

ORIGINAL

11-014

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

RECEIVED

This Section must be completed for all projects.

MAR 04 2011

Facility/Project Identification

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Facility Name:	Hart Road Pain and Spine Institute		
Street Address:	600 Hart Road		
City and Zip Code:	Barrington, IL 60010		
County:	Lake	Health Service Area	VIII Health Planning Area: N/A

Applicant /Co-Applicant Identification

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

Exact Legal Name:	Hart Road Center for Pain Management, L.L.C.		
Address:	600 Hart Road Barrington, IL 60010		
Name of Registered Agent:			
Name of Chief Executive Officer:	John V. Prunskis, MD		
CEO Address:	431 Summit Street Elgin, IL 60120		
Telephone Number:	847/289-8823		

Type of Ownership of Applicant/Co-Applicant

- | | | |
|---|--|--------------------------------|
| <input type="checkbox"/> Non-profit Corporation | <input type="checkbox"/> Partnership | |
| <input type="checkbox"/> For-profit Corporation | <input type="checkbox"/> Governmental | |
| <input checked="" type="checkbox"/> Limited Liability Company | <input type="checkbox"/> Sole Proprietorship | <input type="checkbox"/> Other |

- o Corporations and limited liability companies must provide an Illinois certificate of good standing.
- o 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:	Ms. Donna Havemann
Title:	Practice Manager
Company Name:	Illinois Pain Institute
Address:	431 Summit Street Elgin, IL 60120
Telephone Number:	847/289-8822
E-mail Address:	doh.illinoispain@gmail.com
Fax Number:	

Additional Contact

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

Name:	none
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:	same as Primary Contact Person
Title:	
Company Name:	
Address:	
Telephone Number:	
E-mail Address:	
Fax Number:	

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner:	Hamilton Partners
Address of Site Owner:	300 Park Blvd Itasca, IL 60143
Street Address or Legal Description of Site:	600 Hart Road Barrington, IL 60010
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:	Hart Road Center for Pain Management, L.L.C.		
Address:	600 Hart Road Barrington, IL 60010		
<input type="checkbox"/>	Non-profit Corporation	<input type="checkbox"/>	Partnership
<input type="checkbox"/>	For-profit Corporation	<input type="checkbox"/>	Governmental
<input checked="" type="checkbox"/>	Limited Liability Company	<input type="checkbox"/>	Sole Proprietorship
		<input type="checkbox"/>	Other
<ul style="list-style-type: none"> o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. o 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. o 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.]
<input checked="" type="checkbox"/> Substantive	<input type="checkbox"/> Part 1120 Not Applicable
<input type="checkbox"/> Non-substantive	<input type="checkbox"/> Category A Project
	<input checked="" type="checkbox"/> Category B Project
	<input type="checkbox"/> 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 proposes the establishment of a limited specialty ambulatory surgical treatment center (ASTC), providing interventional pain management services, exclusively.

The physicians providing letters indicating an intent to refer patients to the proposed ASTC are all members of Illinois Pain Institute (IPI), a single-specialty group practice. IPI is one of the largest interventional pain management practices in the northwest suburbs, and operates five offices. Illinois Pain Institute is comprised of five physicians, each Board Certified or Eligible in pain management, with all five intending to refer patients to the proposed ASTC.

This proposed project differs from nearly every other ASTC application presented to the State Board, because and due to the nature of the single specialty to be provided, the project will have no impact whatsoever on the utilization of other ASTCs or hospitals. 100% of the procedures to be performed at the proposed ASTC are now being performed in procedure rooms within the specialists' office suites.

This project is proposing the establishment of a new "category of service", and as such, is classified as being "substantive".

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	\$30,000		\$30,000
Site Survey and Soil Investigation			
Site Preparation			
Off Site Work			
New Construction Contracts			
Modernization Contracts	1,950,000		1,950,000
Contingencies	100,000		100,000
Architectural/Engineering Fees	215,000		215,000
Consulting and Other Fees	100,000		100,000
Movable or Other Equipment (not in construction contracts)	400,000		400,000
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)	100,600		100,600
Fair Market Value of Leased Space	1,490,300		1,490,300
Other Costs To Be Capitalized			
Acquisition of Condominium within 2 Years			
TOTAL USES OF FUNDS	\$4,385,900		\$4,385,900
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	\$2,895,600		\$2,895,600
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Fair Market Value of Leased Space	1,490,300		1,490,300
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	\$4,385,900		\$4,385,900

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

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	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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 \$ 30,000

Project Status and Completion Schedules

Indicate the stage of the project's architectural drawings:

<input type="checkbox"/> None or not applicable	<input type="checkbox"/> Preliminary
<input checked="" type="checkbox"/> Schematics	<input type="checkbox"/> Final Working

Anticipated project completion date (refer to Part 1130.140): June 30, 2013

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-3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

State Agency Submittals

Are the following submittals up to date as applicable: **not applicable, applicant owns no licensed health care facilities**

- Cancer Registry
- APORS
- 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

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.**

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		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.

CERTIFICATION

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

- o in the case of a corporation, any two of its officers or members of its Board of Directors;
- o 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);
- o 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);
- o in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- o in the case of a sole proprietor, the individual that is the proprietor.

This Application for Permit is filed on the behalf of Hart Road Center for Pain Management, L.L.C.* 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.

John V. Prunskis

SIGNATURE

John V. Prunskis

PRINTED NAME

PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 16 day of AUGUST

Terri Dallas-Prunskis

SIGNATURE

TERRI DALLAS-PRUNSKIS

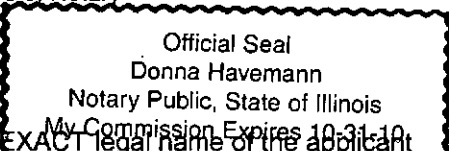
PRINTED NAME

PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 16 day of AUGUST

Donna Havemann

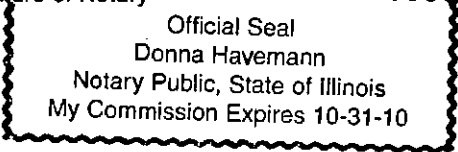
Signature of Notary

Seal 

*Insert EXACT legal name of the applicant

Donna Havemann

Signature of Notary

Seal 

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 IV - PROJECT SCOPE, UTILIZATION, AND UNFINISHED/SHELL SPACE

Criterion 1110.234 - Project Scope, Utilization, and Unfinished/Shell Space

READ THE REVIEW CRITERION and provide the following information:

SIZE OF PROJECT:

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive. **This must be a narrative.**
2. If the gross square footage exceeds the BGSF/DGSF standards in Appendix B, justify the discrepancy by documenting one of the following:
 - a. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies;
 - b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that results in a size exceeding the standards of Appendix B;
 - c. The project involves the conversion of existing space that results in excess square footage.

Provide a narrative for any discrepancies from the State Standard. A table must be provided in the following format with Attachment 14.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?

APPEND DOCUMENTATION AS ATTACHMENT-14, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

PROJECT SERVICES UTILIZATION:

This criterion is applicable only to projects or portions of projects that involve services, functions or equipment for which HFSRB has established utilization standards or occupancy targets in 77 Ill. Adm. Code 1100.

Document that in the second year of operation, the annual utilization of the service or equipment shall meet or exceed the utilization standards specified in 1110.Appendix B. **A narrative of the rationale that supports the projections must be provided.**

A table must be provided in the following format with Attachment 15.

UTILIZATION					
	DEPT./ SERVICE	HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.	PROJECTED UTILIZATION	STATE STANDARD	MET STANDARD?
YEAR 1					
YEAR 2					

APPEND DOCUMENTATION AS ATTACHMENT-15, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

UNFINISHED OR SHELL SPACE: not applicable, shell space not included in project

Provide the following information:

1. Total gross square footage of the proposed shell space;
2. The anticipated use of the shell space, specifying the proposed GSF to be allocated to each department, area or function;
3. Evidence that the shell space is being constructed due to
 - a. Requirements of governmental or certification agencies; or
 - b. Experienced increases in the historical occupancy or utilization of those areas proposed to occupy the shell space.
4. Provide:
 - a. Historical utilization for the area for the latest five-year period for which data are available; and
 - b. Based upon the average annual percentage increase for that period, projections of future utilization of the area through the anticipated date when the shell space will be placed into operation.

APPEND DOCUMENTATION AS ATTACHMENT-16, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

ASSURANCES:

Submit the following:

1. Verification that the applicant will submit to HFSRB a CON application to develop and utilize the shell space, regardless of the capital thresholds in effect at the time or the categories of service involved.
2. The estimated date by which the subsequent CON application (to develop and utilize the subject shell space) will be submitted; and
3. The anticipated date when the shell space will be completed and placed into operation.

APPEND DOCUMENTATION AS ATTACHMENT-17, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

documentation of receipt such as the US. Postal Service, FedEx or UPS. The documentation must be included in the application for permit.

6. Criterion 1110.1540(f), Establishment of New Facilities

Read the criterion and provide:

- a. A list of services that the proposed facility will provide that are not currently available in the GSA; or
- b. Documentation that the existing facilities in the GSA have restrictive admission policies; or
- c. For co-operative ventures,
 - a. Patient origin data that documents the existing hospital is providing outpatient surgery services to the target population of the GSA, and
 - b. The hospital's surgical utilization data for the latest 12 months, and
 - c. Certification that the existing hospital will not increase its operating room capacity until such a time as the proposed project's operating rooms are operating at or above the target utilization rate for a period of twelve full months; and
 - d. Certification that the proposed charges for comparable procedures at the ASTC will be lower than those of the existing hospital.

7. Criterion 1110.1540(g), Charge Commitment

Read the criterion and provide:

- a. A complete list of the procedures to be performed at the proposed facility with the proposed charge shown for each procedure.
- b. A letter from the owner and operator of the proposed facility committing to maintain the above charges for the first two years of operation.

8. Criterion 1110.1540(h), Change in Scope of Service

not applicable

Read the criterion and, if applicable, document that existing programs do not currently provide the service proposed or are not accessible to the general population of the geographic area in which the facility is located.

APPEND DOCUMENTATION AS ATTACHMENT-27, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

H. Non-Hospital Based Ambulatory Surgery

This section is applicable to all projects proposing to establish or modernize a non-hospital based ambulatory surgical treatment center or to the addition of surgical specialties.

1. Criterion 1110.1540(a), Scope of Services Provided

Read the criterion and complete the following:

a. Indicate which of the following types of surgery are being proposed:

<input type="checkbox"/> Cardiovascular	<input type="checkbox"/> Obstetrics/Gynecology	<input checked="" type="checkbox"/> Pain Management
<input type="checkbox"/> Dermatology	<input type="checkbox"/> Ophthalmology	<input type="checkbox"/> Podiatry
<input type="checkbox"/> Gastroenterology	<input type="checkbox"/> Oral/Maxillofacial	<input type="checkbox"/> Thoracic
<input type="checkbox"/> General/Other	<input type="checkbox"/> Orthopedic	<input type="checkbox"/> Otolaryngology
<input type="checkbox"/> Neurology	<input type="checkbox"/> Plastic	<input type="checkbox"/> Urology

b. Indicate if the project will result in a limited or a multi-specialty ASTC.

2. Criterion 1110.1540(b), Target Population

Read the criterion and provide the following:

- On a map (8 1/2" x 11"), outline the intended geographic services area (GSA).
- Indicate the population within the GSA and how this number was obtained.
- Provide the travel time in all directions from the proposed location to the GSA borders and indicate how this travel time was determined.

3. Criterion 1110.1540(c), Projected Patient Volume

Read the criterion and provide signed letters from physicians that contain the following:

- The number of referrals anticipated annually for each specialty.
- For the past 12 months, the name and address of health care facilities to which patients were referred, including the number of patients referred for each surgical specialty by facility.
- A statement that the projected patient volume will come from within the proposed GSA.
- A statement that the information in the referral letter is true and correct to the best of his or her belief.

4. Criterion 1110.1540(d), Treatment Room Need Assessment

Read the criterion and provide:

- The number of procedure rooms proposed.
- The estimated time per procedure including clean-up and set-up time and the methodology used in arriving at this figure.

5. Criterion 1110.1540(e), Impact on Other Facilities

Read the criterion and provide:

- A copy of the letter sent to area surgical facilities regarding the proposed project's impact on their workload. **NOTE:** This letter must contain: a description of the project including its size, cost, and projected workload; the location of the proposed project; and a request that the facility administrator indicate what the impact of the proposed project will be on the existing facility.
- A list of the facilities contacted. **NOTE:** Facilities must be contacted by a service that provides

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:

\$2,895,600	a)	Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to: <ol style="list-style-type: none"> 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;
_____	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.
_____	c)	Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
_____	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: <ol style="list-style-type: none"> 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.
_____	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;
_____	f)	Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
\$1,490,300	g)	FMV of leased space
\$4,385,900	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.

Not Applicable

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				

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

Not Applicable—No debt

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	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	Circ.*	Const. \$ (A x C)	Mod. \$ (B x E)	
Contingency									
TOTALS									

* 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.



To all to whom these Presents Shall Come, Greeting:

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

HART ROAD CENTER FOR PAIN MANAGEMENT, L.L.C., HAVING ORGANIZED IN THE STATE OF ILLINOIS ON JUNE 16, 2010, 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 16TH day of JUNE A.D. 2010 .



Jesse White

Authentication #: 1016701368
Authenticate at: <http://www.cyberdriveillinois.com>

SECRETARY OF STATE

ATTACHMENT 1

HAMILTON

PARTNERS

Real Estate Investment

OFFICE LEASE AGREEMENT

1/4/2011 12:11:48 PM

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ATTACHMENT 2

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LEASE AGREEMENT

THIS LEASE AGREEMENT made and entered into between HART ROAD, LLC ("Landlord") and The Hart Road Center for Pain Management LLC ("Tenant").

Article 1. Basic Terms

- 1.1 Date of Lease:
- 1.2 Landlord's Address for Notices: 300 Park Boulevard – Itasca, IL 60143
Attention: Sr. Asset Manager
- Landlord's Address For Rent Payments: 300 Park Boulevard – Itasca, IL 60143
- 1.3 Tenant's Address for Notices: 600 Hart Road – Suite 300
Barrington, IL 60010
- 1.4 Development: The complex commonly known as Barrington Corporate Center.
- 1.5 Property: The real property described in Exhibit A
- 1.6 Building: The improvements situated on the Property and commonly known as 600 Hart Road
- 1.7 Premises: Those certain premises in the Building as shown on Exhibit B and known as Suite 300.
- 1.8 Schedule of Base Rent:
- | Period | Base Rent / S.F. |
|--------------|------------------|
| Mos. 01 – 03 | \$00.00 |
| Mos. 04 – 12 | \$13.00 |

Mos. 13 – 24	\$13.39
Mos. 25 – 36	\$13.79
Mos. 27 – 48	\$14.21
Mos. 49 – 60	\$14.63
Mos. 61 – 72	\$15.07
Mos. 73 – 84	\$15.52
Mos. 85 – 96	\$15.99
Mos. 97 – 108	\$16.47
Mos. 108 - 120	\$16.96

If the Commencement Date is not the first day of a calendar month, the date of each Base Rent increase will be extended until the first day of the month following the applicable anniversary of the Commencement Date. Tenant shall not be responsible for the payment of Base Rent or Additional Rent during Months 01 – 03 of the original Lease Term.

- 1.9 Rentable Area of the Building: 195,771 Square Feet
- 1.10 Rentable Area of the Premises: 11,466 Square Feet – As measured per BOMA for the useable square footage multiplied by a 15% common area factor
- 1.11 Tenant's Proportionate Share: 5.857 % (The percentage calculated by dividing the Rentable Area of the Premises by the Rentable Area of the Building)..
- 1.12 Projected Commencement Date: Landlord shall deliver the Premises upon the earlier of either Tenant opening for business or one hundred eighty (180) days after issuance of a Certificate of Need. Tenant's receipt of a Certificate of Need
- 1.13 Term: The period of time commencing on the Commencement Date (as defined in Exhibit C) and expiring one hundred twenty (120) months after the Commencement Date (except that if the expiration date would not be the last day of a calendar month the Term shall extend

until the last day of the calendar month), unless sooner terminated or extended as may be herein provided.

- 1.14 Security Deposit and/or Letter of Credit: \$34,000.00
- 1.15 Permitted Uses: Medical Office, Medical Diagnostic & Treatment Services to include overnight patient stays
- 1.16 Broker(s): Michael Adams of Colliers International on behalf of Tenant and Brian Lunt of Hamilton Partners on behalf of Landlord

Attachments to Lease

- Exhibit A: Legal Description
- Exhibit B: Plan of Premises
- Exhibit C: Work Letter
- Exhibit D: Rules and Regulations

Article 2. Premises and Term

2.1 In consideration of the obligation of Tenant to pay rent and the other terms, provisions, and covenants hereof, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord the Premises for the Term.

2.2 Tenant agrees to accept possession of the Premises on the Commencement Date as defined in the Work Letter. Landlord hereby waives payment of Base Rent and Tenant's Proportionate Share of Taxes and Operating Expenses covering any period prior to the Commencement Date. If the Commencement Date is before the Projected Commencement Date, the Term shall be extended by the number of days between the Commencement Date and the Projected Commencement Date and Tenant shall pay Base Rent for the period prior to the Projected Commencement Date based upon the per square foot per year rental rate for the initial period of the Term subject to the rent abatement as set forth in Section 1.8.

2.3 Tenant acknowledges that no representations as to the repair of the Premises, nor promises to alter, remodel or improve the Premises have been made by Landlord, unless such are expressly set forth in this Lease. Except as provided in the Work Letter, the taking of possession by Tenant shall be deemed conclusively to establish that the Premises have been completed in accordance with the plans and specifications and are in good and satisfactory condition as of when possession was so taken. Promptly following the Commencement Date, Tenant shall execute and deliver Landlord's standard form of letter of acceptance of delivery of the Premises.

Article 3. Base Rent and Security Deposit

3.1 Tenant agrees to pay to Landlord in lawful money of the United States Base Rent for the entire Term at the rates set forth above per month, in advance, except that the monthly installment which otherwise shall be due on the Commencement Date, shall be due and payable upon issuance of the Certificate of Need. Thereafter one such monthly installment shall be due and payable without demand on or before the first day of each calendar month succeeding the Commencement Date; further provided, that the rental payment for any fractional calendar month at the commencement or termination of the Term shall be prorated.

3.2 In addition, Tenant agrees to deposit with Landlord within ten (10) days after Tenant receives its Certificate of Need, hereof the Security Deposit set forth above, which sum shall be held by Landlord, without obligation for interest, as security for the full, timely and faithful performance of Tenant's covenants and obligations under this Lease, it being expressly understood and agreed that such deposit is not an advance rental deposit or a measure of Landlord's damages in case of Tenant's default. In lieu of such deposit, Tenant shall have the option of providing an Irrevocable Letter of Credit in such amount from a bank acceptable to Landlord in a format as provided for in Exhibit F to this Lease. The letter of credit initially delivered pursuant to this paragraph and all substitutions, replacements and renewals of it, must be consistent with and shall satisfy all the requirements in the letter of credit criteria made Exhibit F. If a letter of credit has been delivered to and accepted by Landlord at or before the full execution of this Lease, it shall be deemed to satisfy the criteria appearing in Exhibit F. The term "Irrevocable Letter of Credit" shall mean and refer to a letter of credit conforming to this subparagraph. If an Irrevocable Letter of Credit has not been delivered to and accepted by Landlord on or before the full execution of this Lease, Tenant shall deliver an Irrevocable Letter of Credit to Landlord within five (5) days from the full execution of this Lease. Pending delivery of the Irrevocable Letter of Credit, Landlord may defer contracting for Tenant Improvements. Timely delivery of the Irrevocable Letter of Credit shall, at Landlord's election, be treated as a condition subsequent to the effectiveness of this Lease such that this Lease shall be voidable by Landlord by notice to Tenant if timely delivery of the Irrevocable Letter of Credit does not occur or be treated by Landlord as an Event of Default. If Landlord elects to treat the failure to deliver the Irrevocable Letter of Credit in a timely manner as an Event of Default, Landlord may pursue all available rights and remedies, including the right to specific performance and the right to attach assets of Tenant. Upon the occurrence of any event of default by Tenant, Landlord may, from time to time, without prejudice to any other remedy provided herein or by law, use such fund to the extent necessary to make good any arrears of rent or other payments due Landlord hereunder, and any other damage, injury, expense or liability caused by any event of Tenant's default; and Tenant shall pay to Landlord on demand the amount so applied in order to restore the Security Deposit to its original amount. Any remaining balance of such deposit shall be returned to Tenant at such time after termination of this Lease when Landlord shall have determined that all Tenant's obligations under this Lease have been fulfilled. Upon the occurrence of any event of default by Tenant, Landlord may, from time to time, without prejudice to any other remedy provided herein or by law, use such fund to the extent necessary to make good any arrears of rent or other payments due Landlord hereunder, and any other damage, injury, expense or liability caused by any event of Tenant's default; and Tenant shall pay to Landlord on demand the amount so applied in order to restore the Security Deposit to its original amount. Any remaining balance of such deposit shall be returned to Tenant at within thirty (30) days after termination of this Lease when Landlord shall have determined that all Tenant's obligations under this Lease have been fulfilled. Subject to the other terms and conditions contained in this Lease, if the Building is conveyed by Landlord, said deposit may be turned over

to Landlord's grantee, and if so, Tenant hereby releases Landlord from any and all liability with respect to said deposit and its application or return.

