ORIGINAL 11-113

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT

RECEIVED
DEC 08 2011
HEALTH FACILITIES & SERVICES REVIEW BOARD

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name:	The Pavilion Foundation Hospital	
Street Address:	809 West Church Street	
City and Zip Code:	Champaign, IL 61820	
County: Champaign	Health Service Area 4	Health Planning Area: 04

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

Exact Legal Name:	The Pavilion Foundation
Address:	809 West Church Street, Champaign, IL 61820
Name of Registered Agent:	
Name of Chief Executive Officer:	Joseph Sheehy, CEO
CEO Address:	809 West Church Street, Champaign, IL 61820
Telephone Number:	217.373.1700

Type of Ownership of Applicant/Co-Applicant

☒ Non-profit Corporation (not Tax Exempt)
☐ For-profit Corporation
☐ Limited Liability Company
☐ Partnership
☐ Governmental
☐ Sole Proprietorship
☐ Other

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

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

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

Exact Legal Name:	Universal Health Services, Inc.
Address:	367 South Gulph Road, King of Prussia, PA 19406
Name of Registered Agent:	
Name of Chief Executive Officer:	Alan C. Miller, CEO
CEO Address:	367 South Gulph Road, King of Prussia, PA 19406
Telephone Number:	610.768.3300

Type of Ownership of Applicant/Co-Applicant

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

- Corporations and limited liability companies must provide an **Illinois certificate of good standing.**

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

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

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

Exact Legal Name:	UHS of Delaware, Inc.
Address:	367 South Gulph Road, King of Prussia, PA 19406
Name of Registered Agent:	
Name of Chief Executive Officer:	Marvin Pember, President
CEO Address:	367 South Gulph Road, King of Prussia, PA 19406
Telephone Number:	610.768.3300

Type of Ownership of Applicant/Co-Applicant

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

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

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

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

Exact Legal Name:	West Church Partnership
Address:	367 South Gulph Road, King of Prussia, PA 19406
Name of Registered Agent:	
Name of Chief Executive Officer:	Debra K. Osteen
CEO Address:	367 South Gulph Road, King of Prussia, PA 19406
Telephone Number:	610-768-3300

Type of Ownership of Applicant/Co-Applicant

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

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

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

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

Name:	Joseph Sheehy
Title:	Chief Executive Officer
Company Name:	The Hospital Pavilion Foundation
Address:	809 W. Church Street, Champaign, IL 61820
Telephone Number:	217.373.1700
E-mail Address:	joe.sheehy@uhsinc.com
Fax Number:	

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

Name:	Jeffrey Mark
Title:	Consultant
Company Name:	JSMA Consultants + Architects
Address:	1182 S, Plymouth Ct., 1SW, Chicago, IL 60605
Telephone Number:	312.804.9401
E-mail Address:	jmark@jsma.com
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:	Joseph Sheehy
Title:	Chief Executive Officer
Company Name:	The Hospital Pavilion Foundation
Address:	809 W. Church Street, Champaign, IL 61820
Telephone Number:	217.373.1700
E-mail Address:	joe.sheehy@uhsinc.com
Fax Number:	

Site Ownership
[Provide this information for each applicable site]

Exact Legal Name of Site Owner:	Universal Health Services, Inc.
Address of Site Owner:	809 W. Church Street, Champaign, IL 61820
Street Address or Legal Description of Site: **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:	The Pavilion Foundation
Address:	809 West Church Street, Champaign, IL 61820

☒ Non-profit Corporation (Not Tax Exempt) ☐ Partnership
☐ For-profit Corporation ☐ Governmental
☐ Limited Liability Company ☐ Sole Proprietorship ☐ Other

- Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.
- Partnerships must provide the name of the state in which organized and the name and address of

each partner specifying whether each is a general or limited partner.

- **Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.**

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

Organizational Relationships

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

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

Flood Plain Requirements

[Refer to application instructions.]

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

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

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

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

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

DESCRIPTION OF PROJECT

1. Project Classification

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

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

2. Narrative Description

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

The Pavilion Foundation is a dedicated psychiatric facility located in Champaign Illinois. It provides hospital AMI (Acute Mental Illness) services programs specialized for adults and youth. This project proposes an increase in the AMI authorized bed capacity by 22 beds -- from 47 to 69 beds, expanding both the Adult and Youth psychiatric programs.

The hospital is housed in a multi-use building that contains the hospital functions, The Pavilion Foundation's residential treatment center or RTC, and some support functions for The Pavilion Foundation School located on campus. RTC services are provided under licensure by the Department of Children and Family Services, and it is approved as a Child Care Institution. Its space is non-clinical as defined by the Board.

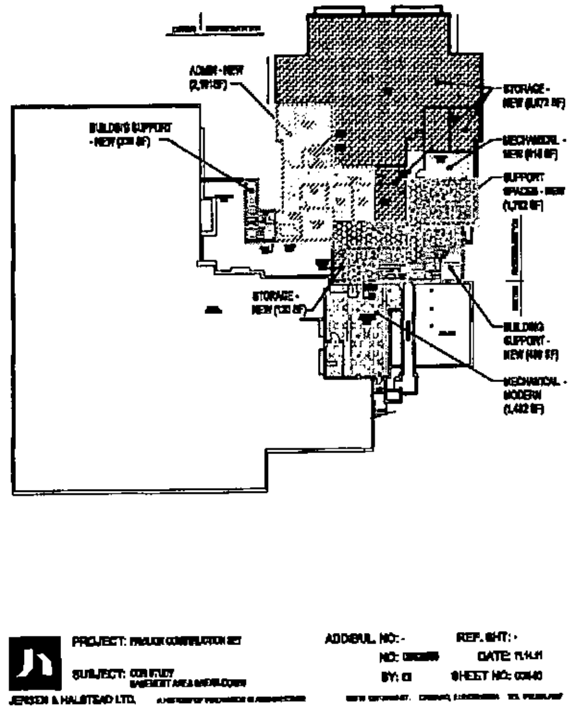
The proposed project includes a new addition and modernization that would house the new beds and enhanced RTC facilities. Twelve of the new beds are to be located in the new construction. Ten of the new beds are to be in modernized space on the third level, in space vacated by relocating the RTC. The project also included additional space for administration functions and storage to serve the entire facility as well as The Pavilion Foundation School located on the campus

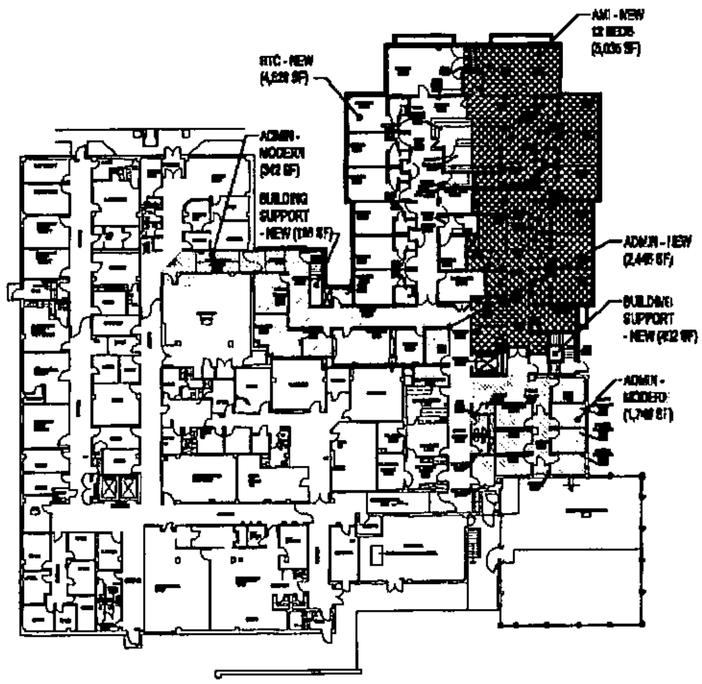
In summary, the project consists of:

- Total project area of 32,486 SF
- The Total Estimated Project Cost is $8,215,403
- Completion date is April 1, 2013

- Project area breakdown:
    - New Construction 23,676 SF
    - Modernization of 8,810 SF
    - Clinical service areas of 10,263
    - Non-clinical service areas of 22,223

Architectural schematics are attached for clarification.


STORAGE -
MECHANICAL -
SUPPORT
BUILDING
SUPPORT -
MECHANICAL -
MODERN
STORAGE -
PROJECT:
SUBJECT:
ADDENDUM NO: -
REF. SHT: -
DATE:
BY:
SHEET NO:
JENSEN & HALSTEAD LTD.



PROJECT:

SUBJECT:

JENSEN & HALSTEAD LTD.

ADD/BUL. NO: -

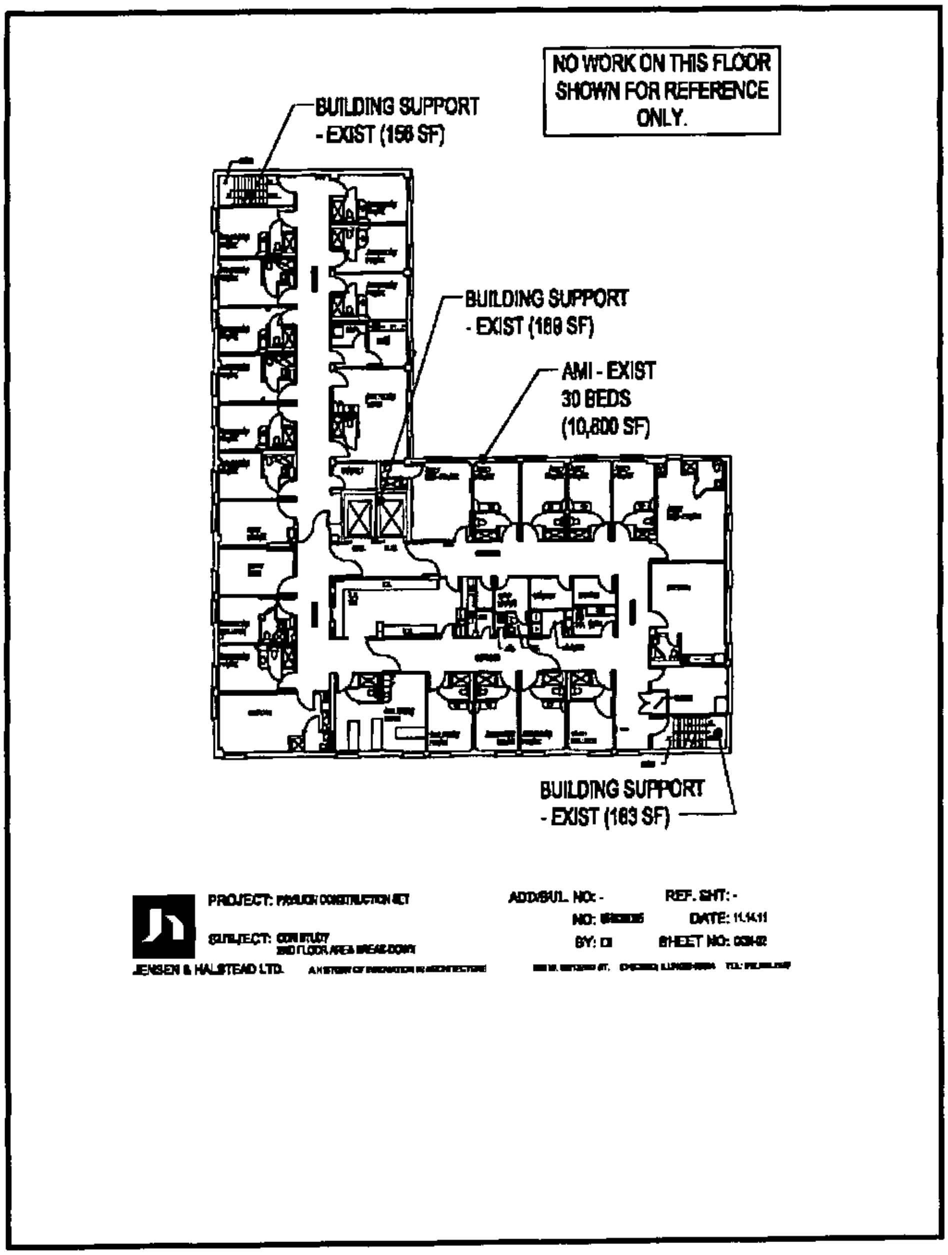
REF. SHT: -

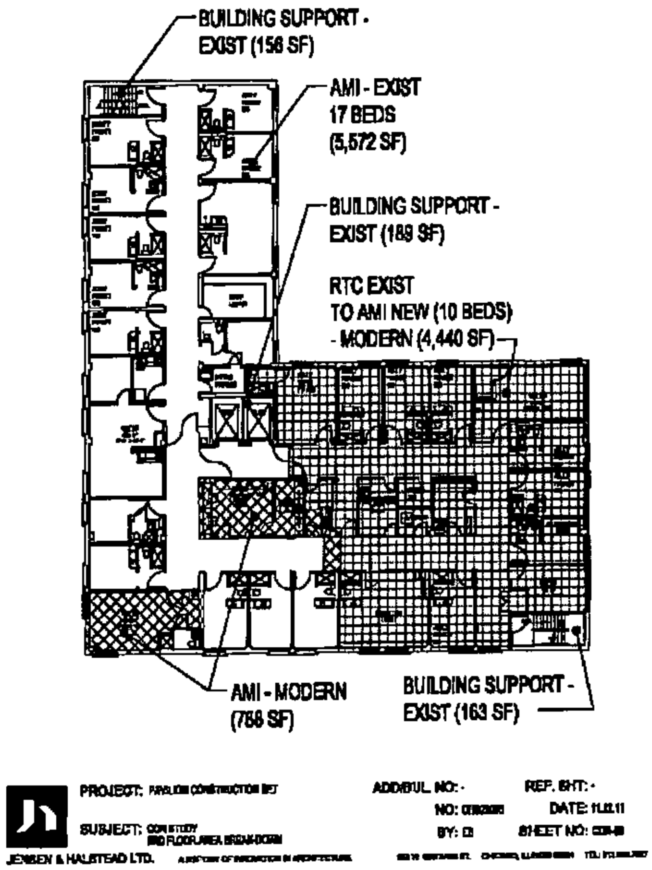
NO:

DATE: 11.14.11

BY:

SHEET NO:


NO WORK ON THIS FLOOR
SHOWN FOR REFERENCE
ONLY.
BUILDING SUPPORT
- EXIST (156 SF)
BUILDING SUPPORT
- EXIST (169 SF)
AMI - EXIST
30 BEDS
(10,800 SF)
BUILDING SUPPORT
- EXIST (163 SF)
PROJECT:
ADD/BUL. NO: -
REF. SHT: -
NO:
DATE:
SUBJECT:
BY:
SHEET NO:
JENSEN & HALSTEAD LTD.


BUILDING SUPPORT - EXIST (156 SF)
AMI - EXIST 17 BEDS (5,572 SF)
BUILDING SUPPORT - EXIST (189 SF)
RTC EXIST TO AMI NEW (10 BEDS) - MODERN (4,440 SF)
AMI - MODERN (758 SF)
BUILDING SUPPORT - EXIST (163 SF)
PROJECT:
SUBJECT:
JENSEN & HALSTEAD LTD.
ADDBUL NO: -
REF. SHT: -
NO:
DATE:
BY:
SHEET NO:

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	$29,895	$87,364	$117,259
Site Survey and Soil Investigation	$7,572	$22,128	$29,700
Site Preparation	$66,287	$193,713	$260,000
Off Site Work			$0
New Construction Contracts	$1,472,330	$4,302,670	$5,775,000
Modernization Contracts	$133,848	$391,152	$525,000
Contingencies	$79,034	$230,966	$310,000
Architectural/Engineering Fees	$125,817	$367,683	$493,500
Consulting and Other Fees	$63,844	$186,575	$250,419
Movable or Other Equipment (not in construction contracts)	$115,881	$338,644	$454,525
Bond Issuance Expense (project related)	$0	$0	$0
Net Interest Expense During Construction (project related)	$0	$0	$0
Fair Market Value of Leased Space or Equipment	$0	$0	$0
Other Costs To Be Capitalized	$0	$0	$0
Acquisition of Building or Other Property (excluding land)	$0	$0	$0
TOTAL USES OF FUNDS	$2,094,509	$6,120,894	$8,215,403
SOURCE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Cash and Securities	$2,094,509	$6,120,894	$8,215,403
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	$2,094,509	$6,120,894	$8,215,403

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 Not Applicable

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

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

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

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

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

Project Status and Completion Schedules

Indicate the stage of the project's architectural drawings:

☐ None or not applicable ☐ Preliminary

☐ Schematics ☒ Final Working

Anticipated project completion date (refer to Part 1130.140): April 1, 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-8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

State Agency Submittals

Are the following submittals up to date as applicable:
☐ Cancer Registry **Not Applicable**
☐ APORS **Not Applicable**
☒ All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
☒ All reports regarding outstanding permits
Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.

Cost Space Requirements

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

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

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

Facility Bed Capacity and Utilization

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

FACILITY NAME: The Pavilion Foundation			**CITY: Champaign, IL**		
REPORTING PERIOD DATES:		**From: Jan. 1, 2010**		**to: Dec. 31, 2010**	
Category of Service	**Authorized Beds**	**Admissions**	**Patient Days**	**Bed Changes**	**Proposed Beds**
Medical/Surgical					
Obstetrics					
Pediatrics					
Intensive Care					
Comprehensive Physical Rehabilitation					
Acute/Chronic Mental Illness	**47**	**1,530**	**14,741**	**+22**	**69**
Neonatal Intensive Care					
General Long Term Care					
Specialized Long Term Care					
Long Term Acute Care					
Other ((identify)					
TOTALS:					

Source: IDPH 2010 Hospital Profiles

CERTIFICATION The Pavilion Foundation, Inc.

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

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

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

SIGNATURE

Joseph Sheehy
PRINTED NAME

CEO
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 9th day of November, 2011

Jan T. Paintner
Signature of Notary

Seal

"OFFICIAL SEAL"
JAN T PAINTNER
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 5/2/2012

SIGNATURE

Michael T Rainey
PRINTED NAME

CFO
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 9th day of November, 2011

Jan T. Paintner
Signature of Notary

Seal

"OFFICIAL SEAL"
JAN T PAINTNER
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 5/2/2012

*Insert EXACT legal name of the applicant

CERTIFICATION UHS of Delaware, Inc.

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

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

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

SIGNATURE

Steve Filton
PRINTED NAME

Vice President
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 10th day of November, 2011

Signature

Seal
COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Holly M Lagler, Notary Public
South Whitehall Twp., Lehigh County
My Commission Expires Dec. 18, 2011
Member, Pennsylvania Association of Notaries

Debra K. Osteen

SIGNATURE

Debra K. Osteen
PRINTED NAME

Vice President
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 10th day of November, 2011

Signature

Seal
COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Holly M Lagler, Notary Public
South Whitehall Twp., Lehigh County
My Commission Expires Dec. 18, 2011
Member, Pennsylvania Association of Notaries

*Insert EXACT legal name of the applicant

CERTIFICATION Universal Health Services, Inc.

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

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

This Application for Permit is filed on the behalf of Universal Health Services, Inc. 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.

Steve Filton

SIGNATURE

Steve Filton
PRINTED NAME

Senior Vice President and CFO
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 10th day of November, 2011

Holly M Lagler

Signature of Notary

Seal

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Holly M Lagler, Notary Public
South Whitehall Twp., Lehigh County
My Commission Expires Dec. 18, 2011
Member, Pennsylvania Association of Notaries

Debra K. Osteen

SIGNATURE

Debra K. Osteen
PRINTED NAME

Senior Vice President
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 10th day of November, 2011

Holly M Lagler

Signature of Notary

Seal

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Holly M Lagler, Notary Public
South Whitehall Twp., Lehigh County
My Commission Expires Dec. 18, 2011
Member, Pennsylvania Association of Notaries

*Insert EXACT legal name of the applicant

CERTIFICATION West Church Partnership

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

1. in the case of a corporation, any two of its officers or members of its Board of Directors;
2. 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);
3. 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);
4. in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
5. in the case of a sole proprietor, the individual that is the proprietor.

This Application for Permit is filed on the behalf of West Church Partnership 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.

Debra K. Osteen

SIGNATURE

Debra K. Osteen

PRINTED NAME

President

PRINTED TITLE

By: River Oaks, Inc.

Majority Partner

Notarization:

Subscribed and sworn to before me this 16th day of November, 2011

Caitlin M. Vernot

Signature of Notary

COMMONWEALTH OF PENNSYLVANIA

Seal

Notarial Seal
Caitlin M. Vernot, Notary Public
Upper Merion Twp., Montgomery County
My Commission Expires Nov. 3, 2012
Member, Pennsylvania Association of Notaries

Steve Filton

SIGNATURE

Steve Filton

PRINTED NAME

Vice President

PRINTED TITLE

By: River Oaks, Inc.

Majority Parnter

Notarization:

Subscribed and sworn to before me this 16th day of November, 2011

Caitlin M. Vernot

Signature of Notary

COMMONWEALTH OF PENNSYLVANIA

Seal

Notarial Seal
Caitlin M. Vernot, Notary Public
Upper Merion Twp., Montgomery County
My Commission Expires Nov. 3, 2012
Member, Pennsylvania Association of Notaries

*Insert EXACT legal name of the applicant

SECTION II. DISCONTINUATION Not Applicable

This Section is applicable to any project that involves discontinuation of a health care facility or a category of service. **NOTE:** If the project is solely for discontinuation and if there is no project cost, the remaining Sections of the application are not applicable.

Criterion 1110.130 - Discontinuation

READ THE REVIEW CRITERION and provide the following information:

GENERAL INFORMATION REQUIREMENTS

1. Identify the categories of service and the number of beds, if any that is to be discontinued.
2. Identify all of the other clinical services that are to be discontinued.
3. Provide the anticipated date of discontinuation for each identified service or for the entire facility.
4. Provide the anticipated use of the physical plant and equipment after the discontinuation occurs.
5. Provide the anticipated disposition and location of all medical records pertaining to the services being discontinued, and the length of time the records will be maintained.
6. For applications involving the discontinuation of an entire facility, certification by an authorized representative that all questionnaires and data required by HFSRB or DPH (e.g., annual questionnaires, capital expenditures surveys, etc.) will be provided through the date of discontinuation, and that the required information will be submitted no later than 60 days following the date of discontinuation.

REASONS FOR DISCONTINUATION

The applicant shall state the reasons for discontinuation and provide data that verifies the need for the proposed action. See criterion 1110.130(b) for examples.

IMPACT ON ACCESS

1. Document that the discontinuation of each service or of the entire facility will not have an adverse effect upon access to care for residents of the facility's market area.
2. Document that a written request for an impact statement was received by all existing or approved health care facilities (that provide the same services as those being discontinued) located within 45 minutes travel time of the applicant facility.
3. Provide copies of impact statements received from other resources or health care facilities located within 45 minutes travel time, that indicate the extent to which the applicant's workload will be absorbed without conditions, limitations or discrimination.

APPEND DOCUMENTATION AS ATTACHMENT-10, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

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 Board 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?**
Acute Mental Illness	467 DGSF/Bed	440 to 560 DGSF	0	Yes

APPEND DOCUMENTATION AS <u>ATTACHMENT-14,</u> 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 <u>ATTACHMENT-15,</u> IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE. APPLICATION FORM.

UNFINISHED OR SHELL SPACE: NOT APPLICABLE

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 tot 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.

SECTION V. - MASTER DESIGN AND RELATED PROJECTS NOT APPLICABLE

This Section is applicable only to proposed master design and related projects.

Criterion 1110.235(a) - System Impact of Master Design

Read the criterion and provide documentation that addresses the following:

1. The availability of alternative health care facilities within the planning area and the impact that the proposed project and subsequent related projects will have on the utilization of such facilities;
2. How the services proposed in future projects will improve access to planning area residents;
3. What the potential impact upon planning area residents would be if the proposed services were not replaced or developed; and
4. The anticipated role of the facility in the delivery system including anticipated patterns of patient referral, any contractual or referral agreements between the applicant and other providers that will result in the transfer of patients to the applicant's facility.

Criterion 1110.235(b) - Master Plan or Related Future Projects

Read the criterion and provide documentation regarding the need for all beds and services to be developed, and also, document the improvement in access for each service proposed. Provide the following:

1. The anticipated completion date(s) for the future construction or modernization projects; and
2. Evidence that the proposed number of beds and services is consistent with the need assessment provisions of Part 1100; or documentation that the need for the proposed number of beds and services is justified due to such factors, but not limited to:
   a. limitation on government funded or charity patients that are expected to continue;
   b. restrictive admission policies of existing planning area health care facilities that are expected to continue;
   c. the planning area population is projected to exhibit indicators of medical care problems such as average family income below poverty levels or projected high infant mortality.
3. Evidence that the proposed beds and services will meet or exceed the utilization targets established in Part 1100 within two years after completion of the future construction of modernization project(s), based upon:
   a. historical service/beds utilization levels;
   b. projected trends in utilization (include the rationale and projection assumptions used in such
   c. projections);
   d. anticipated market factors such as referral patterns or changes in population characteristics (age, density, wellness) that would support utilization projections; and
   anticipated changes in delivery of the service due to changes in technology, care delivery techniques or physician availability that would support the projected utilization levels.

Criterion 1110.235(c) - Relationship to Previously Approved Master Design Projects

READ THE CRITERION which requires that projects submitted pursuant to a master design permit are consistent with the approved master design project. Provide the following documentation:

1. Schematic architectural plans for all construction or modification approved in the master design permit;
2. The estimated project cost for the proposed projects and also for the total construction/modification projects approved in the master design permit;
3. An item by item comparison of the construction elements (i.e. site, number of buildings, number of floors, etc.) in the proposed project to the approved master design project; and
4. A comparison of proposed beds and services to those approved under the master design permit.

APPEND DOCUMENTATION AS ATTACHMENT-18, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION VI - MERGERS, CONSOLIDATIONS AND ACQUISITIONS/CHANGES OF OWNERSHIP NOT APPLICABLE

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

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

A. Criterion 1110.240(b), Impact Statement

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

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

B. Criterion 1110.240(c), Access

Read the criterion and provide the following:

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

C. Criterion 1110.240(d), Health Care System

Read the criterion and address the following:

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

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

SECTION VII - SERVICE SPECIFIC REVIEW CRITERIA

This Section is applicable to all projects proposing establishment, expansion or modernization of categories of service that are subject to CON review, as provided in the Illinois Health Facilities Planning Act [20 ILCS 3960]. It is comprised of information requirements for each category of service, as well as charts for each service, indicating the review criteria that must be addressed for each action (establishment, expansion and modernization). After identifying the applicable review criteria for each category of service involved , read the criteria and provide the required information, AS APPLICABLE TO THE CRITERIA THAT MUST BE ADDRESSED:

C. Criterion 1110.730 - Acute Mental Illness and Chronic Mental Illness

1. Applicants proposing to establish, expand and/or modernize Acute Mental Illness and Chronic Mental Illness category of service must submit the following information:

2. Indicate bed capacity changes by Service: Indicate # of beds changed by action(s):

Category of Service	# Existing Beds	# Proposed Beds
☒ Acute Mental Illness	47	69
☐ **Chronic Mental Illness**		

3. READ the applicable review criteria outlined below and **submit the required documentation for the criteria:**

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize
1110.730(b)(1) - Planning Area Need - 77 Ill. Adm. Code 1100 (formula calculation)	X		
1110.730(b)(2) - Planning Area Need - Service to Planning Area Residents	X	X	
1110.730(b)(3) - Planning Area Need - Service Demand - Establishment of Category of Service	X		
1110.730(b)(4) - Planning Area Need - Service Demand - Expansion of Existing Category of Service		X	
1110.730(b)(5) - Planning Area Need - Service Accessibility	X		
1110.730(c)(1) - Unnecessary Duplication of Services	X		
1110.730(c)(2) - Maldistribution	X		
1110.730(c)(3) - Impact of Project on Other Area Providers	X		
1110.730(d)(1) - Deteriorated Facilities			X
1110.730(d)(2) - Documentation			X
1110.730(d)(3) - Documentation Related to Cited Problems			X
1110.730(d)(4) - Occupancy			X

1110.730(e(1)) -	Staffing Availability	X	X	
1110.730(f) -	Performance Requirements	X	X	X
1110.730(g) -	Assurances	X	X	X

APPEND DOCUMENTATION AS ATTACHMENT-22, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

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

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

VIII. - 1120.120 - Availability of Funds

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

$8,215,403	a) Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to: 1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and 2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
____	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: 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;
____	g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
$8,215,403	**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 NOT APPLICABLE

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. **"A" Bond rating or better**
2. **All of the projects capital expenditures are completely funded through internal sources**
3. **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**
4. **The applicant provides a third party surety bond or performance bond letter of credit from an A rated guarantor.**

See Section 1120.130 Financial Waiver for information to be provided

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

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

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

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

2. Variance

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

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

X. 1120.140 - Economic Feasibility

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

A. Reasonableness of Financing Arrangements

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

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

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

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

   B) Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

B. Conditions of Debt Financing

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

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

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

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

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

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

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
	A	B	C	D	E	F	G	H	
Department (list below)	Cost/Square Foot New	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	Circ.*	Const. $ (A x C)	Mod. $ (B x E)	Total Cost (G + H)
AMI Beds	$335.00	$78.00	5,035	19%	5,228	21%	$1,686,725	$407,784	$2,094,509
Contingency	(included in above)								
TOTALS	$335.00	$78.00	5,035	19%	5,228	21%	$1,686,725	$407,784	$2,094,509

* Include the percentage (%) of space for circulation

D. Projected Operating Costs

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

E. Total Effect of the Project on Capital Costs

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

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

XI. Safety Net Impact Statement

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

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

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

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

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

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

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

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

A table in the following format must be provided as part of Attachment 43.

