capital expenditures in excess of $303,000 obligated by or on behalf of the health care facility for your reported Fiscal Year (click the link below the table for definitions of terms):

	Description of Project/ Capital Expenditure	Amount Obligated	Method of Financing	CON Project Number (If reviewed)
1	none			
2				
3				
4				
5				
6				
7				
8				
9				
10				

[Definitions]

Report the TOTAL of ALL Capital Expenditures for your reported Fiscal Year:

TOTAL ACTUAL CAPITAL EXPENDITURES FOR YOUR REPORTED FISCAL YEAR (Including those below $303,000) 0

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Illinois Health Facilities and Services Review Board
AMBULATORY SURGICAL TREATMENT CENTER QUESTIONNAIRE FOR 2011
Part II - Financial and Capital Expenditures Data

B. NET REVENUE BY PAYMENT SOURCE - REPORTED FISCAL YEAR
Please indicate your Net Revenue during your reported Fiscal Year, by payment source.

	Net Revenue (in Dollars)
Medicaid	26290
Medicare	959558
Other Public*	0
Private Insurance	2562197.00
Private Payment	0
Total Revenues	3548046.00

*Other Public payment includes individuals whose primary payment source is Veterans Administration, County Boards, Community Aid Agencies, grants, CHAMPUS, CHAMP-VA, and other government-sponsored programs, excluding Medicare and Medicaid.

C. TOTAL ACTUAL COST OF SERVICES PROVIDED TO CHARITY CARE* CASES - REPORTED FISCAL YEAR

	Amount (in Dollars)
Total Actual Cost of Services Provided to Charity Care* Cases	11924.00

**"Charity care" means care provided by a health care facility for which the provider does not expect to receive payment from the patient or a third-party payor. [20 ILCS 3960, Section 3]* Charity care does not include bad debt
or the unreimbursed cost of Medicare, Medicaid, and other federal, State, or local indigent health care programs,
eligibility for which is based on financial need.

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Illinois Health Facilities and Services Review Board
AMBULATORY SURGICAL TREATMENT CENTER QUESTIONNAIRE FOR 2011

Please provide the following information for the individual responsible for the preparation of this questionnaire:

Contact Person Name	Paula Archer
Contact Person Job Title	Site Manager
Contact Person Telephone	708-478-7437
Contact Person E-Mail Address	Parcher@orlandparksurgery.com

Please provide the following information for the facility Administrator/CEO:

Administrator's Name	Erika Horstmann
Administrator's Title	Director of Operations
Administrator Telephone	708-491-8877
Administrator E-Mail Address	Ehorstmann@pinnaclehit.com

If you have any comments on the survey, please enter them in the space below.

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ATTACHMENT 39

Criterion 1120.120 -- Availability of Funds

Please see the following letter from McGuireWoods verifying that $550,000 in cash was placed into an escrow account held by the McGuireWoods on January 27, 2012. The escrow funds will remain in the account pending State Board approval of this Certificate of Need application. Upon the approval of this Certificate of Need application, the funds will be released to MPG as full payment in connection with the Proposed Transaction.

McGuireWoods LLP
77 West Wacker Drive
Suite 4100
Chicago, IL 60601-1818
Phone: 312.849.8100
Fax: 312.849.3690
www.mcguirewoods.com

Scott P. Downing
Direct: 312.750.8910

McGUIREWOODS

sdowning@mcguirewoods.com
Direct Fax: 312.920.6126

March 8, 2012

Via Federal Express
Illinois Health Facilities and Services Review Board
2nd Floor
525 West Jefferson Street
Springfield, Illinois 62761

RE: Verification of Escrow Agreement

Dear Sir or Madam:

This letter verifies that McGuireWoods LLP served as the escrow agent in connection with the redemption agreement between Orland Park Surgical Center, LLC ("OPSC") and MPG, LLC ("MPG"). On January 27, 2012, Parkview Orthopedic Group, SC deposited $550,000 into an escrow account held by McGuireWoods LLP. Those funds are intended to pay for the redemption of MPG's units in OPSC. McGuireWoods LLP was instructed to retain the $550,000 in escrow until and upon the Illinois Health Facilities and Services Review Board's approval of OPSC's Certificate of Need application. This letter confirms that the funds for the Proposed Transaction between OPSC and MPG remain in escrow. This letter also confirms that the funds will be released to MPG upon the State Board's approval of the Proposed Transaction and of the Certificate of Need application that is being submitted in connection therewith.