Article 4. Taxes

4.1 Landlord agrees to pay all general and special taxes, assessments and governmental charges of any kind and nature whatsoever (collectively "Taxes") lawfully levied against the Property, the Building, and the grounds, parking areas, driveways and alleys around the Building. For each real estate tax year applicable to the Term or any extension thereof, Tenant shall pay to Landlord as additional rent upon demand at the time the bill for such tax year issues Tenant's Proportionate Share of the Taxes levied for such tax year (on an accrual basis) less any monthly payments paid by Tenant as provided below for such tax year. In addition, Tenant shall pay upon demand Tenant's Proportionate Share of any contingent fees, expenses and costs incurred by Landlord in protesting any assessments, levies or the tax rate. Any payment to be made pursuant to this Article 4 with respect to the real estate tax year in which this Lease commences or terminates shall be prorated.

4.2 During December of each year or as soon thereafter as practicable, Landlord shall give Tenant written notice of its estimate of the amount payable under Paragraph 4.1 for the ensuing calendar year. On or before the first day of each month thereafter, Tenant shall pay to Landlord as additional rent one-twelfth (1/12th) of such estimated amount, provided that if such notice is not given in December, Tenant shall continue to pay on the basis of the prior year's estimate until the first day of the month after the month in which such notice is given. If at any time it appears to Landlord that the amount payable under Paragraph 4.1 will vary from its estimate by more than five percent (5%), Landlord may, by written notice to Tenant, revise its estimate for such year, and subsequent payments by Tenant for such year shall be based upon such revised estimate.

4.3 As soon as practicable after the Taxes for a year are determined, Landlord shall deliver to Tenant a statement showing the Taxes under Paragraph 4.1 and Tenant's share thereof. If such statement shows an amount due from Tenant that is less than the estimated payments previously paid by Tenant, it shall be accompanied by a refund of the excess to Tenant. If such statement shows an amount due from Tenant that is more than the estimated payments previously paid by Tenant, Tenant shall pay the deficiency to Landlord, as additional rent, within thirty (30) days after delivery of the statement.

4.4 If at any time during the Term, the present method of taxation shall be changed so that in lieu of or in addition to the whole or any part of any Taxes, there shall be levied, assessed or imposed on Landlord a capital levy or other tax directly on the rents received and/or a franchise tax, assessment, levy or charge measured by or based, in whole or in part, upon such rents, then all such taxes, assessments, levies or charges, or the part thereof so measured or based, shall be deemed to be included within the term "Taxes" for the purposes hereof.

Article 5. Operating Costs

5.1 For each calendar year falling partly or wholly within the Term or any extension thereof, Tenant shall pay to Landlord as additional rent Tenant's Proportionate Share of the

Operating Costs incurred by Landlord for such calendar year less any monthly payments paid by Tenant as provided below for such year. Any payment to be made pursuant to this Article 5 with respect to the year in which this lease commences or terminates shall be prorated.

5.2 As used in this Lease, the term "Operating Costs" shall mean any and all expenses, costs and disbursements (other than Taxes) of any kind and nature whatsoever incurred by Landlord in connection with the ownership, leasing, management, maintenance, operation and repair of the Building or the Property or any improvements situated on the Property (including, without limitation, the cost of maintaining and repairing parking lots, parking structures, and easements, salaries, fringe benefits and related costs, for building staff, insurance costs of every kind and nature, heating and air conditioning costs, common area utility costs such as electricity, sewer and water charges, the cost of cleaning and removing snow from common areas, the cost of routine repairs, maintenance and decorating of common areas and the Building's or Property's share of costs of the Development), except the following: (1) costs of alterations of tenants' premises; (2) depreciation; (3) interest and principal payments on mortgages, and other debt costs; (4) real estate brokers' leasing commissions or compensation; (5) any cost or expenditure (or portion thereof) for which Landlord is reimbursed, whether by insurance proceeds or otherwise, and (6) cost of any service furnished to any other occupant of the Building which Landlord does not provide to Tenant. Operating Costs shall also include a property management fee and/or an administrative fee in the aggregate of five percent (5%) of gross receipts from the Property. Notwithstanding anything contained herein to the contrary, (i) all expenditures for replacements or improvements of \$10,000 or less shall be included in Operating Costs and (ii) the amount allowed annually as depreciation for federal income tax purposes with respect to any capital improvements made after the date of this Lease which are intended to reduce Operating Costs or which are required under any governmental laws, regulations, or ordinances which were not applicable to the Building at the time it was constructed, shall be included in Operating Costs. In addition, interest on the undepreciated cost of any such improvement (at the long term mortgage loan rate set forth in the mortgage encumbering the Building on the date the cost of such improvement was incurred or, if there was no such loan, then at the long term mortgage loan rate that would have been available to Landlord on the date the cost of such improvement was incurred as reasonably determined by Landlord) shall also be included in Operating Costs. In the event Landlord elects to self insure, insure with a deductible in excess of \$1,000 or obtain insurance coverage in which the premium fluctuates in proportion to losses incurred, then Landlord shall estimate the amount of premium that Landlord would have been required to pay to obtain insurance coverage (or insurance coverage without such provision) with a recognized carrier and such estimated amount shall be deemed to be an Operating Cost. If Landlord is not furnishing any particular work or service (the cost of which, if performed by Landlord, would be included in Operating Costs) to a tenant who has undertaken to perform such work or service in lieu of the performance thereof by Landlord, Operating Expenses shall be deemed for the purposes of this paragraph to be increased by an amount equal to the additional Operating Costs which would reasonably have been incurred during such period by Landlord if it had at its own expense furnished such work or service to such tenant. Landlord may, in a reasonable manner, allocate insurance premiums for so-called "blanket" insurance policies which insure other properties as well as the Building and said allocated amount shall be deemed to be an Operating Cost. If Landlord selects the accrual accounting method rather than the cash accounting method for Operating Costs purposes, Operating Costs shall be deemed to have been paid when such expenses have accrued.

5.3 In the event during all or any portion of any calendar year the Building is not fully rented and occupied, Landlord may elect to make an appropriate adjustment in occupancy related Operating Costs for such year, employing sound accounting and management principles, to determine Operating Costs that would have been paid or incurred by Landlord had the Building been fully rented and occupied and the amount so determined shall be deemed to have been Operating Costs for such year. At any time when a service is furnished to, or an item of Operating Costs is incurred with respect to only a part of the Building, the cost of such service or the amount of such item of Operating Costs may, if in Landlord's judgment it is appropriate to do so, be allocated entirely to such part of the Building and Tenant's Proportionate Share of such Operating Costs shall be adjusted accordingly.

5.4 Landlord and Tenant acknowledge that certain of the costs of management, operation and maintenance of the Development are contractually allocated among all of the buildings in the Development using methods of allocation that are considered reasonable and appropriate for the circumstances. Tenant hereby consents to such contractual allocations and agrees that the Building's portion shall be included in Operating Costs.

5.5 During December of each year or as soon thereafter as practicable. Landlord shall give Tenant written notice of its estimate of the amount payable under Paragraph 5.1 for the ensuing calendar year. On or before the first day of each month thereafter, Tenant shall pay to Landlord as additional rent one-twelfth (1/12th) of such estimated amount, provided that if such notice is not given in December, Tenant shall continue to pay on the basis of the prior year's estimate until the first day of the month after the month in which such notice is given. If at any time it appears to Landlord that the amount payable under Paragraph 5.1 for the then current calendar year will vary from its estimate by more than five percent (5%), Landlord may, by written notice to Tenant, revise its estimate for such year, and subsequent payments by Tenant for such year shall be based upon such revised estimate.

5.6 Within ninety (90) days after the close of each calendar year or as soon thereafter as practicable, Landlord shall deliver to Tenant a statement showing the Operating Costs under Paragraph 5.1 and Tenant's share thereof. If such statement shows an amount due from Tenant that is less than the estimated payments previously paid by Tenant, it shall be accompanied by a refund of the excess to Tenant. If such statement shows an amount due from Tenant that is more than the estimated payments previously paid by Tenant, Tenant shall pay the deficiency to Landlord, as additional rent, within thirty (30) days after delivery of the statement.

5.7 Tenant shall have the right to review Landlord's books and records of Operating Costs during normal business hours within ninety (90) days following the furnishing of the annual statement to Tenant, subject to execution of a confidentiality agreement reasonably acceptable to Landlord, and provided that if Tenant utilizes an independent accountant or other third party to perform such review it shall be one which is reasonably acceptable to Landlord, is not compensated on a contingency basis and is also subject to such confidentiality agreement. Unless Tenant takes written exception to any item within ninety (90) days following the furnishing of the annual statement of Tenant, such statement shall be considered as final and accepted by Tenant. The taking of exception to any item shall not excuse Tenant from the obligation to make timely payment based upon the statement as delivered by Landlord.

5.8 Tenant may provide its own janitorial services, subject to the reasonable supervision of Landlord and by a janitorial contractor or employees at all times reasonably satisfactory to Landlord. Any such services provided by Tenant shall be Tenant's sole risk and responsibility and all costs and expenses shall be borne by Tenant; however, Operating Costs shall be adjusted to exclude Landlord's janitorial costs for tenant space generally (but to include Landlord's janitorial costs for any common areas). In the event that Tenant requires janitorial services in addition to those normally provided, Tenant shall so notify Landlord and Tenant may, at Tenant's cost, provide such services, subject to the reasonable supervision and approval of Landlord. In the event that Tenant desires Landlord to provide such additional services and Landlord agrees, Tenant shall pay to Landlord Landlord's actual costs plus 10% for Landlord's overhead; provided, however, that during any period in which the leased premises include all the RSF of the Building, Landlord shall not charge Tenant such overhead fee.

Article 6. Electric Service

6.1 Landlord shall furnish all electric light bulbs, tubes and ballasts for Building standard fixtures and include the cost thereof in Operating Costs. Tenant will not without the written consent of Landlord (which shall not be unreasonably withheld, conditioned or delayed) use any apparatus or device in the Premises which will in any way increase its usage beyond the amount of electricity which Landlord determines to be reasonable for use of the Premises as general office space, nor connect with electric current (except through existing electrical outlets in the Premises) any apparatus or device for the purpose of using electric current. If Tenant shall require electric current in excess of that which is reasonably obtainable from existing electric outlets and normal for use of the Premises as general office space, then Tenant shall first procure the consent of Landlord (which consent will not be unreasonably withheld). Tenant shall pay all costs of installation of all facilities necessary to furnishing such excess capacity and for such increased electricity usage.

6.2 Interruptions of any service shall not be deemed an eviction or disturbance of Tenant's use and possession of the Premises or any part thereof, or render Landlord liable for damages by abatement of rent or otherwise or relieve Tenant from performance of Tenant's obligations under this Lease, except as provided in Paragraph 8.3 unless due to Landlord's negligence.

Article 7. Alterations

7.1 Landlord agrees to install at Landlord's cost and expense the improvements described in Exhibit C. All other improvements to the Premises ("Alterations") shall be installed at the cost and expense of Tenant, but only in accordance with plans and specifications which have been previously submitted to and approved in writing by Landlord, and only by Landlord or by contractors and subcontractors on Landlord's list of approved contractors. Landlord does approve of Leopardo Construction as a general contractor on this transaction. In connection with any request for an approval of Alterations, Landlord may retain the services of an architect and/or engineer and Tenant shall reimburse Landlord for the reasonable fees of such architect and/or engineer. All Alterations shall be constructed in accordance with all governmental laws, ordinances, rules and regulations ("Laws") and Tenant shall, prior to construction, provide such assurances to Landlord, including but not limited to, waivers of lien, surety company

performance bonds and personal guaranties of individuals of substance, as Landlord shall require to assure payment of the costs thereof and to protect Landlord against any loss from any mechanics', laborers', materialmen's or other liens. At the time of completion of each Alteration, Tenant shall deliver to Landlord a set of final "as built" plans. All Alterations shall be and remain the property of Tenant during the Term and Tenant shall, unless Landlord otherwise elects, remove all Alterations and restore the Premises to its original condition by the date of termination of this Lease or upon earlier vacating of the Premises; provided, however, that, if at such time Landlord so elects, such Alterations shall become the property of Landlord as of the date of termination of this Lease or upon earlier vacating of the Premises and title shall pass to Landlord under this Lease as by a bill of sale. All such removals and restoration shall be accomplished in a good workmanlike manner by contractors approved in writing by Landlord (which approval shall not be unreasonably withheld) so as not to damage the Building. Notwithstanding anything stated above, Tenant shall be required to remove all Medical Trade Fixtures unless agreed upon by Landlord and Tenant.

7.2 Landlord shall be responsible for any costs incurred in bringing the shell and core Building facilities into compliance with governmental requirements, including the Americans With Disabilities Act ("ADA"). If Tenant makes any Alterations to the Premises which affect governmental compliance, including ADA compliance, Tenant shall be responsible for any costs of compliance with such governmental requirements resulting from such Alterations.

Article 8. Services

8.1 Landlord agrees to furnish Tenant, while occupying the Premises: water, hot, cold and refrigerated at those points of supply provided for general use of tenants; heated and refrigerated air conditioning in season at such times as Landlord normally furnishes these services to all tenants of the Building, and at such temperatures as are in accordance with any applicable statutes, rules or regulations and are considered by Landlord to be standard; janitor service to the Premises on weekdays other than holidays and such window washing as may from time to time in the Landlord's judgment be reasonably required; operatorless passenger elevators, provided Landlord may reasonably limit the number of elevators to be in operation on Saturdays, Sundays, and holidays; but any stoppage or interruption of these defined services, resulting from any cause, shall not render Landlord liable in any respect for damages to any person, property, or business, nor be construed as an eviction of Tenant or work an abatement of rent, nor relieve Tenant from fulfillment of any covenant or agreement hereof. Should any equipment or machinery furnished by Landlord cease to function properly, Landlord shall use reasonable diligence to repair the same promptly, but Tenant shall have no claim for rebate of rent or damages on account of any interruptions in service occasioned thereby or resulting therefrom except as indicated in Article 8.3. Landlord hereby reserves the right to charge commercially reasonable fees to Tenant for any additional services requested by Tenant on such basis as Landlord, in its reasonable discretion, determines. Whenever heat generating machines or equipment are used by Tenant in the Premises which affect the temperature otherwise maintained by the air conditioning equipment, Landlord reserves the right to install supplementary air conditioning units in the Premises (or for the use of the Premises) and the expense of such purchase, installation, maintenance, and repair shall be paid by Tenant upon demand as additional rent.

8.2 Tenant shall not provide any janitorial services without Landlord's written consent and then only subject to supervision of Landlord. Landlord agrees that Tenant may supply janitorial services for the Surgical Center. Any such services provided by Tenant shall be Tenant's sole risk and responsibility.

8.3 If there is an interruption of services which renders the Premises unusable for its intended purpose for more than three (3) consecutive business days and such interruption is a result of factors within the reasonable control of Landlord, then rent shall abate from the first day until such services are restored.

Article 9. Use of Premises

9.1 The Premises shall be used for the Permitted Uses and no others. Tenant will not occupy or use, nor permit any portion of Premises to be occupied or used, for any use or purpose which is unlawful in part or in whole or deemed to be disreputable in any manner, or extra hazardous on account of fire, nor permit anything to be done which will render void or in any way increase the rate of fire insurance on the Building or its contents, and Tenant, shall immediately cease and desist from such use, paying all costs and expenses resulting therefrom. Tenant will conduct his business and control his agents, employees and invitees in such a manner as not to create any nuisance, nor unreasonably interfere with, annoy, or disturb other tenants or Landlord in the management of the Building.

9.2 Tenant shall at its own cost and expense promptly obtain any and all licenses and permits necessary for any Permitted Use. Tenant shall comply with all Laws applicable to the use and its occupancy of the Premises, and shall promptly comply with all governmental orders and directives for the correction, prevention and abatement of any violations or nuisances in or upon, or connected with, the Premises, all at Tenant's sole expense. If, as a result of any change in Laws the Premises must be altered to lawfully accommodate Tenant's use and occupancy, such alterations shall be made only with the consent of Landlord (such consent shall not be unreasonably withheld, conditioned or delayed), but the entire cost shall be borne by Tenant; provided, that, the necessity of Landlord's consent shall in no way create any liability against Landlord for failure of Tenant to comply with such Laws.

9.3 Tenant will maintain the Premises (including all fixtures installed by Tenant, water heaters within the Premises and plate glass) in good repair, reasonable wear and tear excepted, and in a clean and healthful condition, and comply with all Laws with reference to condition, or occupancy of the Premises. Any repairs or replacements shall be with materials and workmanship of the same character, kind and quality as the original. Tenant will not, without the prior written consent of Landlord (such consent shall not be unreasonably withheld, conditioned or delayed), paint, install lighting or decorations, or install any signs, window or door lettering or advertising media of any type on or about the Premises. At termination of this Lease, upon its expiration or otherwise, Tenant shall deliver up the Premises in good repair and condition, reasonable wear and tear excepted, broom clean and free of all debris. All other improvements to the Premises ("Minor Alterations") shall be installed by Tenant or Tenant's contractors at the cost and expense of Tenant, but in the case of improvements costing more than \$10,000 in the aggregate or affecting the mechanical and electrical systems, floors, roof or other structural components of the Building ("Major Alterations"), only in accordance with plans and

specifications which have been previously submitted to and approved in writing by Landlord.

9.4 Tenant shall pay upon demand as additional rent the full cost of repairing any damage to the Premises, Building or related facilities resulting from and/or caused in whole or in part by the negligence or misconduct of Tenant, its agents, servants, employees, patrons, customers, or any other person entering upon the Development as a result of Tenant's business activities or resulting from Tenant's default hereunder.

9.5 The current rules and regulations are described in Exhibit D. Landlord shall at all times have the right to change such rules and regulations or to promulgate other rules and regulations in such reasonable manner as may be deemed advisable for the safety, care, and cleanliness of the Building or the Development, but that do not materially interfere with the use of the Premises for Tenant's business and copies thereof will be forwarded to Tenant. Tenant will comply fully with such rules and regulations. Tenant shall further be responsible for the compliance with such rules and regulations by Tenant's employees, servants, agents and visitors.

9.6 Tenant agrees that Tenant, its agents and contractors, licensees, or invitees shall not handle, use, manufacture, store or dispose of any flammables, explosives, radioactive materials, hazardous wastes or materials, toxic wastes or materials, asbestos, PCB's, petroleum products or derivatives or other similar substances (collectively "Hazardous Materials") on, under, or about the Premises; provided that Tenant may handle, store, use or dispose of products containing small quantities of Hazardous Materials, which products are of a type customarily found in offices and households (such as toner for copies, and the like); provided further that Tenant shall handle, store, use and dispose of any such Hazardous Materials in a safe and lawful manner and shall not allow such Hazardous Materials to contaminate the Premises, the Building or the environment. Tenant further agrees that Tenant will not permit any substance to come into contact with groundwater under the Premises. Any such substance coming into contact with groundwater shall, regardless of its inherent hazardous characteristics, be considered a Hazardous Material for purposes of this Lease.

9.7 Without limiting the above, Tenant shall reimburse, defend, indemnify and hold Landlord harmless from and against any and all claims, losses, liabilities, damages, costs and expenses, including without limitation, loss of rental income, loss due to business interruption, and attorneys fees and costs, arising out of or in any way connected with the use, manufacture, storage, or disposal of Hazardous Materials by Tenant, its agents or contractors on, under or about the Premises including, without limitation, the costs of any required or necessary investigation, repair, cleanup or detoxification and the preparation of any closure or other required plans in connection therewith, whether voluntary or compelled by governmental authority. The indemnity obligations of Tenant under this clause shall survive any termination of the Lease. Any of Tenant's insurance insuring against claims of the type dealt with in this Paragraph shall be considered primary coverage for claims against the Premises arising out of or under this Paragraph.

Article 10. Inspections

Landlord shall have the right to enter the Premises at any reasonable time following reasonable notice (except in the case of emergencies or to provide routine cleaning or

maintenance), for the following purposes: (a) to ascertain the condition of the Premises; (b) to determine whether Tenant is diligently fulfilling Tenant's responsibilities under this Lease; (c) to clean and to make such repairs as may be required or permitted to be made by Landlord under the terms of this Lease; or (d) to do any other act or thing which Landlord deems reasonable to preserve the Premises and the Building. During the last six (6) months of the Term and at any time Tenant is in default hereunder, Landlord shall have the right to enter the Premises at any reasonable time during business hours for the purpose of showing the Premises. Tenant shall give written notice to Landlord at least thirty (30) days prior to vacating and shall arrange to meet with Landlord for a joint inspection of the Premises. In the event of Tenant's failure to give such notice or arrange such joint inspection, Landlord's inspection at or after Tenant vacates the Premises shall be conclusively deemed correct for purposes of determining Tenant's responsibility for repairs and restoration.

Article 11. Assignment and Subletting

11.1 Tenant shall have the right to assign or pledge this Lease or to sublet the whole or any part of the Premises, whether voluntarily or by operation of law, or permit the use or occupancy of the Premises by anyone other than Tenant, with the prior written consent of Landlord, which consent shall not be unreasonably withheld, and such restrictions shall be binding upon any assignee or subtenant to which Landlord has consented. In the event Tenant desires to sublet the Premises, or any portion thereof, or assign this Lease, Tenant shall give written notice thereof to Landlord within a reasonable time prior to the proposed commencement date of such subletting or assignment, which notice shall set forth the name of the proposed subtenant or assignee, the relevant terms of any sublease and copies of financial reports and other relevant financial information of the proposed subtenant or assignee. Should Landlord not respond in kind within fifteen (15) days of Tenant's notice of its decision, it shall be deemed as Landlord's Approval. In no event may Tenant sublet, nor will Landlord consent to any sublease of, all or any portion of the Premises if the rent is determined in whole or in part based upon the income or profits derived by the sublessee (other than a rent based on a fixed percentage or percentages of receipts or sales). Notwithstanding any permitted assignment or subletting, Tenant shall at all times remain directly, primarily and fully responsible and liable for the payment of the rent herein specified and for compliance with all of its other obligations under the terms, provisions and covenants of this Lease. Upon the occurrence of an "event of default" (as hereinafter defined), if the Premises or any part thereof are then assigned or sublet, Landlord, in addition to any other remedies herein provided or provided by law, may, at its option, collect directly from such assignee or subtenant all rents due and becoming due to Tenant under such assignment or sublease and apply such rent against any sums due to Landlord from Tenant hereunder, and no such collection shall be construed to constitute a novation or a release of Tenant from the further performance of Tenant's obligations hereunder. Tenant shall pay to Landlord, on demand, a reasonable service charge for the processing of the application for the consent and for the preparation of the consent. Such service charge shall be collectible by Landlord only where consent is granted by Landlord. Any profits generated by such sublease or assignment shall be split equally between Landlord and Tenant on a 50/50 basis.