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

Total			
Medicaid (revenue)			
Inpatient			
Outpatient			
Total			

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

XII. Charity Care Information

Charity Care Information MUST be furnished for ALL projects.

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

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

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

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

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

CHARITY CARE			
	Year	Year	Year
Net Patient Revenue			
Amount of Charity Care (charges)			
Cost of Charity Care			

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

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

INDEX OF ATTACHMENTS

The Pavilion Foundation

File Number 5820-171-5

STATE OF ILLINOIS
OFFICE OF
THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

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

THE PAVILION FOUNDATION, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON FEBRUARY 15, 1995, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 28TH *day of* OCTOBER A.D. 2011 .

SEAL OF THE STATE OF ILLINOIS
AUG. 26TH 1818

Jesse White
SECRETARY OF STATE

Authentication #: 1130102024
Authenticate at: http://www.cyberdriveillinois.com

Universal Health Services, Inc.

File Number 6378-327-7

STATE OF ILLINOIS
OFFICE OF
THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

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

UNIVERSAL HEALTH SERVICES, INC., INCORPORATED IN DELAWARE AND LICENSED TO TRANSACT BUSINESS IN THIS STATE ON SEPTEMBER 17, 2004, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS CORPORATION ACT OF THIS STATE RELATING TO THE PAYMENT OF FRANCHISE TAXES, AND AS OF THIS DATE, IS A FOREIGN CORPORATION IN GOOD STANDING AND AUTHORIZED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 28TH *day of* OCTOBER *A.D.* 2011 .

SEAL OF THE STATE OF ILLINOIS AUG. 26TH 1818

Authentication #: 1130102580
Authenticate at: http://www.cyberdriveillinois.com

Jesse White
SECRETARY OF STATE

UHS of Delaware, Inc.

File Number 5407-044-6

STATE OF ILLINOIS
OFFICE OF
THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

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

UHS OF DELAWARE, INC., INCORPORATED IN DELAWARE AND LICENSED TO TRANSACT BUSINESS IN THIS STATE ON DECEMBER 10, 1985, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS CORPORATION ACT OF THIS STATE RELATING TO THE PAYMENT OF FRANCHISE TAXES, AND AS OF THIS DATE, IS A FOREIGN CORPORATION IN GOOD STANDING AND AUTHORIZED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 28TH *day of* OCTOBER *A.D.* 2011 .

SEAL OF THE STATE OF ILLINOIS
AUG. 26TH 1818

Authentication #: [illegible]
Authenticate at: http://www.cyberdriveillinois.com

Jesse White
SECRETARY OF STATE

West Church Partnership

West Church partnership is a general partnership under the laws of the State of Illinois.

Under the General Partnership Agreement. River Oaks, Inc. is a 90% Partner and The Arbour, Inc. is a 10% Partner. The mailing address for both partners is 367 South Gulph Road King of Prussia, PA 19406.

See Attachment 4 for Organizational Relationships.

Tax Assessor's Documentation

MARVIN F. POER AND COMPANY AD VALOREM TAX SERVICE
****

IMPORTANT NOTICE ******* TAX STATEMENTS ENCLOSED

AUDITED AND APPROVED for PAYMENT
TAX YEAR 2010

DATE: 5/09/2011

PROPERTY NAME

Ms. Edith Holloway
UNIVERSAL HEALTH SERVICES, INC.
209 W. Church St.
Champaign, IL 61820

Pavilion
809 W. Church St.
Champaign, IL

MAKE ALL PAYMENTS DIRECTLY TO: CHAMPAIGN COUNTY
Attn: County Collector
P.O. Box 9
Urbana, IL 618030009

TAXES PAYABLE WITHOUT PENALTY if Postmarked by : 6/01/2011
DELINQUENT DATE: Taxes Past Due if Postmarked on or after : 6/02/2011
Discount Allowed: *NONE
Installment Dates: 6/01 9/01

REAL ESTATE

TAX IDENTIFICATION	ASSESSED VALUE	GROSS TAX AMOUNT
42-20-12-302-001	14,170	1,054.96
42-20-12-302-027	52,100	3,878.78
42-20-11-430-017	36,880	2,785.68
42-20-12-303-001	1,360,730	101,304.98
42-20-12-302-029	18,630	1,386.96
42-20-12-302-030	637,030	47,426.22
42-20-12-302-003	9,250	688.68

TOTAL VALUE 2,128,790

TOTAL AD VALOREM TAX THIS TRANSMITTAL 158,486.26

TOTAL NON-AD VALOREM TAX THIS TRANSMITTAL 40.00

TOTAL TAX AMOUNT DUE THIS TRANSMITTAL 158,526.26

TOTAL NUMBER OF STATEMENTS ENCLOSED 7

PAGE: 1

2010-1-12-00011-00815-0250592- 5/09/2011

N

Champaign County Real Estate Tax Inquiry

DUPLICATE

Select new Pin number

*Note: This screen is not to be used as payment coupon.

* Follow this link to generate payment coupon --- you will avoid $5.00 duplicate bill charge.

Payments made today will not be reflected until after the end of the Treasurer's Business Day.

Pin: 42-20-12-302-001 Click here for GIS parcel map Bill No: 71711

Prop Loc: 308 N PROSPECT

Estimated Fair Cash Value: 42,514

	2010 Pay 2011	2009 Pay 2010	2008 Pay 2009	2007 Pay 2008	2006 Pay 2007
	Current Year Amounts subject to change	Final	Final	Final	Final
Equalized Value	14,170	14,170	14,170	13,240	12,790
Corrected Value	14,170	14,170	14,170	13,240	12,790
Taxing Value	14,170	14,170	14,170	13,240	12,790
Tax Rate	**7.4449**	**7.3194**	**7.2954**	**7.2227**	**7.3491**
Click on links to display districts	**Tax Districts**	**Tax Districts**	**Tax Districts**	**Tax Districts**	**Tax Districts**
Total tax due	**1,054.96**	**1,037.20**	**1,033.74**	**956.30**	**939.94**
Drainage amount included	.00	.00	.00	.00	.00
Click on links to display districts	**Drainage Districts**	**Drainage Districts**	**Drainage Districts**	**Drainage Districts**	**Drainage Districts**
Installment 1 paid/redeemed	527.48 0/00/0000	518.60 5/28/2010	516.87 5/29/2009	478.15 6/03/2008	469.97 5/24/2007
Installment 2 paid/redeemed	527.48 0/00/0000	518.60 9/02/2010	516.87 8/24/2009	478.15 9/09/2008	469.97 8/08/2007
Late charges paid	.00	.00	.00	7.17	.00
Costs paid	.00	.00	.00	.00	.00

Champaign County Real Estate Tax Inquiry

DUPLICATE

Select new Pin number

*Note: This screen is not to be used as payment coupon.

* Follow this link to generate payment coupon --- you will avoid $5.00 duplicate bill charge.

Payments made today will not be reflected until after the end of the Treasurer's Business Day.

Pin: 42-20-12-302-027 Click here for GIS parcel map Bill No: 71713

Prop Loc: 814 W CHURCH

Estimated Fair Cash Value: 156,316

	2010 Pay 2011	2009 Pay 2010	2008 Pay 2009	2007 Pay 2008	2006 Pay 2007
	Current Year Amounts subject to change	Final	Final	Final	Final
Equalized Value	52,100	52,100	52,100	48,690	47,050
Corrected Value	52,100	52,100	52,100	48,690	47,050
Taxing Value	52,100	52,100	52,100	48,690	47,050
Tax Rate	7.4449	7.3194	7.2954	7.2227	7.3491
Click on links to display districts	Tax Districts	Tax Districts	Tax Districts	Tax Districts	Tax Districts
Total tax due	3,878.78	3,813.42	3,800.92	3,516.74	3,457.78
Drainage amount included	.00	.00	.00	.00	.00
Click on links to display districts	Drainage Districts	Drainage Districts	Drainage Districts	Drainage Districts	Drainage Districts
Installment 1 paid/redeemed	1,939.39 0/00/0000	1,906.71 5/28/2010	1,900.46 5/29/2009	1,758.37 6/03/2008	1,728.89 5/24/2007
Installment 2 paid/redeemed	1,939.39 0/00/0000	1,906.71 9/02/2010	1,900.46 8/24/2009	1,758.37 9/09/2008	1,728.89 8/08/2007
Late charges paid	.00	.00	.00	26.37	.00
Costs paid	.00	.00	.00	.00	.00

Champaign County Real Estate Tax Inquiry

Select new Pin number

DUPLICATE

*Note: This screen is not to be used as payment coupon.

* Follow this link to generate payment coupon --- you will avoid $5.00 duplicate bill charge.

Payments made today will not be reflected until after the end of the Treasurer's Business Day.

Pin: 42-20-11-430-017 Click here for GIS parcel map **Bill No: 71710**

Prop Loc: 901 W CHURCH

Estimated Fair Cash Value: 110,651

	2010 Pay 2011	2009 Pay 2010	2008 Pay 2009	2007 Pay 2008	2006 Pay 2007
	Current Year Amounts subject to change	Final	Final	Final	Final
Equalized Value	36,880	36,880	36,880	34,460	33,300
Corrected Value	36,880	36,880	36,880	34,460	33,300
Taxing Value	36,880	36,880	36,880	34,460	33,300
Tax Rate	**7.4449**	**7.3194**	**7.2954**	**7.2227**	**7.3491**
Click on links to display districts	**Tax Districts**	**Tax Districts**	**Tax Districts**	**Tax Districts**	**Tax Districts**
Total tax due	**2,785.68**	**2,719.38**	**2,710.56**	**2,508.90**	**2,467.26**
Drainage amount included	40.00	20.00	20.00	20.00	20.00
Click on links to display districts	**Drainage Districts**	**Drainage Districts**	**Drainage Districts**	**Drainage Districts**	**Drainage Districts**
Installment 1 paid/redeemed	1,392.84 0/00/0000	1,359.69 5/28/2010	1,355.28 5/29/2009	1,254.45 6/03/2008	1,233.63 5/24/2007
Installment 2 paid/redeemed	1,392.84 0/00/0000	1,359.69 9/02/2010	1,355.28 8/24/2009	1,254.45 9/09/2008	1,233.63 8/08/2007
Late charges paid	.00	.00	.00	18.81	.00
Costs paid	.00	.00	.00	.00	.00

Champaign County Real Estate Tax Inquiry

Select new Pin number

DUPLICATE

*Note: This screen is not to be used as payment coupon.

* Follow this link to generate payment coupon --- you will avoid $5.00 duplicate bill charge.

Payments made today will not be reflected until after the end of the Treasurer's Business Day.

Pin: 42-20-12-303-001 Click here for GIS parcel map **Bill No: 71716**

Prop Loc: 809 W CHURCH A

Estimated Fair Cash Value: 4,082,598

	2010 Pay 2011	2009 Pay 2010	2008 Pay 2009	2007 Pay 2008	2006 Pay 2007
	Current Year Amounts subject to change	Final	Final	Final	Final
Equalized Value	1,360,730	1,360,730	1,360,730	1,271,520	1,228,520
Corrected Value	1,360,730	1,360,730	1,360,730	1,271,520	1,228,520
Taxing Value	1,360,730	1,360,730	1,360,730	1,271,520	1,228,520
Tax Rate	**7.4449**	**7.3194**	**7.2954**	**7.2227**	**7.3491**
Click on links to display districts	**Tax Districts**	**Tax Districts**	**Tax Districts**	**Tax Districts**	**Tax Districts**
Total tax due	**101,304.98**	**99,597.26**	**99,270.70**	**91,838.06**	**90,285.16**
Drainage amount included	.00	.00	.00	.00	.00
Click on links to display districts	**Drainage Districts**	**Drainage Districts**	**Drainage Districts**	**Drainage Districts**	**Drainage Districts**
Installment 1 paid/redeemed	50,652.49 0/00/0000	49,798.63 5/28/2010	49,635.35 5/29/2009	45,919.03 6/03/2008	45,142.58 5/24/2007
Installment 2 paid/redeemed	50,652.49 0/00/0000	49,798.63 9/02/2010	49,635.35 8/24/2009	45,919.03 9/09/2008	45,142.58 8/08/2007
Late charges paid	.00	.00	.00	688.78	.00
Costs paid	.00	.00	.00	.00	.00

Champaign County Real Estate Tax Inquiry

DUPLICATE

Select new Pin number

*Note: This screen is not to be used as payment coupon.

* Follow this link to generate payment coupon --- you will avoid $5.00 duplicate bill charge.

Payments made today will not be reflected until after the end of the Treasurer's Business Day.

Pin: 42-20-12-302-029 Click here for GIS parcel map Bill No: 71714

Prop Loc: 812 W CHURCH

Estimated Fair Cash Value: 55,896

	2010 Pay 2011	2009 Pay 2010	2008 Pay 2009	2007 Pay 2008	2006 Pay 2007
	Current Year Amounts subject to change	Final	Final	Final	Final
Equalized Value	18,630	18,630	18,630	17,400	16,810
Corrected Value	18,630	18,630	18,630	17,400	16,810
Taxing Value	18,630	18,630	18,630	17,400	16,810
Tax Rate	**7.4449**	**7.3194**	**7.2954**	**7.2227**	**7.3491**
Click on links to display districts	**Tax Districts**	**Tax Districts**	**Tax Districts**	**Tax Districts**	**Tax Districts**
Total tax due	**1,386.96**	**1,363.62**	**1,359.12**	**1,256.78**	**1,235.38**
Drainage amount included	.00	.00	.00	.00	.00
Click on links to display districts	**Drainage Districts**	**Drainage Districts**	**Drainage Districts**	**Drainage Districts**	**Drainage Districts**
Installment 1 paid/redeemed	693.48 0/00/0000	681.81 5/28/2010	679.56 5/29/2009	628.39 6/03/2008	617.69 5/24/2007
Installment 2 paid/redeemed	693.48 0/00/0000	681.81 9/02/2010	679.56 8/24/2009	628.39 9/09/2008	617.69 8/08/2007
Late charges paid	.00	.00	.00	9.42	.00
Costs paid	.00	.00	.00	.00	.00

Champaign County Real Estate Tax Inquiry

Select new Pin number

DUPLICATE

*Note: This screen is not to be used as payment coupon.

† Follow this link to generate payment coupon --- you will avoid $5.00 duplicate bill charge.

Payments made today will not be reflected until after the end of the Treasurer's Business Day.

Pin: 42-20-12-302-030 Click here for GIS parcel map Bill No: 71715

Prop Loc: 810 W CHURCH

Estimated Fair Cash Value: 1,911,281

	2010 Pay 2011	2009 Pay 2010	2008 Pay 2009	2007 Pay 2008	2006 Pay 2007
	Current Year Amounts subject to change	Final	Final	Final	Final
Equalized Value	637,030	637,030	637,030	595,260	575,130
Corrected Value	637,030	637,030	637,030	595,260	575,130
Taxing Value	637,030	637,030	637,030	595,260	575,130
Tax Rate	7.4449	7.3194	7.2954	7.2227	7.3491
Click on links to display districts	Tax Districts	Tax Districts	Tax Districts	Tax Districts	Tax Districts
Total tax due	47,426.22	46,626.76	46,473.90	42,993.84	42,266.90
Drainage amount included	.00	.00	.00	.00	.00
Click on links to display districts	Drainage Districts	Drainage Districts	Drainage Districts	Drainage Districts	Drainage Districts
Installment 1 paid/redeemed	23,713.11 0/00/0000	23,313.38 5/28/2010	23,236.95 5/29/2009	21,496.92 6/03/2008	21,133.45 5/24/2007
Installment 2 paid/redeemed	23,713.11 0/00/0000	23,313.38 9/02/2010	23,236.95 8/24/2009	21,496.92 9/09/2008	21,133.45 8/08/2007
Late charges paid	.00	.00	.00	322.45	.00
Costs paid	.00	.00	.00	.00	.00

Champaign County Real Estate Tax Inquiry

Select new Pin number

DUPLIC

***Note: This screen is not to be used as payment coupon.**

*** Follow this link to generate payment coupon --- you will avoid $5.00 duplicate bill charge.**

Payments made today will not be reflected until after the end of the Treasurer's Business Day.

Pin: 42-20-12-302-003 **Click here for GIS parcel map** **Bill No: 71712**

Prop Loc: 809 W HILL

Estimated Fair Cash Value: 27,753

	2010 Pay 2011	2009 Pay 2010	2008 Pay 2009	2007 Pay 2008	2006 Pay 2007
	Current Year Amounts subject to change	Final	Final	Final	Final
Equalized Value	9,250	9,250	9,250	8,770	8,320
Corrected Value	9,250	9,250	9,250	8,770	8,320
Taxing Value	9,250	9,250	9,250	8,770	8,320
Tax Rate	**7.4449**	**7.3194**	**7.2954**	**7.2227**	**7.3491**
Click on links to display districts	**Tax Districts**	**Tax Districts**	**Tax Districts**	**Tax Districts**	**Tax Districts**
Total tax due	**688.68**	**677.04**	**674.86**	**633.44**	**611.46**
Drainage amount included	.00	.00	.00	.00	.00
Click on links to display districts	**Drainage Districts**	**Drainage Districts**	**Drainage Districts**	**Drainage Districts**	**Drainage Districts**
Installment 1 paid/redeemed	344.34 0/00/0000	338.52 5/28/2010	337.43 5/29/2009	316.72 6/03/2008	305.73 5/24/2007
Installment 2 paid/redeemed	344.34 0/00/0000	338.52 9/02/2010	337.43 8/24/2009	316.72 9/09/2008	305.73 8/08/2007
Late charges paid	.00	.00	.00	4.75	.00
Costs paid	.00	.00	.00	.00	.00

File Number 5820-171-5

STATE OF ILLINOIS
OFFICE OF
THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

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

THE PAVILION FOUNDATION, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON FEBRUARY 15, 1995, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 28TH *day of* OCTOBER A.D. 2011 .

SEAL OF THE STATE OF ILLINOIS
AUG. 26TH 1818

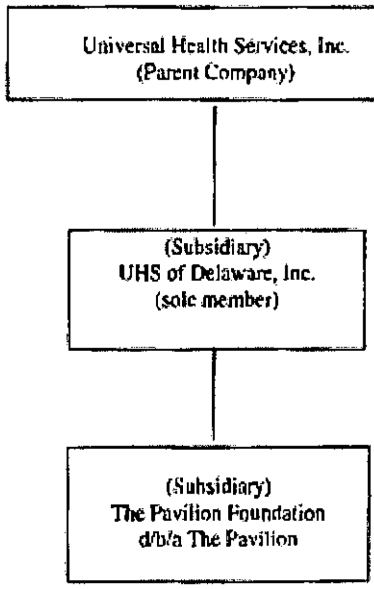
Authentication #: 1130102624
Authenticate at: http://www.cyberdriveillinois.com

Jesse White
SECRETARY OF STATE

The organizational structure for The Pavilion Foundation is shown in the following charts.

THE PAVILION

CORPORATE STRUCTURE

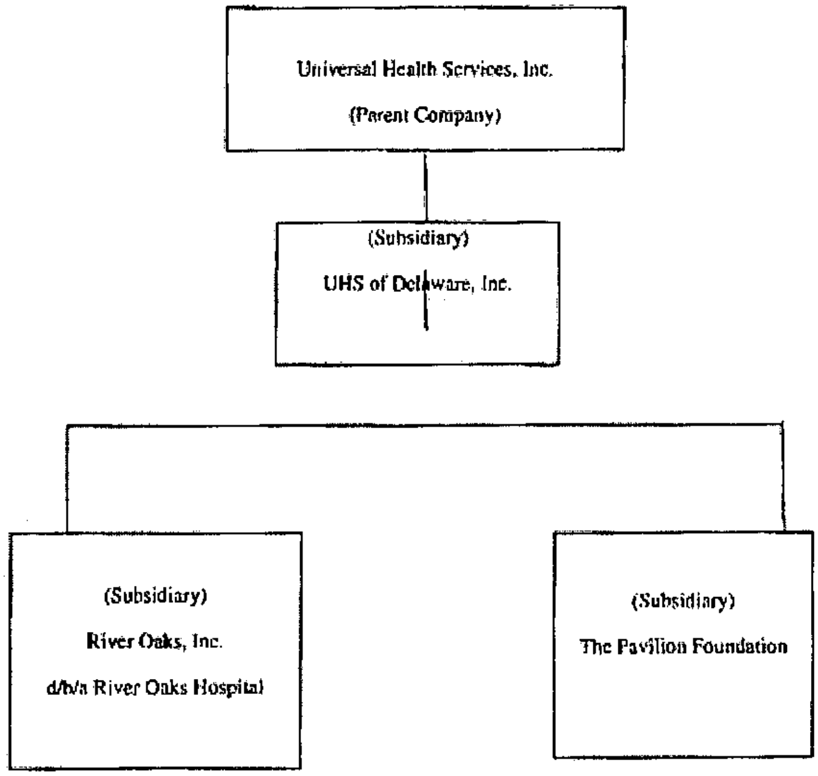


Notes-

1. The Pavilion Foundation has a Management Agreement with West Church Partnership. The partners of West Church Partnership are River Oaks, Inc. and The Arbour, Inc. West Church Partnership retains The Pavilion's CEO and CFO.

RELATION OF THE PAVILION FOUNDATION TO RIVER OAKS

CORPORATE STRUCTURE



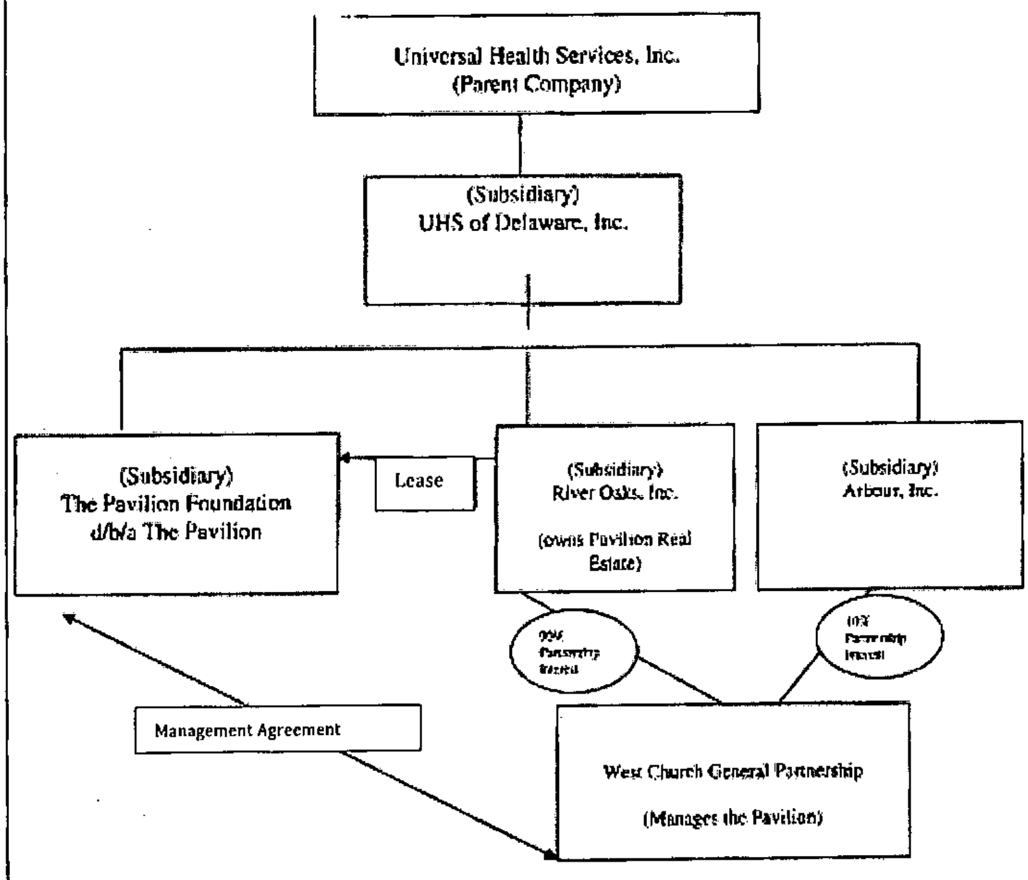
Notes:

1. Management Agreement between UHS of Delaware, Inc. and River Oaks, Inc.
2. The Pavilion Foundation has a Management Agreement with West Church Partnership. The partners of West Church Partnership are River Oaks, Inc. and The Arbour, Inc., each of which are subsidiaries of UHS.

Exhibit E

THE PAVILION
RIVER OAKS, INC.
WEST CHURCH PARTNERSHIP

CORPORATE STRUCTURE



UHS

Office of the General Counsel

To:	Jeffrey Mark
From:	Jessica C. LaManna
Re:	The Pavilion Foundation
Date:	November 10, 2011

The Pavilion Foundation ("Pavilion") is an Illinois nonprofit corporation. The sole member of Pavilion is UHS of Delaware, Inc. ("UHSDE"). The sole shareholder of UHSDE is Universal Health Services, Inc. ("UHS"). See Exhibit A for a corporate structure. Pavilion owns and operates Pavilion Behavioral Health System ("PBHS") located at 809 West Church Street, Champaign, Illinois 61820.

<u>Corporate Structure History</u>

In 1995, the operating assets of PBHS were purchased by The Pavilion Foundation from The Carle Pavilion, Inc. ("Former Owner"), an Illinois nonprofit corporation, and the real estate upon which PBHS is located was later purchased by River Oaks, Inc. ("River Oaks"), a Louisiana corporation. River Oaks, Inc. is a direct subsidiary of UHSDE. See Exhibit B for a corporate structure chart and Exhibit C for the Special Warranty Deed transferring the property from the Former Owner to River Oaks.

<u>Management of the Pavilion</u>

The Pavilion entered into a Management Agreement dated December 31, 1995, with West Church Partnership, an Illinois general partnership. The Management Agreement governs the administrative operations of the Pavilion. See Exhibit D for a copy of the Management Agreement. The general partners of West Oaks Partnership are River Oaks and The Arbour, Inc., each of which are also subsidiaries of UHSDE. See Exhibit E for the relationship of the Pavilion, River Oaks and West Church Partnership and Exhibit F for a copy of the Partnership Agreement.