For your convenience, I have attached to this letter documentation that reflects and confirms that the funds noted above were deposited into a McGuireWoods LLP Trust Account. I have also attached the McGuireWoods LLP Trust Account Deposits form that I signed related to this transaction.

Sincerely,

Scott Downing

Notarization: Subscribed and sworn to me before this 8th day of March, 2012.

Signature of Notary

OFFICIAL SEAL
SORETTA ANNE BARRIOS
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:04/28/13

Slaughter, Allison M.

From: Cohen, Linda M.
Sent: Friday, January 27, 2012 4:01 PM
To: Slaughter, Allison M.; Moore, Pamela N.
Cc: Downing, Scott P.
Subject: Executed Trust Acct Deposit Form

Attachments: 20120127155826208.pdf

20120127155826208.pdf (99 KB)

Attached is the Trust Account Deposit form signed by Scott Downing for $550,000.00 received today regarding client 5032373-0002 to be held in escrow for approximately six months.

Should you have any questions, please feel free to contact Scott Downing directly.

Thanks.

Linda M. Cohen
Legal Secretary
McGuireWoods LLP
77 West Wacker Drive
Suite 4100
Chicago, IL 60601-1818
312.750.2760 (Direct Line)
312.849.3690 (Direct FAX)
lcohen@mcguirewoods.com
http://www.mcguirewoods.com

This e-mail may contain confidential or privileged information. If you are not the intended recipient, please advise by return e-mail and delete immediately without reading or forwarding to others.

McGUIREWOODS

TRUST ACCOUNT DEPOSITS

Today's Date: January 27, 2012
Anticipated Date Needed:
Client Matter/Number: 5032373-0002
Client Name: Surgery Center of Orland Park
Client Address:

Office: Chicago
Type of Funds Received: Trust Account

[redacted]

Received From: (list each deposit)	Amount:
Parkview Orthopedic Group, SC	550,000.00
(Use additional requests as needed) **Total:**	550,000.00

[redacted]

Amount Received:
Sender Name:
Sending Bank:
Sending Location: (City & State)
Special Instructions:

[redacted]

☐ Retainer
☒ Other (describe) escrow

How long funds will be held before disbursement approx. 6 months
Name of lawyer who will authorize disbursement Scott Downing

Client Contact Information:
Name Dr Steve Wardell
E-Mail Address evets63@aol.com

[redacted]

[redacted]

By initialing this line, I certify that my client or third party transferring the funds has been notified of the firm's receipt of the funds listed above. Further, I certify that I have advised the client or third party that these funds will be placed in an IOLTA deposit.

Attorney's Initials AL

AUTHORIZING ATTORNEY NAME: (Please Print)

AUTHORIZING ATTORNEY SIGNATURE:

DATE: 1/27/12

CURRENCY: USD. AVERAGE RATES AS OF TRANSACTION PERIOD.

TRANSACTION DETAILS PERIOD RANGE: 01/10 TO 02/12

MATTER NUMBER	*------CLIENT------*	*--DESCRIPTION---*	DEPOSITS	DISBURSEMENTS	CLEARED TRUST BALANCE	UNCLEARED TRUST BALANCE	TOTAL TRUST BALANCE
TRUST ACCOUNT: CI3							
5032373-0002	Surgery Center Of O	Tenant Issues			.00	.00	
		01/27/12 #Wire In	550000.00		550000.00	.00	
		Wire received from: Parkview Orthopedic Group SC					
		Per: Scott Downing					
TOTAL FOR: 5032373-0002			550000.00	.00	550000.00	.00	550000.00
Total for: CI3			550000.00	.00	550000.00	.00	550000.00
GRAND TOTAL:			550000.00	.00	550000.00	.00	550000.00