11.2 Notwithstanding any contrary provision in the previous subparagraphs of this paragraph, Landlord's consent shall not be required for an assignment or subletting of the

Premises to (i) an affiliate or wholly-owned subsidiary of the Tenant (an "Affiliate") or a reorganized entity under which no change of ownership has occurred, ii) an entity resulting from a merger or consolidation by or into Tenant, or (iii) an entity which acquires all or substantially all of Tenant's stock or assets (each of the foregoing is hereinafter referred to as a "Permitted Transferee" and any such assignment or subletting is hereinafter referred to as a "Permitted Transfer"), provided that (a) the proposed assignee or subtenant has delivered to Landlord satisfactory evidence of financial worth (less goodwill) equal to or greater than that of Tenant as of the execution date of this Lease; (b) no Event of Default then exists; (c) the use of the Premises by the proposed assignee or subtenant constitutes a Permitted Use; (d) Tenant shall notify Landlord of a proposed transfer as soon as reasonably possible (and in no event later than the effective date thereof), and such notice shall include information establishing the relationship between Tenant and the transferee; (e) any assignee of the Lease shall expressly assume all of Tenant's obligations and liabilities hereunder to thereafter be performed without releasing Tenant; (f) any sublease shall by its terms be expressly subordinate to all of the terms, covenants and conditions of this Lease; and (g) Tenant shall deliver to Landlord on or prior to the effective date an original executed copy of all documentation effecting such transfer.

11.3 In the event that Tenant sublets, assigns or otherwise transfers its interest in this Lease and at any time receives Excess Rent, Tenant shall pay to Landlord fifty percent (50%) of the Excess Rent as received by Tenant. Tenant shall furnish Landlord with a sworn statement, certified by an officer of Tenant or an independent certified public accountant, setting forth in detail the computation of Excess Rent, and Landlord, or its representatives, shall have access to the books, records and papers of Tenant in relation thereto, and the right to make copies thereof. If a part of the consideration for such sublease or assignment shall be payable other than in cash, the payment to Landlord shall be payable in such form as is reasonably satisfactory to Landlord. For purposes of this Paragraph, the term "Excess Rent" shall mean the excess, if any, of (i) all amounts received or to be received in the form of cash, cash equivalents, and non-cash consideration by Tenant from any assignee or sublessee over (ii) the sum of the rent payable to Landlord hereunder (or, in the case of a sublease of a portion of the Premises, the portion of the Rent which is allocable on a per square foot basis to the space sublet), plus the amount of any reasonable brokers' commissions and costs of tenant improvements incurred by Tenant in connection with such assignment or sublease, all of which shall be, in the case of a sublease, amortized over the term of the sublease for the purpose of calculating the amounts of the periodic payments due to Landlord hereunder.

Article 12. Fire and Casualty Damage

12.1 If the Building or Premises are rendered partially or wholly untenantable by fire or other casualty, Landlord shall deliver to Tenant a notice within sixty (60) days of such fire or other casualty setting forth the time, as reasonably determined by Landlord, required to materially restore the Building or Premises. If such damage cannot, in Landlord's reasonable estimation, be materially restored within one hundred eighty (180) days of such damage, then either party may terminate this Lease. A party shall exercise its option by written notice within ten (10) days of the date of Landlord's determination notice. For purposes hereof, the Building or Premises shall be deemed "materially restored" if they are in such condition as would not

prevent or materially interfere with Tenant's use of the Premises for the purpose for which it was then being used. If this Lease shall be terminated pursuant to this Article 12, the Term shall end on the date of the notice of termination as if that date had been originally fixed in this Lease for the expiration of the Term and, if the Premises is untenable in whole or in part following the casualty, the rent payable during the period in which the Premises is untenable shall be reduced to such extent, if any, as may be fair and reasonable under all of the circumstances.

12.2 If this Lease is not terminated pursuant to Paragraph 12.1, then Landlord shall proceed with all due diligence to repair and restore the Building or Premises, as the case may be (except that Landlord may elect not to rebuild if such damage occurs during the last year of the Term exclusive of any option which is unexercised at the date of such damage). If this Lease shall not be terminated pursuant to this Article 12 and if the Premises is untenable in whole or in part following the casualty, the rent payable during the period in which the Premises is untenable shall be reduced to such extent, if any, as may be fair and reasonable under all of the circumstances.

12.3 In the event that Landlord should fail to complete such repairs and material restoration within one hundred eighty (180) days after the date of such damage, Tenant may at its option and as its sole remedy terminate this Lease by delivering written notice to Landlord, whereupon the Lease shall end on the date of such notice as if the date of such notice were the date originally fixed in this Lease for the expiration of the Term; provided however, that if construction is delayed because of changes, deletions, or additions in construction requested by Tenant, strikes, lockouts, casualties, acts of God, war, material or labor shortages, governmental regulation or control or other causes beyond the reasonable control of Landlord, the period for restoration, repair or rebuilding shall be extended for the amount of time Landlord is so delayed. Notwithstanding the above, if Landlord delivers to Tenant a notice setting forth a new projected date for completion of the material restoration of the Premises (such notice shall be accompanied by an explanation for the revised date), then Tenant shall have fifteen (15) days thereafter to exercise its right to terminate; if Tenant does not exercise its right to terminate within such fifteen (15) day period it shall be deemed to have agreed to allow Landlord until the date set forth in Landlord's notice to materially restore the Premises and may not thereafter exercise this right to terminate unless and until Landlord has failed to materially restore by such later date.

12.4 In no event shall Landlord be required to rebuild, repair or replace any Alterations which may have been placed in or about the Premises by Tenant. Any insurance which may be carried by Landlord or Tenant against loss or damage to the Building or Premises shall be for the sole benefit of the party carrying such insurance and under its sole control.

12.5 Notwithstanding anything herein to the contrary, in the event the holder of any indebtedness secured by a mortgage or deed of trust covering the Premises, Building or Property requires that any insurance proceeds be applied to such indebtedness, then Landlord shall have the right to terminate this Lease by delivering written notice to Tenant within fifteen (15) days after such requirement is made by any such holder, whereupon the Lease shall end on the date of such notice as if the date of such notice were the date originally fixed in this Lease for the expiration of the Term.

12.6 Each of Landlord and Tenant hereby releases the other from any and all liability or

responsibility to the other or anyone claiming through or under them by way of subrogation or otherwise for any loss or damage to property caused by fire, extended coverage perils, vandalism or malicious mischief, sprinkler leakage or any other perils insured in policies of insurance covering such property (or which would have been insured if coverage required herein had been carried), even if such loss or damage shall have been caused by the fault or negligence of the other party, or anyone for whom such party may be responsible, including any other tenants or occupants of the remainder of the Building; provided, however, that this release shall be applicable and in force and effect only to the extent that such release shall be lawful at that time and in any event only with respect to loss or damage occurring during such times as the releasor's policies shall contain a clause or endorsement to the effect that any such release shall not adversely affect or impair said policies or prejudice the right of the releasor to recover thereunder and then only to the extent of the insurance proceeds payable under such policies. Each of Landlord and Tenant agrees that it will require its insurance carriers to include in its policies such a clause or endorsement.

12.7 In the event of any damage or destruction to the Building or Premises, Tenant shall, upon notice from Landlord, remove forthwith, at its sole cost and expense, such portion or all of the property belonging to Tenant from such portion or all of the Building or Premises as Landlord shall request.

Article 13. Liability

Landlord shall not be liable for and Tenant will indemnify and hold Landlord harmless from any loss, liability, costs and expenses, including reasonable attorney's fees, arising out of any claim of injury or damage on or about the Premises caused by the negligence or misconduct or breach of this Lease by Tenant, its employees, subtenants, invitees or by any other person entering the Premises, Building or Development under express or implied invitation of Tenant or arising out of Tenant's use of the Premises. Landlord shall not be liable to Tenant or Tenant's agents, employees, invitees or any person entering upon the Development in whole or in part because of Tenant's use of the Premises for any damage to persons or property due to condition, design, or defect in the Building or its mechanical systems which may exist or occur, and Tenant assumes all risks of damage to such persons or property. Landlord shall not be liable or responsible for any loss or damage to any property or person occasioned by theft, fire, act of God, public enemy, injunction, riot, strike, insurrection, war, court order, requisition or order of governmental body or authority, or other matter beyond control of Landlord, or for any injury or damage or inconvenience, which may arise through repair or alteration of any part of the Building, or failure to make repairs, or from any cause whatever except Landlord's willful acts or gross negligence. Tenant shall procure and maintain throughout the term of this Lease a policy of insurance, in form and substance satisfactory to Landlord, at Tenant's sole cost and expense, insuring both Landlord and Tenant against all claims, demands or actions arising out of or in connection with: (a) the Premises; (b) the condition of the Premises; (c) Tenant's operations in and maintenance and use of the Premises; and (d) Tenant's liability assumed under this Lease; the limits of such policy to be in the amount of not less than \$1,000,000 per occurrence in respect of injury to persons (including death) and in the amount of not less than \$500,000 per occurrence in respect of property damage or destruction, including loss of use thereof. Such policy shall be procured by Tenant from responsible insurance companies satisfactory to Landlord. A certified copy of such policy, together with receipt evidencing payment of the premium, shall be delivered

to Landlord prior to the Commencement Date. Not less than thirty (30) days prior to the expiration date of such policy, a certified copy of a renewal thereof (bearing notations evidencing the payment of the renewal premium) shall be delivered to Landlord. Such policy shall further provide that not less than thirty (30) days' written notice shall be given to Landlord before such policy may be cancelled or changed to reduce the insurance coverage provided thereby.

Tenant shall not be liable for and Landlord will indemnify and hold Tenant harmless from any loss, liability, costs and expenses, including reasonable attorney's fees, arising out of any claim of injury or damage on or about the Building or the leased Premises caused by the negligence or misconduct or breach of this Lease by Landlord, its employees, tenants, invitees or by any other person entering the leased Premises or the Building or Development under express or implied invitation of Landlord (excluding, however, Tenant or the people for whom Tenant is responsible as provided within this Paragraph). Absent Tenant's negligence or willful misconduct, Tenant shall not be liable to Landlord or Landlord's agents, employees or invites for any damage to persons or property due to condition, design or device in the leased Premises or its mechanical systems, Tenant's Work or other alteration, improvement, repair or maintenance which may exist or occur nor shall Tenant be responsible or liable for any loss or damage to any property or person occasioned by theft, fire, act of God, public enemy, injunction, riot, strike, insurrection, war, court order, requisition or order of governmental body or any injury or damage which may arise through repair or alteration from any cause whatsoever.

Article 14. Condemnation

14.1 If any substantial part of the Building or Premises should be taken for any public or quasi-public use under Laws thereof (a "Taking") and the Taking would prevent or materially interfere with the use of the Building or Premises for the purpose for which it is then being used, this Lease shall terminate effective when the Taking shall occur in the same manner as if the date of such Taking were the date originally fixed in this Lease for the expiration of the Term.

14.2 If part of the Building or Premises shall be taken in a Taking, and this Lease is not terminated as provided in Paragraph 14.1, this Lease shall not terminate but the rent payable hereunder during the unexpired portion of this Lease shall be reduced to such extent, if any, as may be fair and reasonable under all of the circumstances and Landlord shall undertake to restore the Building and Premises to a condition suitable for Tenant's use, as near to the condition thereof immediately prior to such Taking as is reasonably feasible under all the circumstances.

14.3 In the event of any such Taking, Landlord and Tenant shall each be entitled to receive and retain such separate awards and/or portion of lump sum awards as may be allocated to their respective interests in any condemnation proceedings; provided that Tenant shall not be entitled to receive any award for Tenant's loss of its leasehold interest, the right to such award being hereby assigned by Tenant to Landlord.

Article 15. Holding Over

Tenant will, at the termination of this Lease by lapse of time or otherwise, yield up immediate possession of the Premises to Landlord. If Tenant retains possession of the Premises or any part thereof after such termination, then Landlord may, at its option, serve written notice

upon Tenant that such holding over constitutes any one of (a) creation of a tenancy at sufferance, (b) creation of a month to month tenancy, or (c) if such hold over continues for sixty (60) days, renewal of this Lease for one year, and from year to year thereafter, in any case upon the terms and conditions set forth in this Lease; provided, however, that the rental shall, in addition to all other sums which are to be paid by Tenant hereunder, be equal to 125% the rental being paid under this Lease immediately prior to such termination for the first two (2) months and then 150% for each month thereafter. If no such notice is served, then a tenancy at sufferance shall be deemed to be created at the rent in the preceding sentence. The provisions of this Article shall not constitute a waiver by Landlord of any right of re-entry as herein set forth; nor shall receipt of any rent or any other act in apparent affirmation of the tenancy operate as a waiver of the right to terminate this Lease for a breach of any of the terms, covenants, or obligations herein on Tenant's part to be performed.

Article 16. Quiet Enjoyment

Landlord represents and warrants that it has full right and authority to enter into this Lease and that Tenant, while paying the rental and performing its other covenants and agreements herein set forth, shall peaceably and quietly have, hold and enjoy the Premises for the Term without hindrance or molestation from Landlord subject to the terms and provisions of this Lease. Landlord shall not be liable for any interference or disturbance by other tenants or third persons, nor shall Tenant be released from any of the obligations of this Lease because of such interference or disturbance.

Article 17. Events of Default.

Each of the following events shall be deemed to be an "event of default" by Tenant under this Lease:

17.1 Tenant shall fail to pay when or before due any sum of money becoming due to be paid to Landlord hereunder, whether such sum be any installment of the rent herein reserved, any other amount treated as additional rent hereunder, or any other payment or reimbursement to Landlord required herein, whether or not treated as additional rent hereunder, and such failure shall continue for a period of five (5) days from the date such payment was due;

Notwithstanding the foregoing, and provided this Lease is in full force and effect and Tenant is not then in default hereunder, Tenant shall have two (2) ten (10) day periods of grace following written notice by Landlord, before being in rental default for failure to pay rent and before being assessed a late charge but Landlord shall not be required to give notice to Tenant more than twice in any successive twelve (12) month period;

17.2 Tenant shall fail to comply with any term, provision or covenant of this Lease other than by failing to pay when or before due any sum of money becoming due to be paid to Landlord hereunder, and shall not cure such failure within twenty (20) days (forthwith, if the default involves a hazardous condition) after written notice thereof to Tenant;

17.3 Tenant shall fail to vacate the Premises immediately upon termination of this Lease, by lapse of time or otherwise;

17.4 The leasehold interest of Tenant shall be levied upon under execution or be attached by process of law or Tenant shall fail to contest diligently the validity of any lien or claimed lien and give sufficient security to Landlord to insure payment thereof or shall fail to satisfy any judgment rendered thereon and have the same released, and such default shall continue for ten (10) days after written notice thereof to Tenant;

17.5 Tenant shall become insolvent, admit in writing its inability to pay its debts generally as they become due, file a petition in bankruptcy or a petition to take advantage of any insolvency statute, make an assignment for the benefit of creditors, make a transfer in fraud of creditors, apply for or consent to the appointment of a receiver of itself or of the whole or any substantial part of its property, or file a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws, as now in effect or hereafter amended, or any other applicable law or statute of the United States or any state thereof;

17.6 A court of competent jurisdiction shall enter an order, judgment or decree adjudicating Tenant a bankrupt, or appointing a receiver of Tenant, or of the whole or any substantial part of its property, without the consent of Tenant, or approving a petition filed against Tenant seeking reorganization or arrangement of Tenant under the bankruptcy laws of the United States, as now in effect or hereafter amended, or any state thereof, and such order, judgment or decree shall not be vacated or set aside or stayed within thirty (30) days from the date of entry thereof.

Article 18. Remedies

Upon the occurrence of an event of default, Landlord shall have the option to pursue any one or more of the following remedies without any notice or demand whatsoever:

18.1 Landlord may, at its election, terminate this Lease or terminate Tenant's right to possession only, without terminating the Lease;

18.2 Upon any termination of this Lease, whether by lapse of time or otherwise, or upon any termination of Tenant's right to possession without termination of the Lease, Tenant shall surrender possession and vacate the Premises immediately, and deliver possession thereof to Landlord, and Tenant hereby grants to Landlord full and free license to enter into and upon the Premises in such event with or without process of law and to repossess Landlord of the Premises as of Landlord's former estate and to expel or remove Tenant and any others who may be occupying or within the Premises and to remove any and all property therefrom, without being deemed in any manner guilty of trespass, eviction or forcible entry or detainer, and without incurring any liability for any damage resulting therefrom, Tenant hereby waiving any right to claim damage for such reentry and expulsion, and without relinquishing Landlord's right to rent or any other right given to Landlord hereunder or by operation of law;

18.3 Upon any termination of this Lease, whether by lapse of time or otherwise, Landlord shall be entitled to recover as damages, all rent, including any amounts treated as additional rent hereunder, and other sums due and payable by Tenant on the date of termination, plus the sum of (1) an amount equal to the then present value of the rent, including any amounts treated as additional rent hereunder, and other sums provided herein to be paid by Tenant for the residue

of the Term, less the then present value of the fair rental value of the Premises for such residue (taking into account the time and expense necessary to obtain a replacement tenant or tenants, including expenses hereinafter described relating to recovery of the Premises, preparation for reletting and for reletting itself), and (2) the cost of performing any other covenants which would have otherwise been performed by Tenant;

18.4

18.4.1. Upon any termination of Tenant's right to possession only without termination of the Lease, Landlord may, at Landlord's option, enter into the Premises, remove Tenant's signs and other evidences of tenancy, and take and hold possession thereof as provided in Paragraph 18.2, without such entry and possession terminating the Lease or releasing Tenant, in whole or in part, from any obligation, including Tenant's obligation to pay the rent, including any amounts treated as additional rent, hereunder for the full term. In any such case Tenant shall pay forthwith to Landlord, if Landlord so elects, a sum equal to the entire amount of the rent, including any amounts treated as additional rent hereunder, for the residue of the Term plus any other sums provided herein to be paid by Tenant for the remainder of the Term, to be used by Landlord as a deposit against Tenant's obligations under Subparagraph 18.4.2;

18.4.2. Landlord shall use reasonable efforts to relet the Premises or any part thereof for such rent and upon such terms as Landlord, in its reasonable discretion, shall determine. Landlord and Tenant agree that Landlord may relet the Premises for a greater or lesser term than that remaining under this Lease, relet the Premises as a part of a larger area, or change the character or use made of the Premises. Landlord and Tenant further agree that Landlord shall only be required to use the same efforts Landlord then uses to lease other properties Landlord owns or manages (or if the Premises is then managed for Landlord, then Landlord will instruct such manager to use the same efforts such manager then uses to lease other space or properties which it owns or manages); provided, however, that Landlord (or its manager) shall not be required to give any preference or priority to the showing or leasing of the Premises over any other space that Landlord (or its manager) may be leasing or have available and may place a suitable prospective tenant in any such available space regardless of when such alternative space becomes available; provided, further, that Landlord shall not be required to observe any instruction given by Tenant about such reletting or accept any tenant offered by Tenant. In any such case, Landlord may, but shall not be required to, make repairs, alterations and additions in or to the Premises and redecorate the same to the extent Landlord deems necessary or desirable, and Tenant shall, upon demand, pay the cost thereof, together with Landlord's expenses of reletting, including, without limitation, any broker's commission incurred by Landlord. If the consideration collected by Landlord upon any such reletting plus any sums previously collected from Tenant are not sufficient to pay the full amount of all rent, including any amounts treated as additional rent hereunder and other sums reserved in this Lease for the remaining Term, together with the costs of repairs, alterations, additions, redecorating, and Landlord's expenses of reletting and the collection of the rent accruing therefrom (including reasonable attorney's fees and broker's commissions), Tenant shall pay to Landlord the amount of such deficiency upon demand and Tenant agrees that Landlord may file suit to recover sums falling due under this section from time to time;

18.5 Landlord may, at Landlord's option, enter into and upon the Premises, with

process of law, if Landlord determines in its sole discretion that Tenant is not acting within a commercially reasonable time to maintain, repair or replace anything for which Tenant is responsible hereunder and correct the same, without being deemed in any manner guilty of trespass, eviction or forcible entry and detainer and without incurring any liability for any damage resulting therefrom and Tenant agrees to reimburse Landlord, on demand, as additional rent, for any expenses which Landlord may incur in thus effecting compliance with Tenant's obligations under this Lease;

18.6 Any and all property which may be removed from the Premises by Landlord pursuant to the authority of the Lease or of law, to which Tenant is or may be entitled, may be handled, removed and stored, as the case may be, by or at the direction of Landlord at the risk, cost and expense of Tenant, and Landlord shall in no event be responsible for the value, preservation or safekeeping thereof. Tenant shall pay to Landlord, upon demand, any and all expenses incurred in such removal and all storage charges against such property so long as the same shall be in Landlord's possession or under Landlord's control. Any such property of Tenant not retaken by Tenant from storage within thirty (30) days after removal from the Premises shall, at Landlord's option, be deemed conveyed by Tenant to Landlord under this Lease as by a bill of sale without further payment or credit by Landlord to Tenant.