<u>Lease Agreement</u>

Previous Owner, as Landlord, and The Pavilion Foundation entered into a Lease Agreement, dated October 4, 1995, for the lease of the property located at 809 West Church Street, Champaign, Illinois. The Lease Agreement was subsequently assigned from the Previous Owner to River Oaks, as River Oaks purchased the property. See Exhibit G for a copy of the Lease.

THE PAVILION

CORPORATE STRUCTURE

Universal Health Services, Inc.
(Parent Company)

(Subsidiary)
UHS of Delaware, Inc.
(sole member)

(Subsidiary)
The Pavilion Foundation
d/b/a The Pavilion

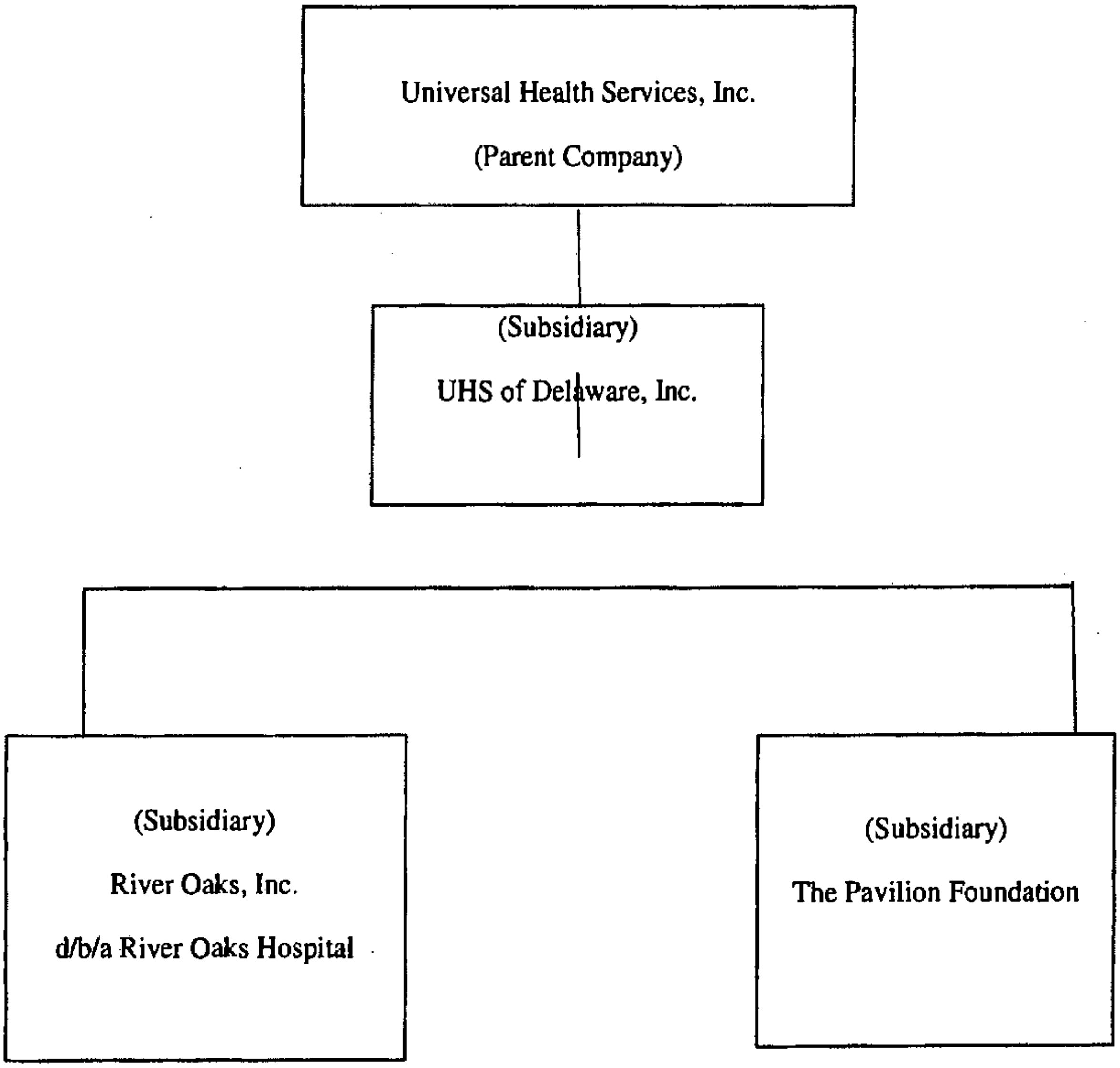
Notes-

1. The Pavilion Foundation has a Management Agreement with West Church Partnership. The partners of West Church Partnership are River Oaks, Inc. and The Arbour, Inc. West Church Partnership retains The Pavilion's CEO and CFO.

f:\users\law\corpdocs\corpstru\Pavilion

RELATION OF THE PAVILION FOUNDATION TO RIVER OAKS

CORPORATE STRUCTURE



Notes-

1. Management Agreement between UHS of Delaware, Inc. and River Oaks, Inc.
2. The Pavilion Foundation has a Management Agreement with West Church Partnership. The partners of West Church Partnership are River Oaks, Inc. and The Arbour, Inc., each of which are subsidiaries of UHS.

SPECIAL WARRANTY DEED

DOC #
CHAMPAIGN COUNTY, ILL

'96 JAN 4 PM 2 56
RECORDER

INDEXED

This Indenture, made this 31st day of December, 1995,

Between

THE CARLE PAVILION, INC., an Illinois not-for-profit corporation, whose address is 611 West Park Street, Urbana, Illinois 61801, of the first part,

And River Oaks, Inc., a Louisiana corporation, whose address is 1525 River Oaks Road West, New Orleans, Louisiana 70123, of the second part;

Witnesseth, That said party of the first part, in consideration of the sum of Ten and no/100ths Dollars ($10.00) in hand paid by the party of the second part, the receipt whereof is hereby acknowledged, and pursuant to authority of the Board of Trustees of said not-for-profit corporation, by these presents does REMISE, RELEASE ALIEN AND CONVEY to the said party of the second part, and to its successors and assigns, FOREVER, all of the following described real estate, situated in the County of Champaign and State of Illinois known and described as follows, to wit:

See Legal Description attached hereto as Exhibit A.

Permanent Real Estate Tax Numbers: 42 20 12 303 001 and
42 20 11 430 017

Address of real estate: 809 West Church Street, Champaign, IL

THIS TRANSFER IS EXEMPT FROM TRANSFER TAXES PURSUANT TO 35 ILCS 200/ §31-45(g) certified by [signature] for Carle Pavilion, Inc. this 31st day of December, 1995.

This instrument was prepared by and after recording should be returned to:

Anthony R. Licata
SHEFSKY FROELICH & DEVINE LTD.
444 N. Michigan Ave.
Chicago, Illinois 60611

Send subsequent tax bills to:

The Pavilion Foundation
809 West Church Street
Champaign, Illinois 61820

E CTI

Exempt under provisions of par. E Section 4
Real Estate Transfer Tax Act.
Date 12/31/95 [signature]

AMA/164386/113095/11:07am/NMM/21858

Together with all and singular hereditaments and appurtenances thereunto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, claim or demand whatsoever, of the said party of the first part, either in law or equity, of, in and to the above described premises, with the hereditaments and appurtenances:

To have and to hold, the above mentioned and described premises, with the appurtenances, unto the said party of the second part, its successors and assigns forever. And the party of the first part, for itself, and its successors, does covenant, promise and agree, to and with the party of the second part, its heirs and assigns, that it has not done or suffered to be done, anything whereby the said premises hereby granted are, or may be, in any manner incumbered or charged, except as herein recited; and that the said premises, against all persons lawfully claiming, or to claim the same, by, through or under it, it WILL WARRANT AND DEFEND, subject to:

1. Real estate taxes for 1995 and subsequent years.
2. Easement in favor of Illinois Bell Telephone, its successors or assigns, to construct, place and maintain underground cable and conduits in, under and across premises parallel and adjacent to the south property line, as created by grant made by Charles Terry dated August 4, 1948 and recorded November 22, 1948 in Book 295 at Page 165 as Document 434168.
3. Rights of Owners of adjoining property in and to the use of Tract 3 for driveway purposes and for utility easements, if any, also right title and interest of any parties who might claim an interest in Tract 3.
4. Rights of public utilities in existing overhead electric line over the south west portion of Tracts 2 and 3, as disclosed by Survey made by Danner & Associates, Inc., Job No. 3357-3.
5. Rights of public utilities in existing overhead electric line over the southerly portion of Tract 1, as disclosed by Survey made by Danner & Associates, Inc., Job No. 3357-3.
6. That certain Mortgage dated March 30, 1978 and recorded May 23, 1978 in Book 1157 at Page 60 as Document 78 R 10747 by Cole Hospital, Inc. to Health Services, Inc.

In Witness Whereof, the said party of the first part has hereunto caused its name to be signed to these presents by its Executive Vice - President, on the day and year first above written.

THE CARLE PAVILION, INC., an
Illinois not-for-profit corporation

By: J. Kent Howard
Its: Exec VP/COO

AMA/164386/113095/11:07am/NMM/21858

STATE OF ILLINOIS) ss.
COUNTY OF Champaign

I, Karen S. Shelby, a notary public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that J. Kent Howard, personally known to me to be the Exec. V.P. President of THE CARLE PAVILION, INC., an Illinois not-for-profit corporation, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such Exec. V.P. President, he signed and delivered the said instrument pursuant to authority given by the Board of Trustees of said not-for-profit corporation as his free and voluntary act, and as the free and voluntary act and deed of said not-for-profit corporation, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 31 day of December, 1995.

Karen S Shelby
Notary Public

My Commission Expires: 1-16-99

OFFICIAL SEAL
KAREN S. SHELBY
NOTARY PUBLIC, STATE OF ILLINOIS
COMMISSION EXPIRES 1/16/99

AMA/164386/113095/11:07am/NMM/21858

EXHIBIT A

LEGAL DESCRIPTION

TRACT 1:

COMMENCING AT A POINT ON THE QUARTER SECTION LINE 37.24 RODS SOUTH OF THE NORTH WEST CORNER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 12, TOWNSHIP 19 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, THENCE EAST ALONG THE CENTER OF THE HIGHWAY KNOWN AS CHURCH STREET 18 RODS, THENCE 19 RODS MORE OR LESS SOUTH TO THE NORTH LINE OF A CONTINUATION OF PARK AVENUE, THENCE WEST 18 RODS TO THE WEST LINE OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 12, THENCE NORTH 19 RODS MORE OR LESS, TO THE PLACE OF BEGINNING, EXCEPT STREETS ADJACENT THERETO WHICH MAY BE INCLUDED IN THE ABOVE DESCRIPTION, IN CHAMPAIGN COUNTY, ILLINOIS.

TRACT 2:

BEGINNING AT THE NORTH EAST CORNER OF LOT ONE, OF ASSESSOR'S SUBDIVISION OF THE NORTH 1/2 OF THE SOUTH 1/2 OF THE NORTH EAST 1/4 OF THE SOUTH EAST 1/4 OF SECTION 11, TOWNSHIP 19 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, THENCE WEST 123 1/2 FEET MORE OR LESS, TO A POINT 124 FEET EAST OF THE NORTH WEST CORNER OF SAID LOT ONE, THENCE SOUTH 169.78 FEET MORE OR LESS, TO A POINT 156 FEET NORTH OF THE SOUTH LINE OF SAID LOT ONE, THENCE EAST TO A POINT ON THE EAST LINE OF SAID LOT ONE, 156 FEET NORTH OF THE SOUTH EAST CORNER OF SAID LOT ONE, THENCE NORTH TO THE PLACE OF BEGINNING, EXCEPT THE SOUTH 8 FEET THEREOF, SITUATED IN THE CITY OF CHAMPAIGN, IN CHAMPAIGN COUNTY, ILLINOIS.

TRACT 3:

THE SOUTH 8 FEET OF THE FOLLOWING DESCRIBED TRACT:

BEGINNING AT THE NORTH EAST CORNER OF LOT ONE, OF ASSESSOR'S SUBDIVISION OF THE NORTH 1/2 OF THE SOUTH 1/2 OF THE NORTH EAST 1/4 OF THE SOUTH EAST 1/4 OF SECTION 11, TOWNSHIP 19 NORTH, RANGE 8, EAST OF THE THIRD PRINCIPAL MERIDIAN, THENCE WEST 123 1/2 FEET MORE OR LESS, TO A POINT 124 FEET EAST OF THE NORTH WEST CORNER OF SAID LOT ONE, THENCE SOUTH 169.78 FEET MORE OR LESS, TO A POINT 156 FEET NORTH OF THE SOUTH LINE OF SAID LOT ONE, THENCE EAST TO A POINT ON THE EAST LINE OF SAID LOT ONE 156 FEET NORTH OF THE SOUTH EAST CORNER OF SAID LOT ONE, THENCE NORTH TO THE PLACE OF BEGINNING, SITUATED IN CHAMPAIGN COUNTY, ILLINOIS.

AMA/164386/113095/11:07am/NMM/21858

DOC #

CHAMPAIGN COUNTY, ILL

'96 JAN 4 PM 3 02

RECORDER

INDEXED

2362 0409

QUIT CLAIM DEED

This Indenture, made this 31 day of December, 1995,

Between

The Carle Foundation, an Illinois not-for-profit corporation, whose address is 611 West Park Street, Urbana Illinois 61801, of the first part,

And River Oaks, Inc., a Louisiana corporation, whose address is 1525 River Oaks Road West, New Orleans, Louisiana 70123, of the second part;

Witnesseth, That said party of the first part, in consideration of the sum of Ten and no/100ths Dollars ($10.00) in hand paid by the party of the second part, the receipt whereof is hereby acknowledged, and pursuant to authority of the Board of Trustees of said corporation by these presents does REMISE, RELEASE AND FOREVER QUIT-CLAIM to the said party of the second part, and to its successors and assigns, FOREVER (except as provided below), all of the following described real estate, situated in the County of Champaign and State of Illinois known and described as follows, to wit:

See Exhibit A and incorporated herein by this reference.

with the appurtenances, and all the estate, right, title and interest, of the said party of the first part therein.

Permanent Real Estate Tax Numbers: 42 21 12 302 001 and 42 20 12 302 027

Address of real estate: 308 North Prospect and 814 West Church Street, Champaign, IL 61820

To have and to hold, the above mentioned and described premises, with the appurtenances, unto the said party of the second part, its successors and assigns forever.

This instrument was prepared by and after recording should be returned to:

Anthony R. Licata
SHEFSKY FROELICH & DEVINE LTD.
444 N. Michigan Ave.
Chicago, Illinois 60611

Send subsequent tax bills to:

The Pavilion Foundation
809 West Church Street
Champaign, Illinois 61820

E CTI

Exempt under provisions of par. E Section-4 Real Estate Transfer Tax Act.

Date 12/29/95

AMA/165374/113095/11:31am/NMM/21858

In Witness Whereof, the said party of the first part has hereunto caused its name to be signed to these presents by its Executive Vice President, on the day and year first above written.

THE CARLE FOUNDATION, an Illinois not-for-profit corporation

By: J Kent Howard

Its: Exec V.P./COO

STATE OF ILLINOIS) ss.
COUNTY OF CHAMPAIGN

I, KAREN S. SHELBY, a notary public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that J. KENT HOWARD, personally known to me to be the Exec V.P. President of THE CARLE FOUNDATION, an Illinois not-for-profit corporation, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such Exec. V.P. President, he signed and delivered the said instrument pursuant to authority given by the Board of Trustees of said corporation as his free and voluntary act, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 20 day of December, 1995.

Karen S Shelby
Notary Public

My Commission Expires: 1-16-99

OFFICIAL SEAL
KAREN S. SHELBY
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 1/16/99

EXHIBIT A

Legal Description of Property

(Parking Lot)

THE WEST 110 FEET OF LOT 18 AND THE WEST 110 FEET OF LOT 43, BOTH IN ASSESSOR'S RE-SUBDIVISION OF THE NORTH 37 1/4 RODS OF THE NORTH WEST 1/4 OF THE SOUTH WEST 1/4 OF SECTION 12, TOWNSHIP 19 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, SITUATED IN THE CITY OF CHAMPAIGN; EXCEPT A TRACT DESCRIBED AS BEGINNING AT THE SOUTH WEST CORNER OF SAID LOT 43; THENCE NORTHERLY A DISTANCE OF 10.0 FEET ALONG THE WEST LINE OF SAID LOT 43; THENCE SOUTHEASTERLY 14.14 FEET TO A POINT ON THE SOUTH LINE OF SAID LOT 43, SAID POINT BEING 10 FEET EASTERLY OF THE SOUTH WEST CORNER OF SAID LOT 43; THENCE WESTERLY TO THE POINT OF BEGINNING; SAID TRACT CONTAINING 50 SQUARE FEET, MORE OR LESS, SITUATED IN CHAMPAIGN COUNTY, ILLINOIS.

MANAGEMENT AGREEMENT

This Management Agreement (the "Agreement") is made and entered into on December 31, 1995, by and between The Pavilion Foundation ("Pavilion") and West Church Partnership, an Illinois general partnership ("West Church").

RECITALS:

WHEREAS, Pavilion leases and operates a psychiatric hospital and residential treatment center ("Hospital") located at 809 West Church, Champaign, Illinois 61820.

WHEREAS, Pavilion believes that it is in its best interests to retain West Church to develop and implement the systems and procedures necessary for the efficient operation of the Hospital and to serve in a management capacity thereafter.

WHEREAS, Pavilion and West Church desire to set forth the terms and conditions pursuant to which West Church will be retained by Pavilion.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. <u>**Retention; Terms**</u>. Pavilion hereby retains West Church and West Church hereby agrees to serve as manager of the Hospital upon the terms and conditions hereinafter set forth for a term commencing on the effective date set forth above and terminating five years from such date. In addition to the initial term, this Agreement may be extended for additional periods by the parties.

2. <u>**Duties and Authority of West Church**</u>.

(a) **Review of Systems and Procedures.** Immediately upon the execution of this Agreement, West Church shall begin to develop and implement all systems and procedures required for the efficient operation of the Hospital. The systems and procedures to be developed include, without limitation: (i) the billing system; (ii) the collection system; (iii) the disbursement system; (iv) the maintenance of a comprehensive system of office records, books, and accounts; (v) the insurance claim system; and (vi) the payroll system.

(b) **General Duties.** Subject to the terms and conditions set forth herein, West Church shall supervise the operation and management of the Hospital. West Church agrees not

AMA/180186/121995/1:04pm/NMM/21858

to engage in any other business activity which unreasonably and substantially interferes with its ability to discharge its duties hereunder. West Church shall at all times during the term of this Agreement use its best efforts to manage the Hospital so as to maximize the profitability thereof. Without limiting the generality of the foregoing, West Church shall oversee for and on behalf of Pavilion the following services:

(i) **Employment of Personnel.** West Church will advise and assist Pavilion to investigate, employ, pay, supervise and discharge all personnel necessary to the successful operation of the Hospital. West Church shall negotiate all necessary employment arrangements relating to employees employed by Pavilion in connection with the Hospital. West Church shall retain a managing director and controller for the Hospital. Additionally, West Church shall supervise the preparation and filing of all necessary forms for disability insurance, hospitalization and group life insurance, unemployment insurance, withholding and social security taxes and all other forms required by any Federal, state, municipal or other governmental authority or by any labor union agreement.

(ii) **Agreements.** West Church shall negotiate and execute on behalf of and in the name of Pavilion such agreements as West Church deems necessary or advisable for the furnishing of goods and services necessary for the operation of the Hospital, including, without limitation, utilities, water, telephone, fumigation, trash removal, materials, supplies, services related to the maintenance and repair of Pavilion's medical equipment and such other agreements which may benefit the Hospital. The above items shall be purchased or otherwise provided for out of the revenues generated by the Hospital, but only to the extent that Pavilion generates sufficient revenue for such items.

(iii) **Collections and Disbursements;** Operating Accounts. West Church shall be responsible for the submission of bills to Pavilion's patients or their insurers, and the collection of all revenues generated by or in connection with the Hospital. All monies collected shall be deposited in such commercial bank or banks as West Church from time to time designates, in demand, deposit or savings accounts opened for and on behalf of Pavilion (such accounts hereinafter referred to as the "Operating Accounts"), and from the revenues so collected and deposited on behalf of Pavilion, West Church will supervise the regular and punctual payment of all Operating Expenses (as defined herein). All interest accruing on the Operating Accounts shall serve to increase such accounts. In the event of any shortfall in the amounts available from such revenues and Operating Accounts to pay the Operating Expenses, it shall be the obligation of Pavilion to pay such amounts from the Reserve Account (as defined herein) or otherwise. Amounts not paid on a timely basis shall bear interest at the rate of one percent (1%) per month. Reimbursement by Pavilion of any advances by West Church for Operating Expenses shall be in addition to the management fee set forth in Paragraph 3.

(iv) **Compliance with Law.** West Church shall assist Pavilion in connection with any and all actions as may be necessary to comply with any and all orders or requirements affecting the Hospital of any Federal, state, county or municipal authority.

(v) **Records and Reports.** Pavilion shall maintain or cause to be maintained, with the advice and consultation of West Church, a comprehensive system of office records, books and accounts properly disclosing all vouchers, files and other materials pertaining to the Hospital and this Agreement, with such records, books and accounts shall be maintained on the premises of the Hospital.

(vi) **Legal Actions.** West Church shall advise Pavilion regarding any and all legal actions or proceedings it deems necessary or advisable to protect and maintain the Hospital as a commercially profitable enterprise. The costs of all such legal actions or proceedings shall be borne by Pavilion.

(vii) **Insurance.** West Church shall purchase all forms of insurance required by law or needed adequately to protect Pavilion and its properties, whether owned or leased by it, including, but not limited to public liability insurance, fire and extended coverage insurance and burglary and theft insurance. All insurance coverage shall be placed with such companies, in such amounts, and with such beneficial interest appearing therein as shall be acceptable to Pavilion. West Church may also provide such insurance coverage through its self-insurance fund. West Church shall supervise the prompt investigation and filing of full timely written reports to the insurance companies as to all accidents and claims for damages relating to the ownership, operation and maintenance of Pavilion's properties and business and shall supervise the preparation of any and all reports required by any insurance company in connection therewith. All such reports shall be timely filed with the insurance company as required under the terms of insurance policy involved. West Church is authorized to settle any and all claims against insurance companies arising out of any policies, including the execution of proofs of loss, the adjustment of losses, signing of receipts, and the collections of money.

(viii) **Taxes.** West Church shall be responsible for the payment of all taxes and assessments properly levied with respect to the Hospital, on behalf, in the name and for the account of Pavilion from the Operating Accounts.

3. **Management Fee.**

(a) For each year during the term of this Agreement, Pavilion shall pay to West Church as compensation for services rendered hereunder, a management fee equal to three percent (3%) of the net patient revenues, defined as all estimated collectible fees received from patient care, of Pavilion attributable to the Hospital. The parties acknowledge that such receipts do not include any revenues attributable to the professional services rendered by the physicians at the Hospital. Such payments shall be made in monthly installments, commencing with the first month in which services are rendered by Pavilion. If this Agreement is terminated for any reason, the management fee will be calculated based on revenues earned as of the termination date and collected during the twelve-month period following the termination date. Pavilion agrees that, if the United States or the State of Illinois or any of their subdivisions having jurisdiction shall levy, assess, or charge any tax, assessment or imposition in the nature of a sales, use or service tax, charge or assessment upon the management fee, then, Pavilion shall pay (or reimburse West Church for) such tax, assessment or imposition.

(b) In addition to the management fee described above, and in recognition of the fact that certain costs and expenses paid or incurred by West Church will be paid or incurred in the best interests of and on behalf of Pavilion, Pavilion hereby agrees to reimburse West Church for all of the costs and expenses paid or incurred by West Church on behalf of Pavilion. Without limiting the generality of the foregoing, Pavilion agrees to reimburse West Church for any travel, meals or lodging costs reasonably incurred by West Church in fulfilling its responsibilities under the terms of this Agreement.

(c) All payments required hereunder shall be made no later than the fifth day following the close of the month to which such payment relates.

4. Revenues and Reserve Account. All revenues generated by or with respect to the Hospital, other than revenue belonging to this physicians, shall accrue solely to Pavilion and shall be its property; West Church shall establish a separate account (hereinafter the "Reserve Account") which shall be separate from the Operating Accounts and shall be a demand, deposit or savings account at such financial institution or institutions as West Church from time to time designates and into which West Church shall deposit such amounts from the revenues of Pavilion as it deems appropriate. All interest accruing on the Reserve Account shall serve to increase the Reserve Account. Funds may be disbursed out of the Reserve Account from time to time under the direction of West Church as may be required for partnership purpose, including, without limitation, meeting the Hospital's working capital, capital improvement or contingency needs. At the time of the reimbursement referred to in Paragraph 3, Pavilion may withdraw any funds then in the Reserve Account in excess of those deemed by Pavilion, in its sole discretion, to be necessary to retain in the Reserve Account as a reserve against unanticipated future working capital, capital improvement and contingency needs of the Hospital. Notwithstanding anything to the contrary contained herein, West Church may deposit the funds of Pavilion in the cash management system of its parent company.

5. Operating Expenses. "Operating Expenses" shall mean all expenses and costs incurred incident to the day to day conduct of the Hospital and all other amounts otherwise due and payable to any person or entity in connection with the operation and management of the Hospital or the discharge of any of West Church's duties under the terms of this Agreement.

6. Relationship Between Pavilion and West Church. This Agreement is not intended to create nor shall it be construed as creating any relationship between West Church and Pavilion other than that of independent contractor, nor shall either party hereto be liable for debts of the other.

7. Assignment. West Church may not assign its rights and obligations under this Agreement without the consent of Pavilion.

8. Indemnification. Pavilion shall indemnify West Church, in its capacity as the Manager, against all damages in connection with the management and maintenance of the Hospital and for liability from injuries, resulting from treatment at the Hospital, other than damages relating to willful misconduct or gross negligence on the part of West Church.

9. <u>Representations and Warranties</u>.

(a) West Church hereby represents and warrants to Pavilion as follows:

(i) West Church is a partnership duly organized and existing in good standing under the laws of the State of Illinois and is duly qualified to do business wherever necessary to carry on its present business and operations;

(ii) this Agreement has; been duly authorized by all necessary action on the part of West Church, does not require the approval of, or the giving of notice to, any Federal, state, local or foreign governmental authority and does not contravene any law, article or bylaws of West Church, or any other agreement, indenture or instrument to which West Church is a party or by which West Church may be bound; and

(iii) this Agreement has been duly executed and delivered by an authorized partner of West Church and constitutes the legal, valid and binding obligation of West Church, enforceable in accordance with its terms, and all information provided by West Church to Pavilion has been and is true, correct and complete.

(b) Pavilion hereby represents and warrants to West Church as follows:

(i) Pavilion is duly organized and existing in good standing under the laws of the State of Illinois and is duly qualified to do business wherever necessary to carry on its present business and operations;

(ii) this Agreement has, been duly authorized by all necessary action on the part of Pavilion, does not require approval of, or the giving of notice to, any Federal, state, local or foreign governmental authority and does not contravene any law or certificate of Pavilion, or any other agreement, indenture or instrument to which Pavilion is a party or by which Pavilion may be bound; and

(iii) this Agreement has been duly executed and delivered by the authorized partners of Pavilion and constitutes the legal, valid and binding obligation of Pavilion, enforceable in accordance with its terms, and all information provided by Pavilion to West Church has been and is true, correct and complete.

10. Entire Agreement; Modification. This Agreement contains the entire agreement of the parties with respect to the subject matter hereof, and there are not warranties, representations or agreements between them with respect thereto, except as contained herein. This Agreement may not be modified, amended or supplemented except by a writing signed by the party sought to be charged with such modification, amendment or supplement.