(c) Fundtech Systems

Incoming FED Message

Printed: 1/27/2012 2:13:18PM Requested By: WHITEDS

VERSION: 0

MESSAGE INFORMATION

Amount:	$550,000.00	Message ID:	1201271325537F100	Source:	O
Currency:	USD	Latest Version:	0	Priority:	M
Value Date:	1/27/12	Time:	13:25:37	URC:	
Bank ID:	001	Department:	WIR	Status:	COMPLETE
Message Type:	10	Branch:	001BR5016	Template:	
Message Subtype:	00	Charge:			
Fee:	0.00	Service:	FLS	Country Code:	US
Ref. No.:	201201274027	External Ref.:			

MESSAGE TEXT

Sender ABA: 071909363 Sender Name: STANDARDEVERGREEN Ref. No.: 201201274027

Receiver ABA: 071000343 Receiver Name: COLETAYLOR BK CHGO Prod. Code: CTR

Ref. IMAD: Local Instrument Code:

IMAD: 20120127QMGFT008001910 Prop. Code:

OMAD: 20120127G1QX230C000180012714Z6FT05 Ref. for Ref.:

As of Reason: As of Date: Disposition:

Acc Off: 001 Account: [redacted]73154 Acc. Type: DDA Initiator ID:

Cr Acc Off: Cr Acc No: Cr Acc Type:

Db Advice: Db Fee: Cr Advice: Cr Fee: 0.00

Drawdown Credit Account:

Originator:

419055009

PARKVIEW ORTHOPEDIC GROUP S C

7600 W COLLEGE DR

PALOS HEIGHTS, IL, 60463

Beneficiary:

[redacted]73154

MCGUIREWOODS LLP

LAWYERS TRUST FUND OF IL

901 E CARY ST

RICHMOND VA 23219

Originator Bank: Originator Option F: N Beneficiary Bank:

MESSAGE TEXT CONTINUED

Instructing Bank:	**Intermediary Bank:**
Drawdown Debit Account:	**Correspondent Bank:**
Originator Bank Info:	REF: SCOTT DOWNING C/M 5032373-0002 MCGUIREWOODS ACCOUNTINGCONTACT: ALLISON SLAUGHTER804-775-1240
Free Text:	

BANK TO BANK INFORMATION

Receiver Bank Info:

Drawdown Debit Account:

Advice Code:

Advice Info:

TOTAL P.002

Slaughter, Allison M.

From: Slaughter, Allison M.
Sent: Friday, January 27, 2012 3:30 PM
To: Cohen, Linda M.
Cc: Downing, Scott P.; Moore, Pamela N.
Subject: Chicago Incoming Wire
Importance: High

Linda,

A wire in the amount of $550,000.00 has been posted to the Chicago Trust Account. The originator is: Parkview Orthopedic Group SC, Ref: Scott Downing cm# 5032373-0002.

Please forward a completed trust deposit form to my attention.

Thanks
Allison

Allison M. Slaughter
Trust Accountant
McGuireWoods LLP
One James Center
901 East Cary Street
Richmond, VA 23219-4030
804.775.1240 (Direct Line)
804.698.2233 (Direct FAX)
amslaughter@mcguirewoods.com
http://www.mcguirewoods.com

This e-mail may contain confidential or privileged information. If you are not the intended recipient, please advise by return e-mail and delete immediately without reading or forwarding to others.

ATTACHMENT 40

Criterion 1120.130 -- Financial Viability Waiver

This project qualifies for a financial viability waiver because funds for the Proposed Transaction (a redemption of a member's ownership Units) have been contributed to the company by PMI, one of the company's current members.

ATTACHMENT 41

This attachment is not applicable because the applicant qualifies for the Financial Viability Waiver.

ATTACHMENT 42

A. Reasonableness of Financing Arrangements

See notarized letter contained within this attachment.

B. Conditions of Debt Financing

This criterion is inapplicable.

C. Reasonableness of Project and Related Costs

The surgical center will continue to be operating in existing space that will not be modified. There is no construction, modernization or demolition of space involved in this project, and there is no major medial equipment included in the proposed project. As this is not a construction/modernization project but rather a change of control, the transaction value is based on the fair market value of MPG's ownership interest, which is estimated to be $550,000.