18.7 In the event Tenant fails to pay any installment of rent, including any amount treated as additional rent, or other sums hereunder as and when such installment or other charge is due, Tenant shall pay to Landlord on demand a late charge in an amount equal to five percent (5%) of such installment or other charge overdue in any month and five percent (5%) each month thereafter until paid in full to help defray the additional cost to Landlord for processing such late payments, and such late charge shall be additional rent hereunder and the failure to pay such late charge within ten (10) days after demand therefor shall be an additional event of default. The provision for such late charge shall be in addition to all of Landlord's other rights and remedies hereunder or at law and shall not be construed as liquidated damages or as limiting Landlord's remedies in any manner.

18.8 Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law (all such remedies being cumulative), nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent due to Landlord hereunder or of any damages accruing to Landlord by reason of the violation of any of the terms, provisions and covenants herein contained. No act or thing done by Landlord or its agents during the term hereby granted shall be deemed a termination of this Lease or an acceptance of the surrender of the Premises, and no agreement to terminate this Lease or accept a surrender of said Premises shall be valid unless in writing signed by Landlord. No waiver by Landlord of any violation or breach of any of the terms, provisions and covenants herein contained shall be deemed or construed to constitute a waiver of any other violation or breach of any of the terms, provisions and covenants herein contained. Landlord's acceptance of the payment of rental or other payments hereunder after the occurrence of an event of default shall not be construed as a waiver of such default, unless Landlord so notifies Tenant in writing. Forbearance by Landlord in enforcing one or more of the remedies herein provided upon an event of default shall not be deemed or construed to constitute a waiver of such default or of Landlord's right to enforce any such remedies with respect to such default or any subsequent default. If, on account of any breach or default by Tenant in Tenant's obligations under the terms and

conditions of this Lease, it shall become necessary or appropriate for Landlord to employ or consult with an attorney concerning or to enforce or defend any of Landlord's rights or remedies hereunder, the prevailing party agrees to pay any attorney's fees so incurred. Without limiting the foregoing, Tenant hereby expressly waives any right to trial by jury.

Article 19. Tenant's Bankruptcy Or Insolvency.

If at any time and for so long as Tenant shall be subjected to the provisions of the United States Bankruptcy Code or other law of the United States or any state thereof for the protection of debtors as in effect at such time (each a "Debtor's Law"), Tenant, Tenant as debtor-in-possession, and any trustee or receiver of Tenant's assets (each a "Tenant's Representative") shall have no greater right to assume or assign this Lease or any interest in this Lease, or to sublease any of the Premises then accorded to Tenant in Article 11, except to the extent Landlord shall be required to permit such assumption, assignment or sublease by the provisions of such Debtor's Law. Without limitation of the generality of the foregoing, any right of any Tenant's Representative to assume or assign this Lease or to sublease any of the Premises shall be subject to the conditions that:

19.1 Such Debtor's Law shall provide to Tenant's Representative a right of assumption of this Lease which Tenant's Representative shall have timely exercised and Tenant's Representative shall have fully cured any default of Tenant under this Lease.

19.2 Tenant's Representative or the proposed assignee, as the case shall be, shall have deposited with Landlord as security for the timely payment of rent an amount equal to the larger of: (a) three months' rent and other monetary charges accruing under this Lease; and (b) any sum specified in Article 3; and shall have provided Landlord with adequate other assurance of the future performance of the obligations of the Tenant under this Lease. Without limitation, such assurances shall include, at least, in the case of assumption of this Lease, demonstration to the satisfaction of the Landlord that Tenant's Representative has and will continue to have sufficient unencumbered assets after the payment of all secured obligations and administrative expenses to assure Landlord that Tenant's Representative will have sufficient funds to fulfill the obligations of Tenant under this Lease; and, in the case of assignment, submission of current financial statements of the proposed assignee, audited by an independent certified public accountant reasonably acceptable to Landlord and showing a net worth and working capital in amounts determined by Landlord to be sufficient to assure the future performance by such assignee of all of the Tenant's obligations under this Lease.

19.3 The assumption or any contemplated assignment of this Lease or subleasing any part of the Premises, as shall be the case, will not breach any provision in any other lease, mortgage, financing agreement or other agreement by which Landlord is bound.

19.4 Landlord shall have, or would have had absent the Debtor's Law, no right under Article 11 to refuse consent to the proposed assignment or sublease by reason of the identity or nature of the proposed assignee or sublessee or the proposed use of the Premises concerned.

Article 20. Mortgages

Tenant accepts this Lease subject and subordinate to any mortgages and deed of trust

now or at any time hereafter constituting a lien or charge upon the Property, or the improvements situated thereon, provided, however, that if the mortgagee, trustee, or holder of any such mortgage or deed of trust ("Mortgagee") elects to have Tenant's interest in this Lease superior to any such instrument, then by notice to Tenant from such Mortgagee, this Lease shall be deemed superior to such lien whether this Lease was executed before or after said mortgage or deed of trust. Tenant shall at any time hereafter on demand execute any instruments, releases or other documents which may be required by any such Mortgagee for the purpose of subjecting and subordinating this Lease to the lien of any such mortgage or for the purpose of evidencing the superiority of this Lease to the lien of any such mortgage, as may be the case.

Provided Landlord has delivered to Tenant an SNDA in accordance with this Article, Tenant accepts this Lease subject and subordinate to any mortgages and deed of trust now or at any time hereafter constituting a lien or charge upon the Property, or the improvements situated thereon, provided, however, that if the mortgagee, trustee, or holder of any such mortgage or deed of trust ("Mortgagee") elects to have Tenant's interest in this Lease superior to any such instrument, then by notice to Tenant from such Mortgagee, this Lease shall be deemed superior to such lien whether this Lease was executed before or after said mortgage or deed of trust. Tenant shall within thirty (30) days after receipt of written request execute any instruments, releases or other documents which may be required by any such Mortgagee for the purpose of subjecting and subordinating this Lease to the lien of any such mortgage or for the purpose of evidencing the superiority of this Lease to the lien of any such mortgage, as may be the case, provided that such instrument in no event shall modify the rights or obligations of Landlord or Tenant under this lease; such instrument shall be in form and substance reasonably acceptable to Tenant and Mortgagee and provided that any such mortgagee, trustee or holder shall have entered into a commercially reasonable subordination, non-disturbance and attornment agreement ("SNDA") with Tenant. Landlord hereby agrees to provide Tenant with an SNDA from the current mortgagee on or prior to the Commencement Date

Article 21. Mechanic's and Other Liens

Tenant shall have no authority, express or implied, to create or place any lien or encumbrance of any kind or nature whatsoever upon, or in any manner to bind, the interest of Landlord in the Premises or to charge the rentals payable hereunder for any claim in favor of any person dealing with Tenant, including those who may furnish materials or perform labor for any construction or repairs, and each such claim shall affect and each such lien shall attach to, if at all, only the leasehold interest granted to Tenant by this Lease. Tenant covenants and agrees that it will pay or cause to be paid all sums legally due and payable by it on account of any labor performed or materials furnished in connection with any work performed on the Premises on which any lien is or can be validly and legally asserted against its leasehold interest in the Premises or the improvements thereon and that it will save and hold Landlord harmless from any and all loss, liability, cost or expense based on or arising out of asserted claims or liens against the leasehold estate or against the right, title and interest of the Landlord in the Premises or under the terms of this Lease. Tenant will not permit any mechanic's lien or liens or any other liens which may be imposed by law affecting Landlord's or its Mortgagees' interest in the Premises or the Building to be placed upon the Premises or the Building arising out of any action or claimed action by Tenant, and in case of the filing of any such lien Tenant will promptly pay same. If any such lien shall remain in force and effect for thirty (30) days after written notice thereof from

Landlord to Tenant, Landlord shall have the right and privilege of paying and discharging the same or any portion thereof without inquiry as to the validity thereof, and any amounts so paid, including expenses and interest, shall be so much additional rent hereunder due from Tenant to Landlord and shall be paid to Landlord immediately on rendition of bill therefor. Notwithstanding the foregoing, Tenant shall have the right to contest any such lien in good faith and with all due diligence so long as any such contest, or action taken in connection therewith, protects the interest of Landlord and Landlord's Mortgagee in the Premises, and Landlord and any such Mortgagee are, by the expiration of said twenty (20) day period, furnished such protection, and indemnification against any loss, liability, cost or expense related to any such lien and the contest thereof as are satisfactory to Landlord and any such Mortgagee.

Article 22. Notices

Any notice or document required or permitted to be delivered under this Lease shall be addressed to the intended recipient, shall be transmitted personally, by fully prepaid registered or certified United States Mail return receipt requested, or by reputable independent contract delivery service furnishing a written record of attempted or actual delivery, and shall be deemed to be delivered when tendered for delivery to the addressee at its address set forth in Article 1, or at such other address as it has then last specified by written notice delivered in accordance with this Article 22, or if to Tenant at either its aforesaid address or its last known registered office or home of a general partner or individual owner, whether or not actually accepted or received by the addressee. All parties included within the terms "Landlord" and "Tenant," respectively, shall be bound by notices given in accordance with the provisions of this Article to the same effect as if each had received such notice.

Article 23. Substitution of Premises

Intentionally Omitted.

Article 24. Certain Rights Reserved To The Landlord

The Landlord reserves and may exercise the following rights without affecting Tenant's obligations hereunder:

24.1 to change the name or street address of the Building;

24.2 to install and maintain a sign or signs on the exterior of the Building;

24.3 to have access for the Landlord and the other tenants of the Building to any mail chutes located on the Premises according to the rules of the United States Post Office;

24.4 to designate all sources furnishing sign painting and lettering, ice, drinking water, towels, coffee cart service and toilet supplies, lamps and bulbs used on the Premises unless Tenant has specific requests or needs in which case all costs shall be borne by Tenant;

24.5 to retain at all times pass keys to the Premises;

24.6 to grant to anyone the exclusive right to conduct any particular business or

undertaking in the Building; Landlord will agree to not lease to a direct competitor of Tenant nor to provide a similar type of surgery center (Actual language can be modified prior to Lease execution).

24.7 to close the Building after regular working hours and on the legal holidays subject, however, to Tenant's right to admittance, under such reasonable regulations as Landlord may prescribe from time to time, which may include by way of example but not of limitation, that persons entering or leaving the Building identify themselves to a watchman by registration or otherwise and that said persons establish their right to enter or leave the Building;

24.8 to take any and all measures, including inspections, repairs, alterations, decorations, additions and improvements to the Premises or Building, as may be necessary or desirable for the safety, protection or preservation of the Premises or Building or the Landlord's interests, or as may be necessary or desirable in the operation of the Building; and Landlord will use its best efforts so as to not disturb the business operations of Tenant;

24.9 to add, remove or modify buildings, roadways, walkways, landscaping, lakes, grading and other improvements in or to the Development.

Landlord may enter upon the Premises and may exercise any or all of the foregoing rights hereby reserved without being deemed guilty of an eviction or disturbance of Tenant's use or possession and without being liable in any manner to Tenant and without abatement of rent or affecting any of Tenant's obligations hereunder.

Article 25. Miscellaneous

25.1 Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires.

25.2 The terms, provisions and covenants and conditions contained in this Lease shall apply to, inure to the benefit of, and be binding upon, the parties hereto and upon their respective heirs, legal representatives, successors and permitted assigns, except as otherwise expressly provided herein. Landlord shall have the right to assign any of its rights and obligations under this Lease and Landlord's grantee or Landlord's successor shall upon such assignment, become "Landlord" hereunder, thereby freeing and relieving the grantor or assignor of all covenants and obligations of "Landlord" hereunder; provided, however, that no successor Landlord shall be responsible for the return of any security deposit provided for pursuant to Paragraph 3.2 unless such successor receives the deposit. Tenant agrees to furnish promptly upon demand, a corporate resolution, proof of due authorization by partners, or other appropriate documentation evidencing the due authorization of Tenant to enter into this Lease. Nothing herein contained shall give any other tenant in the Building of which the Premises is a part any enforceable rights either against Landlord or Tenant as a result of the covenants and obligations of either party set forth herein.

25.3 The captions inserted in this Lease are for convenience only and in no way define, limit or otherwise describe the scope or intent of this Lease, or any provision hereof.

25.4 Tenant shall at any time and from time to time within ten (10) days after written request from Landlord execute and deliver to Landlord or any prospective Landlord or Mortgagee or prospective Mortgagee a sworn and acknowledged estoppel certificate, in form reasonably satisfactory to Landlord and/or Landlord's Mortgagee or prospective Mortgagee certifying and stating as follows: (1) this Lease has not been modified or amended (or if modified or amended, setting forth such modifications or amendments); (2) this Lease (as so modified or amended) is in full force and effect (or if not in full force and effect, the reasons therefor); (3) the Tenant has no offsets or defenses to its performance of the terms and provisions of this Lease, including the payment of rent (or if there are any such defenses or offsets, specifying the same); (4) Tenant is in possession of the Premises if such be the case; (5) if an assignment of rents or leases has been served upon Tenant by a Mortgagee or prospective Mortgagee, Tenant has received such assignment and agrees to be bound by the provisions thereof; and (6) any other accurate statements reasonably required by Landlord or its Mortgagee or prospective Mortgagee. It is intended that any such statement delivered pursuant to this subsection may be relied upon by any prospective purchaser or Mortgagee and their respective successors and assigns and Tenant shall be liable for all loss, cost or expense resulting from the failure of any sale or funding of any loan caused by any material misstatement contained in such estoppel certificate. Tenant hereby irrevocably appoints Landlord or if Landlord is a trust, Landlord's beneficiary, as attorney-in-fact for the Tenant with full power and authority to execute and deliver in the name of Tenant such estoppel certificate if Tenant fails to deliver the same within such ten (10) day period and such certificate as signed by Landlord or Landlord's beneficiary, as the case may be, shall be fully binding on Tenant, if Tenant fails to deliver a contrary certificate within five (5) days after receipt by Tenant of a copy of the certificate executed by Landlord or Landlord's beneficiary, as the case may be, on behalf of Tenant.

25.5 This Lease may not be altered, changed or amended except by an instrument in writing signed by both parties hereto.

25.6 All obligations of Tenant hereunder not fully performed as of the expiration of earlier termination of the Term shall survive the expiration or earlier termination of the Term, including without limitation, all payment obligations with respect to Taxes and Operating Costs and all obligations concerning the condition of the Premises. Upon the expiration or earlier termination of the Term, Tenant shall pay to Landlord the amount, as estimated by Landlord, necessary: (1) to repair and restore the Premises as provided herein; and (2) to discharge Tenant's obligation for unpaid Taxes, Operating Costs or other amounts due Landlord. All such amounts shall be used and held by Landlord for payment of such obligations of Tenant, with Tenant being liable for any additional costs upon demand by Landlord, or with any excess to be returned to Tenant after all such obligations have been determined and satisfied. Any security deposit held by Landlord shall be credited against the amount payable by Tenant under this Paragraph 25.6.

25.7 If any clause, phrase, provision or portion of this Lease or the application thereof to any person or circumstance shall be invalid or unenforceable under applicable Laws, such event shall not affect, impair or render invalid or unenforceable the remainder of this Lease nor any other clause, phrase, provision or portion hereof, nor shall it affect the application of any clause, phrase, provision or portion hereof to other persons or circumstances, and it is also the intention of the parties to this Lease that in lieu of each such clause, phrase, provision or portion of this

Lease that is invalid or unenforceable, there be added as a part of this Lease a clause, phrase, provision or portion as similar in terms to such invalid or unenforceable clause, phrase, provision or portion as may be possible and be valid and enforceable.

25.8 Submission of this Lease shall not be deemed to be a reservation of the Premises. Landlord shall not be bound hereby until its delivery to Tenant of an executed copy hereof signed by Landlord, already having been signed by Tenant, and until such delivery Landlord reserves the right to exhibit and lease the Premises to other prospective tenants. Notwithstanding anything contained herein to the contrary, Landlord may withhold delivery of possession of the Premises from Tenant until such time as Tenant has paid to Landlord the security deposit required by Paragraph 3.2, the first month's rent as set forth in Paragraph 3.1, and any sum owed pursuant to this Lease.

25.9 Whenever a period of time is herein prescribed for action to be taken by Landlord, the Landlord shall not be liable or responsible for, and there shall be excluded from the computation for any such period of time, any delays due to causes of any kind whatsoever which are beyond the control of Landlord.

25.10 If there be more than one Tenant, the obligations hereunder imposed upon Tenant shall be joint and several. Any indemnification of, insurance of, or option granted to Landlord shall also include or be exercisable by Landlord's trustee, beneficiary, agents and employees, as the case may be.

25.11 Each of the parties (1) represents and warrants to the other that it has not dealt with any broker or finder in connection with this Lease, except as described in Article 1; and (2) indemnifies and holds the other harmless from any and all losses, liability, costs or expenses (including attorneys' fees) incurred as a result of an alleged breach of the foregoing warranty. Landlord agrees to promptly pay the broker, if any, listed in Article 1.

Article 26. Landlord's Exculpation

It is expressly understood and agreed that nothing in this Lease shall be construed as creating any liability whatsoever against the Landlord, or its successors and assigns, personally, and in particular without limiting the generality of the foregoing, there shall be no personal liability to pay any indebtedness accruing hereunder or to perform any covenant, either express or implied, herein contained, and that all personal liability of Landlord, or its successors and assigns, of every sort, if any, is hereby expressly waived by Tenant, and every person now or hereafter claiming any right or security hereunder, and that so far as Landlord, or its successors and assigns, is concerned the owner of any indebtedness or liability accruing hereunder shall look solely to Landlord's interest in the Building for the payment thereof.

TENANT:

THE HART ROAD CENTER FOR PAIN MANAGEMENT LLC

By: 

LANDLORD:

HART ROAD, LLC

By: 

1/4/2011 12:11:48 PM

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ATTACHMENT 2

Title:

Date: 1/29/11, 2010

ATTEST:

By:

Title:

Date: 2/1/11, 2010

ATTEST:

By:

RIDER TO LEASE AGREEMENT

- 1. RENEWAL OPTION.** So long as this Lease is in full force and effect and provided that Tenant is not in default beyond any applicable cure period of any terms and conditions hereof and that there has not been (a) material adverse change in the financial condition of Tenant as reasonably determined by Landlord, (b) Provided not more than 25% of the Premises has been sublet, Tenant shall have the option to extend the original term of this Lease for two (2) additional terms of five (5) years each (the "Renewal Term") by providing Landlord written notice of its intent to renew no less than nine (9) months prior to the expiration date of the current lease term. Such renewal shall be on the same terms, covenants and conditions as provided for in the original lease term, except that (1) no further renewal terms shall be provided; (2) no termination options shall be provided; and (3) the rental rate during the Renewal Term shall be adjusted to the then Fair Market Rental Rate then in effect on equivalent properties, of equivalent size, in equivalent areas, taking into account the length of the lease, the length of the renewal term, the credit standing of the Tenant and the scope of the leasehold improvements (the "Fair Market Rental Rate").
- 2. FAIR MARKET RENTAL RATE.** The Base Rent payable during the Renewal Terms will be equal to the Fair Market Rental Rate as of the date that is one month in advance of the date on which the Renewal Terms will commence. Initially, Landlord will determine the Fair Market Rental Rate by using its good faith judgment. Landlord will use its best efforts to provide written notice of its determination in that regard within fifteen (15) days after the date Tenant sends the Option Notice, but in no event later than thirty (30) days after that date. Tenant will have a period (the "Tenant Review Period") of thirty (30) days following the date of its receipt of Landlord's notice of the Base Rent it proposes as the Fair Market Rental Rate within which to accept Landlord's proposal or to provide Landlord its objections to Landlord's proposal. If Tenant objects to Landlord's initial proposal or fails to affirmatively accept that proposal in writing, the parties will use their best efforts to reach agreement with respect to the Fair Market Rental Rate, but, if the parties fail to agree within fifteen (15) days after the expiration of the Tenant Review Period, determination of the Fair Market Rent will be made in accordance with the terms of subparagraphs (i) through (v) below. If Landlord fails to provide Tenant written notice of its initial proposal with respect to the Fair Market Rental Rate within the time set forth above, Tenant may commence negotiations by providing the initial notice, in which event Landlord will have a period (the "Landlord Review Period") of thirty (30) days following the date of its receipt of Tenant's notice of the Base Rent it proposes as the Fair Market Rental Rate within which to accept Tenant's proposal or to provide Tenant its objections to Tenant's proposal. If Landlord objects to Tenant's initial proposal or fails to affirmatively accept that proposal in writing, the parties will use their best efforts to reach agreement with respect to the Fair Market Rental Rate, but, if the parties fail to agree within fifteen (15) days after the expiration of the Landlord Review Period, determination of the Fair Market Rental Rate will be made in accordance with the terms of subparagraphs (a) through (e) below. If determination of the Fair Market Rental Rate in accordance with the following procedures becomes necessary, each party will place in a separate sealed envelope its final proposal as to the Fair Market

Rental Rate that will apply during the Renewal Terms.