11. Notice. All notices or demands of any kind required or desired hereunder shall be in writing and shall be deemed to be given upon personal delivery or by mailing a copy thereof by registered or certified mail, postage prepaid and return receipt requested, addressed:

To Pavilion:

The Pavilion Foundation
809 W. Church
Champaign, IL 61820
Attn: Nina Eisner

To West Church:

West Church Partnership
Universal Corporate Center
367 South Gulph Road
King of Prussia, PA 19406
Attn: ____________________

Any party may change its address for service of notice to the other party. In case of service by mail, notice shall be deemed to be given upon the expiration of the third day after the date of mailing.

12. Litigation Expenses and Attorneys' Fees. In the event of any action or proceeding between the parties to enforce the provisions of, or otherwise arising out of this Agreement, the unsuccessful party in such litigation shall pay to the successful party all costs and expenses incurred therein by such successful party, including, without limitation, reasonable attorneys' fees and costs, which costs, expenses and attorneys' fees shall be included in and made a part of any judgment or award rendered in such action or proceeding.

13. Successors and Assigns. Except as otherwise provided herein, all of the terms of this Agreement shall be binding upon and shall inure to the benefit of and be enforceable by the respective successors and permitted assigns of the parties.

14. **Counterparts**. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

15. **Paragraph Headings**. The headings of the several paragraphs hereof are included only for convenience of reference and are not intended to govern, modify or aid in the construction of any provision of this Agreement.

16. **Severability**. If any provision of this Agreement is held by a court of competent jurisdiction to be void, invalid or unenforceable, the same shall in no way affect any other provision of this Agreement, and application of any such provision in any other circumstances, or the validity or enforceability of this Agreement and this Agreement shall be construed as if such void, invalid or unenforceable provision had been stricken from this Agreement as of its effective date.

17. **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

THE PAVILION FOUNDATION

Signature Date

By: Bruce R. Gilbert

Title: Secretary

WEST CHURCH PARTNERSHIP, an Illinois general partnership

By: River Oaks, Inc., a Louisiana corporation

By:
Its Bruce R. Gilbert, Secretary

By: The Arbour, Inc., a Massachusetts corporation

By:
Its Bruce R. Gilbert, Secretary

THE PAVILION
RIVER OAKS, INC.
WEST CHURCH PARTNERSHIP

CORPORATE STRUCTURE

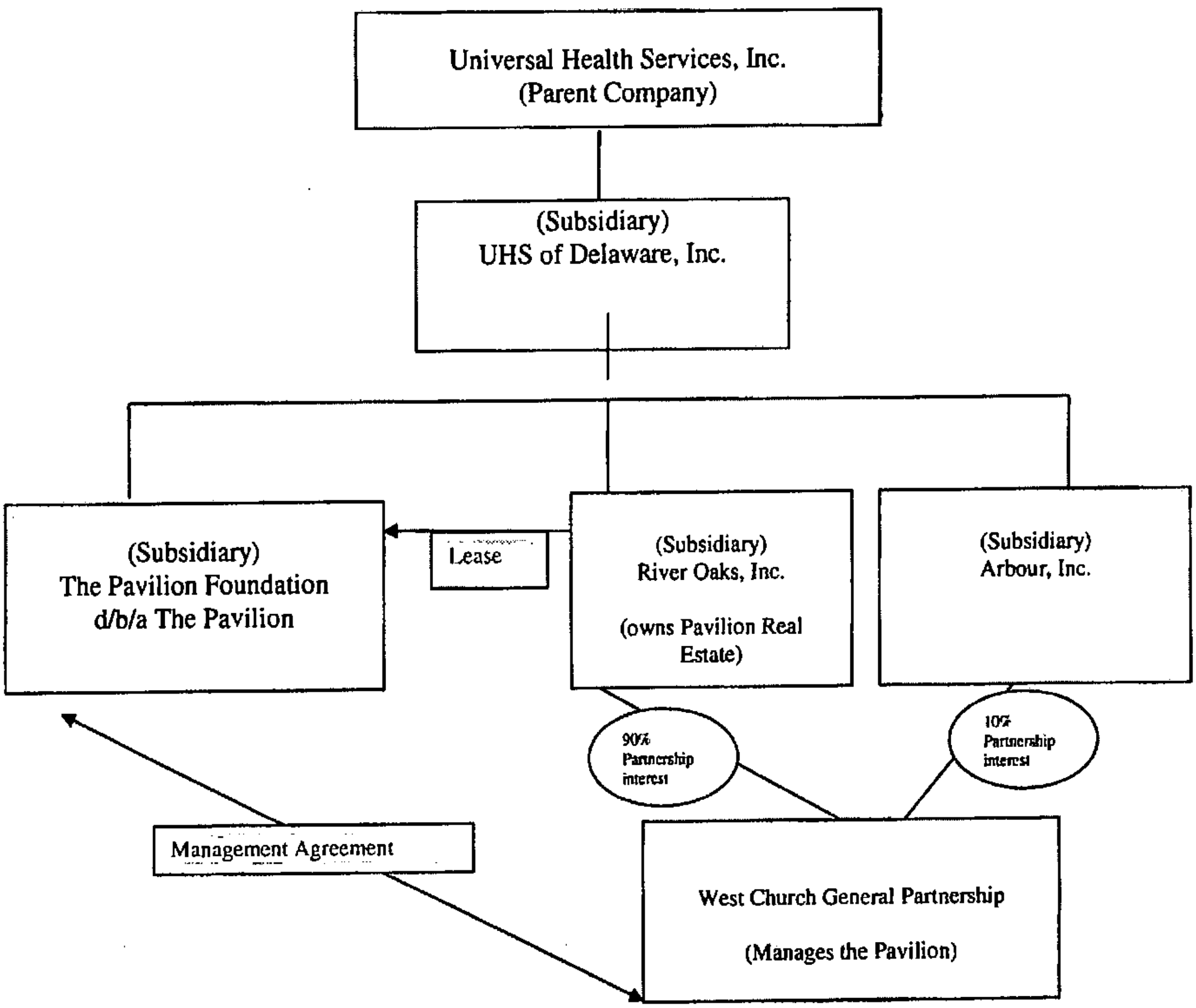


Exhibit F

GENERAL PARTNERSHIP AGREEMENT

FOR WEST CHURCH PARTNERSHIP

42:92269 11

INDEX

42:97269 11

42:99269 11

GENERAL PARTNERSHIP AGREEMENT

This Partnership Agreement is made and entered into as of this ____ day of December, 1995, by and between River Oaks, Inc., a Louisiana corporation and a wholly-owned subsidiary of UHS of Delaware, Inc., and The Arbour, Inc., a Massachusetts corporation, (collectively, "Partners", individually, "Partner").

B A C K G R O U N D

The Partners have determined that it would be in the best interests of each Partner if a general partnership (the "Partnership") were formed for the purpose of managing a certain hospital and certain related land, buildings and equipment (hereinafter referred to as "Cole Property"), as more particularly described in Exhibit A.

The parties intend that River Oaks, Inc. contribute the sum of ninety dollars ($90.00) to the Partnership in return for ninety percent (90%) of the partnership interest, and that The Arbour, Inc. contribute ten dollars ($10.00) to the Partnership in exchange for ten percent (10%) of the Partnership Interest.

THEREFORE, the Partners agree as follows:

I. FORMATION AND ORGANIZATION

A. Partnership Formation. The Partners hereby agree to become partners and to form a general partnership under the laws of the State of Illinois, and the rights, privileges and liabilities of the Partners shall be as provided in said laws except as expressly set forth herein.

B. Purpose. The purpose of the Partnership is to enter into that certain Management Agreement with The Pavilion Foundation dated of even date herewith, pursuant to which the Partnership will provide management services, and to do all things related to, incidental to or in furtherance of such activity.

C. Name. The name of the Partnership shall be "West Church Partnership" or such other name as may be decided upon by the Partnership. In accordance with the provisions of this Agreement, the Partners shall jointly take all actions which they deem necessary or proper to permit the Partnership to utilize the name decided upon by the Partnership, including, if necessary, the execution, filing and publication of a fictitious name statement in the local county clerk's office.

D. Place of Business. The principal place of business for the Partnership shall be 809 West Church Street, Champaign, Illinois, or at such other place or places as the Partnership determines.

E. Nature of Partners' Interests; Title to Property. The interests of the Partners in the Partnership shall be personal property for all purposes. All assets owned or acquired by the Partnership, whether real or personal, tangible or intangible, shall be deemed to be owned by the Partnership as an entity, and no Partner as an individual shall have an ownership interest in such assets. Title to the assets owned or acquired by the Partnership shall be held in the name of the Partnership. The Partners shall execute, file and record such documents and take any other actions as may be necessary to reflect the Partnership's ownership of its assets.

F. Additional Partners.

(i) The Partners have entered into that certain Closing Memorandum dated as of even date herewith by and between the Partnership, River Oaks, Inc., The Carle Pavilion, Inc., an Illinois not-for-profit corporation ("Carle") and UHS of Delaware, Inc., a Delaware corporation, (the "Closing Memorandum"). Pursuant to the Closing Memorandum, upon the occurrence of certain conditions as more particularly described therein, Carle shall be entitled to become a partner in the Partnership and to receive (x) from River Oaks, Inc. a 9.0% Partnership interest and (y) from The Arbour, Inc., a 1.0% Partnership interest. In exchange for such Partnership interest, Carle shall make a pro-rata capital contribution to the Partnership in the amount of ten dollars ($10.00), which shall be distributed to the other partners in accordance with their interest. After such transfers, the resulting shares of the Partnership interest shall be distributed as follows: River Oaks, Inc. shall hold an 81% Partnership interest; The Arbour, Inc. shall hold a 9.0% Partnership interest; and Carle shall hold a 10% Partnership interest.

(ii) If Carle elects to receive the 10% Partnership interest in the Partnership as set forth in paragraph (i) above, then, as set forth in the Closing Memorandum, Carle shall further have the option to purchase at any time an additional 15% Partnership interest in the Partnership. If Carle exercises such option, the interest shall be conveyed as follows: (x) River Oaks, Inc. shall sell a 13.5% Partnership interest to Carle for an amount equal to ninety percent (90%) of the consideration set forth in the Closing Memorandum and (y) The Arbour, Inc. shall sell a 1.5% Partnership interest to Carle for ten percent

(10%) of the consideration set forth in the Closing Memorandum. After the sale of such 15% Partnership interest to Carle, the Partnership interest of the Partnership shall be distributed as follows: River Oaks, Inc. shall hold a 67.5% Partnership interest; The Arbour, Inc. shall hold a 7.5% Partnership interest; and Carle shall hold a 25% Partnership interest.

G. Term of Partnership. The Partnership shall commence as of the date hereof and shall continue until December __, 2000, unless it is sooner dissolved and terminated in accordance with the provisions of Article VIII hereof. At the end of the last year and any subsequent years, the terms of the Partnership shall extend for an additional one (1) year, unless either party gives written notice of termination of the Partnership no later than ninety (90) days prior to the anniversary date.

II. PARTNERSHIP CAPITAL

A. Initial Cash Contributions. Pursuant to the Partnership Agreement, each Partner shall contribute the following as an initial capital contribution to the Partnership: River Oaks, Inc. shall contribute ninety dollars ($90.00); The Arbour, Inc. shall contribute ten dollars ($10.00), to be paid upon the execution of this Agreement.

B. Additional Capital Contributions. If, at any time during the term hereof, the Partnership determines by majority vote of the Partners (based on one vote per Partner) that the Partnership's capital is inadequate or likely to become inadequate to meet expenses, to meet the requirements of federal, state or local governmental agencies, or to meet a casualty loss, River Oaks, Inc. shall contribute the necessary amounts, unless otherwise agreed to by the Partners, and the amount by which such contribution exceeds the amount for which River Oaks, Inc. would have been responsible had contributions been made by all Partners in proportion to their respective Capital Accounts shall be deemed to be a loan to the Partnership by River Oaks, Inc. In the event that a capital contribution in any one instance in excess of Two Million Dollars ($2,000,000) is required for the Partnership (a "Major Capital Contribution"), River Oaks, Inc. may request contributions from the other Partners. The other Partners may contribute to the Major Capital Contribution in proportion to their respective Capital Accounts, co-guarantee a loan with River Oaks, Inc. for the Major Capital Contribution in proportion to their respective Capital Accounts or decline to make any contribution at all. If no contribution is made by a Partner in the event of a Major Capital Contribution, such Partner's interest in the Partnership shall be diluted in accordance with the provisions of Exhibit B attached hereto and made a part hereof. In no event shall a Partner be obligated to restore a Net Loss (as defined in III.B.) in its Capital Account.

C. Loans to Partnership. If a Partner loans or advances money, such loan or advance shall be a debt of the Partnership and shall not be regarded as an increase in the lending Partner's capital or entitle said Partner to any increased share of Partnership profits, losses or distributions, unless otherwise agreed to by the Partners.

D. Withdrawal or Return of Capital. No Partner shall have the right to demand the withdrawal, reduction or return of its capital contribution during the term hereof or upon the dissolution and termination of the Partnership. If the withdrawal, reduction or return of capital is permitted, the withdrawing Partner shall only have the right to demand and receive cash in return for its capital contribution. Notwithstanding the foregoing, even if a withdrawal of capital is approved, no capital contribution shall be withdrawn unless all debts and liabilities of the Partnership (except liabilities to Partners on account of their respective capital contributions) have been paid or unless the Partnership has assets sufficient to pay said debts and liabilities as they become due.

E. Interest. No Partner shall receive any interest on any initial or subsequent capital contributions to the Partnership.

III. ALLOCATION AND DISTRIBUTIONS

A. Allocation of Income and Loss. Subject to the requirements of Section 706(d) of the Internal Revenue Code of 1986, as amended (the "Code"), net income for each taxable year of the Partnership or portion thereof shall be allocated among the Partners in proportion to their Partnership interests as of the end of the period for which such allocation is being made, and net losses of the Partnership for any taxable year or portion thereof shall be allocated among the Partners first, to the extent that one or more Partners has a positive balance in its Capital Account that is greater than its proportionate share of the aggregate Capital Account balances of all Partners, to such Partner or Partners until all Partners have positive balances in their Capital Accounts that are proportionate to their Partnership interests, and thereafter in proportion to their Partnership interests.

B. Capital Accounts. An individual capital account (the "Capital Account") shall be maintained for each Partner. The following items shall be credited annually to each Partner's

Capital Account: (a) initial capital contributions of cash; (b) any additional capital contributions not deemed to be a loan to the Partnership by River Oaks, Inc.; and (c) said Partner's share of Partnership profits allocated to it pursuant to Section III. A. A Partner's Capital Account shall be decreased by any distributions made to said Partner and said Partner's share of any Partnership losses allocated to it pursuant to Section III.A. The Partnership shall distribute for each fiscal year, all cash available for distribution to the Partners in proportion to their respective Capital Account balances, provided that to the extent that any Partner's distributions and losses exceed contributions and profits for any given year ("Net Loss"), such Partner shall receive no distribution. The Capital Accounts shall be maintained in accordance with Section 704 of the Code and the regulations thereunder.

C. Accounting Principles. Each item of income, gain, loss, deduction or credit of the Partnership shall be determined in accordance with generally accepted accounting principles in the United States in effect from time to time ("GAAP") consistently applied under the accrual method of accounting.

IV. PARTNERSHIP EXPENSES

A. Expense Paid by Partnership. Except as otherwise provided herein, all expenses of the Partnership shall be billed directly to and paid by the Partnership. Expenses of the Partnership shall include, but not be limited to: (a) all costs of borrowed money; (b) taxes and assessments applicable to the Partnership; (c) legal, audit, accounting and consulting fees; (d) fees and expenses paid to independent contractors and appraisers; (e) expenses of developing, constructing, maintaining, operating and selling Partnership assets; (f) costs of insurance as required in connection with the business of the Partnership; (g) expenses connected with the payment of distributions of the Partnership; (h) depreciation expenses connected with the real and personal property utilized by the Partnership; and (i) expenses incurred in connection with the operation of the Cole Property.

B. Limitation of Partner Compensation. Except for the expenses incurred by a Partner which shall be reimbursed by the Partnership in accordance with Paragraph A, above, no Partner shall be entitled to any payment, compensation or salary for the provision of goods or services for or on behalf of the Partnership, unless otherwise agreed to in writing by all of the Partners.

V. ACCOUNTING, RECORDS AND REPORTS

A. Fiscal Year. The fiscal year of the Partnership shall be the calendar year.

B. Accounting Method. The books of the Partnership shall be kept on the accrual basis.

C. Partnership Records; Inspection. Proper and complete books of account of the Partnership's business shall be maintained by the Partnership. The accounting records shall be maintained in accordance with GAAP.

D. Tax Issues. The Partnership's accountants shall be instructed to prepare and file all required income tax returns of the Partnership. The Partners shall jointly make any tax elections necessary for the completion of the annual Partnership tax return. River Oaks, Inc. shall be designated "tax matters partner" for the purposes of the Partnership established under this Agreement.

VI. TERMINATION AND DISSOLUTION OF PARTNERSHIP

A. Events of Dissolution. The Partnership shall be terminated and dissolved upon the occurrence of an Event of Dissolution. Each of the following shall be an Event of Dissolution:

(i) The sale of all or substantially all of the assets of the Partnership and distribution of the proceeds to the Partners.

(ii) The written consent of all Partners to terminate and dissolve the Partnership.

(iii) The determination by River Oaks, Inc., after notice and consultation with the other Partners, that the additional capital contributions required pursuant to Section II.B. have become unduly burdensome, notwithstanding the fact that a Major Capital Contribution has not been made.

B. Allocation of Income or Loss Arising Upon Liquidation. Income and/or loss arising upon the liquidation of the Partnership shall be allocated among the Partners in the same manner as all other items of the Partnership's income and loss are to be distributed as set forth in Article III hereof. To the extent that non-cash assets are distributed to the Partners, the fair market value of such assets shall first be determined and the capital accounts of the Partners shall be adjusted to reflect any gain or loss which would have been generated had the assets been sold for their determined value. Any non-cash assets received by the Partnership in connection with the sale or other disposition of Partnership assets may be distributed in-kind to the Partners or to a collection account with the proceeds to be distributed in accordance with the terms of this Partnership Agreement, as received.

C. Distribution. Upon the dissolution of the Partnership for any reason, and if the Partnership is not reconstituted, the Partners shall jointly take full account of the Partnership's assets and liabilities. The assets of the Partnership shall be liquidated by the Partners as promptly as is consistent with obtaining fair value and proceeds therefrom and to the extent sufficient to pay the Partnership's obligations and liabilities. Proceeds and any remaining Partnership assets shall be applied and distributed in the following order:

(i) First, to the payment and discharge of all of the Partnership's debts and liabilities to creditors and to the expenses of liquidation.

(ii) Next, to the Partners in accordance with their respective Capital Account balances.

D. Effect of Dissolution. The winding up on the Partnership's affairs and the liquidation and distribution of its assets shall be conducted exclusively by the Partners or a trustee (if one is appointed), who are authorized to do any and all acts authorized by law to wind up the Partnership and liquidate and distribute its assets. Distributions made upon the termination and dissolution of the Partnership will constitute a complete return to the Partners of their interests in the profits of the Partnership and the capital contributions, a final and complete distribution to the Partners of all their interest in the Partnership property and assets, and a final termination and settlement of any and all of the Partners' other interests in the Partnership.

VII. REPRESENTATIONS AND WARRANTIES OF PARTNERS

A. Investment Representations.

Investment Restriction. Each Partner acknowledges that ownership interests in the Partnership have not been registered under the Securities Act of 1933, as amended, nor qualified under applicable Illinois state securities laws. Each Partner represents and warrants that it will not sell, offer for sale, transfer, pledge or hypothecate its Partnership interest (where permitted under the terms of this Partnership Agreement) in the absence of an effective registration statement, unless legal counsel for said Partner determines that such sale, offer of sale, transfer, pledge or hypothecation is exempt from registration and qualification or not subject to the federal and state securities laws.

B. Other Warranties and Representations. Each Partner represents and warrants to the other Partner that, as of the date hereof:

(i) It is a corporation duly formed and in good standing under the laws of the state of incorporation and has all requisite power and authority to make, execute, deliver and perform this Partnership Agreement and any documents to be executed in connection herewith;

(ii) This Partnership Agreement has been duly authorized and approved by all necessary corporate action of the Partner and is a valid and legally binding obligation of the Partner in accordance with its terms; and

(iii) Neither the execution nor delivery of this Partnership Agreement, the instruments to be executed in connection herewith, nor its performance by the Partner will conflict with or violate the provisions of any agreement, instrument, contract, judgement, decree, or order to which the Partner is subject or the Partner's Articles of Incorporation, By-laws or other governing instruments, or, to the best of its knowledge, any law or regulation.

VIII. MISCELLANEOUS PROVISIONS

A. Severability. Any provision of this Partnership Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or effecting the validity or enforceability of such provision in any other jurisdiction.

B. Governing Law. This Partnership Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

C. Successors and Assigns. This Partnership Agreement shall inure to the benefit of and shall be binding upon the assigns and successors-in-interest of each of the parties hereto.

D. Entire Agreement. This Partnership Agreement constitutes the sole and only agreement among the parties hereto respecting the subject matter hereof, and correctly sets forth the rights, duties and obligations of each party as of the date hereof. Any prior agreements, promises, negotiations or representations concerning the subject matter of this Partnership Agreement not expressly set forth herein are void and of no force or effect whatsoever.

E. Assignment and Delegation. Neither this Partnership Agreement nor any of the rights or duties hereunder may be assigned or delegated by any of the parties hereto except as expressly provided herein.

F. Counterparts. This Partnership Agreement may be executed in one or more counterparts by the parties hereto. All counterparts shall be construed together and shall constitute one agreement.

G. Other Instruments. The parties hereto covenant and agree that they shall execute all other instruments and documents that are or may become necessary or convenient to effectuate and carry out the terms and conditions set forth in this Partnership Agreement.

H. Amendment. This Partnership Agreement may be amended only by a written document signed by all of the parties hereto.

EXECUTED on the latest date and at the places indicated below.

RIVER OAKS, INC.

Signature Date

Name: Bruce R. Gilbert
Title: Secretary

THE ARBOUR, INC.

Signature Date

Name: Bruce R. Gilbert
Title: Secretary

42:99269 11

EXHIBIT A

[Description of Cole Property]

EXHIBIT B

In the event that a Partner (the "Declining Partner") declines to participate in a Major Capital Contribution, each Partner's interest in the Partnership shall be adjusted in accordance with the procedures set forth below.

A. Determination of Fair Market Value of Partnership

The fair market value (the "Fair Market Value") of the Partnership shall be equal to four and one-half (4.5) times the EBITDA of the Partnership for the twelve calendar months immediately preceding the date of such Partner's failure to participate in a Major Capital Contribution. EBITDA shall mean: annual earnings of the Partnership before deductions for interest expenses, income taxes, depreciation and amortization (or the net deficit, if expenses and charges exceed revenues and other proper income credits) for such period determined in accordance with generally accepted accounting principles in the United States of America as from time to time in effect; provided, however, that in the event of a net deficit the EBITDA shall be equal to 1; and provided further that the Partnership's earnings for the purpose of calculating EBITDA shall not include:

(i) any gain or loss during such period arising from the sale or other disposition, write-up or write-down of capital assets and of capital stock; and

(ii) any amount during such period representing amortization of any excess of the net book value of any assets acquired over the cost of acquisition thereof; and

(iii) any extraordinary item during such period.

B. Value of Partnership Interest Prior to Major Capital Contribution

The value of each Partner's Partnership interest (a "Partner's Portion") prior to a Major Capital Contribution shall be equal to the Fair Market Value of the Partnership multiplied by the percentage of the Partner's Partnership interest. For example, if the Fair Market Value of the Partnership is $1,000,000 and the Partner's Partnership interest is 10%, that Partner's Portion is $100,000.

C. Determination of a Declining Partner's Partnership Interest After a Major Capital Contribution

A Declining Partner's Partnership interest after a Major Capital Contribution shall be equal to the percentage obtained by dividing the Partner's Portion of the Declining Partner by the sum of the Fair Market Value of the Partnership and the Major Capital Contribution. For instance, if in the example in B above, a Major Capital Contribtution of $2,200,000 was made to the Partnership, the Declining Partner's new Partnership interest would be equal to: $100,000/($1,000,000 + $2,200,000) or 0.03125 or 3.125%.

D. Determination of a Partner's Partnership Interest that Makes a Major Capital Contribution

. The Partnership interest after a Major Capital Contribution of a Partner that participates in a Major Capital Contribution (a "Contributing Partner") shall be equal to the sum of such Partner's Portion plus such Partner's share of the Major Capital Contribution divided by the sum of the Fair Market Value of the Partnership plus the Major Capital Contribution. For instance, if based on the examples above, the Partner's Portion of a Contributing Partner was $900,000 and such Contributing Partner had contributed all of the Major Capital Contribution, such Contributing Partner's new Partnership interest would be equal to: ($900,000 + $2,200,000)/($1,000,000 + $2,200,000) or 0.96875 or 96.875%.

MANAGEMENT AGREEMENT

This Management Agreement (the "Agreement") is made and entered into on December 31, 1995, by and between The Pavilion Foundation ("Pavilion") and West Church Partnership, an Illinois general partnership ("West Church").

RECITALS:

WHEREAS, Pavilion leases and operates a psychiatric hospital and residential treatment center ("Hospital") located at 809 West Church, Champaign, Illinois 61820.

WHEREAS, Pavilion believes that it is in its best interests to retain West Church to develop and implement the systems and procedures necessary for the efficient operation of the Hospital and to serve in a management capacity thereafter.

WHEREAS, Pavilion and West Church desire to set forth the terms and conditions pursuant to which West Church will be retained by Pavilion.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Retention; Terms. Pavilion hereby retains West Church and West Church hereby agrees to serve as manager of the Hospital upon the terms and conditions hereinafter set forth for a term commencing on the effective date set forth above and terminating five years from such date. In addition to the initial term, this Agreement may be extended for additional periods by the parties.

2. Duties and Authority of West Church.

(a) **Review of Systems and Procedures.** Immediately upon the execution of this Agreement, West Church shall begin to develop and implement all systems and procedures required for the efficient operation of the Hospital. The systems and procedures to be developed include, without limitation: (i) the billing system; (ii) the collection system; (iii) the disbursement system; (iv) the maintenance of a comprehensive system of office records, books, and accounts; (v) the insurance claim system; and (vi) the payroll system.

(b) **General Duties.** Subject to the terms and conditions set forth herein, West Church shall supervise the operation and management of the Hospital. West Church agrees not

AMA/180186/121995/1:04pm/NMM/21858

to engage in any other business activity which unreasonably and substantially interferes with its ability to discharge its duties hereunder. West Church shall at all times during the term of this Agreement use its best efforts to manage the Hospital so as to maximize the profitability thereof. Without limiting the generality of the foregoing, West Church shall oversee for and on behalf of Pavilion the following services:

(i) **Employment of Personnel.** West Church will advise and assist Pavilion to investigate, employ, pay, supervise and discharge all personnel necessary to the successful operation of the Hospital. West Church shall negotiate all necessary employment arrangements relating to employees employed by Pavilion in connection with the Hospital. West Church shall retain a managing director and controller for the Hospital. Additionally, West Church shall supervise the preparation and filing of all necessary forms for disability insurance, hospitalization and group life insurance, unemployment insurance, withholding and social security taxes and all other forms required by any Federal, state, municipal or other governmental authority or by any labor union agreement.

(ii) **Agreements.** West Church shall negotiate and execute on behalf of and in the name of Pavilion such agreements as West Church deems necessary or advisable for the furnishing of goods and services necessary for the operation of the Hospital, including, without limitation, utilities, water, telephone, fumigation, trash removal, materials, supplies, services related to the maintenance and repair of Pavilion's medical equipment and such other agreements which may benefit the Hospital. The above items shall be purchased or otherwise provided for out of the revenues generated by the Hospital, but only to the extent that Pavilion generates sufficient revenue for such items.