D and E: Projected Operating Costs and Total Effect of the Project on Capital Costs

Line	Projected	Post-Merger Year 1
1	Anticipated Case Volume	3300
2	Total Capital Cost	$333,123.00 (estimated cost)
3	Total Operating Expenses	$2,257,179.00
4	Capital Cost	$101.00
5	Operating Cost per Anticipated Case Volume	$684.00

ORLAND PARK SURGICAL CENTER, LLC

March 16, 2012

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

RE: Certificate of Need Permit Application
Orland Park Surgical Center, LLC

Dear Ms. Avery:

As an authorized representative of Orland Park Surgical Center, LLC ("OPSC"), I hereby certify to the following: PMI Diagnostic Imaging, LLC, a current member of OPSC, has made a $550,000 capital contribution to OPSC to redeem MPG, LLC's seventy-four (74) membership units in OPSC. The $550,000 capital contribution was placed into an escrow account that is being held by McGuireWoods LLP. These funds will be released to MPG, LLC pending and upon State Board approval of this application.

Signature

Steve Wardell

Name

VICE PRESIDENT

Title

Subscribed and sworn to before me this 16th day of March, 2012.

Cindy Ferrin

Signature of Notary Public

Seal

OFFICIAL SEAL
CINDY FERRIN
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:12/16/13

ATTACHMENT 43

Safety Net Impact Statement

The proposed project involves the redemption of membership units in a limited liability company in exchange for $550,000. A project of this nature is not a substantive project as defined in the Illinois Health Facilities Planning Act, 20 ILCS 3960/12(8). Accordingly, the Safety Net Impact Statement is not applicable to this application.

ATTACHMENT 44

Charity Care

I. Orland Park Surgical Center, LLC

The applicant, Orland Park Surgical Center, LLC ("OPSC"), is presently organized as a for-profit, domestic limited liability company. OPSC owns and operates a licensed ambulatory surgical treatment center in Orland Park, Illinois. OPSC is designated as a multi-specialty surgery center, which provides a wide range of surgical services.

OPSC has performed numerous charity care cases in the past and remains committed to providing charity care in appropriate circumstances. OPSC makes determinations regarding charity care on a case-by-case basis. Please find a copy of OPSC's charity care protocol immediately following this page.

OPSC's charity care information for the previous three (3) year period is provided in the following chart:

CHARITY CARE			
	2009	**2010**	**2011**
Net Patient Revenue	4566066	3943779	3586367
Amount of Charity Care (charges)	26157	67755	21760
Cost of Charity Care	15235	13636	11924

Title: Charity Care

Scope: Facility Physicians, Facility Business Office Personnel & Billing Service Personnel

Purpose: To establish a method for physicians to treat patients who demonstrate a financial hardship will prevent them from following through on their obligation to pay for the services rendered to them.

Policy: Physicians who elect to perform procedures for patients who have indicated an inability to pay prior to receiving Center services will coordinate such services with the facility's Billing Service who will submit a written request for waiver of financial responsibility for the account to Billing Service. Adjustment (write-off) transactions associated with charity care will be tracked via a separate journal code to allow for periodic review by the Board of Directors of the financial effect on the facility.

Procedure:

(1) Physicians who elect to perform procedures for patients who have indicated an inability to pay prior to receiving Center services will notify the facility's Billing Service when scheduling the procedure.

(2) The Billing Service will ensure a Charity Care form is initiated at the facility level after he/she has verified the charity care arrangement is being extended by all providers of care (i.e., the physician and the anesthesiologist).

(3) The Charity Care form will contain the following information when forwarded to Billing Service:

- ☑ Date the form was initiated
- ☑ Patient's name
- ☑ Physician's name
- ☑ Surgery date
- ☑ CPT code(s) that physician anticipates will be performed
- ☑ Approval signature of the facility's Medical Director

(4) When the operative note has been received, the biller will match it up to the Charity Care Adjustment form and fill in the remainder of the form with charge data and the amount of the charity write-off.

(5) A journal entry will be made to the patient's account after the charge has been entered indicating that charity care has been administered and an adjustment taken to zero out the balance owing on the account. (The specific code to be utilized at the Billing Service = Charity Adj).

References:
2009 CMS CfC 416.50
2010 AAAHC Handbook, Ambulatory Healthcare; Ch. 1 Rights of Patients
2010 Joint Commission Standards Ambulatory Surgery Centers; RI.02.01.01

Reviewed 07.2010