- a. The parties will meet within five (5) business days after the expiration of the Tenant Review Period or the Landlord Review Period, whichever is applicable, exchange the sealed envelopes and open those envelopes in the presence of each other. If the parties do not agree upon the Fair Market Rental Rate within thirty (30) days following the date on which the exchange and opening of the envelopes occur, Tenant may rescind its exercise of the option to renew the Lease by the delivery of written notice to Landlord prior to the expiration of that thirty (30) day period. If the parties do not agree upon the Fair Market Rental Rate within that thirty (30) day period and if Tenant fails to rescind its exercise of the option to renew the Lease in accordance with the foregoing terms of this subparagraph (a), the parties will jointly appoint a single arbitrator within the period that expires forty (40) days following the date on which the exchange and opening of the envelopes occur. The arbitrator must be a real estate broker who, as his or her primary livelihood, has been active in the leasing of commercial properties in the Barrington, Illinois area, during the five (5) year period preceding the date of his or her appointment. Prior to the arbitrator's appointment, neither party will reveal to prospective arbitrators under consideration by the parties its opinion regarding the Fair Market Rental Rate. The sole issue submitted to the arbitrator for determination will be the Fair Market Rental Rate, as independently determined by the arbitrator between the party's respective proposals. At the request of either party or on his or her own initiative, the arbitrator will convene hearings for the presentation of evidence or will require the submission of briefs from the parties.
 - (ii) Within thirty (30) days after the date of his or her appointment, the arbitrator will give the parties written notice of its determination as to which of the parties' final proposals regarding the Fair Market Rental Rate will apply during the Renewal Terms.
 - (iii) The decision of the arbitrator will bind the parties.
 - (iv) If the parties fail to agree upon the appointment of an arbitrator within the time specified above, that appointment will be made by the American Arbitration Association.
 - (v) The parties will share the cost of the arbitration equally.

"Fair Market Rental Rate " means the annual rental rate per square foot that:
(i) Landlord has accepted in current transactions between non-affiliated parties from new, non-expansion, non-renewal and non-equity tenants of comparable creditworthiness to Tenant, for premises, use and term comparable to those for the renewal term of this Lease in the Development and (ii) the landlords of other similar buildings located in the vicinity of the Building would accept in comparable transactions involving a tenant whose creditworthiness is comparable to that of Tenant and whose other obligations under the lease would be comparable to those undertaken by Tenant in the Lease. In any evaluation of Fair Market Rental Rate,

Landlord and Tenant will consider the annual rental rates per square foot, rental escalation provisions for comparable lease terms, the use to which the tenant puts the leased premises, the extent of the tenant's liability for the performance of the covenants set forth in the lease, abatement provisions reflecting free rent or no rent during the period of construction or subsequent to the commencement date as to the building in question, brokerage commissions, if any, that would be payable by the landlord, length of the lease term, size and location of premises being leased, building standard work letter or tenant improvement allowances, if any, and other generally applicable conditions of tenancy for those comparable transactions. The intent is that Tenant will obtain the same rent and other economic benefits that a landlord would otherwise give in a comparable transaction and that Landlord will make and receive the same economic payments and concessions that other landlords would otherwise make and receive in comparable transactions.

3. **PARKING.** Tenant shall be provided with its proportionate share of surface parking at a ratio of 4 parking spaces per 1,000 square feet of space leased and one (1) reserved parking space to be located in the attached parking structure at a location to be mutually agreed upon at no additional charge throughout the term of the original Lease.

4. **RIGHT OF FIRST REFUSAL.** Provided (a) the Lease is in full force and effect, (b) Tenant is not in default hereunder at the time of notification or commencement, (c) neither the Premises nor more than 25% have been sublet, (d) Tenant is an occupant of the Building under this Lease and intends to continue to use the Premises and the Refusal Space (as hereinafter defined) itself, and (e) that both at the time of notification and commencement there has been no material adverse change in the financial condition of the Tenant as reasonably determined by Landlord, Tenant shall have, subject to the currently existing rights of tenants and option holders, the option to lease space contiguous to Tenant's original leased Premises located on the third (3rd) floor of the 600 Hart Road Building (the "Refusal Space") on the same terms and conditions as Landlord then proposes to lease the Refusal Space or any portion thereof, except as otherwise provided herein. At the time Landlord proposes to lease the Refusal Space or any portion thereof, Landlord shall deliver to Tenant a description of the proposed terms (except that Landlord may eliminate references to the name and address of the proposed tenant). Tenant shall exercise its option by written notice to Landlord delivered within ten (10) days of Landlord's notice to Tenant. If Tenant exercises its Right of First Refusal, it shall lease the portion of the Refusal Space described in Landlord's proposal on the terms and conditions set forth in the proposal. If Tenant fails to exercise its Right of First Refusal as specified herein, then Tenant shall have no further right to lease the portion of the Refusal Space described in Landlord's proposal and Landlord may thereafter lease such portion of the Refusal Space on such terms and conditions as Landlord finds acceptable without first offering such space to Tenant. Should the Offer Terms be changed by more than ten percent (10.%) since Tenant's first notice, then Landlord shall re-offer the proposed space to Tenant at the new terms. Should a lease transaction not be consummated with a new 3rd party tenant, then Tenant's Right of First Refusal shall remain in place.

5. **EMERGENCY GENERATOR.** Tenant shall have the right, to use, at no additional charge to Tenant, a portion of the Property as outlined on Exhibit R-1 to install, maintain and operate at its sole cost and expense (but without any payment to Landlord), one (1) supplemental generator and related equipment with specifications chosen by Tenant to service the Premises together with the use of a riser or pathway designated by Landlord, and the right of access thereto for connecting the same to the original Premises (such generator equipment and all cabling, conduit, wires, and other equipment or materials pertaining thereto are hereinafter referred to collectively as the "Generator Equipment"). Landlord shall designate a pathway for a riser (the size of which must be reasonably acceptable to Tenant) connecting the Generator Equipment to the Premises to be constructed by Tenant and to be used by Tenant in connection with the Generator Equipment and Tenant shall have access at all times to the Generator Equipment, riser and pathway, subject to Landlord's reasonable rules and regulations of which Tenant has fifteen (15) days prior written notice. Tenant shall be permitted to install a security system for the Generator Equipment, including a fence, keypad entry and guard rail and such other security items as Landlord shall approve, which approval shall not be unreasonably withheld or delayed. For the purpose of installing, servicing or repairing the Generator, Tenant shall have access to areas where the Generator Equipment is located and the designated riser or pathway at all times, subject to Landlord's reasonable rules and regulations of which Tenant has at least 15 days prior written notice. Tenant shall be responsible for the installation of any required screening and for obtaining any required permits and otherwise complying with applicable Laws with respect to the installation, maintenance and use of the Generator Equipment. All such equipment shall be installed subject to Landlord's review of plans and other restrictions as set forth above. Tenant shall have the right to test Tenant's Generator Equipment only at times reasonably agreed upon between Landlord and Tenant in advance (or as set forth in reasonable rules formulated by Landlord).
6. **CERTIFICATE OF NEED.** The execution of this Lease is contingent upon Tenant obtaining a Certificate of Need from the State of IL. Landlord shall provide a period of time for Tenant to provide such Certificate of Need, however, if said Certificate is not provided for by ~~September~~ ^{November} 30, 2011, then Landlord shall have the right to terminate the Lease. *JUP 1/29/11 [Signature] 2/10/11*
7. **EXPANSION OPTION.** Within twelve (12) months of Tenant's receipt of a Certificate of Occupancy and provided (1) the Lease is in full force and effect, (2) Tenant is not in default hereunder at the time of notification or commencement, and (3) that both at the time of notification and commencement there has been no material adverse change in the financial condition of the Tenant as reasonably determined by Landlord, Tenant shall have the option to lease the approximately 6,958 rentable square feet as outlined on the floor plan attached hereto as Exhibit B on the third (3rd) floor of the Building (the "Expansion Space"), by notice in writing delivered to Landlord. If Tenant exercises the expansion option hereunder, the Expansion Space shall automatically be included in the Premises effective as of the Expansion Commencement Date and all of the covenants, conditions and provisions of the Lease

shall thereupon be applicable to the Expansion Space at the same rental schedule as the original Lease; (b) Tenant's Proportionate Share shall increase accordingly; and (c) Tenant will be given its proportionate share of the Tenant Improvement Allowance depending on the time remaining on the Lease.

8. BUILDING CANOPY. Language to be added.
9. ABANDONMENT. Should it be necessary for Tenant to cease business operations, provided the Premises are maintained in a Class A manner, Tenant shall not be in default of the Lease.
10. SIGNAGE. Tenant will be provided with building standard identification on the lobby directory and a building standard signage plaque at the entrance to the Premises to be provided at the sole cost and expense of the Landlord. Tenant shall have the option, at Tenant's sole cost and expense, of installing identification signage on the upper half of the Building monument sign, subject to the reasonable approval of Landlord of the signage, the proposed method of installation and also subject to the approval of the Village of Barrington.

EXHIBIT R-1
EMERGENCY GENERATOR

Plan to be attached prior to Lease Execution

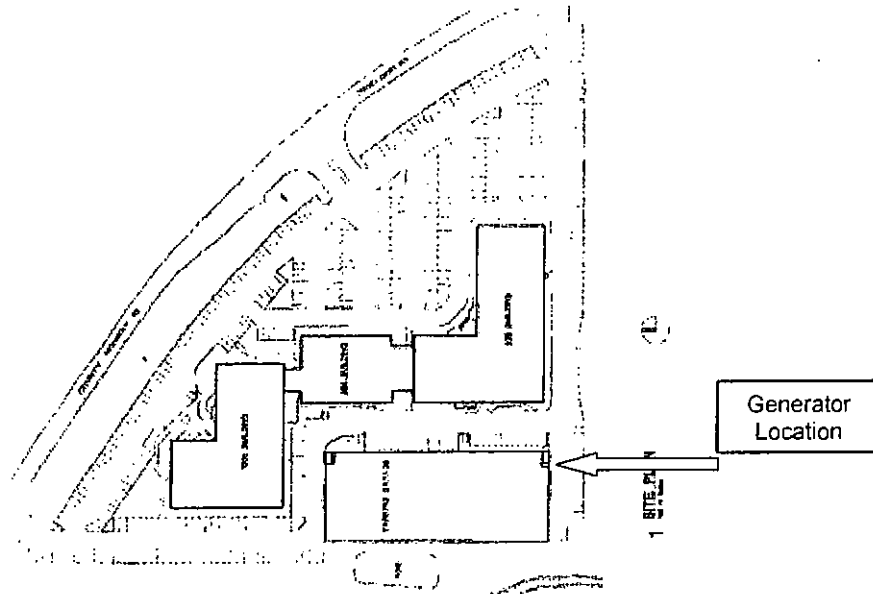


EXHIBIT R-2

OPERATING EXPENSE EXCLUSIONS

Exhibit A: Operating Expense Exclusion List

The following should be excluded from the definition of operating expenses:

- i. interest and principle payments in loans and ground lease payments and other finance charges.
- ii. depreciation charges
- iii. capital improvements and depreciation and interest charges associated thereupon, except for such charges which reduce other items of operating expense should be excluded but only to the extent of the reduction.
- iv. repairs or other work occasioned by exercise of the right of eminent domain or the negligence of Landlord.
- v. leasing commissions, attorney's fees, cost and disbursements and other expenses incurred in connection with negotiations or disputes with tenants or other occupants of the building, or with prospective tenants or costs incurred in marketing the building.
- vi. renovating or otherwise improving or decorating, painting or redecorating any space in the building other than ordinary maintenance supplied to all tenants equally.
- vii. Landlord's costs of electricity, water or other utilities which are provided without cost to certain tenants of the building and not supplied to all tenants of the building or which are sold separately to tenants of the building for which Landlord is entitled to be reimbursed.
- viii. any expense in connection with services or other benefits of a type or quality which Tenant is not entitled to receive under this lease but which are provided without reimbursement by direct payment to another Tenant or occupant of the building.
- ix. costs due to violation by Landlord or its agent of the terms and conditions of any lease or of any law, statute, ordinance, or of any insurance rating bureau or other quasi-public authority, or of any debt agreement or ground lease.
- x. overhead and profit paid to subsidiaries or affiliates of Landlord for services on or to the building to the extent that the services exceed competitive costs of such services.
- xi. costs for any leasing office.
- xii. advertising and promotional expenses.
- xiii. any expense for which Landlord is compensated by proceeds through insurance or which Landlord would have been compensated had Landlord maintained insurance in a type which a reasonably prudent owner of a comparable building in Chicago, Illinois, would normally maintain. Except pursuant to similar provisions for the payment of a proportionate share of operating expenses.
- xiv. any expense for correction of construction or design defects.
- xv. rental and other related expenses incurred in leasing air conditioning systems, elevators or other equipment ordinarily considered to be of a capital nature, except equipment which is used in providing janitorial services and which is not affixed to the Building.

- xvi. any cost paid to any person or entity related to Landlord which is in excess of the amount which would be paid absent such relationship.
- xvii. any cost or expense for which Landlord is paid or reimbursed by or is entitled to be paid or reimbursed by any other person.
- xviii. the cost of installing, operating and maintaining any specialty service such as an observatory, broadcast facilities, luncheon club, an athletic or recreation club, and parking facilities.
- xix. any cost for any facility other than the Building.
- xx. INTENTIONALLY DELETED.
- xxi. costs of any initial cleaning of and rubbish removal from the Building relating to the initial and subsequent construction and renovation of the Building and any tenant space.
- xxii. costs of initial landscaping.
- xxiii. costs of sculptures, paintings and any other objects of art.
- xxiv. any cost incurred before the Commencement Date.
- xxv. attorney's fees, cost and disbursements and other expenses incurred in connection with negotiations or disputes with Tenants or other occupants of the building or with prospective Tenants or costs incurred in marketing the building.
- xxvi. legal and other professional fees and expenses incurred in preparing, negotiating and executing leases, amendments, terminations and extensions or in resolving any disputes with Tenants and other occupants or enforcing lease obligations, including, without limitation, court costs.
- xxvii. expenses incurred by Landlord in connection with the transfer or disposition of the Land or Building or any ground, underlying or overriding lease, including, without limitation, transfer, deed and gains taxes;
- xxviii. cost incurred to correct any misrepresentation by Landlord to overriding Tenant or in connection with any fines or penalties;
- xxix. cost to cure any latent defects.

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ATTACHMENT 2

SP

EXHIBIT A
LEGAL DESCRIPTION OF THE PROPERTY

PARCEL 1:

THAT PART OF LOT 26 IN CHICAGO HIGHLANDS, BEING A SUBDIVISION IN SECTIONS 25, 26, 27, 34, 35 AND 36, TOWNSHIP 43 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED MARCH 27, 1901 AS DOCUMENT 81144, IN BOOK "E" OF PLATS, PAGES 46 AND 47, IN LAKE COUNTY, ILLINOIS DESCRIBED AS FOLLOWS: BEGINNING AT A POINT IN THE EAST LINE OF OLD HART ROAD AS SHOWN IN DOCUMENT NO. 884735 AND ITS INTERSECTION WITH THE NORTH LINE OF THE SOUTH 350 FEET OF SAID LOT 26; THENCE 05 DEGREES 03 MINUTES 00 SECONDS EAST ALONG THE EAST LINE OF SAID OLD HART ROAD, A DISTANCE OF 106.98 FEET; THENCE NORTH 00 DEGREES 39 MINUTES 00 SECONDS EAST CONTINUING ALONG THE EAST LINE OF SAID OLD HART ROAD, A DISTANCE OF 370.55 FEET TO A POINT IN THE SOUTHERLY LINE OF NEW HART ROAD (ALSO BEING COUNTY HIGHWAY ROUTE 80) AS PER DEDICATION RECORDED JULY 20, 1978 AS DOCUMENT 1932633; THENCE SOUTH 75 DEGREES 27 MINUTES 00 SECONDS EAST ALONG THE SOUTHERLY LINE OF SAID NEW HART ROAD, A DISTANCE OF 58.34 FEET TO A POINT OF CURVE; THENCE SOUTHEASTERLY CONTINUING ALONG THE SOUTHERLY LINE OF SAID NEW HART ROAD BEING THE ARC OF A CIRCLE CONVEX NORTHEASTERLY, HAVING A RADIUS OF 532.96 FEET, A DISTANCE OF 186.04 FEET TO A POINT OF TANGENCY; THENCE SOUTH 55 DEGREES 27 MINUTES 00 SECONDS EAST CONTINUING ALONG THE SOUTHERLY LINE OF SAID NEW HART ROAD, A DISTANCE OF 179.25 FEET TO A POINT OF CURVE; THENCE SOUTHEASTERLY CONTINUING ALONG THE SOUTHERLY LINE OF SAID NEW HART ROAD, BEING THE ARC OF A CIRCLE CONVEX NORTHEASTERLY, HAVING A RADIUS OF 1392.395 FEET, A CHORD LENGTH OF 415.27 FEET BEARING SOUTH 46 DEGREES 52 MINUTES 25 SECONDS EAST, AN ARC DISTANCE OF 416.83 FEET TO A POINT IN THE NORTH LINE OF THE SOUTH 350 FEET OF SAID LOT 26; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST ALONG THE NORTH LINE OF THE SOUTH 350 FEET OF SAID LOT 26, A DISTANCE OF 251.63 FEET, TO A POINT IN THE EAST LINE OF THE PROPERTY MORTGAGED BY DOCUMENT 2940342; THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST A DISTANCE OF 77.05 FEET TO THE NORTHEAST CORNER OF SAID PROPERTY; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST ALONG A LINE 427.05 FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF SAID LOT 26, A DISTANCE OF 115.49 FEET, TO THE NORTHWEST CORNER OF THE PROPERTY MORTGAGED BY INSTRUMENT RECORDED AS DOCUMENT 2940342; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST, ALONG THE WEST LINE OF SAID MORTGAGED PROPERTY A DISTANCE OF 77.05 FEET TO A POINT IN THE NORTH LINE OF THE SOUTH 350 FEET OF SAID LOT 26; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST ALONG THE NORTH LINE OF THE SOUTH 350 FEET OF SAID LOT 26, A DISTANCE OF 322.05 FEET TO THE POINT OF BEGINNING.

PARCEL 2:

THAT PART OF LOT 26 IN CHICAGO HIGHLANDS, BEING A SUBDIVISION IN SECTIONS 25, 26, 27, 34, 35 AND 36, TOWNSHIP 43 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED MARCH 27, 1901 AS DOCUMENT 81144, IN BOOK "E" OF PLATS, PAGES 46 AND 47, IN LAKE COUNTY, ILLINOIS DESCRIBED AS FOLLOWS: BEGINNING AT A POINT IN THE EAST LINE OF OLD HART ROAD AS SHOWN IN DOCUMENT NO. 884735 AND ITS INTERSECTION WITH THE SOUTH LINE OF LOT 26; THENCE NORTH 05 DEGREES 03 MINUTES 00 SECONDS EAST ALONG THE EAST LINE OF SAID OLD HART ROAD, A DISTANCE OF 351.37 FEET TO A POINT IN THE NORTH LINE OF THE SOUTH 350 FEET OF SAID LOT 26; THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS EAST ALONG THE NORTH LINE OF THE SOUTH 350 FEET OF SAID LOT 26 A DISTANCE OF 322.05 FEET TO A POINT IN THE WEST LINE OF THE PROPERTY MORTGAGED BY INSTRUMENT RECORDED AS DOCUMENT 2940342; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST, A DISTANCE OF 10.715 FEET ALONG THE WEST LINE OF THE PROPERTY CONVEYED IN THE ABOVE STATED MORTGAGE TO THE SOUTHWEST CORNER THEREOF; THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS EAST ALONG THE SOUTH LINE 339.29 FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF SAID LOT 26; AND WHICH IS THE SOUTH LINE OF THE PROPERTY MORTGAGED BY INSTRUMENT RECORDED AS DOCUMENT 2940342, A DISTANCE OF 115.49 FEET TO THE SOUTHEAST CORNER THEREOF; THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST, ALONG THE EAST LINE OF SAID PROPERTY, A DISTANCE OF 10.715 FEET TO A POINT IN THE NORTH LINE OF THE SOUTH 350 FEET OF LOT 26; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST ALONG THE NORTH LINE OF THE SOUTH 350 FEET OF SAID LOT 26 A DISTANCE OF 251.63 FEET TO A POINT IN A CURVED LINE, NON TANGENT, SAID CURVED LINE BEING THE SOUTHWESTERLY LINE OF NEW HART ROAD (ALSO BEING COUNTY HIGHWAY ROUTE 80) AS PER DEDICATION RECORDED JULY 28, 1978 AS DOCUMENT 1932633; THENCE SOUTHEASTERLY ALONG THE ARC OF A CIRCLE CONVEX

NORTHEASTERLY, HAVING A RADIUS OF 1392.95 FEET, A CHORD LENGTH OF 403.97 FEET BEARING SOUTH 29 DEGREES 57 MINUTES 25 SECONDS EAST, AN ARC DISTANCE OF 405.40 FEET TO A POINT IN THE SOUTH LINE OF SAID LOT 26; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST ALONG THE SOUTH LINE OF SAID LOT 26, A DISTANCE OF 921.83 TO THE POINT OF BEGINNING, IN LAKE COUNTY, ILLINOIS.