(iii) **Collections and Disbursements;** Operating Accounts. West Church shall be responsible for the submission of bills to Pavilion's patients or their insurers, and the collection of all revenues generated by or in connection with the Hospital. All monies collected shall be deposited in such commercial bank or banks as West Church from time to time designates, in demand, deposit or savings accounts opened for and on behalf of Pavilion (such accounts hereinafter referred to as the "Operating Accounts"), and from the revenues so collected and deposited on behalf of Pavilion, West Church will supervise the regular and punctual payment of all Operating Expenses (as defined herein). All interest accruing on the Operating Accounts shall serve to increase such accounts. In the event of any shortfall in the amounts available from such revenues and Operating Accounts to pay the Operating Expenses, it shall be the obligation of Pavilion to pay such amounts from the Reserve Account (as defined herein) or otherwise. Amounts not paid on a timely basis shall bear interest at the rate of one percent (1%) per month. Reimbursement by Pavilion of any advances by West Church for Operating Expenses shall be in addition to the management fee set forth in Paragraph 3.

(iv) **Compliance with Law.** West Church shall assist Pavilion in connection with any and all actions as may be necessary to comply with any and all orders or requirements affecting the Hospital of any Federal, state, county or municipal authority.

(v) **Records and Reports.** Pavilion shall maintain or cause to be maintained, with the advice and consultation of West Church, a comprehensive system of office records, books and accounts properly disclosing all vouchers, files and other materials pertaining to the Hospital and this Agreement, with such records, books and accounts shall be maintained on the premises of the Hospital.

(vi) **Legal Actions.** West Church shall advise Pavilion regarding any and all legal actions or proceedings it deems necessary or advisable to protect and maintain the Hospital as a commercially profitable enterprise. The costs of all such legal actions or proceedings shall be borne by Pavilion.

(vii) **Insurance.** West Church shall purchase all forms of insurance required by law or needed adequately to protect Pavilion and its properties, whether owned or leased by it, including, but not limited to public liability insurance, fire and extended coverage insurance and burglary and theft insurance. All insurance coverage shall be placed with such companies, in such amounts, and with such beneficial interest appearing therein as shall be acceptable to Pavilion. West Church may also provide such insurance coverage through its self-insurance fund. West Church shall supervise the prompt investigation and filing of full timely written reports to the insurance companies as to all accidents and claims for damages relating to the ownership, operation and maintenance of Pavilion's properties and business and shall supervise the preparation of any and all reports required by any insurance company in connection therewith. All such reports shall be timely filed with the insurance company as required under the terms of insurance policy involved. West Church is authorized to settle any and all claims against insurance companies arising out of any policies, including the execution of proofs of loss, the adjustment of losses, signing of receipts, and the collections of money.

(viii) **Taxes.** West Church shall be responsible for the payment of all taxes and assessments properly levied with respect to the Hospital, on behalf, in the name and for the account of Pavilion from the Operating Accounts.

3. **Management Fee.**

(a) For each year during the term of this Agreement, Pavilion shall pay to West Church as compensation for services rendered hereunder, a management fee equal to three percent (3%) of the net patient revenues, defined as all estimated collectible fees received from patient care, of Pavilion attributable to the Hospital. The parties acknowledge that such receipts do not include any revenues attributable to the professional services rendered by the physicians at the Hospital. Such payments shall be made in monthly installments, commencing with the first month in which services are rendered by Pavilion. If this Agreement is terminated for any reason, the management fee will be calculated based on revenues earned as of the termination date and collected during the twelve-month period following the termination date. Pavilion agrees that, if the United States or the State of Illinois or any of their subdivisions having jurisdiction shall levy, assess, or charge any tax, assessment or imposition in the nature of a sales, use or service tax, charge or assessment upon the management fee, then, Pavilion shall pay (or reimburse West Church for) such tax, assessment or imposition.

(b) In addition to the management fee described above, and in recognition of the fact that certain costs and expenses paid or incurred by West Church will be paid or incurred in the best interests of and on behalf of Pavilion, Pavilion hereby agrees to reimburse West Church for all of the costs and expenses paid or incurred by West Church on behalf of Pavilion. Without limiting the generality of the foregoing, Pavilion agrees to reimburse West Church for any travel, meals or lodging costs reasonably incurred by West Church in fulfilling its responsibilities under the terms of this Agreement.

(c) All payments required hereunder shall be made no later than the fifth day following the close of the month to which such payment relates.

4. Revenues and Reserve Account. All revenues generated by or with respect to the Hospital, other than revenue belonging to this physicians, shall accrue solely to Pavilion and shall be its property; West Church shall establish a separate account (hereinafter the "Reserve Account") which shall be separate from the Operating Accounts and shall be a demand, deposit or savings account at such financial institution or institutions as West Church from time to time designates and into which West Church shall deposit such amounts from the revenues of Pavilion as it deems appropriate. All interest accruing on the Reserve Account shall serve to increase the Reserve Account. Funds may be disbursed out of the Reserve Account from time to time under the direction of West Church as may be required for partnership purpose, including, without limitation, meeting the Hospital's working capital, capital improvement or contingency needs. At the time of the reimbursement referred to in Paragraph 3, Pavilion may withdraw any funds then in the Reserve Account in excess of those deemed by Pavilion, in its sole discretion, to be necessary to retain in the Reserve Account as a reserve against unanticipated future working capital, capital improvement and contingency needs of the Hospital. Notwithstanding anything to the contrary contained herein, West Church may deposit the funds of Pavilion in the cash management system of its parent company.

5. Operating Expenses. "Operating Expenses" shall mean all expenses and costs incurred incident to the day to day conduct of the Hospital and all other amounts otherwise due and payable to any person or entity in connection with the operation and management of the Hospital or the discharge of any of West Church's duties under the terms of this Agreement.

6. Relationship Between Pavilion and West Church. This Agreement is not intended to create nor shall it be construed as creating any relationship between West Church and Pavilion other than that of independent contractor, nor shall either party hereto be liable for debts of the other.

7. Assignment. West Church may not assign its rights and obligations under this Agreement without the consent of Pavilion.

8. Indemnification. Pavilion shall indemnify West Church, in its capacity as the Manager, against all damages in connection with the management and maintenance of the Hospital and for liability from injuries, resulting from treatment at the Hospital, other than damages relating to willful misconduct or gross negligence on the part of West Church.

9. <u>Representations and Warranties</u>.

(a) West Church hereby represents and warrants to Pavilion as follows:

(i) West Church is a partnership duly organized and existing in good standing under the laws of the State of Illinois and is duly qualified to do business wherever necessary to carry on its present business and operations;

(ii) this Agreement has; been duly authorized by all necessary action on the part of West Church, does not require the approval of, or the giving of notice to, any Federal, state, local or foreign governmental authority and does not contravene any law, article or bylaws of West Church, or any other agreement, indenture or instrument to which West Church is a party or by which West Church may be bound; and

(iii) this Agreement has been duly executed and delivered by an authorized partner of West Church and constitutes the legal, valid and binding obligation of West Church, enforceable in accordance with its terms, and all information provided by West Church to Pavilion has been and is true, correct and complete.

(b) Pavilion hereby represents and warrants to West Church as follows:

(i) Pavilion is duly organized and existing in good standing under the laws of the State of Illinois and is duly qualified to do business wherever necessary to carry on its present business and operations;

(ii) this Agreement has, been duly authorized by all necessary action on the part of Pavilion, does not require approval of, or the giving of notice to, any Federal, state, local or foreign governmental authority and does not contravene any law or certificate of Pavilion, or any other agreement, indenture or instrument to which Pavilion is a party or by which Pavilion may be bound; and

(iii) this Agreement has been duly executed and delivered by the authorized partners of Pavilion and constitutes the legal, valid and binding obligation of Pavilion, enforceable in accordance with its terms, and all information provided by Pavilion to West Church has been and is true, correct and complete.

10. <u>Entire Agreement; Modification</u>. This Agreement contains the entire agreement of the parties with respect to the subject matter hereof, and there are not warranties, representations or agreements between them with respect thereto, except as contained herein. This Agreement may not be modified, amended or supplemented except by a writing signed by the party sought to be charged with such modification, amendment or supplement.

11. <u>Notice</u>. All notices or demands of any kind required or desired hereunder shall be in writing and shall be deemed to be given upon personal delivery or by mailing a copy thereof by registered or certified mail, postage prepaid and return receipt requested, addressed:

To Pavilion:

The Pavilion Foundation
809 W. Church
Champaign, IL 61820
Attn: Nina Eisner

To West Church:

West Church Partnership
Universal Corporate Center
367 South Gulph Road
King of Prussia, PA 19406
Attn: ____________________

Any party may change its address for service of notice to the other party. In case of service by mail, notice shall be deemed to be given upon the expiration of the third day after the date of mailing.

12. <u>Litigation Expenses and Attorneys' Fees</u>. In the event of any action or proceeding between the parties to enforce the provisions of, or otherwise arising out of this Agreement, the unsuccessful party in such litigation shall pay to the successful party all costs and expenses incurred therein by such successful party, including, without limitation, reasonable attorneys' fees and costs, which costs, expenses and attorneys' fees shall be included in and made a part of any judgment or award rendered in such action or proceeding.

13. <u>Successors and Assigns</u>. Except as otherwise provided herein, all of the terms of this Agreement shall be binding upon and shall inure to the benefit of and be enforceable by the respective successors and permitted assigns of the parties.

14. __Counterparts__. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

15. __Paragraph Headings__. The headings of the several paragraphs hereof are included only for convenience of reference and are not intended to govern, modify or aid in the construction of any provision of this Agreement.

16. __Severability__. If any provision of this Agreement is held by a court of competent jurisdiction to be void, invalid or unenforceable, the same shall in no way affect any other provision of this Agreement, and application of any such provision in any other circumstances, or the validity or enforceability of this Agreement and this Agreement shall be construed as if such void, invalid or unenforceable provision had been stricken from this Agreement as of its effective date.

17. __Governing Law__. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

THE PAVILION FOUNDATION

Signature Date

By: Bruce R. Gilbert

Title: Secretary

WEST CHURCH PARTNERSHIP, an Illinois general partnership

By: River Oaks, Inc., a Louisiana corporation

By:
Its Bruce R. Gilbert, Secretary

By: The Arbour, Inc., a Massachusetts corporation

By:
Its Bruce R. Gilbert, Secretary

LEASE

THIS LEASE, made this 4th day of October, 1995, by and between UHS of Delaware, Inc., a Delaware corporation, as managing agent for The Carle Pavilion, Inc., an Illinois not-for-profit corporation, hereinafter referred to as "Landlord", and The Pavilion Foundation, an Illinois not-for-profit corporation, hereinafter referred as "Tenant".

WITNESSETH:

Landlord is the owner of that certain hospital and related property ("Hospital"), including the real estate and all improvements constructed thereon, commonly known as 809 West Church Street, Champaign, Illinois 61820, being more particularly described on Exhibit A hereto. Landlord, for and in consideration of the rents herein reserved and of the covenants and agreements herein contained on the part of Tenant to be kept, observed, and performed, has demised and leased and by these presents does demise and lease unto Tenant and Tenant does hereby take and hire, upon and subject to the conditions hereinafter expressed, the Hospital ("Demised Premises"), together with all rights, privileges, easements and appurtenances thereunto belonging, but excepting therefrom certain portions of the Hospital more particularly described in Exhibit B. Tenant expressly acknowledges that certain portions of the Hospital, as described in Exhibit B hereto, are simultaneously herewith being leased by Landlord to Carle Clinic Association, an Illinois professional service corporation ("Carle"), and that portions of the Demised Premises will be used in common with Carle. Tenant agrees in good faith to cooperate with Carle and with Landlord to schedule the joint use of such facilities so as to maintain an orderly flow of business for all parties.

TO HAVE AND TO HOLD the Demised Premises unto the Tenant, its successors and assigns, for a term commencing on the date first hereinabove written and terminating on December 31, 2004 ("Term") unless this Lease shall be sooner terminated as hereinafter provided, yielding and paying therefor the rent as set forth on Exhibit C hereto (the "Rent").

This Lease is made upon the foregoing and the following covenants and conditions, all and every one of which the Landlord and Tenant covenant and agree to keep and perform:

ARTICLE I
Definitions

As used in this Lease, the following terms and phrases shall have the respective meanings indicated:

(a) Demised Premises - the real estate described in Exhibit A, including the Improvements excepting therefrom the portions of the Hospital to be used by Carle, or in common with Carle, described in Exhibit B.

(b) Improvements - all buildings, parking lots, structures and improvements of any nature (including all machinery, fixtures and apparatus attached thereto and forming an integral part thereof, such as all machinery, apparatus and equipment necessary for the operation of the Hospital, heating, lighting, plumbing, ventilating, air conditioning, internal transportation and like systems) now or hereafter located on the Demised Premises, whether constructed by Landlord or Tenant.

(c) Facilities - any sidewalks, grounds, areas, chutes, sidewalk hoists, railings, gutters, water and sewer connections, streets, alleys and curbs, parking areas, or passageways in front of, adjacent to or appurtenant to any part of the Demised Premises.

(d) Requirements - all present and future laws, statutes, rules, orders, ordinances, regulations or other requirements of any governmental, public or quasi-public authority now existing or hereafter created, and of any and all of their departments and bureaus, and of any applicable fire rating bureau or other body exercising similar functions, applicable to or affecting the operation of the Hospital, Demised Premises or any of the Facilities.

ARTICLE II
Covenant to Pay Rent; Net Lease

Section 1. It is the intention of the parties and the Tenant covenants and agrees that the Rent and all other sums payable hereunder by the Tenant to the Landlord shall be paid absolutely net and without any notice or demand and without any deduction, set-off, counterclaim, recoupment, abatement, suspension or defense whatever.

Section 2. The Tenant shall have and hereby assumes, except as otherwise expressly provided, all duties and obligations with relation to the Demised Premises, the Facilities, and the appurtenances thereto, and the use, maintenance, and operation thereof, whether such duties and obligations would otherwise be construed to be those of the Landlord or the Tenant, so that no matter from what source arising, if anything shall be ordered or required to be done or omitted to be done in, upon, or about the Demised Premises, the Facilities, or the appurtenance thereto, all shall be done and fulfilled at the sole expense and responsibility of the Tenant without any expense, liability, or obligation whatsoever to or upon the Landlord.

ARTICLE III
Use of Premises; Compliance with Laws, Etc.

Section 1. The Tenant shall have the right to use and occupy the Demised Premises for the operation of a not-for-profit hospital providing psychiatric in-patient and out-patient care, residential mental health care and the treatment of chemical dependency. Tenant shall not suffer or permit the Demised Premises or the Facilities or any portion thereof to be used for any other purpose, or in such manner as might reasonably make possible a claim or claims of adverse usage or adverse possession by the public as such, or of implied easements or dedication thereof or of any portion thereof for public use.

Section 2. The Tenant covenants that in the use and occupancy of the Demised Premises and in the conduct of any business on the Demised Premises throughout the Term of this Lease, at its sole cost and expense, Tenant will promptly comply with all Requirements including, but without limitation, all laws, ordinances, orders, rules, regulations, and requirements of all federal, state, county and municipal governments or other governmental or quasi-governmental authorities having jurisdiction and the appropriate departments, commissions, boards, and officers thereof and with any direction or certificate of occupancy issued pursuant to any law by any public officer which may be applicable to the Demised Premises and the Facilities (including the surface and the space above and below the same).

Section 3. The Tenant shall have the right to contest by appropriate legal or other proceedings in good faith and with due diligence, without cost or expense to the Landlord, the validity of any of the Requirements if compliance with any such Requirement may legally be held in abeyance without (i) the sale, forfeiture or loss of the Demised Premises or any part thereof, or (ii) the imposition of any fines or liens against the Demised Premises; provided that, pending any such legal or other proceedings, Tenant shall give Landlord such security as may be deemed reasonably satisfactory to Landlord to insure payment of any costs associated with compliance with the contested Requirement, including any penalties. If, at any time during the continuance of such contest, the Demised Premises or any part thereof is, in the judgment of Landlord, in imminent danger of being forfeited or lost, Landlord may use such security for the payment of the costs of compliance with the Requirement and Tenant shall comply with the Requirement.

ARTICLE IV
Payment of Taxes, Assessments, Etc.

Section 1. The Tenant covenants and agrees to pay or to cause to be paid, before any fine, penalty, interest, or cost may be added thereto for the nonpayment thereof, all real estate taxes, assessments, water rates and charges, and other governmental charges, of any kind and nature whatsoever, including but not limited to assessments for public improvements or benefits (all of which taxes, assessments, water rates or charges, levies and other governmental charges are hereinafter referred to as Impositions), that are assessed, levied, confirmed, or imposed, or that become a lien upon or become payable in respect of the Demised Premises or Tenant's or others' use thereof during the Term of this Lease. If any Imposition is payable, or may at the option of the taxpayer be paid, in installments, the Tenant may pay the same in installments before the same becomes due and before any fine, penalty, interest, or cost may be added thereto for the nonpayment of any such installment. Any Imposition relating to a fiscal period of the taxing authority, a part of which period is included within the Term of this Lease and part of which is included in a period of time after the termination of this Lease, whether or not such Imposition shall be assessed, levied, confirmed, imposed, or become a lien upon the Demised Premises, or shall become payable during the Term of this Lease, shall be adjusted as between the Landlord and the Tenant so that the Landlord shall pay that proportion of such Imposition which the part of such fiscal period included in the period of time after the termination of this Lease bears to such fiscal period and the Tenant shall pay the remainder thereof. With respect to any Imposition for public improvements or benefits which by law is payable, or at the option of the taxpayer may be paid, in installments, the Landlord shall pay the installments thereof that become due and payable subsequent to the termination of this Lease, and the Tenant shall pay those installments that become due and payable during the Term of this Lease.

Section 2. Nothing in this Lease shall require the Tenant to pay any franchise, estate, inheritance, succession, capital levy, or transfer tax of the Landlord, or any income tax, excess profits or revenue tax, or any other tax, assessment, charge, or levy upon the Rent payable by the Tenant under this Lease except to the extent in this Lease.

Section 3. The Tenant covenants to furnish to the Landlord within ten (10) days after Landlord requests the same in writing, original receipts of the appropriate taxing authority, or photostatic copies or duplicate originals thereof, evidencing payment of all Impositions due prior to such requests before any fine, penalty, interest, or cost may be added thereto for the nonpayment thereof.

Section 4. The Tenant may pay any Imposition under protest and if Tenant shall elect to procure a refund of all or any part of such Imposition so paid, may, at its own expense, take such action as it deems appropriate and any such action may be taken, filed, instituted, and prosecuted in the name of the Tenant, but not in the Landlord's name without its consent in writing. In the event that the Tenant as a result of any such action, shall recover any sums in the name of the Landlord, such sums shall belong to the Tenant.

Section 5. The Tenant shall not be required to pay any Imposition or charge upon or against the Demised Premises, or any part thereof, or the Improvements at any time situated thereon, so long as the Tenant shall, in good faith and with due diligence, contest the same or the validity thereof by appropriate legal proceeding which shall have the effect of preventing the collection of the Imposition or charge so contested; provided that pending any such legal proceedings Tenant shall give Landlord such security as may be deemed satisfactory to Landlord to insure payment of the amount of the Imposition or charge, and all interest and penalties thereon. If, at any time during the continuance of such contest, the Demised Premises or any part thereof is, in the judgment of Landlord in imminent danger of being forfeited or lost, Landlord may use such security for the payment of such Imposition.

Section 6. The Tenant shall be entitled to any refund of any Imposition and penalties or interest thereon which have been paid by the Tenant or which have been paid by the Landlord and for which the Landlord has been fully reimbursed.

Section 7. The certificate, advice, or bill of the appropriate official designated by law to make or issue the same or to receive payment of any Imposition, of the nonpayment of any Imposition shall be prima facie evidence that such Imposition is due and unpaid at the time of the making or issuance of such certificates, advice or bill.

Section 8. If at any time during the term of this Lease, under the laws of the State or any political subdivision thereof in which the Demised Premises is situated, a tax or excise on rents or other tax, however described, is levied or assessed by said State or political subdivision against Landlord or the Rent, Tenant shall pay and discharge such tax or excise on Rent or other tax but only to the extent of the amount thereof which is lawfully assessed or imposed upon Landlord and which was so assessed or imposed as a direct result of Landlord's ownership of the Demised Premises, or of this Lease or of the Rent accruing under this Lease.

ARTICLE V
Insurance

Section 1. The Tenant shall, at its sole cost and expense, keep all Improvements on the Demised Premises insured for the benefit of the Landlord and the Tenant as provided in Section 2 and 3 of this Article against loss or damage by fire, lightning and other risks of a similar or dissimilar nature as are or shall be customarily covered under standard "extended coverage" policies and "all risk" policies including, but without limiting the generality of the foregoing, fire, destruction, vandalism and/or damage of the Demised Premises in amounts sufficient to prevent the Landlord or the Tenant from becoming co-insurers of any loss under the applicable policies but in any event in amounts not less than 100% of the full insurable value of the Improvements on the Demised Premises. The term "full insurable value" as used herein means actual replacement cost excluding footings and foundations of the Improvements on the Demised Premises which are not insurable.

Section 2. Tenant shall procure and maintain policies of insurance, at its own cost and expense insuring Landlord, Landlord's Mortgagee, if any, of which Tenant is given written notice, and Tenant from all claims, demands, or actions made by or on behalf of any person or persons, firm or corporation and arising from, related to or connected with the Demised Premises, for bodily injury to or personal injury to or death of any person, or more than one (1) person, or for damage to property in an aggregate amount of not less than $2,000,000 per location and an occurrence limit of not less than $2,000,000 combined single limit. Said insurance shall be written on an "occurrence" basis and not on a "claims made" basis. Landlord shall have the right, exercisable by giving written notice thereof to Tenant, to require Tenant to increase such limit if, in Landlord's reasonable judgment, the amount thereof is insufficient to protect Landlord and Tenant from judgments which might result from such claims, demands or actions. Said insurance shall also fully cover the indemnity set forth in Article XIII, and to the extent such insurance is available, the indemnity set forth in Article XVI.

Section 3. Tenant shall procure and maintain policies of insurance, at its own cost and expense insuring Landlord and Tenant in the amount of $250,000.00 against loss or damage from external explosion or breakdown of boilers, air conditioning equipment and miscellaneous electrical apparatus, if any, on the Demised Premises.

Section 4. Tenant shall procure and maintain flood insurance, at its own cost and expense, whenever, in the judgment of Landlord, such protection is necessary and it is available.

Section 5. All policies of insurance shall name as additional insureds Landlord, Landlord's mortgagee, if any, and Tenant.

Section 6. The aforesaid insurance shall be in companies and in form, substance and amount (where not stated above) reasonably satisfactory to Landlord and any mortgagee of Landlord, and shall contain standard mortgagee clauses satisfactory to Landlord's mortgagee. The aforesaid insurance shall unconditionally provide that it is not subject to cancellation or non-renewal except after at least thirty (30) days prior written notice to Landlord and any mortgagee of Landlord; for the purpose of assuring such notice as to liability insurance, Landlord shall be designated therein as the "First Named Insured". The original insurance policies (or certificates thereof satisfactory to Landlord) together with satisfactory evidence of payment of the premiums thereon, shall be deposited with Landlord at the Commencement Date, and renewals thereof not less than thirty (30) days prior to the end of the Term of each such coverage.

Section 7. Anything contained in this Article V to the contrary notwithstanding, any and all insurance which Tenant is obligated to carry pursuant hereto may be carried under a "blanket" policy or policies covering other properties or liabilities of Tenant, provided that such "blanket" policy or policies otherwise comply with the provisions of this Article V. Any such policy of "blanket" insurance either shall specify therein, or Tenant shall furnish Landlord a written statement from the Insurer under such policy so specifying, the amount of the total insurance allocated to the Demised Premises, which amount shall not be less than the amount required to this Article V, and Tenant shall provide to Landlord a certified copy of any such blanket policies.

Section 8. Provided that such a waiver does not invalidate the respective policy or policies or diminish or impair the insured's ability to collect under such policy or policies or unreasonably increase the premiums for such policy or policies unless the party to be benefitted by such waiver pays for such increase, each of the parties hereto waives all claims for recovery from the other party for any loss or damage to any of its property insured (or required hereunder to be insured) under valid and collectible insurance policies to the extent of any recovery collectible (or which would have been collectible had such insurance required hereunder been obtained) under such insurance policies plus any deductible amounts.

ARTICLE VI
Landlord's Rights to Perform Tenant's Covenants

The Tenant covenants and agrees that if Tenant shall at any time fail to pay any tax or excise on rents or other tax as defined and provided for in this Lease, or fail to pay any Imposition pursuant to the provisions hereof, or fail to take out, pay for, maintain, or deliver any of the insurance policies provided for in Article V, or fail to make any other payment or perform any other act on its part to be made or performed as provided in this Lease, then the Landlord may, but shall not be obligated to do so, without notice to or demand upon the Tenant and without waiving or releasing the Tenant from any obligations of the Tenant in this Lease contained, pay any such tax, excise or Imposition, effect any such insurance coverage and pay premiums therefor, make any other payment or perform any other act on the part of the Tenant to be made and performed as in this Lease provided, in such manner and to such extent as the Landlord may deem desirable, and in exercising any such rights may pay necessary and incidental costs and expenses. All sums so paid by the Landlord and all necessary and incidental costs and expenses in connection with the performance of any such act by the Landlord, shall be deemed additional rent due from the Tenant to the Landlord on demand. The Tenant covenants and agrees to pay all such sums and the Landlord shall have (in addition to any other right or remedy of the Landlord) the same rights and remedies in the event of the nonpayment thereof by the Tenant as in the case of default by the Tenant in the payment of the Rent.

ARTICLE VII
Repairs and Maintenance

The Tenant hereby assumes full and sole responsibility for the condition, repair, replacement, maintenance operation and management of the Demised Premises, whether foreseen or unforeseen, structural or nonstructural. The Tenant covenants and agrees that throughout the Term of this Lease, at its sole cost and expense, to take good care of the Demised Premises and the Facilities and to keep the same in clean, wholesome, safe and good order and condition and attractive in appearance for the purposes permitted in this Lease, and shall promptly at the Tenant's own cost and expense make all necessary repairs thereto. When used in this Article VII the term "repairs" shall include replacements or renewals when necessary, and all repairs made by the Tenant shall be at least equal in quality and class to the original work. The Tenant shall at all times during the Term of this Lease keep and maintain all portions of the Demised Premises and the Facilities in a clean and orderly condition, free of accumulated dirt and rubbish, and shall keep the facilities free from snow and ice.

ARTICLE VIII
Changes and Alterations by Tenant

Section 1. The Tenant shall not make any material changes, alterations, additions or improvements to the Improvements now or hereafter on the Demised Premises without the Landlord's prior consent, which consent shall not be unreasonably withheld. Any material changes or alterations to which the Landlord consents shall be made in all cases subject to the following conditions, which the Tenant covenants and agrees to observe and perform:

(a) No change or alteration shall be undertaken until the Tenant shall have procured and paid for, so far as the same may be required from time to time, all permits and authorizations of the various state and municipal departments or other governmental or quasi-governmental authorities having jurisdiction.

(b) Tenant shall submit for Landlord's approval, which shall not be unreasonably withheld, plans and specifications for any material alterations to the premises. Before commencing work on any material alteration, Tenant shall provide security satisfactory to Landlord. Before commencing work on any alteration, Tenant shall provide Landlord with copies of certificates of risk and liability insurance for any construction contractor retained to perform work related to the alteration.

(c) The Tenant shall furnish the Landlord at the time of final payment for the work by Tenant with evidence satisfactory to the Landlord that there has not been filed with respect to the Demised Premises any mechanic's or other lien that has not been discharged or recorded in respect of any work, labor, services, or materials performed, furnished, or supplied, or claimed to have been performed, furnished, or supplied, in connection with any such work.

(d) All work done pursuant to the terms and provisions hereof shall be done in a good and workmanlike manner and in compliance with the building and zoning laws of the City of Champaign and other governmental or quasi-governmental authorities having jurisdiction and with all laws, ordinances, orders, rules, regulations, and requirements of all federal, state, and municipal governments and the appropriate departments, commissions, boards, and officers thereof.