PARCEL 3:

THAT PART OF LOT 26 IN CHICAGO HIGHLANDS, BEING A SUBDIVISION IN SECTIONS 25, 26, 27, 34, 35 AND 36, TOWNSHIP 43 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED MARCH 27, 1901 AS DOCUMENT 81144, IN BOOK "E" OF PLATS, PAGES 46 AND 47, IN LAKE COUNTY, ILLINOIS DESCRIBED AS FOLLOWS: COMMENCING AT A POINT IN THE EAST LINE OF OLD HART ROAD AS SHOWN IN DOCUMENT NUMBER 884735 AND ITS INTERSECTION WITH THE NORTH LINE OF THE SOUTH 350 FEET OF SAID LOT 26; THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS EAST ALONG SAID NORTH LINE A DISTANCE OF 322.05 FEET; THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST, A DISTANCE OF 77.05 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS EAST ALONG A LINE 427.05 FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF SAID LOT 26, A DISTANCE OF 115.49 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST A DISTANCE OF 87.765 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST ALONG A LINE 339.29 FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF SAID LOT 26, A DISTANCE OF 115.49 FEET; THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST, A DISTANCE OF 87.765 FEET TO THE POINT OF BEGINNING, IN LAKE COUNTY, ILLINOIS.

PARCEL 4:

A NON EXCLUSIVE, PERMANENT EASEMENT, FOR THE BENEFIT OF PARCEL 2, FOR PUBLIC UTILITIES, DESCRIBED AS FOLLOWS: THAT PART OF LOT 26 IN CHICAGO HIGHLANDS, BEING A SUBDIVISION IN SECTIONS 25, 26, 27, 34, 35 AND 36, TOWNSHIP 43 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF RECORDED MARCH 27, 1901 AS DOCUMENT NUMBER 81144, IN BOOK "E" OF PLATS, PAGE 46 47, IN LAKE COUNTY, ILLINOIS, FALLING WITHIN A STRIP OF LAND, BEING 10 FEET IN WIDTH AND LYING 5 FEET OF EACH SIDE OF THE FOLLOWING DESCRIBED CENTER LINE: COMMENCING AT THE POINT OF INTERSECTION OF THE NORTH LINE OF THE SOUTH 350 FEET OF SAID LOT 26, WITH THE WESTERLY LINE OF (NEW) HART ROAD AS DEDICATED PER DOCUMENT 1932633; THENCE NORTHWESTERLY ALONG SAID WESTERLY LINE OF (NEW) HART ROAD, BEING AN ARC OF A CIRCLE, BEING CONVEX TO THE NORTHEAST, HAVING A RADIUS OF 1392.395 FEET, THE CHORD THEREOF HAVING A BEARING OF NORTH 41 DEGREES 00 MINUTES 10 SECONDS WEST AND A LENGTH OF 131.42 FEET, AN ARC DISTANCE OF 131.47 FEET TO THE POINT OF BEGINNING OF SAID CENTER LINE; THENCE SOUTH 27 DEGREES 40 MINUTES 14 SECONDS WEST, A DISTANCE OF 111.99 FEET, MORE OR LESS, TO ITS POINT OF INTERSECTION WITH THE NORTH LINE OF THE SOUTH 350 FEET OF SAID LOT 26, 138.23 FEET WEST (AS MEASURED ALONG THE NORTH LINE AFORESAID) OF SAID POINT OF COMMENCEMENT FOR THE POINT OF TERMINATION OF SAID CENTER LINE, SAID STRIP OF LAND BEING BOUNDED AT THE SOUTH BY THE NORTH LINE OF THE SOUTH 350 FEET OF SAID LOT 26 AND AT NORTHEAST BY SAID WESTERLY LINE OF (NEW) HART ROAD AS DEDICATED BY DOCUMENT 1932633, ALL IN LAKE COUNTY, ILLINOIS, AS CREATED BY EASEMENT AND LICENSE AGREEMENT RECORDED AUGUST 16, 1983 AS DOCUMENT 2232143 AS AMENDED BY TERMINATION OF TEMPORARY EASEMENTS AND OTHER AGREEMENTS RECORDED AS DOCUMENT 2313000.

PARCEL 5:

A NON EXCLUSIVE, PERMANENT EASEMENT, FOR INGRESS AND EGRESS FOR THE BENEFIT OF PARCEL 1, OVER AND ACROSS THAT PARCEL DESCRIBED AS FOLLOWS: THAT PART OF LOT 26 IN CHICAGO HIGHLANDS, BEING A SUBDIVISION IN SECTIONS 25, 26, 27, 34, 35 AND 36, TOWNSHIP 43 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED MARCH 27, 1901 AS DOCUMENT 81144 IN BOOK "E" OF PLATS, PAGES 46 47, IN LAKE COUNTY, ILLINOIS, DESCRIBED AS FOLLOWS: BEGINNING AT THE POINT OF INTERSECTION OF THE NORTH LINE OF THE SOUTH 350 FEET OF SAID LOT 26 AND THE WESTERLY LINE OF (NEW) HART ROAD AS DEDICATED PER DOCUMENT 1932633; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST ALONG THE NORTH LINE OF THE SOUTH 350 FEET OF SAID LOT 26, A DISTANCE OF 70.00 FEET; THENCE NORTH 50 DEGREES 00 MINUTES 04 SECONDS EAST, A DISTANCE OF 54.23 FEET TO A POINT ON SAID WESTERLY LINE OF (NEW) HART ROAD; THENCE SOUTHEASTERLY ALONG SAID WESTERLY LINE OF (NEW) HART ROAD, BEING AN ARC OF A CIRCLE BEING CONVEX TO THE NORTHEAST, HAVING A RADIUS OF 1392.395 FEET, AND ARC DISTANCE OF 45.00 FEET TO THE POINT OF BEGINNING, ALL IN LAKE COUNTY, ILLINOIS AS CREATED BY EASEMENT AND LICENSE AGREEMENT RECORDED AUGUST 16, 1983 AS DOCUMENT

**EXHIBIT B
PLAN OF PREMISES**

Plan will need to be reviewed by all Parties prior to Lease execution.

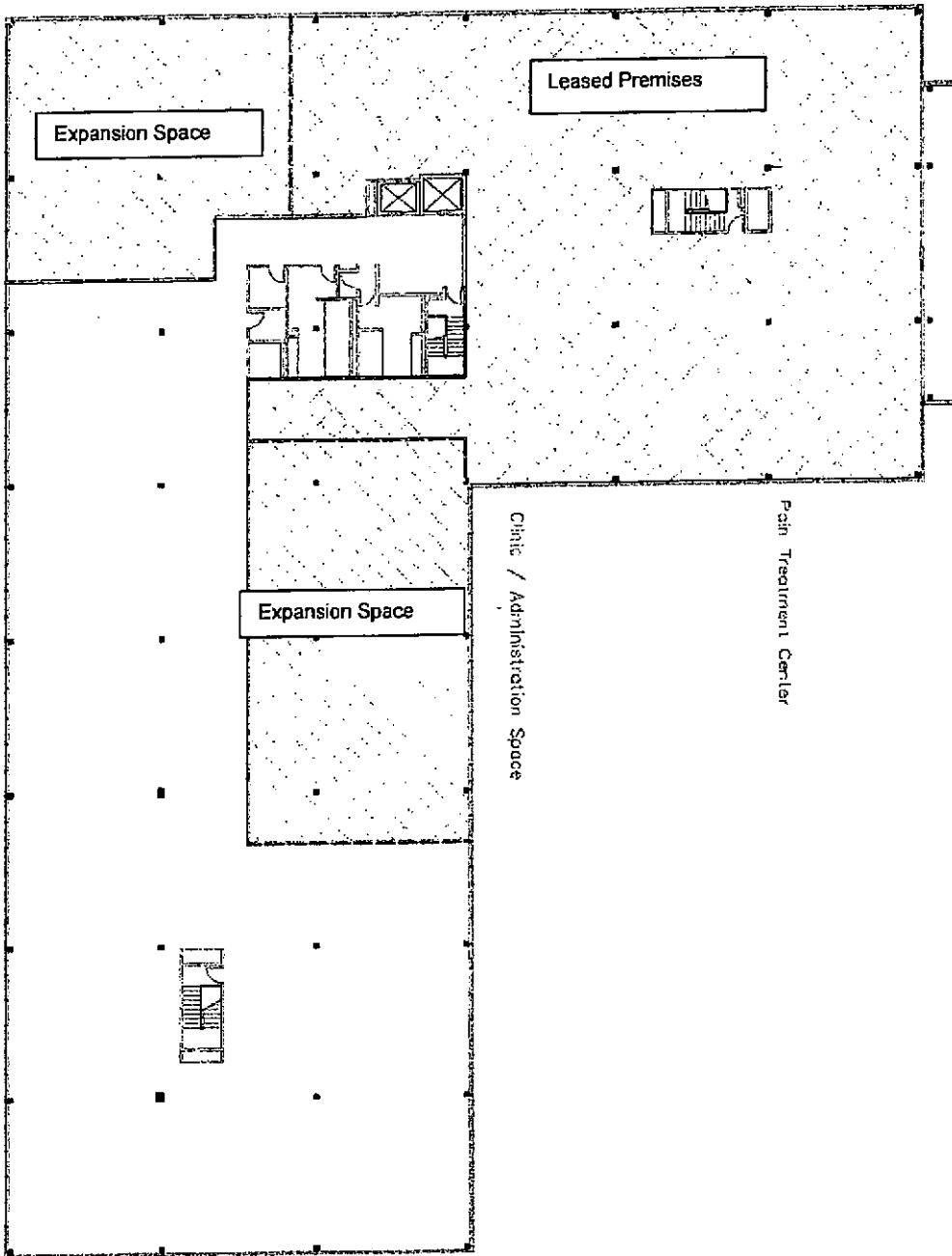


EXHIBIT C
WORK LETTER

I. Tenant Allowance

Upon receipt of the Certificate of Need, Landlord shall provide a Tenant Improvement Allowance amount equal to \$45.00 per square foot of rentable area on the approximately 11,466 square foot surgical center Premises ("Tenant's Allowance"), which will be paid upon Landlord's receipt of invoices and appropriate waivers from Tenant. Such Allowance shall include the costs of installing any electrical meters within the Premises. Tenant shall have the option to utilize up to \$5.00 per square foot of said Allowance for other costs related to Tenant's move, i.e. moving, architectural fees, engineering fees, phone, data, cabling, furniture, etc.

EXHIBIT D
RULES AND REGULATIONS

1. The sidewalks, halls, passages, elevators and stairways shall not be obstructed by Tenant or used for any purpose other than for ingress to and egress from the Premises. Landlord shall retain the right to control access to the halls, passages, entrances, elevators, stairways, and balconies, provided, that nothing herein contained shall be construed to prevent such access to persons with whom Tenant normally deals in the ordinary course of its business unless such persons are engaged in illegal activities. In case of invasion, mob, riot, public excitement, or other commotion, Landlord reserves the right to prevent access to the Building during the continuance of the same by closing the doors or otherwise, for the safety of the tenants or Landlord and protection of property in the Building. Tenant and its employees shall not go upon the roof of the Building without the written consent of the Landlord.

2. The windows, glass lights, and any skylights that reflect or admit light into the halls or other places of the Buildings shall not be covered or obstructed, except that blackout shades will be permitted. The toilets, sinks and other water apparatus shall not be used for any purpose other than that for which they were constructed, and no foreign substance of any kind whatsoever shall be thrown therein.

3. If Landlord, by a notice in writing to Tenant, shall object to any curtain, blind, shade or screen attached to, or hung in, or used in connection with, any window or door of the Premises, such use of such curtain, blind, shade or screen shall be discontinued forthwith by Tenant. No awnings shall be permitted on any part of the Premises. Tenant shall not place or install any antennae or aerials or similar devices outside of the Premises. Tenant shall be allowed to place a medical waste box outside of the Premises at a location to be mutually agreed upon by Landlord and Tenant. Such box must be secured at all times.

4. Tenant shall not place a load upon any floor of the Premises which exceeds the load per square foot which such floor was designed to carry and which is allowed by law. The moving of heavy objects shall occur only between such hours as may be designated by, and only upon previous notice to, the manager of the Building, and the persons employed to move heavy objects in or out of the Building must be acceptable to Landlord.

5. No animals (except Seeing Eye Dogs) may be brought into or kept in or about the Building.

6. Tenant shall not use or keep in the Building any inflammables, including but not limited to kerosene, gasoline, naphtha and benzene (except cleaning fluids in small quantities and when in containers approved by the Board of Underwriters), or explosives or any other articles of intrinsically dangerous nature, or use any method of heating other than that supplied by Landlord.

7. If Tenant desires telephone connections, Landlord will direct electricians as to where and how the wires are to be introduced to the Premises. No boring or cutting for wires or otherwise shall be made without specific directions from Landlord. Landlord shall allow Tenant the right to have a medical waste receptacle box placed outside of their leased Premises.

8. Tenant, upon the termination of the tenancy, shall deliver to the Landlord all the keys of offices, rooms and toilet rooms which shall have been furnished Tenant or which Tenant shall have had made, and in the event of loss of any keys so furnished shall pay the Landlord therefor.

9. Tenant shall not put down any floor covering in the Leased Premises without the Landlord's prior approval of the manner and method of applying such floor covering.

10. On Saturdays, Sundays and legal holidays, and on other days between the hours of 6 PM and 8 AM, access to the Building, or to the halls, corridors, elevators or stairways in the Building, or to the Premises may be refused unless the person seeking access is known to the watchman of the Building in charge and has a pass or is properly identified. Services to be provided to the Tenant as previously outlined in this Lease shall be provided only during those hours in which the Building is open to the public.

11. Tenant assumes full responsibility for protecting its space from theft, robbery and pilferage which includes keeping doors locked and windows and other means of entry to the Premises closed. Landlord will not be responsible for lost or stolen personal property, equipment, money or jewelry from Tenant's area or any public rooms regardless of whether such loss occurs when such area is locked against entry or not.

12. Tenant shall not alter any lock or install a new or additional lock or any bolt on any door of the Premises without prior written consent of Landlord. If Landlord shall give its consent, Tenant shall in each case furnish Landlord with a key for any such lock.

13. In advertising or other publicity, Tenant shall not use the name of the Building except as the address of its business and shall not use pictures of the Building.

14. Tenant shall not make any room-to-room canvass to solicit business from other tenants in the Building.

15. Tenant shall not waste electricity, water or air conditioning and agrees to cooperate fully with Landlord to assure the most effective operation of the Building's heating and air conditioning, and shall not allow the adjustment (except by Landlord's authorized Building personnel) of any controls other than room thermostats installed for Tenant's use. Tenant shall keep corridor doors closed and shall not open any windows except that if the air circulation shall not be in operation, windows which are can be opened may be opened with Landlord's consent.

16. Tenant shall not do any cooking in the Premises except the use of coffee makers and microwave ovens in the pantry area.

17. Any wallpaper or vinyl fabric materials which Tenant may install on painted walls shall be applied with a strippable adhesive. The use of non strippable adhesives will cause damage to the walls when materials are removed, and repairs made necessary thereby shall be made by Landlord at Tenant's expense.

18. Tenant will refer all contractors, contractor's representatives and installation technicians, rendering any service to Tenant, to Landlord for Landlord's supervision, approval, and control before performance of any contractual service. This provision shall apply to all work performed in the Building including installations of telephones, electrical devices and attachments and installations of any nature affecting floors, walls, woodwork, trim, windows, ceilings, equipment or any other physical portion of the Building.

19. Movement in or out of the Building of furniture, office equipment, or other bulky materials, or movement through the Building entrances or lobby shall be subject to Landlord's control of the time, method, and routing of movement. Tenant assumes all risk as to damage to articles moved and injury to persons, including equipment, property, and personnel of Landlord if damaged or injured as a result of acts in connection with carrying out this service for Tenant; and Landlord shall not be liable for acts of any person engaged in, or any damage or loss to any of said property or persons resulting from any act in connection with such service performed for Tenant and Tenant hereby agrees to indemnify and hold harmless Landlord from and against any such damage, injury, or loss, including attorney's fees.

20. Tenant and its employees, agents, and invitees shall observe and comply with the driving and parking signs and markers on the property surrounding the Building.

21. Tenant shall give prompt notice to Landlord of any accidents to or defects in plumbing, electrical fixtures, or heating apparatus so that such accidents or defects may be attended to promptly.

22. The directories of the Building shall be used exclusively for the display of the name and location of the tenants only and will be provided at the expense of Landlord. Any additional names requested by Tenant to be displayed in the directories must be approved by Landlord and, if approved, will be provided at the sole expense of Tenant.

23. Tenant shall comply with the rules and regulations of the Development attached hereto or delivered to Tenant.

24. **NON-SMOKING AREAS.** In order to maintain compliance with the new PUBLIC HEALTH (410 ILCS 82/) Smoke Free Illinois Act that went into effect on January 1st 2008, **all public and private areas of the 600, 800 & 1000 Hart Road Building are considered to be non-smoking areas.** This includes, but is not limited to, lobbies, atriums, ~~washrooms, public restrooms, elevators, restrooms, private offices and all building entrances,~~ or within a minimum distance of 15 feet from entrances, exits, windows that open and ventilation intakes and provides penalties for violations thereof.

A copy of the new Smoke Free Illinois Act can be obtained by calling the Management Office at 847-382-6133.

EXHIBIT F

IRREVOCABLE LETTER OF CREDIT REQUIREMENTS

IRREVOCABLE LETTER OF CREDIT CRITERIA

1. The letter of credit shall be clean, irrevocable and unconditional.
2. The letter of credit shall be in the amount specified in Section I.P. of the Lease ("Security Deposit").
3. The letter of credit shall be issued in favor of:

Hart Road, L.L.C.
C/O Hamilton Partners, Inc.
300 Park Boulevard
Itasca, IL 60143
Attention: Sr. Asset Manager

The letter of credit shall be effective immediately on its issuance.

4. If the letter of credit is in the amount of \$34,000.00 or more, then the letter of credit must either (a) be issued by a national bank which is a member of the New York Clearing House and which has a banking office dedicated to the administration and payment of letters of credit in a location approved by Landlord or (b) if issued by any bank which is not described in clause (a), be confirmed by a bank described in clause (a). The issuing bank must have been assigned by Standard & Poors Investor Services a Counterparty Credit Rating of BBB+ or better. If clause (b) is applicable, the confirming bank must be assigned by Standard & Poors Investor Services a Counterparty Credit Rating of BBB+, or better. The identity of the issuing bank and of any confirming bank shall be reasonably satisfactory to Landlord.

5. The letter of credit shall have an expiration date no earlier than the first anniversary of the date of its issuance and shall provide for its automatic renewal from year to year unless terminated by the issuing bank by notice to Landlord given not less than sixty (60) days prior to its expiration date. Notice to Landlord shall be in writing, made by (i) United States Postal Service, certified mail, return receipt requested; or (ii) reputable express or courier service. Notice to Landlord shall be addressed to Landlord at its address in paragraph 3 above and to the following parties:

Hart Road, L.L.C.
C/O Hamilton Partners, Inc.
300 Park Boulevard
Itasca, IL 60143
Attention: Sr. Asset Manager

and to:

Hamilton Partners, Inc.
800 Hart Road
Barrington, IL 60010
Attention: Property Manager

The final expiration date of the letter of credit and all renewals of it shall be no earlier than sixty (60) days following the end of the Lease Term.

6. The letter of credit may be drawn at the designated banking office of either the issuer of the letter of credit described in clause (a) of paragraph 4 or, if clause (b) of paragraph 4 is applicable, the confirming bank described in clause (b) of such paragraph 4. The letter of credit shall allow for draws to be made at sight on a draft drawn by Hart Road, LLC, C/O Hamilton Partners, Inc. The draft shall be approved as to form by Landlord. The letter of credit must allow for one draw in the whole amount or multiple partial draws. Landlord shall not be required to deliver any

certificate, affidavit or other writing to the issuer expressing the basis for the draw as a condition to any draw.

7. The letter of credit shall be transferable and any applicable transfer fees shall be paid for by Tenant.

8. The letter of credit shall be governed by (a) the International Standby Practices (SP 98 published by the International Chamber of Commerce) and (b) the United Nations Convention on Independent Guarantees and Standby Letters of Credit. Alternatively, if approved by the lender and if required by either the issuing bank or the confirming bank the Uniform Customs and Practices for Documentary Credits published by the International Chamber of Commerce may be substituted for the Practices referred to in clause (a) to the extent such Customs and Practices are not inconsistent with the criteria in this Exhibit.

9. Issuer shall waive all waiting periods whether under Uniform Commercial Code Section 5-112 or otherwise.

10. The letter of credit shall otherwise be in such form and shall be subject to such requirements as Landlord may reasonably require.



To all to whom these Presents Shall Come, Greeting:

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

HART ROAD CENTER FOR PAIN MANAGEMENT, L.L.C., HAVING ORGANIZED IN THE STATE OF ILLINOIS ON JUNE 16, 2010, 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 16TH day of JUNE A.D. 2010



Jesse White

Authentication #: 1016701368

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

SECRETARY OF STATE

ATTACHMENT 3

ORGANIZATIONAL RELATIONSHIPS

The sole applicant is Hart Road Center for Pain Management, L.L.C., ("the L.L.C.") which was organized in June, 2010, and which will serve as the proposed ASTC's licensee. The L.L.C. is not related to any other legal entity or licensed health care facility.

No individual member of the L.L.C. holds a controlling interest (50%+) in the L.L.C., and there are no other entities that have financial responsibility for the L.L.C. Dr. John V. Prunskis and Dr. Terri Dallas Prunskis each own in excess of a 5% interest in the L.L.C. Their home address is 8 Oak Lake Drive, Barrington Hills, Illinois. No other individuals own a 5% or greater interest in the L.L.C.

FLOOD PLAIN REQUIREMENTS

The proposed project does not involve new construction, and as such, this documentation requirement is not applicable.



Illinois Historic
Preservation Agency

FAX (217) 782-8161

1 Old State Capitol Plaza • Springfield, Illinois 62701-1512 • www.illinois-history.gov

Lake County
Barrington

CON - Rehabilitation for The Hart Road Center for Pain Management
600 Hart Road
IHPA Log #009062310

July 7, 2010

Jacob Axel
Axel & Associates, Inc.
675 North Court, Suite 210
Palatine, IL 60067

Dear Mr. Axel:

This letter is to inform you that we have reviewed the information provided concerning the referenced project.

Our review of the records indicates that no historic, architectural or archaeological sites exist within the project area.

Please retain this letter in your files as evidence of compliance with Section 4 of the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420/1 et. seq.). This clearance remains in effect for two years from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the Illinois Human Skeletal Remains Protection Act (20 ILCS 3440).

If you have any further questions, please contact me at 217/785-5027.

Sincerely,

Anne E. Haaker
Deputy State Historic
Preservation Officer

ATTACHMENT 6

IDENTIFICATION OF COSTS

Preplanning Costs (\$30,000)

Estimate of costs associated with the decision to file a CON application, and the evaluation of potential sites.

Modernization (\$1,950,000)

Anticipated costs associated with the demolition of the interior walls, construction of all walls, ceilings and floors, installation of electrical, plumbing, medical gas and HVAC systems consistent with licensure requirements, and the acquisition and installation of fixed equipment consistent with typical construction contracts.

Contingency (\$100,000)

Allowance for unexpected renovation-related costs, estimated at \$10.00 per square foot.

Architectural and Engineering Fees (\$215,000)

Estimate of the cost of design and governmental interface activities consistent with the Capital Development Board's basic rate structure for a project of the proposed scope.

Consulting and Other Fees (\$100,000)

Estimate of costs associated CON-related review fees, IDPH plan review fees, local review fees and permits, CON application development and presentation-related costs, project management, interiors design, equipment planning and miscellaneous costs.

Movable and Other Equipment (\$400,000)

Estimate of the cost of clinical and non-clinical equipment to be acquired.

Net Interest Expense (\$100,600)

Estimate in interest to be paid on borrowed funds during the construction period.

Fair Market Value of Leased Space (\$1,490,300)

Total of rent to be paid during the term of the lease.

Cost Space Requirements

	Gross Square Feet		Amount of Proposed Total Square Feet			
	Existing	Proposed	New Const.		That is:	
Dept./Area Reviewable	Cost	Existing	Proposed	New Const.	Modernized	Vacated Space
ASTC	\$ 4,385,900	0	10,000	0	10,000	0

August 18, 2010

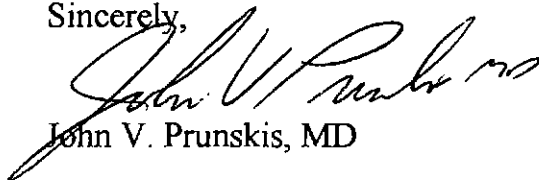
Illinois Health Facilities
and Services Review Board
Springfield, Illinois

To Whom It May Concern:

The sole applicant for the proposed establishment of Hart Road Pain and Spine Institute is Hart Road Center for Pain Management, L.L.C., which was organized on June 16, 2010. The applicant does not own or operate any licensed health care facility, nor is the applicant related to any entity that does so.

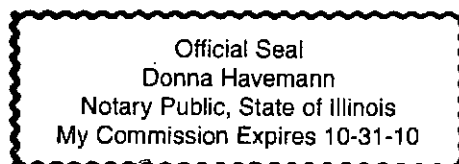
With this letter, the IHFSRB and IDPH are given authorization to review documents, consistent with Section 1110.230.

Sincerely,



John V. Prunskis, MD

Notarized:



Donna Havemann 8-16-2010

PURPOSE OF PROJECT

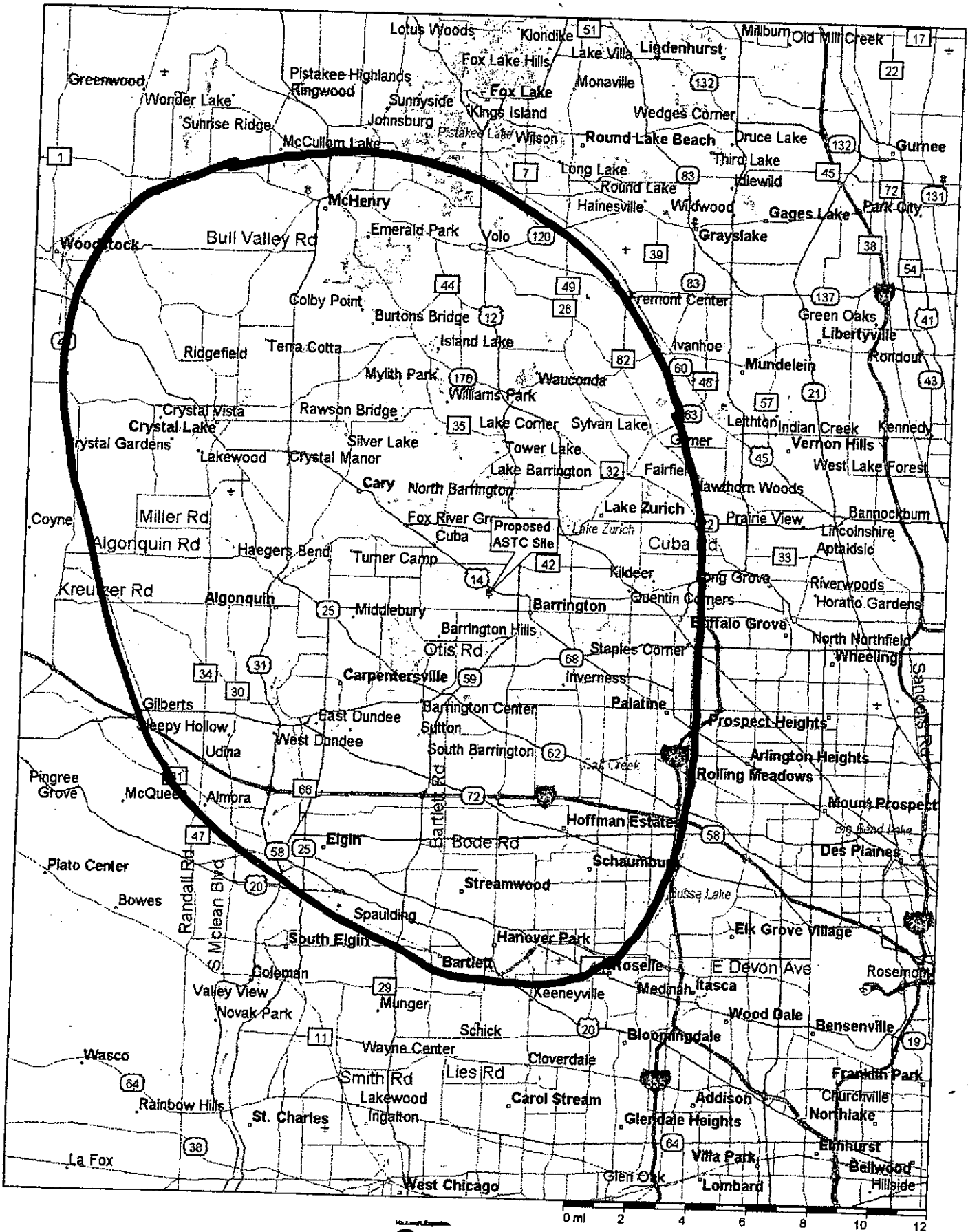
The proposed project--the establishment of a single specialty ASTC dedicated to the provision of contemporary interventional pain management services, exclusively—will improve the manner in which health care services are delivered to the population to be served by the ASTC. As a result of this project, patients will be treated in a facility not only designed specifically for the safe and efficient provision of interventional pain management services, but the patients will benefit from the fact that the ASTC will be under the licensure jurisdiction of the IDPH. Concurrently, the use of the proposed ASTC will bring the physicians into compliance with the requirements of Illinois' Ambulatory Surgical Center Treatment Act. Specifically, The Center for Medicare and Medicaid Services, or CMS, has identified interventional pain management as a surgical specialty. This designation by CMS causes interventional pain management to fall under the scope of Illinois' Ambulatory Surgical Center Treatment Act, which prohibits more than 50% of a physician's "surgical" procedures from being performed in the office setting. At present, virtually all of the procedures performed by the physicians are being performed in procedure rooms located in their office suites.

The table below identifies the anticipated patient origin distribution, based on the home addresses of the patients treated during the past year by the physicians providing "referral" letters.

ZIP Code	Community	%
60050	McHenry	7.7%
60014	Crystal Lake	5.7%
60007	Elk Grove Village	4.1%
60051	McHenry	3.9%
60098	Woodstock	3.7%
60193	Schaumburg	3.7%
60102	Algonquin	3.6%
60142	Huntley	3.1%
60013	Cary	2.8%
60123	Elgin	2.6%
60156	Lake in the Hills	2.5%
60120	Elgin	2.2%
60172	Roselle	1.9%
60097	Wonder Lake	1.8%
60103	Bartlett	1.7%
60107	Streamwood	1.7%
60110	Carpentersville	1.6%
60010	Barrington	1.4%
60012	Crystal Lake	1.4%
60133	Hanover Park	1.4%
60169	Hoffman Estates	1.4%
60020	Fox Lake	1.1%
60117	South Elgin	1.1%
60191	Wood Dale	1.1%
60194	Schaumburg	1.1%
60041	Ingleside	1.0%
ZIP Code areas contributing <1%*		35.0%
		100.0%

*193 ZIP Code areas

The patient origin analysis presented above would suggest that Hart Road Pain and Spine Institute's service area would have a northwest to southeast orientation, approximate to the map located on the following page. The service area identified on the map extends approximately 38 minutes to the northwest, 33 minutes to the southeast and 30 minutes to the east and west (MapQuest, adjusted by 1.1X)



Streets98

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ATTACHMENT 12

Page 1

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With a purpose of the project being to allow the physicians to comply with the requirements of the Illinois' Ambulatory Surgical Center Treatment Act, and limit the procedures performed in the office setting to no more than 50%, that measurable 50% level serves as a quantifiable goal, with a secondary goal.

ALTERNATIVES

The proposed project addresses the establishment of a limited-specialty ASTC for the provision of interventional pain management services. The alternatives to this project considered included the following:

Alternative 1: Perform Cases in Area Hospitals

The interventional pain management specialists that will be referring patients to the proposed ASTC currently refer only those patients with clinical conditions that warrant them inappropriate for a non-hospital setting to a hospital. The primary reason for this is cost to the patient, and in most instances to the third party provider, including Medicaid and Medicare. Secondly, the process for a patient to receive the treatment in the hospital setting is much more cumbersome, involving a more detailed registration process, and often delays in the actual performance of the procedure, than that associated with an ASTC.

If this alternative would have been selected, the one-time capital costs would be eliminated, but the 30-40% higher cost associated with the hospital setting would be incurred for each patient, and on an on-going basis.

Alternative 2: Establish a Multi-Specialty ASTC

The opening of the proposed ASTC to additional specialties through the a multi-specialty ASTC designation would not allow for the efficient treatment of patients as anticipated with the proposed project. Patients are anticipated to be in the operating room, on average, less than 35 minutes, with more time typically being spent in the recovery area than in the operating room. This necessitates the ability to “turn over” the limited number of allowable (4 per OR) recovery stations in an expeditious manner not available when patients are held in recovery for 2-4 hours following the general anesthesia used by other surgical specialties.

SUMMARY COMPARISON OF ALTERNATIVES TO PROPOSED PROJECT

	<u>Cost</u>	<u>Quality</u>	<u>Accessibility</u>
<u>Alternative 1</u> Perform Cases in Area Hospitals	no one-time capital cost, but 30-40% higher cost to patient	acceptable	dependent upon proximity relationship between the patient and the hospital
<u>Alternative 2</u> Establish a Multi-Specialty ASTC	approx. \$500,000 more in capital costs, similar operating costs	identical*	identical*

*identical to the proposed project

SIZE OF PROJECT

The proposed single-specialty ASTC will consist of three operating rooms, eight Level 1 recovery stations and 4 Level 2 recovery stations. The facility will consist of a total of 10,000 DGSF, approximately 1,300 DGSF below the IDPH standard.

DEPARTMENT/SERVICE	PROPOSED DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?
ASTC (3 ORs, 8 L1 recov/4 L2 recov)	10,000	11,290	(1,290)	yes

The space being provided is not excessive, and is necessary for the scope of services anticipated to be provided. The minimal size of the ASTC, when compared to the IDPH standard, is largely a result of the nature of the facility, that being a single-specialty facility, not requiring the equipment and supply storage space typically associated with a multi-specialty ASTC.

UTILIZATION

As documented in ATTACHMENT 27c, a caseload of 4,700 patients is anticipated for the proposed ASTC during its first year of operation. Because all of the patients anticipated to be referred to the proposed ASTC are currently being treated in the referring physicians' offices, a relatively short "ramp-up" period is anticipated. Consistent with the experience of the referring physicians in their office-based procedure rooms, the estimated procedure time, including room "turnover", will be 40 minutes. As a result, 3,133 hours of utilization are projected, supporting a need for the three proposed procedure rooms. Discussion with the physicians suggest that utilization will increase by approximately 3% during the second year, to approximately 4,840 patients and 3,230 hours.

Dept./ Service	Historical Utilization (Patient Days) (TREATMENTS) ETC.	PROJECTED UTILIZATION		STATE STANDARD	MET STANDARD?
		YEAR 1	YEAR 2		
ASTC	not applicable	3,113 hrs	3,230 hrs	3,001 hrs	YES

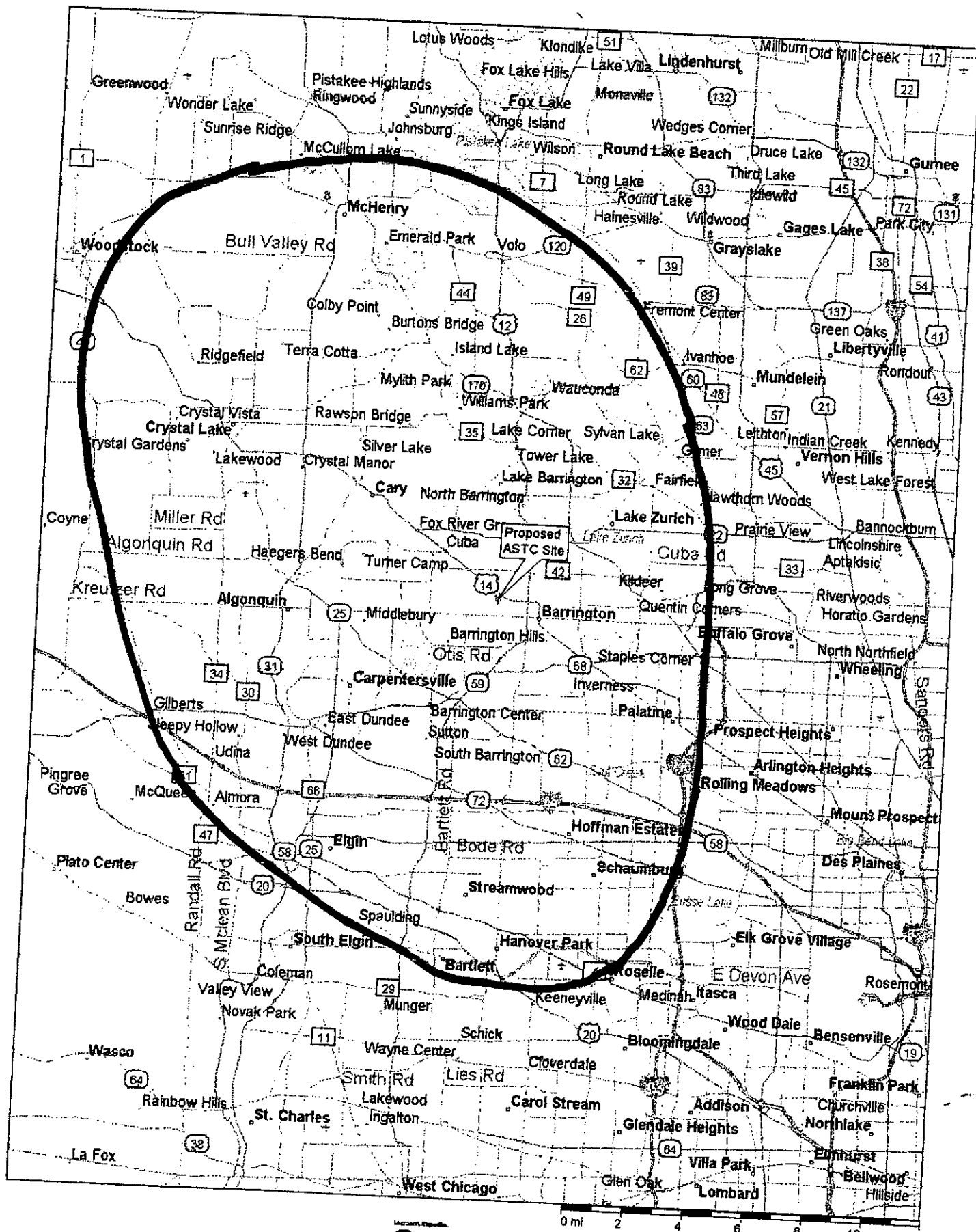
NOTE ON
SECTION VII. – CATEGORY OF SERVICE –REVIEW CRITERIA

Consistent with technical assistance conversations with State Agency Staff on September 25 and 29, 2009, Section VII of the application form is not applicable to projects proposing the establishment of an ASTC. Unlike most portions of Part 1110, Section 1540, addressing ASTCs was not revised in 2009, and is therefore inconsistent with Section VII of the application form.

The general instructions preceding the July 2009 edition of the *Application for Permit* form note that “This application does not supersede any of the above-cited rules (77 Ill. Adm. Codes 1100, 1110, 1120 and 1130) and requirements that are currently in effect.” As a result, the applicant has been directed by State Agency staff to address only Section VIII.H. Non-Hospital Based Ambulatory Surgery.

TARGET POPULATION

The map on the following page identifies the anticipated geographic service area (GSA). The elongated shape of the GSA, extending from northwest to southeast, is a result of the locations of the offices of the interventional pain management physicians that will be referring patients to the proposed ASTC, and the difficulties associated with roadway travel in the far northwest suburbs. The GSA identified on the map extends approximately 38 minutes to the northwest, 33 minutes to the southeast, 30 minutes to the east and 30 minutes to the west (MapQuest, adjusted by 1.1X).



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The table below identifies an estimate of the 2009 population within the GSA, based on ZIP Code-specific population estimates developed by CASI Marketing, Inc. As noted from the table below, the GSA is comprised of all or portions of 21 ZIP Code areas located in Lake, McHenry, Cook and Kane Counties.

Zip Code	Community	2009 Pop.
60010	Barrington	39,518
60012	Crystal Lake	12,537
60013	Cary	29,415
60014	Crystal Lake	51,047
60021	Fox River Grove	6,278
60030	Grays Lake	41,392
60047	Lake Zurich	21,836
60050	McHenry	13,438
60060	Mundelein	16,077
60074	Palatine	11,826
60084	Wauconda	15,898
60098	Woodstock	8,387
60102	Algonquin	33,899
60107	Streamwood	37,578
60110	Carpentersville	42,577
60118	Dundee	19,321
60120	Elgin	52,239
60123	Elgin	24,423
60193	Schaumburg	7,874
60194	Schaumburg	12,505
60195	Schaumburg	3,451
		<hr/> 501,516

PROJECTED PATIENT VOLUME

Attached are letters from four interventional pain management specialists that will be referring patients to the proposed ASTC.

Cumulatively, these letters indicate an anticipated referring of 4,700 patients, without any impact on the utilization of area ASTCs or hospitals.

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Terri L. Dallas-Prunskis, MD
Andrew J. Yu, MD
Shingo M. Yano, MD
and associates

Name: John V. Prunskis

Specialty: Interventional Pain Management

FELLOWSHIP-TRAINED
IN INTERVENTIONAL
PAIN MANAGEMENT

TO: Illinois Health Facilities and Services Review Board
Springfield, Illinois

This letter is being provided in response to Review Criterion 1110.1540(c) in support of the proposed pain management ASTC in Barrington.

During 2009 I performed interventional pain management procedures on 1,421 patients, all of which were performed in an office-based setting. Had the proposed ASTC been available to my patients, 1,400 of those procedures would have been provided in that facility.

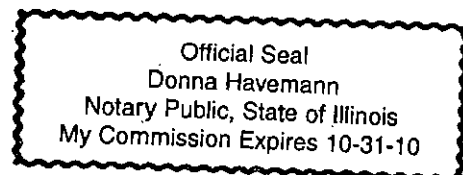
I estimate that 80-85% of the patients to use the proposed ASTC reside within the project's geographic service area.

None of the patients referenced above have been used in support of any other ASTC's Application for Permit, nor have I provided any supportive documentation for any other ASTC within the last ten years.

The information contained in this letter is true and correct, to the best of my information and belief.