(e) The Tenant shall maintain, at its sole cost and expense, at all times when any work is in progress workmen's compensation insurance covering all persons employed in connection with the work and with respect to whom death or injury claims could be asserted against the Landlord, the Tenant, or the Demised Premises or any part thereof. Such insurance shall be in addition to the other insurance required to be maintained pursuant to the provisions of this Lease and shall otherwise conform with the requirements for insurance policies to be maintained by Tenant pursuant to the provisions of Article V of this Lease.

ARTICLE IX
Mechanic's Liens

Section 1. Subject to the provisions of Section 2 of this Article IX, the Tenant shall not suffer or permit any mechanic's lien to be filed or remain against the Demised Premises or any part thereof by reason of work, labor, services, or materials performed or supplied, whether prior to or subsequent to the date of this Lease, to the Tenant or anyone holding the Demised Premises or any part thereof through or under the Tenant. If any such mechanic's lien shall at any time be filed against the Demised Premises, the Tenant shall cause the same to be discharged of record within thirty (30) days after the date of filing the same. If the Tenant shall fail to discharge any such mechanic's lien within such period, in addition to any other right or remedy of the Landlord, the Landlord may, but shall not be obligated to, discharge the same by paying the amount claimed to be due without inquiry into the validity of the same. Any amount paid by the Landlord in procuring the discharge of any such lien and all necessary disbursements in connection therewith, with interest thereon as provided in this Lease from the date of payment, shall be deemed additional rent payable from the Tenant to the Landlord on demand. The Tenant covenants and agrees to pay all such sums and the Landlord shall have (in addition to any other right or remedy of the Landlord) the same rights and remedies in the event of the nonpayment thereof by the Tenant as in the case of default by the Tenant in the payment of the Rent.

Section 2. Contrary provisions of this Lease notwithstanding, Tenant may, in good faith and with reasonable diligence, contest the validity or amount of any mechanic's or other lien filed against the Demised Premises, ("Contest"), provided: (1) that such Contest shall have the effect of preventing the sale or forfeiture of the Demised Premises or any part thereof, or any interest therein; (2) that Tenant has notified Landlord in writing of the intention of Tenant to engage in such Contest; and (3) that Tenant shall have deposited with Landlord at such place as Landlord may from time to time in writing appoint, (i) a sum of money or other security acceptable to Landlord which shall be reasonably sufficient to pay in full all amounts at issue in such Contest, including all costs, penalties and interest whenever, in the judgment of Landlord, such increase is advisable or (ii) a commitment of title insurance in form and amount reasonably satisfactory to Landlord to insure Landlord against all loss or damage occasioned thereby. If Tenant shall fail to prosecute such Contest with reasonable diligence or shall fail to maintain sufficient funds on deposit as hereinabove provided, Landlord may, at its option, apply the monies and/or liquidate the securities deposited with Landlord, in payment of, or on account of, such mechanic's lien or any portion thereof then unpaid, including the payment of all costs, penalties and interest thereon or related thereto. If the amount of money and/or security so deposited shall be insufficient for the payment in full of all such amounts, Tenant shall forthwith upon demand either (a) deposit with Landlord a sum which, when added to the funds then on deposit shall be sufficient to make such payments in full or (b) if Landlord shall have applied funds on deposit on account of such mechanic's or other liens, restore said deposit to an amount satisfactory to Landlord. Landlord may (but shall not be obligated to) apply the money so deposited in full payment of such mechanic's or other liens or that part thereof then unpaid, together with all costs, penalties and interest thereon if so requested in writing by Tenant.

Section 3. This Lease shall constitute notice that the Landlord shall not be liable for any labor, material or services furnished or work performed or to be performed for the Tenant or anyone holding the Demised Premises or any part thereof through the Tenant, and that no mechanic's or other lien for labor, materials, services or work shall attach to or affect the estate or interest of the Landlord in and to the Demised Premises unless specifically ordered by the Landlord in writing.

ARTICLE X
Inspection of Premises by Landlord

The Tenant agrees to permit the Landlord and the authorized representatives of the Landlord to enter the Demised Premises at all times upon prior written notice to Tenant and during usual business hours for the purpose of inspecting the same or for the purpose of making any repairs or performing any other work on the Demised Premises that pursuant to the terms of this Lease, the Tenant is required but has failed to perform, or that the Landlord may deem necessary to prevent waste or deterioration in connection with the Demised Premises or the Facilities. Nothing herein shall imply any duty upon the part of the Landlord to do any such work, and the performance thereof by the Landlord shall not constitute a waiver of the Tenant's default in failing to perform the same. The landlord shall not in any event be liable for inconvenience, annoyance, disturbance, loss of business, or other damage to the Tenant by reason of making repairs or the performance of any work in the Demised Premises, or on account of bringing materials, supplies, and equipment into or through the Demised Premises during the course thereof, and the obligations of the Tenant under this Lease shall not thereby be affected in any manner whatsoever.

ARTICLE XI
Assignment and Subletting

Tenant will not assign, sell, mortgage, pledge or in any manner transfer this Lease or any interest therein, by operation of law or otherwise, or sublet or grant a license to use the Demised Premises or any part or parts thereof, or permit occupancy thereof by anyone other than Tenant without the prior consent of Landlord, which consent shall not be unreasonably withheld. It is anticipated that, effective December 31, 1995, The Carle Pavilion, Inc., as owner will convey the Demised Premises to River Oaks, Inc., a Louisiana corporation, who will assume this Lease effective immediately and with no further action being required.

ARTICLE XII
Utility and Other Charges

The Tenant agrees to pay or cause to be paid all charges for gas, electricity, light, heat, power, or other utilities and all charges for telephone, communication, or other services used, rendered, or supplied upon or in connection with the Demised Premises throughout the Term of this Lease, and to indemnify the Landlord and save the Landlord harmless against any liability or damages on such account. The Tenant shall also at its sole cost and expense procure any and all necessary permits, licenses, or other authorizations required for the lawful and proper installation and maintenance upon the Demised Premises of wires, pipes, conduits, tubes, and other equipment and appliances for use in supplying any such service to and upon the Demised Premises.

ARTICLE XIII
Indemnification

The Tenant agrees to indemnify, defend and save the Landlord harmless against and from any and all claims by or on behalf or any person or persons, firm or firms, corporation or corporations, arising from Tenant's use of, the conduct of business on, the management of, or any work or thing whatsoever done in or about the Demised Premises and will further indemnify, defend and save the Landlord harmless against and from any and all claims or liability, loss, costs, damages, or expenses (including attorneys' fees), arising during the Term of this Lease from any condition of the Improvements on the Demised Premises or the Facilities, or arising from any breach or default on the part of the Tenant in the performance of any covenant or agreement on the part of the Tenant to be performed pursuant to the terms of this Lease, or arising from any act or negligence of the Tenant or any of its agents, contractors, servants, employees, licensees or invitees, or arising from any accident, injury, or damage whatsoever caused to any person, firm, or corporation, occurring during the Term of this Lease, in or about the Demised Premises or the Facilities or upon or under the sidewalks, vaults, and the land adjacent thereto.

ARTICLE XIV
Condition of Demised Premises

The Tenant acknowledges that it is fully familiar with the physical condition of the Demised Premises, and agrees to take same in an "as is" condition, and the Landlord shall not be liable for any latent or patent defects therein.

ARTICLE XV
Repair, Restoration, and Rebuilding

Section 1. The Tenant covenants and agrees that in case of any damage to or destruction of any of the Improvements on the Demised Premises or any part or portion thereof, by fire or otherwise, Tenant will promptly and diligently at its sole cost and expense repair, restore, rebuild and replace the same as nearly as possible to the condition they were in immediately prior to such damage or destruction or with such changes or alterations as may be made in conformity with Article VIII, the value of the Demised Premises upon such completion to be at least equal to their value immediately prior to such damage or destruction.

Section 2. No damage or destruction, whether partial or total, of any or all of the Improvements on the Demised Premises by any casualty whatsoever shall entitle the Tenant to surrender possession of the Demised Premises or to terminate this Lease nor shall Tenant be released from any obligation under this Lease, including (without affecting the generality of the foregoing) Tenant's obligations for the payment of Rent (without abatement or offset of any kind) or for the payment of additional rent or any other sums and payments on the part of Tenant to be paid to Landlord or from any obligation to perform and comply with all the terms, covenants and conditions of this Lease on Tenant's part to be performed and complied with.

Section 3. The Landlord and the Tenant agree to assign and deliver all proceeds of insurance recovered on account of any damage or destruction of or to the Demised Premises, less the cost, if any, of such recovery, to the Landlord. Tenant, so long as it is not in default under this Lease, shall promptly repair, restore or rebuild the same to the condition existing prior to the happening of such fire or other casualty unless insurance proceeds are recovered but not made available to Tenant for rebuilding. If the proceeds of insurance shall be insufficient to pay the entire cost of said repair, restoration or rebuilding, the Tenant agrees to pay the deficiency. Notwithstanding the provisions of the previous sentences, if the damage or destruction is material and substantial, Landlord shall have the right, subject to the consent of any first mortgagee whose consent thereto is required, to terminate this Lease, effective on the date of such damage or destruction, by giving written notice thereof to Tenant within sixty (60) days after the event causing the damage or destruction. In the event the insurer has denied liability as to the insureds, then Tenant shall bear the full cost of repair and restoration. Rent shall not be reduced or abated during the period of such repair, restoration or rebuilding even if the improvements are not tenantable. Before Tenant commences such repairing, restoration or rebuilding involving an estimated cost of more than Fifty Thousand Dollars ($50,000.00), plans and specifications therefor, prepared by a licensed architect satisfactory to Landlord shall be submitted to Landlord for approval and Tenant shall furnish to Landlord (a) an estimate of the cost of the proposed work, certified by said architect; (b) satisfactory evidence of sufficient contractor's comprehensive general liability insurance covering Landlord, builder's risk insurance, and worker's compensation insurance; (c) a performance and payment bond satisfactory in form and substance to Landlord; and (d) such other security as Landlord may require to insure payment for the completion of all work free and clear of liens.

Section 4. All sums arising by reason of loss and made available by Landlord for restoration under the insurance referred to in Article V, shall be deposited with the Depository (as hereinafter defined) to be available to Tenant for the work. In the event the insurer has denied liability as to the insureds, then Tenant shall deposit the full amount of the cost of the work with the Depositary. Tenant shall diligently pursue the repair or rebuilding of the improvements in a good and workmanlike manner using only high quality workers and materials. The Depository shall pay out construction funds from time to time on the written direction of the architect provided that the Depository and Landlord shall first be furnished with waivers of lien, contractors', and subcontractors' sworn statements and other evidence of cost and payments so that the Depository can verify that the amounts disbursed from time to time are represented by completed and in-place work, and that said work is free and clear of possible mechanics' liens. No payment made prior to the final completion of the work shall exceed ninety percent (90%) of the value of the work completed and in place from time to time. At all times the undisbursed balance remaining in the hands of Depository shall be at least sufficient to pay for the cost of completion of the work free and clear of liens; any deficiency shall be paid into the Depository by Tenant. Depository, as used herein, shall be any first mortgagee of the Demised Premises, or the Landlord if there is not first mortgagee of the Demised Premises or if such first mortgagee has refused to act as Depository. Any excess of money received from insurance remaining with the Depository after the repair or rebuilding of improvements, so long as there exists no default by Tenant in the performance of the Tenant's covenants and agreements hereunder, shall be paid to Tenant.

Section 5. If Tenant shall not enter upon the repair or rebuilding of the improvements within a period of sixty (60) days after damage or destruction by fire or otherwise, and prosecute the same thereafter with such dispatch as may be necessary to complete the same with a reasonable period after said damage or destruction occurs, then, in addition to whatever other remedies Landlord may have either under this Lease, at law or in equity, the money received by and then remaining in the hands of the Depository shall be paid to and retained by Landlord as security for the continued performance and observance by Tenant of the Tenant's covenants and agreements hereunder, or Landlord may terminate this Lease and then be paid and retain the amount so held as liquidated damages resulting from the failure on the part of Tenant to comply with the provisions of this Article XV.

Section 6. The Landlord shall not be responsible for the collection or noncollection of any insurance money in any event, but only for such insurance money as it may actually receive as Landlord.

ARTICLE XVI
Environmental Compliance, Indemnification, etc.

Section 1. As used in this Lease, the phrase "Environmental Condition" shall mean: (a) any adverse condition relating to surface water, ground water, drinking water supply, land, surface or subsurface strata or the ambient air, and includes, without limitation, air, land and water pollutants, noise, vibration, light and odors, or (b) any condition which may result in a claim of liability under the Comprehensive Environmental Response Compensation and Liability Act, as amended ("CERCLA"), or the Resource Conservation and Recovery Act ("RCRA"), or any claim of violation of the Clean Air Act, the Clean Water Act, the Toxic Substance Control Act ("TSCA"), or any claim of liability or of violation under any federal statute hereafter enacted dealing with the protection of the environment or with the health and safety of employees or members of the general public, or under any rule, regulation, permit or plan under any of the foregoing, or under any law, rule or regulation now or hereafter promulgated by the state in which the Demised Premises are located, or any political subdivision thereof, relating to such matters (collectively "Environmental Laws").

Section 2. Tenant shall, at all times during the Term, comply with all Environmental Laws applicable to the Demised Premises and shall not, in the use and occupancy of the Demised Premises, cause or contribute to, or permit any party claiming by, through or under Tenant, to cause or contribute to any Environmental Condition. Without limiting the generality of the foregoing, Tenant shall not, without the prior written consent of Landlord, receive, keep, maintain or use on or about the Demised Premises any substance as to which a filing with a local emergency planning committee, the State Emergency Response Commission or the fire department having jurisdiction over the Demised Premises is required pursuant to Section 311 and/or Section 312 of the CERCLA, as amended by the Superfund Amendment and Reauthorization Act of 1986 ("SARA") (which latter Act includes the Emergency Planning and Community Right-To-Know Act of 1986); in the event Tenant makes a filing pursuant to SARA, Tenant shall simultaneously deliver copies thereof to Landlord.

Section 3. Tenant will protect, indemnify and save harmless Landlord from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) of whatever kind or nature, contingent or otherwise, known or unknown, incurred or imposed, based upon any Environmental Laws or resulting from any Environmental Condition which is caused or contributed to by the use or occupancy of the Demised Premises by Tenant or any party claiming by, through or under Tenant. In case any action, suit or proceeding is brought against any of the parties indemnified herein by reason of any occurrence described in this Article XVI, Tenant will, at Tenant's expense, by counsel approved by Landlord, resist and defend such action, suit or proceeding, or cause the same to be resisted and defended. The obligations of Tenant under this Article XVI shall survive the expiration or earlier termination of this Lease.

Section 4. Landlord may conduct tests in or about the Demised Premises for the purpose of determining the presence of any Environmental Condition. If such tests indicate the presence of an Environmental Condition caused or contributed to by the use or occupancy of the Demised Premises by Tenant or any party claiming by, through or under Tenant, Tenant shall, in addition to its other obligations hereunder, reimburse Landlord for the cost of conducting such tests. Without limiting Tenant's liability under Section 3 hereof, in the event of any such Environmental Condition, Tenant shall promptly and at its sole cost and expense, take any and all steps necessary to remedy the same, complying with all provisions of applicable law, or shall, at Landlord's election, reimburse Landlord for the cost to Landlord of remedying the same. The reimbursement shall be paid by Tenant to Landlord in advance of Landlord's performing such work based upon Landlord's reasonable estimate of the cost thereof, and upon completion of such work by Landlord, Tenant shall pay to Landlord any shortfall promptly after Landlord bills Tenant therefor, or Landlord shall promptly refund to Tenant any excess deposit, as the case may be.

ARTICLE XVII
Condemnation

Section 1. Subject to the provisions below, Tenant hereby irrevocably assigns to Landlord any award or payment (other than any award or payment for trade fixtures owned by Tenant and located on the Demised Premises, which award or payment shall belong to Tenant) to which Tenant may be or become entitled by reason of any taking of the Demised Premises or the Facilities or any part thereof, in or by condemnation or other eminent domain proceedings pursuant to any law, general or special, or by reason of the temporary requisition of the use or occupancy of the Demised Premises or the Facilities or any part thereof, by any governmental authority, civil or military. Tenant shall have the right to file a separate and independent claim for the unamortized portion of any improvements or unamortized portion of trade fixtures installed by Tenant on the Demised Premises, as well as for any special awards to which Tenant may be entitled by law.

Section 2. If, during the lease Term, (i) the Demised Premises in its entirety shall be taken in or by condemnation or other eminent domain proceedings pursuant to any law, general or special, or (ii) a portion of the Demised Premises which is sufficient to render the remaining portion thereof unsuitable for the use contemplated by this Lease or for any other use thereof shall be taken in or by such proceedings, or (iii) the use or occupancy of the entire Demised Premises shall be requisitioned by any governmental authority, civil or military for a period equal to or in excess of the then remaining Term of this Lease, then Tenant may, not later than thirty (30) days after Tenant is deprived of possession thereof, give notice to Landlord of its intention to terminate this Lease on any Rent payment date specified in such notice, which date occurs not less than ninety (90) nor more than one hundred eighty (180) days after such notice of termination to Landlord, provided that such notice shall be accompanied by the Rent payable on such date and all arrearages, if any, of Rent and any additional rent, and, in the event that less than the entire Demised Premises shall have been taken, a certificate of Tenant, signed by an officer thereof, stating that the portion of the Demised Premises so taken is sufficient to fulfill the conditions set forth in clause (ii) of this Section. Upon payment of all installments of Basic Rent, additional rent and other charges then due and unpaid and upon compliance by Tenant with all other obligations and liabilities of Tenant under this Lease, actual or contingent, which have arisen on or prior to such Rent payment date, then in such event this Lease shall terminate, and Tenant shall immediately vacate and shall thereafter have no further rights in and to the Demised Premises and shall have no further obligations for the payment of Rent and any other charges to be made by Tenant hereunder.

Section 3. If (i) a portion of the Demised premises shall be taken in or by condemnation or other eminent domain proceedings pursuant to any law, general or special, which taking is not sufficient to permit or require that the Tenant give notice of its intention to terminate this Lease as provided in Section 2 above, or (ii) all or any portion of the Facilities shall be taken in or by such proceedings, or (iii) the use or occupancy of the Demised Premises or any part thereof shall be temporarily requisitioned by any governmental authority, civil or military, but such requisition is not of sufficient scope or duration to permit or require that the Tenant give notice of its intention to terminate this Lease as provided in Section 2 above, then, this Lease shall continue in full force and effect without abatement or reduction of Rent, additional rent or other sums payable by the Tenant hereunder, notwithstanding such taking or requisition, except as provided in Section 4. The Tenant shall, promptly after such taking or requisition, and at its expense, repair any damage caused by any such taking or requisition in conformity with the requirements of this Lease, so that after the completion of such repair, the Demised Premises, the Improvements and the Facilities shall be as nearly as possible a complete architectural unit usable for the purpose for which they were used prior to the taking and in a condition as good as the condition thereof immediately prior to such taking or requisition. The proceeds of any award by reason of such taking shall be paid to the Landlord, and the Landlord shall, pay such award over to the Tenant to the extent necessary to reimburse the Tenant from time to time for the cost of repairing the Improvements on the Demised premises. If the proceeds of any award shall be insufficient to pay the entire cost of said repairs, the Tenant agrees to pay the deficiency. If there shall be a balance of proceeds after the whole cost of the work shall have been paid from such money, then in each such case all remaining proceeds shall be retained by Landlord. Notwithstanding the foregoing, in the event of an aforesaid temporary requisition, the Landlord shall be entitled to receive and retain the entire net award, and the Landlord shall apply such award to the extent necessary and then available for such purpose, to the installments of Rent thereafter payable during the time of such temporary requisition. Upon the termination of such temporary requisition, any portion of such award which shall not have been previously applied to installments of Rent shall be retained by Landlord.

Section 4. In the event of a partial taking of the Demised Premises as provided in clause (i) of Section 3 above, effective as of the date on which the public authority shall take possession of the portion of the Demised Premises so taken, the Rent payable by Tenant pursuant to the provisions of this Lease shall be proportionately reduced on the basis of the award received by Landlord. The Rent payable by Tenant shall be determined by multiplying the current Rent by a fraction, the numerator of which is the amount of the condemnation award and the denominator of which is $1,689,440.

Section 5. For the purpose of this Lease, all amounts payable pursuant to any agreement with any condemning authority which has been made in settlement of or under threat of any condemnation or other eminent domain proceeding affecting the Demised Premises, the Improvements thereon and/or the Facilities shall be deemed to constitute an award made in such proceeding, provided, however, that no such agreement shall be made with any condemning authority by the Tenant without the written consent of the Landlord.

ARTICLE XVIII
Default and Remedies

Section 1. If, during the Term of this Lease, (a) the Tenant shall make an assignment for the benefit of creditors, or (b) a voluntary petition is filed by the Tenant under any law having for its purpose the adjudication of the Tenant a bankrupt or the extension of the time of payment, composition, adjustment, modification, settlement, or satisfaction of the liabilities of the Tenant or to which any property of the Tenant may be subject or the reorganization (other than a reorganization not involving the liabilities of the Tenant) or liquidation of the Tenant, or (c) an involuntary petition is filed against the Tenant under any law having for its purpose the adjudication of the Tenant a bankrupt or the extension of the time of payment, composition, adjustment, modification, settlement, or satisfaction of the liabilities of the Tenant or to which any property of the Tenant may be subject or the reorganization (other than a reorganization not involving the liabilities of the Tenant) or liquidation of the Tenant and such petition is not dismissed within sixty days, or (d) a permanent receiver is appointed for the property of the Tenant by reason of the insolvency or alleged insolvency of the Tenant, or (e) a temporary receiver is appointed for the property of the Tenant by reason of the insolvency or alleged insolvency of the Tenant and such temporary receiver is not discharged or removed within sixty days, or (g) the Tenant is adjudicated a bankrupt, the occurrence of any such contingency shall be deemed a breach of this Lease and the Landlord, at its option, may terminate this Lease and upon such termination the Tenant will quit and surrender the Demised Premises to the Landlord, but the Tenant shall be liable to Landlord as hereinafter provided.

Section 2. Tenant agrees that any one or more of the following events shall be considered events of default as said term is used herein:

(a) Tenant shall be adjudged an involuntary bankrupt, or a decree or order approving, as properly filed, a petition or answer filed against Tenant asking reorganization of Tenant under the Federal bankruptcy laws as now or hereafter amended, or under the laws of any state, shall be entered, and any such decree or judgment or order shall not have been vacated or set aside within sixty (60) days from the date of the entry or granting thereof; or

(b) Tenant shall file or admit the jurisdiction of the court and the material allegations contained in any petition in bankruptcy or any petition pursuant or purporting to be pursuant to the Federal bankruptcy laws as now or hereafter amended, or Tenant shall institute any proceeding or shall give its consent to the institution of any proceedings for any relief of Tenant under any bankruptcy or insolvency laws or any laws relating to the relief of debtors, readjustment or indebtedness, reorganization, arrangements, composition or extension; or

(c) Tenant shall make any assignment for the benefit of creditors or shall apply for consent to the appointment of a receiver for Tenant or any of the property of Tenant; or

(d) The Demised Premises are levied upon by any revenue officer or similar officer; or

(e) A decree or order appointing a receiver of the property of Tenant shall be made and such decree or order shall not have been vacated or set aside within sixty (60) days from the date of entry or granting thereof; or

(f) Tenant shall abandon the Demised Premises or vacate the same during the Term hereof; or

(g) Tenant shall default in any payment of Rent or in any other payment required to be made by Tenant hereunder when due as herein provided, or shall default under Article V hereof, and any such default shall continue for five (5) days after notice thereof in writing to Tenant; or

(h) Tenant shall fail to contest the validity of any lien or claimed lien and give security to Landlord to assure payment thereof, or having commenced to contest the same and having given such security, shall fail to prosecute such contest with diligence, or shall fail to have the same released and satisfy any judgment rendered thereon, and such default continues for ten (10) days after notice thereof in writing to Tenant; or

(i) Tenant shall default in keeping, observing or performing any of the other covenants or agreements herein contained to be kept, observed and performed by Tenant, and such default shall continue for thirty (30) days after notice thereof in writing to Tenant; or

(j) Tenant shall repeatedly be late in the payment of Rent or other charges required to be paid hereunder or shall repeatedly default in the keeping, observing or performing of any other covenants or agreements herein contained to be kept, observed or performed by Tenant (provided notice of such payment or other defaults shall have been given to Tenant, but whether or not Tenant shall have timely cured any such payment or other defaults of which notice was given).

Section 3. Upon the occurrence of any one or more of such events of default, Landlord may at its election terminate this Lease or terminate Tenant's right to possession only, without terminating the Lease. Upon termination of the Lease, or upon any termination of the Tenant's right to possession without termination of the Lease, the Tenant shall surrender possession and vacate the Demised Premises immediately, and deliver possession thereof to the Landlord, and Tenant hereby grants to the Landlord the full and free right, without demand or notice of any kind to Tenant (except as hereinabove expressly provided for), to enter into and upon the Demised Premises in such event with or without process of law and to repossess the Demised Premises as the Landlord's former estate and to expel or remove the Tenant and any others who may be occupying or within the Demised Premises without being deemed in any manner guilty of trespass, eviction, or forcible entry or detainer, without incurring any liability for any damage resulting therefrom and without relinquishing the Landlord's rights to Rent or any other right given to the Landlord hereunder or by operation of law. Upon termination of the Lease, Landlord shall be entitled to recover as damages all Rent and other sums dues and payable by Tenant on the date of termination, plus (a) an amount equal to the excess (discounted to present value at six percent (6%) of (i) the Rent and other sums provided herein to be paid by Tenant for the residue of the stated Term hereof over (ii) the fair rental value of the Demised Premises for the residue of the Term (taking into account the time and expense necessary to obtain a replacement tenant or tenants, including expenses hereinafter described relating to the recovery of the Demised Premises, preparation for reletting and for reletting itself), and (b) the cost of performing any other covenants to be performed by the Tenant. If the Landlord elects to terminate the Tenant's right to possession only without terminating the Lease, the Landlord may, at the Landlord's option, enter into the Demised Premises, remove the Tenant's signs and other evidences of tenancy, and take and hold possession thereof as hereinabove provided, without such entry and possession terminating the Lease or releasing the Tenant, in whole or in part, from the Tenant's obligations to pay the Rent hereunder for the full term or from any other of its obligations under this Lease. Landlord may relet all or any part of the Demised Premises for such Rent and upon such terms as shall be satisfactory to Landlord (including the right to relet the Demised Premises as a part of a larger area, and the right to change the character or use made of the Demised Premises). For the purpose such reletting, Landlord may decorate or make any repairs, changes, alterations or additions in or to the Demised Premises that may be necessary or convenient. If Landlord does not relet the Demised Premises, Tenant shall pay to Landlord on demand damages equal to the amount of the Rent, and other sums provided herein to be paid by Tenant for the remainder of the Lease Term. If the Demised Premises are relet and a sufficient sum shall not be realized from such reletting after paying all of the expenses of such decorations, repairs, changes, alterations, additions, the expenses of such reletting and the collection of the Rent accruing therefrom (including, but not by way of limitation, attorney's fees and brokers' commissions), to satisfy the Rent and other charges herein provided to be paid for the remainder of the Lease Term, Tenant shall pay to Landlord on demand any deficiency and Tenant agrees that Landlord may file suit to recover any sums falling due under the terms of this Section from time to time.

Landlord shall use reasonable efforts to mitigate its damages arising out of Tenant's default; Landlord shall not be deemed to have failed to use such reasonable efforts by reason of the fact that Landlord has leased or sought to lease other vacant premises owned by Landlord in preference to reletting the Demised Premises, or by reason of the fact that Landlord has sought to relet the Demised Premises at a rental rate higher than that payable to Tenant under the Lease (but not in excess of the then current market rental rate). If Tenant shall default under Section 2(i) and if such default cannot with due diligence be cured within said period of thirty (30) days after notice in writing shall have been given to Tenant, and if Tenant promptly commences to eliminate the causes of such default, then Landlord shall not have the right to declare said Term ended by reason of such default, then Landlord shall not have the right to declare said Term ended by reason of such default or to repossess without terminating the Lease so long as Tenant is proceeding diligently and with reasonable dispatch to take all steps and do all work required to cure such default, and does so cure such default, provided, however, that the curing of any default in such manner shall not be construed to limit or restrict the right of Landlord to declare the said Term ended or to repossess without terminating the Lease, and to enforce all of its rights and remedies hereunder for any other default not timely cured.