Sincerely,

Notarized;



Donna Havemann 8/2/10

*Providing welcome,
lasting relief from*

- Back & neck pain
- Spinal & disc problems
- Headaches
- Worker's comp injuries
- Muscle & joint pain
- Sciatica
- Myofascial pain
- Shingles
- Diabetic neuropathy
- Arthritis pain
- Complex regional pain syndrome
- Cancer pain
- Sports Injuries

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- Discography
- Trigger point injections
- Percutaneous discectomy
- Vertebroplasty
- Spinal cord stimulation
- Radiofrequency lesioning
- Intrathecal pump therapy

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- Chicagoland's longest-established multi-site pain practice
- Over five decades of combined experience
- Fellowship-trained
- Most insurance accepted
- Five convenient locations
- Most procedures performed onsite
- Compassionate doctors & staff
- Timely reporting to referring physicians

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Elk Grove Village, IL 60007
Call 847-289-8822
Fax 847-718-1249

4309 Medical Center Drive
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McHenry, IL 60098
Call 815-334-9595
Fax 815-578-4530

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Suite 3
L 60098
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Fax 815-334-9741

ATTACHMENT 27c

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Terri L. Dallas-Prunskis, MD
Andrew J. Yu, MD
Shingo M. Yano, MD
and associates

FELLOWSHIP-TRAINED
IN INTERVENTIONAL
PAIN MANAGEMENT

TO: Illinois Health Facilities and Services Review Board
Springfield, Illinois

Name: Terri Dallas-Prunskis

Specialty: Interventional Pain Management

*Providing welcome,
lasting relief from*

- Back & neck pain
- Spinal & disc problems
- Headaches
- Worker's comp injuries
- Muscle & joint pain
- Sciatica
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- Timely reporting to referring physicians

This letter is being provided in response to Review Criterion 1110.1540(c) in support of the proposed pain management ASTC in Barrington.

During 2009 I performed interventional pain management procedures on 1,016 patients, all of which were performed in an office-based setting. Had the proposed ASTC been available to my patients, 1,000 of those procedures would have been provided in that facility.

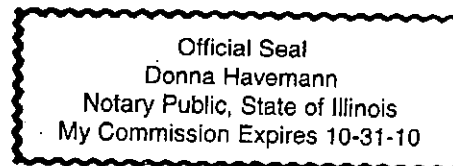
I estimate that 90% of the patients to use the proposed ASTC reside within the project's geographic service area.

None of the patients referenced above have been used in support of any other ASTC's Application for Permit, nor have I provided any supportive documentation for any other ASTC within the last ten years.

The information contained in this letter is true and correct, to the best of my information and belief.

Sincerely,

Notarized:



Donna Havemann 8/4/2010

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Call 847-289-8822
Fax 847-718-1249

4309 Medical Center Drive
Suite B103
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Call 815-363-7555
Fax 815-578-4530

3703 Doty Road
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ATTACHMENT 27c

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Terri L. Dallas-Prunskis, MD

Andrew J. Yu, MD

Shingo M. Yano, MD

and associates

FELLOWSHIP-TRAINED
IN INTERVENTIONAL
PAIN MANAGEMENT

Name: Shingo M. Yano

Specialty: Interventional Pain Management

*Providing welcome,
lasting relief from*

- Back & neck pain
- Spinal & disc problems
- Headaches
- Worker's comp injuries
- Muscle & joint pain
- Sciatica
- Myofascial pain
- Shingles
- Diabetic neuropathy
- Arthritis pain
- Complex regional pain syndrome
- Cancer pain
- Sports Injuries

TO: Illinois Health Facilities and Services Review Board
Springfield, Illinois

This letter is being provided in response to Review Criterion 1110.1540(c) in support of the proposed pain management ASTC in Barrington.

During 2009 I performed interventional pain management procedures on 928 patients, all of which were performed in an office-based setting. Had the proposed ASTC been available to my patients, 850 of those procedures would have been provided in that facility. Please be aware, however, that I joined the practice on October 7, 2009; and I anticipate performing 1,400-1,500 procedures this year.

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- Trigger point injections
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I estimate that 90% of the patients to use the proposed ASTC reside within the project's geographic service area.

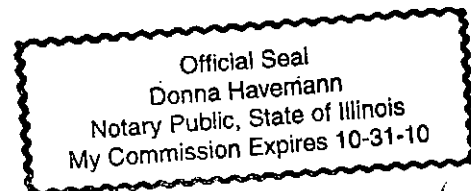
None of the patients referenced above have been used in support of any other ASTC's Application for Permit, nor have I provided any supportive documentation for any other ASTC within the last ten years.

*Experienced, caring &
convenient*

The information contained in this letter is true and correct, to the best of my information and belief.

Sincerely,

Notarized:



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ATTACHMENT 27c

60098

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Andrew J. Yu, MD

Shingo M. Yano, MD

and associates

FELLOWSHIP-TRAINED
IN INTERVENTIONAL
PAIN MANAGEMENT

Name: Andrew J. Yu

Specialty: Interventional Pain Management

TO: Illinois Health Facilities and Services Review Board
Springfield, Illinois

This letter is being provided in response to Review Criterion 1110.1540(c) in support of the proposed pain management ASTC in Barrington.

During 2009 I performed interventional pain management procedures on 1,509 patients, all of which were performed in an office-based setting. Had the proposed ASTC been available to my patients, 1,450 of those procedures would have been provided in that facility.

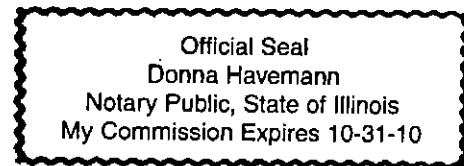
I estimate that 90% of the patients to use the proposed ASTC reside within the project's geographic service area.

None of the patients referenced above have been used in support of any other ASTC's Application for Permit, nor have I provided any supportive documentation for any other ASTC within the last ten years.

The information contained in this letter is true and correct, to the best of my information and belief.

Sincerely,

Notarized:



Donna Havemann 8/2/10

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lasting relief from*

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- Spinal & disc problems
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800 Biesterfield Road
Brock Building, Suite 2012
Elk Grove Village, IL 60007
Call 847-289-8822
Fax 847-718-1249

4309 Medical Center Drive
Suite B103
McHenry, IL 61101
Call 815-345-2222
Fax 815-578-4530

3703 Doty Road
Suite 3
L 60098
Call 815-363-9595
Fax 815-334-9741

ATTACHMENT 27c

TREATMENT ROOM NEED ASSESSMENT

The proposed limited specialty ASTC will consist of three treatment rooms and the associated support space. Approximately 40 minutes are required per procedure, providing time to set the room up, perform the procedure, and clean the room. The 40-minute standard is an estimate, based upon the physicians' experience in the office-based and hospital settings.

IMPACT ON OTHER FACILITIES

Consistent with the requirements of Section 1110.1540.e., certified letters were sent on August 5, 2010 to each hospital and ASTC located in the anticipated geographic service area, requesting comments on the project's anticipated impact on the individual facilities. Responses to the letters if not sent directly to the IHFSRB by the respondent will be forwarded to IHFSRB staff upon receipt.

The letters were sent to the following facilities:

- Elgin Gastroenterology Endoscopy Center, Elgin
- Algonquin Road Surgery Center, Lake in the Hills
- Northern Illinois Medical Center, McHenry
- Advocate Good Shepherd Hospital, Barrington
- Sherman Hospital, Elgin
- St. Alexius Medical Center, Hoffman Estates
- Ashton Center for Day Surgery, Hoffman Estates
- The Hoffman Estates Surgery Center, Hoffman Estates

A sample copy of the letter is attached.

by Certified Mail

August 5, 2010

NAME
TITLE
FACILITY NAME
STREET ADDRESS
CITY, ILLINOIS ZIP

Dear XXXXXXXXXXXX:

Hart Road Center for Pain Management, Inc. will soon be filing a Certificate of Need application with the Illinois Health Facilities and Services Review Board, requesting approval to establish a 3-procedure room ASTC at 600 Hart Road in Barrington, Illinois. The proposed ASTC will be approved for interventional pain management procedures, only. All of the patients anticipated to be referred to the proposed ASTC are currently being treated in the interventional pain management specialists' offices, and as a result, no impact on your facility is anticipated.

The ASTC will be approximately 10,000 square feet, and has a preliminary project cost estimate of approximately \$2.8M. Consistent with the office-based caseload of the pain management specialists, approximately 4,700 patients are anticipated to be treated in the facility, annually.

Consistent with the requirements of Section 1110.1540.e, you are requested, should you desire, to identify (in terms of loss of patients) the impact, if any, this proposed ASTC will have upon your facility's utilization. Should you elect to respond, it would be appreciated if you would be specific as to the number of patients that you believe that you will lose.

Sincerely,

Jacob M. Axel

ATTACHMENT 27e

7004 0750 0520 4007
4265 4E65 5934 5367

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SCNAZBURG ILL 60194 **OFFICIAL USE**

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Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 5.54

0067
03
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PALATINE ILL 60067
AUG 5 2010
08/05/2010

Sent To: **HOFFMAN ESTATES SURG CTR**
Street, Apt. No., or PO Box No. **1555 BARRINGTON RD BLDG 3**
City, State, ZIP+4 **HOFFMAN ESTATES, IL 60194**

PS Form 3800, June 2002 See Reverse for Instructions

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4265 4E65 5934 5367

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Total Postage & Fees	\$ 5.54

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03
Postmark Here
PALATINE ILL 60067
AUG 5 2010
08/05/2010

Sent To: **HOFFMAN ESTATES SURG CTR**
Street, Apt. No., or PO Box No. **1800 McDONOUGH RD**
City, State, ZIP+4 **HOFFMAN ESTATES, IL 60192**

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Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 5.54

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03
Postmark Here
PALATINE ILL 60067
AUG 5 2010
08/05/2010

Sent To: **ELGIN GASTRO**
Street, Apt. No., or PO Box No. **740 Fletcher Dr**
City, State, ZIP+4 **ELGIN, IL 60123**

PS Form 3800, June 2002 See Reverse for Instructions

7004 0750 0520 4007
4265 4E65 5934 5367

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Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 5.54

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03
Postmark Here
PALATINE ILL 60067
AUG 5 2010
08/05/2010

Sent To: **Advocate Good Shepherd Hosp**
Street, Apt. No., or PO Box No. **450 W HIGHWAY 22**
City, State, ZIP+4 **BARRINGTON IL 60010**

PS Form 3800, June 2002 See Reverse for Instructions

96

7004 0750 0000 5934 5411

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Return Receipt Fee (Endorsement Required)	\$2.30
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 5.54

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 03 AUG 5 2010
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 PALTINE IL 60050
 USPS

08/05/2010

Sent To
 N. IL. MED CENTER
 Street, Apt. No. or PO Box No. 4201 MEDICAL CTR DR
 City, State, ZIP+4 MCHENRY, IL 60050

PS Form 3800, June 2002 See Reverse for Instructions

7004 0750 0000 5934 5350

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Return Receipt Fee (Endorsement Required)	\$2.30
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 5.54

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 03 AUG 5 2010
 Postmark Here
 PALTINE IL 60050
 USPS

08/05/2010

Sent To
 ALGONQUIN RD SURG CTR
 Street, Apt. No. or PO Box No. 2550 ALGONQUIN RD
 City, State, ZIP+4 LAKE IN THE HILLS, IL 60158

PS Form 3800, June 2002 See Reverse for Instructions

7004 0750 0000 5934 5350

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Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 5.54

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 03 AUG 5 2010
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 PALTINE IL 60050
 USPS

08/05/2010

Sent To
 SHERMAN Hosp
 Street, Apt. No. or PO Box No. 1425 N RANDALL RD
 City, State, ZIP+4 ELGIN, IL 60123

PS Form 3800, June 2002 See Reverse for Instructions

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Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 5.54

0067
 03 AUG 5 2010
 Postmark Here
 PALTINE IL 60050
 USPS

08/05/2010

Sent To
 ST ALEXIUS MED CTR
 Street, Apt. No. or PO Box No. 1555 BARRINGTON RD
 City, State, ZIP+4 NORTON ESTATES, IL 60194

PS Form 3800, June 2002 See Reverse for Instructions

97

ESTABLISHMENT OF NEW FACILITIES

Review criterion 1110.1540.f addresses voids in the services proposed to be provided, restrictive admissions policies of existing providers, or joint ventures with hospitals as justification for the establishment of a new ASTC.

None of these circumstances exist or can be met, nor, in a metropolitan area in 2011 (the ASTC part of Section 1110 has not been revised since 1999) would one expect to find a total absence of service or restrictive admissions policies. As discussed elsewhere in this application, the interventional pain management specialists that will be referring patients to the proposed ASTC currently refer patients to a hospital within the GSA only when there is a clinical indication to do so, primarily because of the cost associated with performing the procedures in the hospital setting and the inefficiencies associated with that setting. While such referrals are indicated and made in association with less than 2% of the procedures performed, that practice will continue. The physicians maintain privileges at the following area hospitals: Centegra Medical Center (Drs. Prunskis, Dallas, Yu and Yano), Advocate Condell Medical Center (Drs. Prunskis and Yano), Provena St. Joseph (Drs. Prunskis, Dallas, Yu, Yaacoub and Yano), Alexian Brothers Medical Center (Drs. Prunskis, Dallas, Yu and Yano), and Advocate Good Shepherd Hospital (Dr. Yu).

As such, a void in service does not exist, since all patients could be referred to the hospital. It should be noted, however, that the facility-related charge associated with performing a procedure in the hospital setting is significantly higher than that of the ASTC setting. In addition and as would be expected, none of the hospitals in the GSA discriminate in any way, related to admissions practices.

Last, this project is not being developed as a joint venture with a hospital. That type of relationship of that type is appropriate when a proposed ASTC that will be offering procedures typically provided in the hospital setting, and when a significant number of surgical cases will be moved from the hospital to the ASTC. That is not the case with this proposed project. As noted above, the interventional pain management procedures currently being performed in the hospital setting will remain there, and there will be no impact whatsoever on the utilization of any existing hospital or ASTC.

CHARGE COMMITMENT

Attached is a list of the thirty-two procedures anticipated to be performed in the proposed ASTC, along with the associated facility fee for each procedure. It should be noted that the identified fees are "full" fees. It is anticipated, and as is the case with most ASTCs, that over 90% of the patients receiving services at the proposed ASTC will, through their third party payor, have a negotiated discount from the "full" fee.

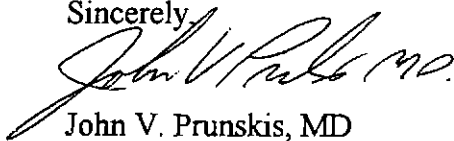
Also attached is a letter from the owner and operator, committing to maintain the identified procedure-specific facility fees for a minimum of two years following the opening of the ASTC, consistent with Section 1110.1540(g).

Illinois Health Facilities and
Services Review Board
Springfield, Illinois

To Whom It May Concern:

With this letter I hereby commit to maintain the facility fees identified in Attachment 32g of the *Application for Permit* for a minimum of two years following the opening of the proposed ambulatory surgical treatment center in Barrington, unless a Permit to do so is acquired by the IHFSRB.

Sincerely

A handwritten signature in cursive script that reads "John V. Prunskis, MD". The signature is written in dark ink and is positioned above the printed name.

John V. Prunskis, MD

DMG CENTER FOR PAIN MANAGEMENT
--Anticipated Procedures and Facility Fees--

CPT CODE & PROCEDURE	FACILITY FEE
11900 - INJECTION INTO SKIN LESIONS	
20552 - INJECTION; SINGLE/MULTIPLE TRIGGER POINT(S), 1/2 MUSCLE	\$193
20605 - DRAIN/INJECT MEDIUM JOINT/BURSA	\$518
20610 - DRAIN/INJECT LARGE JOINT/BURSA	\$519
27096 - INJECTION PROC FOR SACROILIAC JOINT ARTHROGRAPHY &/OR ANESTHETIC/STEROID	\$518
62290 - INJECT DISKOGRAM,LUMBAR,EA LEVEL	\$2,756
62310 - INJECTION, W/WO CONTRAST, DX/THERAPEUTIC SUBSTANCE, EPIDURAL/SUBARACHNOID; CERVICAL/THORACIC	\$3,142
62311 - INJECTION, W/WO CONTRAST, DX/THERAPEUTIC SUBSTANCE, EPIDURAL/SUBARACHNOID; LUMBAR/SACRAL	\$2,194
64415 - INJECT NERV BLCK,BRACH PLEXUS	\$2,194
64421 - INJECT NERV BLCK,INTERCOST,MULTPL	\$518
64425 - INJECT NERV BLCK,ILOINGU/ILOHYP	\$1,312
64450 - INJECT NERV BLCK,OTHR PERIPH NERV	\$518
64470 - INJECTION, ANESTHETIC/STEROID, PARAVERTEBRAL FACET JOINT NERVE; CERVICAL/THORACIC, SINGLE LEVEL	\$518
64472 - INJECTION, ANESTHETIC/STEROID, PARAVERTEBRAL FACET JOINT/NERVE; CERVICAL/THORACIC, ADD'L LEVEL	\$2,914
64475 - INJECTION, ANESTHETIC/STEROID, PARAVERTEBRAL FACET JOINT/NERVE; LUMBAR/SACRAL, SINGLE LEVEL	\$1,312
64476 - INJECTION, ANESTHETIC/STEROID, PARAVERTEBRAL FACET JOINT/NERVE; LUMBAR/SACRAL, ADD'L LEVEL	\$2,914
64479 - INJECTION, ANESTHETIC/STEROID, TRANSFORAMINAL EPIDURAL; CERVICAL/THORACIC, SINGLE LEVEL	\$1,312
64480 - INJECTION, ANESTHETIC/STEROID, TRANSFORAMINAL EPIDURAL; CERVICAL/THORACIC, ADD'L LEVEL	\$2,914
64483 - INJECTION, ANESTHETIC/STEROID, TRANSFORAMINAL EPIDURAL; LUMBAR/SACRAL, SINGLE LEVEL	\$2,914
64484 - INJECTION, ANESTHETIC/STEROID, TRANSFORAMINAL EPIDURAL; LUMBAR/SACRAL, ADD'L LEVEL	\$2,914
64510 - INJECT NERV BLCK,STELLATE GANGLION	\$2,914
64520 - INJECT NERV BLCK,PARAVERT SYMPATH	\$2,914
64622 - INJECT RX LUMB FACET JT NERVE,SINGL	\$2,914
64623 - INJECT RX LUMB FACET NERVE,ADDNL	\$2,788
64626 - DESTRUCTION, NEUROLYTIC, PARAVERTEBRAL FACET NERVE; CERVICAL/THORACIC, SINGLE LEVEL	\$2,914
64627 - DESTRUCTION, NEUROLYTIC, PARAVERTEBRAL FACET NERVE; CERVICAL/THORACIC, ADD'L LEVEL	\$5,648
64640 - INJECT RX OTHER PERIPH NERVE	\$2,914
72275 - EPIDUROGRAPHY, RADIOLOGICAL S & I	\$2,623
72295 - DISCOGRAPHY LUMBAR SPINE	\$585
77002 - FLUOROSCOPIC GUIDANCE NEEDLE PLACEMENT	\$551
77003 - FLUOR GID & LOCLZJ NDL/CATH SPI DX/THER NJX	\$291
99144 - M-SEDAJ BY SM PHYS PERFRMG SVC 5+ YR	\$291
	\$386

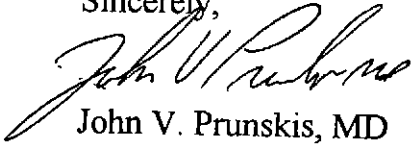
August 30, 2010

Illinois Health Facilities
and Services Review Board
Springfield, Illinois

To Whom It May Concern:

Please be advised that I have the cash and liquid assets that can be converted to cash within thirty days available to me in order to address the capital costs associated with Hart Road Pain and Spine Institute, as identified in Section VIII of the Application for Permit.

Sincerely,



John V. Prunskis, MD

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE

Department (list below)	A		B		C		D		E		F		G		H		Total	
	New	Cost/Sq. Foot	Mod.		New	Gross Sq. Ft.	Circ.	Gross Sq. Ft.	Mod.	Gross Sq. Ft.	Circ.	Const. \$	(A x C)	Mod. \$	(B x E)	Costs	(G + H)	
Reviewable																		
ASTC	\$	195.00							10,000						\$	1,950,000	\$	1,950,000
contingency	\$	10.00													\$	100,000	\$	100,000
TOTAL	\$	205.00													\$	2,050,000	\$	2,050,000

104

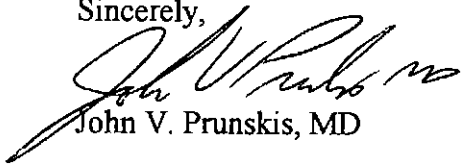
August 18, 2010

Illinois Health Facilities
and Services Review Board
Springfield, Illinois

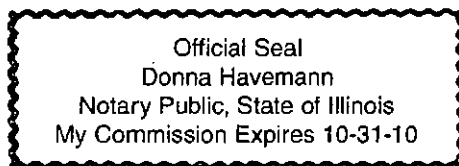
To Whom It May Concern:

I hereby attest that the total estimated costs associated with the development of Hart
Road Pain and Spine Institute will be funded by cash and/or cash equivalents.

Sincerely,


John V. Prunskis, MD

Notarized:



Donna Havemann 8/16/2010

SAFETY NET IMPACT STATEMENT
and
CHARITY CARE INFORMATION

The proposed project addresses the establishment of a limited specialty ASTC, and as a result, historical Medicaid and charity care related information cannot be provided. The ASTC will, however, provide both services to Medicaid recipients as well as charity care. Because it is anticipated that virtually all patients referred to Hart Road Pain and Spine Institute will be referred by members of Illinois Pain Institute, a single-specialty group practice, the payor mix of the ASTC will be very similar to that of the group practice, which includes Medicaid recipients, full charity care, and discounted care to uninsured or under-insured patients having the ability to pay a portion of the normal charges. The group has historically had a payor mix consisting of the following: 8-10% Medicaid recipients, 32-34% Medicare recipients, 6-7% patients covered by worker's compensation, 2-3% uninsured or under-insured patients (provided a 30% discount), and 46-50% patients having private insurance. In addition, the practice operates with a policy of admitting 5 new patients per month into the practice (for the duration of their care) as full charity write-offs.

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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