Section 4. In the event Landlord fails to act reasonably in granting any of the consents contemplated by the Lease, Tenant's sole remedy shall be injunctive relief, and in no event shall Landlord be liable to Tenant for damages.

ARTICLE XIX
Surrender of Possession

Section 1. The Tenant shall, upon termination of this Lease for any reason whatsoever, surrender to the Landlord the buildings, structures, fixtures, and equipment upon the Demised Premises, together with all alterations and replacements thereof, in good order, condition, and repair.

Section 2. Upon the expiration of the Term of this Lease or the termination of this Lease for any reason whatsoever, the Tenant shall, at Landlord's request, remove any alterations constructed pursuant to Article VIII. If Landlord does not require removal of such alterations, such alterations shall become the sole property of Landlord.

Section 3. Upon the termination of the Term of this Lease or the termination of this Lease for any reason whatsoever, the Tenant will remove or cause to be removed at the Tenant's sole cost and expense all signs, billboards, placards, lettering or other indications of the Tenant's occupancy of the Demised Premises or advertising the Tenant's business or merchandise.

Section 4. In the event the Tenant remains in possession of the Demised Premises after the expiration of the tenancy created hereunder and without the execution of a new lease, the Tenant, at the option of the Landlord, shall be deemed to be occupying the Demised Premises as a tenant from month-to-month, at two times the Rent, and two times all the other charges due hereunder, and subject to all the other conditions, provisions and obligations of this Lease insofar as the same are applicable to a month-to-month tenancy.

ARTICLE XX
Quiet Enjoyment

Except for the rights of Carle as herein described, the Landlord covenants and agrees that the Tenant, upon paying the Rent and all other charges herein provided for, and upon observing and keeping the covenants, agreements, and conditions of this Lease on its part to be kept, shall lawfully and quietly hold, occupy, and enjoy the Demised Premises during the Term of this Lease without hindrance or molestation of the Landlord or any person or persons claiming under the Landlord, provided that Landlord's liabilities under this Lease shall be only for the period during which it is the owner of the Demised Premises.

ARTICLE XXI
Remedies Cumulative; No Waiver

The specified remedies to which the Landlord may resort under the terms of this Lease are cumulative and are not intended to be exclusive of any other remedies or means of redress to which the Landlord may be lawfully entitled in case of any breach of threatened breach by the Tenant of any provision of this Lease. The failure of the Landlord to insist in any one or more cases upon the strict performance of any of the covenants of this Lease or to exercise any option herein contained shall not be construed as a waiver or a relinquishment for the future of such covenant or option. A receipt by the Landlord of Rent with knowledge of the breach of any covenants hereof shall not be deemed a waiver of such breach, and no wavier by the Landlord of any provision of this Lease shall be deemed to have been made unless expressed in writing and signed by the Landlord. In addition to the other remedies in this Lease provided, the Landlord shall be entitled to the restraint by injunction of the violation, or attempted or threatened violation, of any of the covenants, conditions, or provisions of this Lease.

ARTICLE XXII
Subordination

This Lease shall be subject and subordinate to any existing mortgage or trust deed on the Demised Premises, and to any other first mortgages which shall hereafter be executed, from time to time, and all renewals, modifications, replacements and extensions thereof which may hereafter affect the real property of which the Demised Premises form a part; or, any mortgagee or trustee, their successors or assigns, may elect to give the right and interest of Tenant under this Lease priority over the lien of such mortgage or trust deed. In the event of either such election, by notification of such mortgagee or trustee, their successors or assigns, to Tenant, the rights and interest of Tenant under this Lease shall be deemed to be subordinate to, or to have priority over, the lien of said mortgage or trust deed. Tenant shall execute and deliver such instruments as may be required for such purpose, and in the event Tenant fails to do so within ten (10) days after demand in writing, Tenant does hereby make, constitute and irrevocably appoint Landlord as Tenant's attorney in fact and in its name, place and stead, to do so.

ARTICLE XXIII
Notices, Demands, and Requests

All notices, demands, and requests that may or are required to be given by either party to the other shall be in writing. All notices, demands, and requests by the Landlord to the Tenant shall be sent by United States registered or certified mail, postage prepaid, addressed to the Tenant at the following address:

The Pavilion Foundation
809 West Church Street
Champaign, Illinois 61820

or at such other place as Tenant may from time to time designate by written notice to the Landlord. All notices, demands, and requests by the Tenant to the Landlord shall be sent by United States registered or certified mail, postage prepaid, addressed to the Landlord at the following address:

Carle Pavilion
611 W. Park
Urbana, Illinois 61801

with a copy to:

River Oaks, Inc.
1525 River Oaks Road West
New Orleans, LA 70123

or at such other place as the Landlord may from time to time designate by written notice to the Tenant. Notices, demands, and requests served upon the Landlord or the Tenant in the manner aforesaid shall be deemed sufficiently served or given for all purposes hereunder at the time such notice, demand, or request shall be mailed by United States registered or certified mail as aforesaid in any post office or branch post office regularly maintained by the United States Government.

ARTICLE XXIV
Effect of Invalid Provision

If any term or provision of this Lease or the application thereof to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

ARTICLE XXV
Miscellaneous

Section 1. The covenants and agreements herein contained shall bind and inure to the benefit of the Landlord, its successors and assigns, and the Tenant, its successors and assigns.

Section 2. Landlord may, but shall not be obligated to, cure any default by Tenant (specifically including, but not by way of limitation, Tenant's failure to obtain insurance, make repairs, or satisfy lien claims); and whenever Landlord so elects, all costs and expenses paid by Landlord in curing such default, including without limitation reasonable attorneys' fees, shall be so much additional rent due on the next Rent date after such payment, together with interest (except in the case of said attorneys' fees) at the highest rate then payable by Tenant in the State of Illinois or, in the absence of such a maximum rate, at a rate per annum equal to two percent (2%) in excess of the announced base rate or equivalent rate of interest of The First National Bank of Chicago (as publicly announced by said Bank) in effect on the date of such advance, from the date of the advance to the date of repayment by Tenant to Landlord.

Section 3. Tenant agrees to pay on demand Landlord's expenses, including reasonable attorneys' fees, expenses and administrative hearing and court costs incurred either directly or indirectly in enforcing any obligation of Tenant under this Lease, in curing any default by Tenant as provided in Section 2, above, in connection with appearing, defending or otherwise participating in any action or proceeding arising from the filing, imposition, contesting, discharging or satisfaction of any lien or claim for lien, in defending or otherwise participating in any legal proceedings initiated by or on behalf of Tenant wherein Landlord is not adjudicated to be in default under this Lease, or in connection with any investigation or review of any conditions or documents in the event Tenant requests Landlord's approval or consent to any action of Tenant which may be desired by Tenant or required of Tenant hereunder.

Section 4. Within twenty (20) days after written request by Landlord, Tenant shall execute, acknowledge and deliver to Landlord a written statement certifying (a) that this Lease is unmodified and in full force and effect, or is in full force and effect as modified and stating the modifications; (b) the amount of Rent and the date to which Rent and additional rent have been paid in advance; and (c) that Landlord is not in default hereunder, or if Landlord is claimed to be in default, stating the nature of any claimed default. Any such statement may be relied upon by a purchaser, assignee or lender. Tenant's failure to execute and deliver such statement within the time required shall be a default under this Lease and shall also be conclusive upon Tenant that (1) this Lease is in full force and effect and has not been modified except as represented by Landlord; (2) there are no uncured defaults in Landlord's performance and Tenant has no right of offset, counterclaim or deduction against Rent; and (3) not more than one month's Rent has been paid in advance.

Section 5. This Lease may not be changed, modified or discharged except by a writing signed by the Landlord and the Tenant.

Section 6. The headings to the various Articles of this Lease have been inserted for convenient reference only and shall not, to any extent, have the effect of modifying, amending or changing the expressed terms and provisions of this Lease.

Section 7. This Lease shall be governed by and interpreted under the laws of the State of Illinois.

IN WITNESS WHEREOF, the Landlord and the Tenant have respectively executed this instrument as of the day and year first above written.

LANDLORD:

The Carle Pavilion, Inc., an Illinois not-for-profit corporation

ATTEST:

____

Its: ______________________

By: UHS of Delaware, Inc., a Delaware corporation, managing agent Steve Filton

By: Steve Filton

Its: Vice President

TENANT:

THE PAVILION FOUNDATION

ATTEST:

____

Its: ______________________

Bruce R. Gilbert

BY: ______________________

Its: Secretary

EXHIBIT A
LEGAL DESCRIPTION

TRACT 1:

COMMENCING AT A POINT ON THE QUARTER SECTION LINE 37.24 RODS SOUTH OF THE NORTH WEST CORNER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 12, TOWNSHIP 19 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, THENCE EAST ALONG THE CENTER OF THE HIGHWAY KNOWN AS CHURCH STREET 18 RODS, THENCE 19 RODS MORE OR LESS SOUTH TO THE NORTH LINE OF A CONTINUATION OF PARK AVENUE, THENCE WEST 18 RODS TO THE WEST LINE OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 12, THENCE NORTH 19 RODS MORE OR LESS, TO THE PLACE OF BEGINNING, EXCEPT STREETS ADJACENT THERETO WHICH MAY BE INCLUDED IN THE ABOVE DESCRIPTION, IN CHAMPAIGN COUNTY, ILLINOIS.

TRACT 2:

BEGINNING AT THE NORTH EAST CORNER OF LOT ONE, OF ASSESSOR'S SUBDIVISION OF THE NORTH 1/2 OF THE SOUTH 1/2 OF THE NORTH EAST 1/4 OF THE SOUTH EAST 1/4 OF SECTION 11, TOWNSHIP 19 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, THENCE WEST 123 1/2 FEET MORE OR LESS, TO A POINT ~~[1]~~ 124 FEET EAST OF THE NORTH WEST CORNER OF SAID LOT ONE, THENCE SOUTH 169.78 FEET MORE OR LESS, TO A POINT 156 FEET NORTH OF THE SOUTH LINE OF SAID LOT ONE, THENCE EAST TO A POINT ON THE EAST LINE OF SAID LOT ONE, 156 FEET NORTH OF THE SOUTH EAST CORNER OF SAID LOT ONE, THENCE NORTH TO THE PLACE OF BEGINNING, EXCEPT THE SOUTH 8 FEET THEREOF, SITUATED IN THE CITY OF CHAMPAIGN, IN CHAMPAIGN COUNTY, ILLINOIS

TRACT 3:

THE SOUTH 8 FEET OF THE FOLLOWING DESCRIBED TRACT:

BEGINNING AT THE NORTH EAST CORNER OF LOT ONE, OF ASSESSOR'S SUBDIVISION OF THE NORTH 1/2 OF THE SOUTH 1/2 OF THE NORTH EAST 1/4 OF THE SOUTH EAST 1/4 OF SECTION 11, TOWNSHIP 19 NORTH, RANGE 8, EAST OF THE THIRD PRINCIPAL MERIDIAN, THENCE WEST 123 1/2 FEET MORE OR LESS, TO A POINT 124 FEET EAST OF THE NORTH WEST CORNER OF SAID LOT ONE, THENCE SOUTH 169.78 FEET MORE OR LESS, TO A POINT 156 FEET NORTH OF THE SOUTH LINE OF SAID LOT ONE, THENCE EAST TO A POINT ON THE EAST LINE OF SAID LOT ONE 156 FEET NORTH OF THE SOUTH EAST CORNER OF SAID LOT ONE, THENCE NORTH TO THE PLACE OF BEGINNING, SITUATED IN CHAMPAIGN COUNTY, ILLINOIS.

PIN Numbers: 42 20 12 303 001 and 42 20 11 430 017

EXHIBIT B
DESCRIPTION OF EXCLUDED PREMISES
OCTOBER 1, 1995 - DECEMBER 31, 2004

TOTAL 10,063 Sq. Ft. CY96
(Previous total 10,260)

THE CARLE PAVILION
OUTPATIENT NEW CHOICE
SPACE UTILIZATION
9-95

ARCHITECTS ROOM #	AREA/DESCRIPTION:	SQ.FT.:	%:	ADJUSTED TOTAL:
1-256	N.C. - Mgr. office	131	100%	131
1-260	N.C. - B.O.	157	100%	157
1-258	N.C. - Main Office	191	100%	191
1-259	Corridor - Main Hall	524	25%	106
1-298	N.C. - Counselor Office	137	100%	137
1-299	N.C. - Corridor	168	100%	168
1-300	N.C. - Counselor Office	106	100%	106
1-301	N.C. - Counselor Office	118	100%	118
1-302	N.C. - Counselor Office	115	100%	115
1-302A	N.C. - Counselor Office	78	100%	78
1-303	N.C. - Counselor Office	107	100%	107
1-304	N.C. - Counselor Office	135	100%	135
1-294	Bathroom	28	50%	14
1-288	Group Room D	276	50%	138
1-270A	Group Room C	190	50%	95
1-270	Group Room B	198	50%	99
1-269	Group Room A	198	50%	99
1-284	Assessment Intake	177	16.5%	29
1-280	Assessment Intake	126	16.5%	21
1-201	Lobby/Waiting	330	33%	109
1-254	Dining Room	914	25%	228
1-296	Corridor	370	50%	185
1-286	Corridor	524	50%	262
1-272	Corridor	495	50%	247
	TOTAL:			3076

THE CARLE PAVILION
CCA SPACE UTILIZATION

1-237	Emergency Room (Sports Med.)	236	10%	24
1-257	Dr. Leonard's Office	119	50%	59.5
1-257	Sports Medicine	97	100%	97
1-263	Lecture Room	1163	50%	581.5
1-290	Business Office	145	100%	145
1-309	Copy Room	61	25%	15
	TOTAL:			922

DESCRIPTION OF EXCLUDED PREMISES
OCTOBER 1, 1995 - DECEMBER 31, 2004

revised

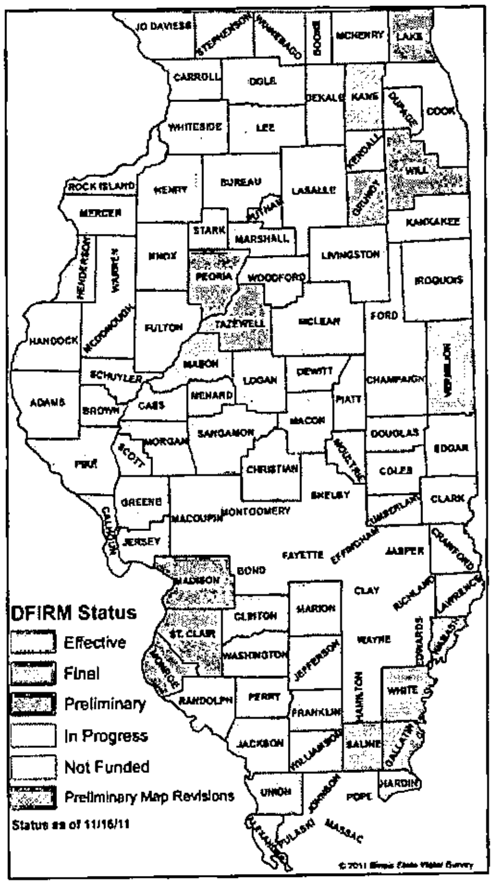
THE CARLE PAVILION
OUTPATIENT PSYCHIATRY & PSYCHOLOGY
SPACE UTILIZATION
9-95

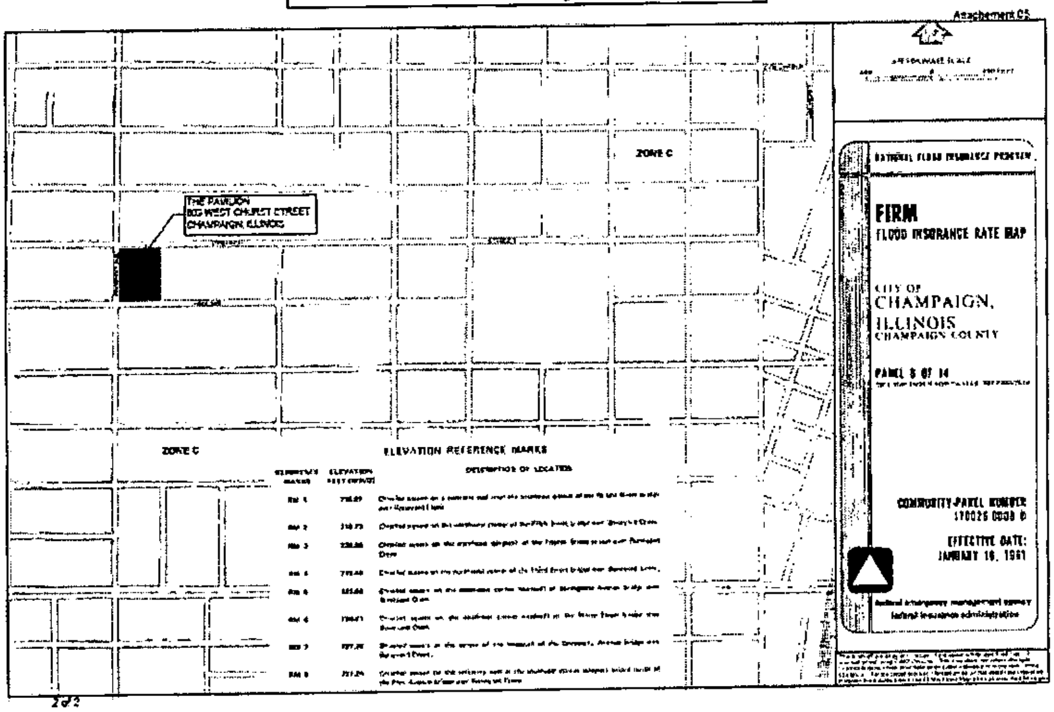
CODE:	AREA:	SQ.FT.:
1-100	Waiting Room	262
1-101	Work Area	147
1-102	Reception	129
1-103	Nurse's Station	125
1-104	Office	167
1-105	Corridor	353
1-106	Physician Office	104
1-107	Physician Office	108
1-108	Physician Office	171
1-109	Waiting/Play Room	67
1-110	Physician Office	125
1-111	Physician Office	121
1-112	Physician Office	101
1-113	Corridor	99
1-114	Corridor	64
1-115	Corridor	272
1-116	Corridor	57
1-117	Office	92
1-118	Office	134
1-119	Restroom	24
1-120	Restroom	33
1-121A	Physician Office (storage)	38
1-121	Physician Office	209
1-122	Corridor	230
1-123	Vestibule	77
1-124	Computer Room	32
1-125	Restroom	43
1-126	Restroom	42
1-127	Office	106
1-128	Physician Office	122
1-129	Physician Office	122
1-130	Physician Office	119
1-131	Corridor	283
1-131A	Storage	22
1-132	Physician Office	124
1-133	Physician Office	124
1-134	Physician Office	120
1-135	Stairs	78
1-136	Corridor	180
1-137	Storage	43
1-138	Lounge	172
1-139	Corridor Office	66
1-140	Conference Room	359
1-141	Restroom	20
1-142	Corridor	122
1-400	Physician Office	202
1-400A	Corridor (50% of total)	67
1-401	Childs Play Room	32
1-284	Assessment Intake	29 (16.5%)
1-280	Assessment Intake	21 (16.5%)
1-259	Main Corridor	106 (25%)
	NEW TOTAL:	6065

EXHIBIT C

DEFINITION OF RENT

Tenant shall pay (i) $202,728.00 per year over and above any additional payments to be made by the Tenant as hereinafter provided ("Base Rent"). Such Base Rent shall be payable in advance, commencing on the first day of the Term hereof and on the same day of each month thereafter during the balance of the Term, in lawful money of the United States of America, to or upon the order of the Landlord at its office or at such other place as the Landlord may from time to time direct. Tenant shall also pay as percentage rent an amount equal to six percent (6%) of all net patient revenue in excess of $3,500,000.00 ("Percentage Rent"). Net patient revenue shall mean: All estimated collectible fees derived from patient care. Following the end of each fiscal year and after Tenant shall have determined the actual net patient revenue to be used in calculating the Percentage Rent for such year (which determination shall be made within thirty (30) days following the end of each such year), Tenant shall notify Landlord in writing ("Tenant's Statement") of the Percentage Rent for such year and remit the same to Landlord. With respect to any fiscal year which does not fall entirely within the Term, Tenant shall be obligated to pay as Percentage Rent for such fiscal year only a pro rata share of Percentage Rent as hereinabove determined, based upon the number of days of the Term falling within the fiscal year. Following expiration or termination of this Lease, Tenant shall pay any Percentage Rent due to Landlord within forty-five (45) days after the end of the applicable fiscal year. Without limitation on other obligations of Tenant which shall survive the expiration of the Term, the obligations of Tenant to pay Percentage Rent provided for herein shall survive the expiration or termination of this Lease. Base Rent and Percentage Rent along with any other sums due Landlord from Tenant under this Lease are sometimes hereinafter collectively referred to as "Rent".


JO DAVIESS
STEPHENSON
WINNEBAGO
BOONE
MCHENRY
LAKE
CARROLL
OGLE
DEKALB
KANE
DUPAGE
COOK
WHITESIDE
LEE
KENDALL
WILL
ROCK ISLAND
HENRY
BUREAU
LASALLE
GRUNDY
MERCER
STARK
PUTNAM
MARSHALL
KANKAKEE
HENDERSON
WARREN
KNOX
PEORIA
WOODFORD
LIVINGSTON
IROQUOIS
HANCOCK
MCDONOUGH
FULTON
TAZEWELL
MCLEAN
FORD
VERMILION
SCHUYLER
MASON
LOGAN
DEWITT
CHAMPAIGN
ADAMS
BROWN
CASS
MENARD
PIATT
MORGAN
SANGAMON
MACON
DOUGLAS
EDGAR
PIKE
SCOTT
MOULTRIE
COLES
CHRISTIAN
SHELBY
GREENE
CUMBERLAND
CLARK
CALHOUN
MACOUPIN
MONTGOMERY
JERSEY
FAYETTE
EFFINGHAM
JASPER
CRAWFORD
MADISON
BOND
CLAY
RICHLAND
LAWRENCE
CLINTON
MARION
ST. CLAIR
WASHINGTON
WAYNE
EDWARDS
WABASH
MONROE
JEFFERSON
HAMILTON
WHITE
RANDOLPH
PERRY
FRANKLIN
JACKSON
WILLIAMSON
SALINE
GALLATIN
UNION
JOHNSON
POPE
HARDIN
ALEXANDER
PULASKI
MASSAC
DFIRM Status
Effective
Final
Preliminary
In Progress
Not Funded
Preliminary Map Revisions
Status as of 11/16/11


THE PAVILION
ZONE C
ZONE C
ELEVATION REFERENCE MARKS
NATIONAL FLOOD INSURANCE PROGRAM
FIRM
FLOOD INSURANCE RATE MAP
CITY OF
CHAMPAIGN,
ILLINOIS
CHAMPAIGN COUNTY
PANEL 8 OF 14
COMMUNITY-PANEL NUMBER
170026 0008 B
EFFECTIVE DATE:
JANUARY 16, 1981

JENSEN & HALSTEAD LTD.

Attachement 05

November 28, 2011

Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

Re: Addition to The Pavilion
809 West Church Street
Champaign, Illinois
J&H Project No. UHS20065

Dear Board Members,

We have reviewed the floodplain map for the site of the project referenced above and have determined that the project complies with Illinois Executive Order #2005-5.

Sincerely,

Jensen & Halstead, Ltd.

David K. Dastur

David K. Dastur, AIA, NCARB
Senior Principal

DKD/mg

1 of 2

Illinois Historic Preservation Agency

FAX (217) 782-8161

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

Champaign County
Champaign
Rehabilitation and Partial Demolition, The Pavilion
809 W. Church St.
IHPA Log #010081210

December 28, 2010

Steven Luu
Eriksson Engineering Associates, Ltd.
145 Commerce Dr., Suite A
Grayslake, IL 60030

Dear Mr. Luu:

This letter is to inform you that we have reviewed the additional 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

Anne E. Haaker
Deputy State Historic
Preservation Officer

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	$29,895	$87,364	$117,259
AE Early Services (11.14.2011)			
Site Survey and Soil Investigation	$7,572	$22,128	$29,700
Building Survey (7.7.2011)			
Geotechnical Survey and Soils Report (7.7.2011)			
Property Survey (7.7.2011)			
Topographic Survey - Bems Clancy (7.7.2011)			
Construction Testing (7.7.2011)			
Site Preparation	$66,287	$193,713	$260,000
Site Work Construction Costs			
Off Site Work			$0
New Construction Contracts	$1,472,330	$4,302,670	$5,775,000
Inflation			
Modernization Contracts	$133,848	$391,152	$525,000
Moderization cost for 3rd Floor			
Modernization cost for East Offices of 62 Bldg			
Modernization cost for Medical Records			
Contingencies	$79,034	$230,966	$310,000
5% Contingnency			
Architectural/Engineering Fees	$125,817	$367,683	$493,500
Consulting and Other Fees	$63,844	$186,575	$250,419
CON Consultant Fees (7.7.2011)			
AE Fee CON (11.14.2011)			
Local Permit Fees (7.7.2011)			
Impact Fees (7.7.2011)			
State Review Fees (7.7.2011)			
Movable or Other Equipment (not in construction contracts)	$115,881	$338,644	$454,525
Furniture and Equipment (7.7.2011)			
IT Systems (7.7.2011)			
Bond Issuance Expense (project related)	$0	$0	$0
Net Interest Expense During Construction (project related)	$0	$0	$0
Fair Market Value of Leased Space or Equipment	$0	$0	$0
Other Costs To Be Capitalized	$0	$0	$0
Acquisition of Building or Other Property (excluding land)	$0	$0	$0
TOTAL USES OF FUNDS	**$2,094,509**	**$6,120,894**	**$8,215,403**

SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	$2,094,509	$6,120,894	$8,215,403
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	**$2,094,509**	**$6,120,894**	**$8,215,403**
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Cost Space Requirements

		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept. / Area	Cost	Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
REVIEWABLE							
Acute Mental Illness 47 Existing Beds 69 Proposed Beds	$2,094,509	17,160	26,635	5,035	5,228	16,372	0
Total Clinical	**$2,094,509**	**17,160**	**26,635**	**5,035**	**5,228**	**16,372**	**0**
NON REVIEWABLE							
Building Support + Stairs + Elevators	$515,780	1,615	3,132	1,517	0	1,615	0
General Hospital Administration	$1,670,592	8,233	12,842	4,609	2,090	6,143	0
Storage	$1,592,800	0	5,792	5,792	0	0	0
Support spaces Laundry Maintenance	$522,248	0	1,782	1,782	0	0	0
RTC (Residential Treatment Center)	$1,576,248	4,603	4,526	4,526	0	0	4,603[1]
Mechanical/Electrical	$303,264	1,492	1,907	415	1,492	0	0
Total Non-clinical	**$6,120,932**	**15,943**	**29,981**	**18,641**	**3,582**	**7,758**	**0**
TOTAL	**$8,215,403**	**33,103**	**56,616**	**23,676**	**8,810**	**24,130**	**0**

[1] The vacated RTC space is being modernized to accommodate AMI beds. This area is reflected under AMI, Modernized.

Item 1:

The Co-Applicants owned and/or operate the following facilities licensed in Illinois (as defined by the Act). Addition nationwide Universal Health Services facilities are listed on page in the description of the company.

UHS Facilities:

- Hartgrove Hospital, Chicago, IL
- Lincoln Prairie Behavioral Health Center, Springfield IL
- Riveredge Hospital, Forest Park
- Streamwood Behavioral Health Systems, Streamwood
- The Pavilion Foundation, Champaign, IL
- Garfield Park Hospital, Chicago IL (under construction, CON Permit #09-015)

The following are copies of the current IDPH Licenses and Joint Commission accreditation letters for the above facilities, except for Garfield Park Hospital.

The Pavilion Foundation:

State of Illinois 2009533
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

DAMON T. ARNOLD, M.D.
DIRECTOR

EXPIRATION DATE	CATEGORY	ID NUMBER
12/31/11	BGBD	0004659

FULL LICENSE
PSYCH. HOSPITAL
EFFECTIVE: 01/01/11

BUSINESS ADDRESS

THE PAVILION FOUNDATION
809 WEST CHURCH STREET
CHAMPAIGN IL 61820

The face of this license has a colored background. Printed by Authority of the State of Illinois • 4/07 •

DISPLAY THIS PART IN A CONSPICUOUS PLACE

REMOVE THIS CARD TO CARRY AS AN IDENTIFICATION

State of Illinois 2009533
Department of Public Health
LICENSE, PERMIT, CERTIFICATION, REGISTRATION

THE PAVILION FOUNDATION

EXPIRATION DATE	CATEGORY	ID NUMBER
12/31/11	BGBD	0004659

FULL LICENSE
PSYCH. HOSPITAL
EFFECTIVE: 01/01/11

11/06/10
THE PAVILION FOUNDATION
809 W. CHURCH STREET
CHAMPAIGN IL 61820

FEE RECEIPT NO.

The Joint Commission

November 3, 2011

Re: # 7256
CCN: 144029
Program: Psychiatric Hospital
Accreditation Expiration Date: October 23, 2014

Joseph Sheehy
Chief Executive Officer
The Pavilion Foundation
809 West Church Street
Champaign, Illinois 61820

Dear Mr. Sheehy:

This letter confirms that your July 19, 2011 - July 22, 2011 unannounced full resurvey was conducted for the purposes of assessing compliance with the Medicare conditions for hospitals, as well as the special Conditions for psychiatric hospitals through The Joint Commission's deemed status survey process.

Based upon the submission of your evidence of standards compliance on September 29, 2011 and November 01, 2011, the areas of deficiency listed below have been removed. The Joint Commission is granting your organization an accreditation decision of Accredited with an effective date of July 23, 2011. We congratulate you on your effective resolution of these deficiencies.

§482.11 Condition of Participation: Compliance with Federal, State and Local Laws
§482.22 Condition of Participation: Medical staff
§482.41 Condition of Participation: Physical Environment
§482.51 Condition of Participation: Surgical Services
§482.61 Condition of Participation: Special medical record requirements for psychiatric hospitals

The Joint Commission is also recommending your organization for Medicare certification effective July 23, 2011. Please note that the Centers for Medicare and Medicaid Services (CMS) Regional Office (RO) makes the final determination regarding your Medicare participation and the effective date of participation in accordance with the regulations at 42 CFR 489.13. Your organization is responsible for notifying the State Survey Agency that a recommendation for Medicare certification has been made. Please provide your State agency with a copy of your accreditation report, accreditation award letter, and this Medicare recommendation letter.

This recommendation also applies to the following location(s):

The Pavilion Foundation
809 West Church, Champaign, IL, 61820

The Pavilion Residential Treatment Center
810 West Church Street, Champaign, IL, 61820

Headquarters
One Renaissance Boulevard
Oakbrook Terrace, IL 60181
630 792 5000 Voice

The Joint Commission

We direct your attention to some important Joint Commission policies. First, your Medicare report is publicly accessible as required by the Joint Commission's agreement with the Centers for Medicare and Medicaid Services. Second, Joint Commission policy requires that you inform us of any changes in the name or ownership of your organization, or health care services you provide.

Sincerely,

Ann Scott Blouin RN, PhD

Ann Scott Blouin, RN, Ph.D.
Executive Vice President
Accreditation and Certification Operations

cc: CMS/Central Office/Survey & Certification Group/Division of Acute Care Services
CMS/Regional Office 5 /Survey and Certification Staff

Riveredge Hospital, Forest Park

DISPLAY THIS PART IN A CONSPICUOUS PLACE

REMOVE THIS CARD TO CARRY AS AN IDENTIFICATION

State of Illinois 2018979
Department of Public Health
LICENSE, PERMIT, CERTIFICATION, REGISTRATION

RIVEREDGE HOSPITAL

EXPIRATION DATE	CATEGORY	ID NUMBER
02/29/12	BGBD	0005124

FULL LICENSE
PSYCH. HOSPITAL
EFFECTIVE: 03/01/11

03/06/11

RIVEREDGE HOSPITAL
8311 WEST ROOSEVELT ROAD
FOREST PARK IL 60130 2500

FEE RECEIPT NO.

State of Illinois 2018979
Department of Public Health
LICENSE, PERMIT, CERTIFICATION, REGISTRATION

DAMON T. ARNOLD, M.D.
DIRECTOR

EXPIRATION DATE	CATEGORY	ID NUMBER
02/29/12	BGBD	0005124

FULL LICENSE
PSYCH. HOSPITAL
EFFECTIVE: 03/01/11

BUSINESS ADDRESS

RIVEREDGE HOSPITAL
8311 WEST ROOSEVELT ROAD
FOREST PARK IL 60130 2500

The Joint Commission

May 12, 2010

Carey Carlock
CEO
Riveredge Hospital
8311 West Roosevelt Road
Forest Park, IL 60130

Joint Commission ID #: 2992
Program: Hospital Accreditation
Accreditation Activity: 60-day Evidence of Standards Compliance
Accreditation Activity Completed: 05/12/2010

Dear Mrs. Carlock:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high-quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

The Joint Commission is granting your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

- Comprehensive Accreditation Manual for Hospitals

This accreditation cycle is effective beginning February 27, 2010. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 39 months.

Please visit Quality Check® on The Joint Commission web site for updated information related to your accreditation decision.

We encourage you to share this accreditation decision with your organization's appropriate staff, leadership, and governing body. You may also want to inform the Centers for Medicare and Medicaid Services (CMS), state or regional regulatory services, and the public you serve of your organization's accreditation decision.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

Ann Scott Blouin RN, PhD

Ann Scott Blouin, RN, Ph.D.
Executive Vice President
Accreditation and Certification Operations

Hartgrove Hospital, Chicago

State of Illinois 2040006
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

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

DAMON T. ARNOLD, M.D.
DIRECTOR

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

EXPIRATION DATE	CATEGORY	I.D. NUMBER
07/16/12	BGBD	0005454

FULL LICENSE
PSYCH. HOSPITAL
EFFECTIVE: 07/17/11

BUSINESS ADDRESS

UHS OF HARTGROVE, INC.
5730 WEST ROOSEVELT ROAD
CHICAGO IL 60644

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

DISPLAY THIS PART IN A CONSPICUOUS PLACE

REMOVE THIS CARD TO CARRY AS AN IDENTIFICATION

State of Illinois 2040006
Department of Public Health
LICENSE, PERMIT, CERTIFICATION, REGISTRATION

UHS OF HARTGROVE, INC.

EXPIRATION DATE	CATEGORY	I.D. NUMBER
07/16/12	BGBD	0005454

FULL LICENSE
PSYCH. HOSPITAL
EFFECTIVE: 07/17/11

06/09/11

UHS OF HARTGROVE, INC.
5730 WEST ROOSEVELT ROAD
CHICAGO IL 60644

FEE RECEIPT NO.

The Joint Commission

September 26, 2011

Steven Airhart
CEO/Managing Director
Hartgrove Hospital
5730 W. Roosevelt. Road
Chicago, IL 60644

Joint Commission ID #: 2991
Program: Behavioral Health Care Accreditation
Accreditation Activity: Unannounced OQM Event
Accreditation Activity Completed: 09/15/2011

Dear Mr. Airhart:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high-quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

The Joint Commission is granting your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

- Comprehensive Accreditation Manual for Behavioral Health Care

This accreditation cycle is effective beginning October 09, 2010. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 36 months.

Please visit Quality Check® on The Joint Commission web site for updated information related to your accreditation decision.

We encourage you to share this accreditation decision with your organization's appropriate staff, leadership, and governing body. You may also want to inform the Centers for Medicare and Medicaid Services (CMS), state or regional regulatory services, and the public you serve of your organization's accreditation decision.

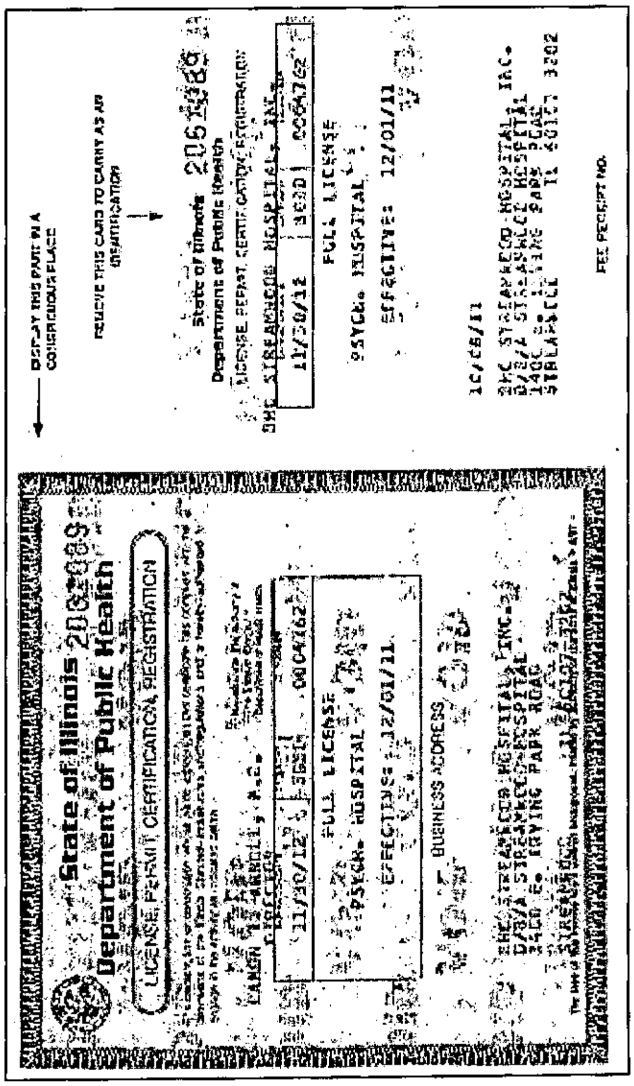
Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

Ann Scott Blouin RN, PhD

Ann Scott Blouin, RN, Ph.D.
Executive Vice President
Accreditation and Certification Operations

Streamwood Behavioral Health Systems, Streamwood


State of Illinois
Department of Public Health
LICENSE, PERMIT, CERTIFICATION, REGISTRATION

11/30/12	3620	0004762

FULL LICENSE
PSYCH. HOSPITAL
EFFECTIVE: 12/01/11

BUSINESS ADDRESS

SHC STREAMWOOD HOSPITAL, INC.
D/B/A STREAMWOOD HOSPITAL
1400 E. IRVING PARK ROAD

DISPLAY THIS PART IN A CONSPICUOUS PLACE

REMOVE THIS CARD TO CARRY AS AN IDENTIFICATION

State of Illinois
Department of Public Health
LICENSE, PERMIT, CERTIFICATION, REGISTRATION

11/30/12	3620	0004762

FULL LICENSE
PSYCH. HOSPITAL
EFFECTIVE: 12/01/11

FEE RECEIPT NO.

The Joint Commission

December 8, 2009

Cindy Meyer, MSSW
Chief Executive Officer
Streamwood Behavioral Health Systems
1400 East Irving Park Road
Streamwood, IL 60107

Joint Commission ID #: 1839
Program: Hospital Accreditation
Accreditation Activity: Measure of Success
Accreditation Activity Completed: 12/08/2009

Dear Ms. Meyer:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high-quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

The Joint Commission is granting your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

- Comprehensive Accreditation Manual for Hospitals

This accreditation cycle is effective beginning March 28, 2009. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 39 months.

Please visit Quality Check® on The Joint Commission web site for updated information related to your accreditation decision.

We encourage you to share this accreditation decision with your organization's appropriate staff, leadership, and governing body. You may also want to inform the Centers for Medicare and Medicaid Services (CMS), state or regional regulatory services, and the public you serve of your organization's accreditation decision.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

Ann Scott Blouin RN, PhD

Ann Scott Blouin, RN, Ph.D.
Executive Vice President
Accreditation and Certification Operations

Lincoln Prairie Behavioral Health Center, Springfield IL

DISPLAY THIS PART IN A CONSPICUOUS PLACE

State of Illinois 2030760
Department of Public Health
LICENSE, PERMIT, CERTIFICATION, REGISTRATION

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

DAMON T. ARNOLD, M.D.
DIRECTOR

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

EXPIRATION DATE	CATEGORY	I.D. NUMBER
05/14/12	BGBD	0005512

FULL LICENSE
PSYCH. HOSPITAL
EFFECTIVE: 05/15/11

BUSINESS ADDRESS

SPRINGFIELD HOSPITAL, INC.
D/B/A LINCOLN PRAIRIE BEHAVIORAL HEALTH
5230 SOUTH SIXTH STREET
SPRINGFIELD IL 62703

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

REMOVE THIS CARD TO CARRY AS AN IDENTIFICATION

State of Illinois 2030760
Department of Public Health
LICENSE, PERMIT, CERTIFICATION, REGISTRATION
SPRINGFIELD HOSPITAL, INC.

EXPIRATION DATE	CATEGORY	I.D. NUMBER
05/14/12	BGBD	0005512

FULL LICENSE
PSYCH. HOSPITAL
EFFECTIVE: 05/15/11

04/02/11

SPRINGFIELD HOSPITAL, INC.
D/B/A LINCOLN PRAIRIE BEHAVIORAL
5230 SOUTH SIXTH ST.
SPRINGFIELD IL 62703

FEE RECEIPT NO.

The Joint Commission

October 17, 2011

Mark Littrell, MS, LCPC
CEO
Lincoln Prairie Behavioral Health Center
5230 S. Sixth Street Road
Springfield, IL 62703

Joint Commission ID #: 463649
Program: Hospital Accreditation
Accreditation Activity: Unannounced
Accreditation Follow-up
Accreditation Activity Completed: 10/14/2011

Dear Mr. Littrell:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high-quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

The Joint Commission is granting your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

- Comprehensive Accreditation Manual for Hospitals

This accreditation cycle is effective beginning June 11, 2011. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 36 months.

Please visit Quality Check® on The Joint Commission web site for updated information related to your accreditation decision.

We encourage you to share this accreditation decision with your organization's appropriate staff, leadership, and governing body. You may also want to inform the Centers for Medicare and Medicaid Services (CMS), state or regional regulatory services, and the public you serve of your organization's accreditation decision.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

Ann Scott Blouin RN, PhD

Ann Scott Blouin, RN, Ph.D.
Executive Vice President
Accreditation and Certification Operations

UHS
Office of the General Counsel

Matthew D. Klein

Universal Health Services, Inc.
UHS of Delaware, Inc.

November 9, 2011

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

Dear Ms. Avery:

In accordance with 77 Ill. Admin. Code § 1110.230(b), Background of the Applicant, Universal Health Services, Inc. (the "applicant") is submitting this letter assuring the Illinois Health Facilities Planning Board (the "Board") that:

1. No adverse action has been taken by the federal government or any Illinois agency against any health care facility located in Illinois that is owned or operated by the applicant or any related entity during the three (3) year period prior to the filing of this application.

2. The applicant authorizes the Board and the Illinois Department of Public Health ("IDPH") to access any documents necessary to verify information submitted in response to the requirements of 77 Ill. Admin. Code § 1110.230(b) or to obtain additional documentation or information which the Board or IDPH finds pertinent to this application.

Sincerely,

Matthew Klein
Vice President & General Counsel

COMMONWEALTH OF PENNSYLVANIA

COUNTY OF MONTGOMERY

On this 9th day of November, 2011, before me Holly M. Lagler, a notary public, the undersigned officer personally appeared, Matthew Klein, know to me to be the individual whose name is subscribed to the within instrument, and acknowledged that he has executed the same for the purposes therein contained.

In witness whereof, I hereunto set my hand and official seal

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Holly M Lagler, Notary Public
South Whitehall Twp., Lehigh County
My Commission Expires Dec. 18, 2011
Member, Pennsylvania Association of Notaries

Holly M Lagler
Notary Public

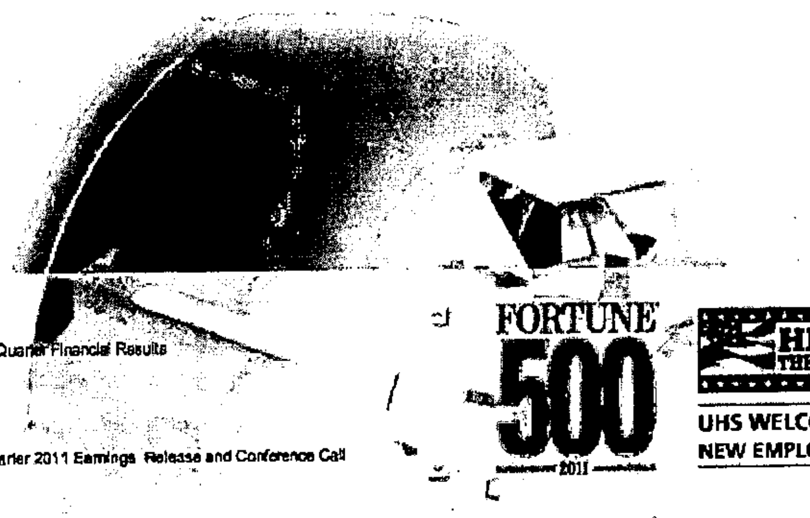
UHS Background

ATTACHMENT - 11C

ATT- 11C Page 1 of 21

Universal Health Services, Inc.

About Us | Investor Relations | Facilities | News | Employment | Contact Us | Compliance and Ethics



October 27, 2011

Universal Health Services, Inc. Reports 2011 Third Quarter Financial Results

October 3, 2011

Universal Health Services, Inc. Announces Third Quarter 2011 Earnings Release and Conference Call

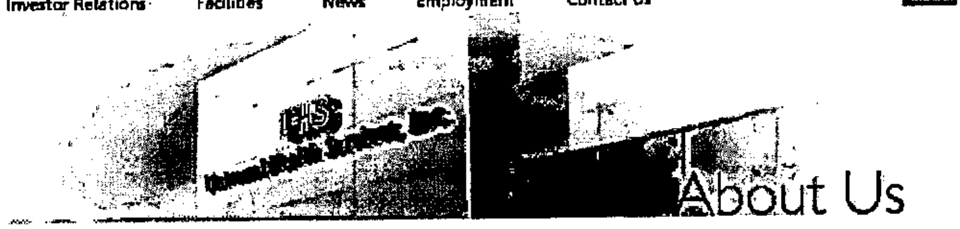
FORTUNE 500 2011

HIRE THE VETS

UHS WELCOMES NEW EMPLOYEES

Stock Quote: >> Oct 28 2011 4:03PM 41.04 +2.28 Mobile Site | Site Map | Disclaimer | HIPAA | Privacy Policy | Employee Self Service | Webmail

Universal Health Services, Inc.



About Us

FORTUNE 500

Prestige Awards

UHS Timeline

UHS Facilities

Alan B. Miller
CEO and Chairman

About UHS

Universal Health Services, Inc. (UHS) is one of the nation's largest and most respected healthcare management companies, operating through its subsidiaries acute care hospitals, behavioral health facilities and ambulatory centers nationwide, in Puerto Rico and the U.S. Virgin Islands. Founded in 1978 by Alan B. Miller, Chairman and CEO, UHS subsidiaries today have more than 65,000 employees. UHS maintains one of the strongest balance sheets and is rated amongst the highest in the hospital services industry by Moody's and Standard & Poor's. This strong capital position has enabled the company to develop and acquire many new facilities over the past few years.

The UHS strategy is to build or purchase healthcare properties in rapidly-growing markets and create a strong franchise based on exceptional service and effective cost control. The company owes its success to a responsive management style and to a service philosophy that is based on integrity, competence and compassion.

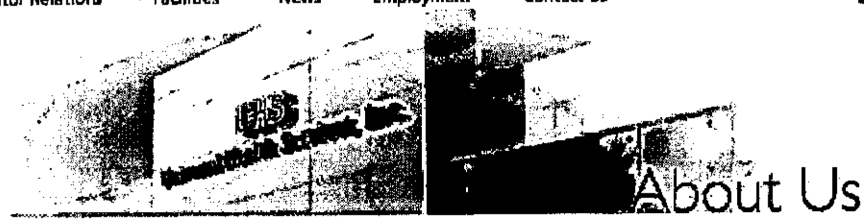
The healthcare industry remains a place of rapid change and uncertainty. By charting its own course with strength, experience and foresight, UHS has every reason to face the future with optimism.

Meet the UHS Board of Directors and Corporate Officers.

*UHS is a registered trademark of UHS of Delaware, Inc., the management company for Universal Health Services, Inc. and a wholly-owned subsidiary of Universal Health Services. Universal Health Services, Inc. is a holding company and operates through its subsidiaries including its management company, UHS of Delaware, Inc. All healthcare and management operations are conducted by subsidiaries of Universal Health Services, Inc. To the extent any reference to "UHS or UHS facilities" on this website including any statements, articles or other publications contained herein relates to our healthcare or management operations it is referring to Universal Health Services' subsidiaries including UHS of Delaware. Further, the terms "we," "us," "our" or "the company" in such context similarly refer to the operations of Universal Health Services' subsidiaries including UHS of Delaware.

Universal Health Services, Inc.

About Us | Investor Relations | Facilities | News | Employment | Contact Us



FORTUNE 500

Prestige Awards

UHS Timeline

UHS Facilities

Board of Directors

Alan B. Miller
Chairman of the Board and Chief Executive Officer

Leatrice Ducat
President and Founder, National Disease Research Interchange since 1980; President and Founder, Human Biological Data Interchange since 1988; Founder, Juvenile Diabetes Foundation, National and International Organization of the Juvenile Diabetes Foundation

Lawrence S. Gibbs
Macro Portfolio Manager of Ramius LLC. Prior thereto, Portfolio Manager of Millennium Partners LLC. Prior thereto, Portfolio Manager, Chief Investment Officer, of JP Morgan Chase Bank N.A. from 2006-2009.

John H. Herrell
Former Chief Administrative Officer and Member, Board of Trustees, Mayo Foundation; Rochester, MN. John H. Herrell is the director who presides over the executive sessions of the non-management directors

Robert H. Hotz
Senior Managing Director, Head of Investment Banking, Head of the Board of Directors Advisory Service, Member of the Board of Directors Houlihan Lokey Howard & Zukin, New York, NY; Former Senior Vice Chairman, Investment Banking for the Americas, UBS Warburg, LLC, New York, NY

Marc D. Miller
President

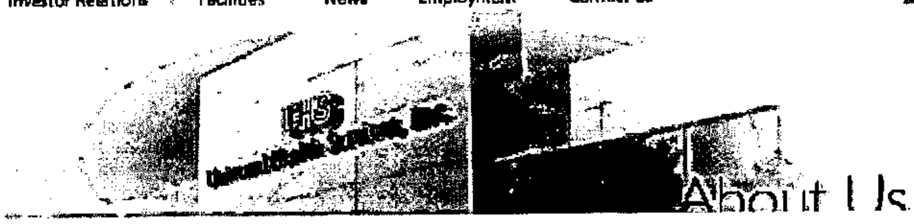
Anthony Pantaleoni
Of Counsel, Fulbright & Jaworski, L.L.P. New York, NY

UHS Background

ATTACHMENT - 11C
ATT- 11C Page 4 of 21

Universal Health Services, Inc.

About Us | Investor Relations | Facilities | News | Employment | Contact Us



Officers

FORTUNE 500

Prestige Awards

UHS Timeline

UHS Facilities

CORPORATE OFFICERS

Alan B. Miller
Chief Executive Officer and Chairman of the Board

Marc D. Miller
President

Steve G. Filton
Senior Vice President and Chief Financial Officer

Debra K. Osteen
Senior Vice President

Marvin G. Pember
Senior Vice President

Charles F. Boyle
Vice President and Controller

John Paul Christen
Vice President, Acute Finance

Gerry Johnson Geckle
Vice President, Human Resources

Larry Harrod
Vice President, Behavioral Finance

Matthew D. Klein
Vice President and General Counsel

Michael S. Nelson
Vice President, Information Services

Cheryl K. Ramagano
Vice President and Treasurer

Richard C. Wright
Vice President, Development

Compliance and Ethics | Mobile Site | Site Map | Disclaimer | HIPAA | Privacy Policy | Employee Self Service | Webmail

Universal Health Services, Inc.

Awards

▸ Corporate Awards ▸ Facility Awards

FORTUNE 500

UHS Timeline

UHS Facilities

UHS is consistently recognized with prestigious awards and commendations for its commitment to quality.

2011 | 2010-1999 | 1998-1983

- Alan B. Miller Among the Top 20 of *Modern Healthcare's* "100 Most Influential People in Healthcare"
- Debra K. Osteen Named One of 2011's "Top 25 Women In Healthcare"
- *FORTUNE* Lists UHS As One of the World's Most Admired Companies

Universal Health Services, Inc.

About Us | Investor Relations | Facilities | News | Employment | Contact Us

Awards

FORTUNE 500

UHS Timeline

UHS Facilities

- Corporate Awards
- Facility Awards

UHS is consistently recognized with prestigious awards and commendations for its commitment to quality.

- AIKEN REGIONAL MEDICAL CENTERS
- AUBURN REGIONAL MEDICAL CENTER
- CENTENNIAL HILLS HOSPITAL MEDICAL CENTER
- CORONA REGIONAL MEDICAL CENTER
- DESERT SPRINGS HOSPITAL MEDICAL CENTER
- DOCTORS HOSPITAL OF LAREDO
- FORT DUNCAN REGIONAL MEDICAL CENTER
- THE GEORGE WASHINGTON UNIVERSITY HOSPITAL
- LAKEWOOD RANCH MEDICAL CENTER
- LANCASTER COMMUNITY HOSPITAL
- MANATEE MEMORIAL HOSPITAL
- NORTHERN NEVADA MEDICAL CENTER
- NORTHWEST TEXAS HEALTHCARE SYSTEM
- SOUTH TEXAS HEALTH SYSTEM
- SOUTHWEST HEALTHCARE SYSTEM
- SPRING VALLEY HOSPITAL MEDICAL CENTER
- ST. MARY'S REGIONAL MEDICAL CENTER
- SUMMERLIN HOSPITAL MEDICAL CENTER
- TEXOMA MEDICAL CENTER
- VALLEY HOSPITAL MEDICAL CENTER
- WELLINGTON REGIONAL MEDICAL CENTER

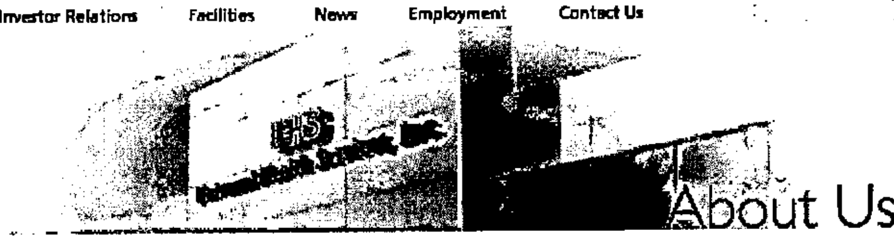
Compliance and Ethics | Mobile Site | Site Map | Disclaimer | HIPAA | Privacy Policy | Employee Self Service | Webmail

UHS Background

ATTACHMENT - 11C
ATT- 11C Page 7 of 21

Universal Health Services, Inc.

About Us | Investor Relations | Facilities | News | Employment | Contact Us



FORTUNE 500

Prestige Awards

UHS Timeline

UHS Facilities

Mission Statement

To provide superior quality healthcare services that: PATIENTS recommend to families and friends, PHYSICIANS prefer for their patients, PURCHASERS select for their clients, EMPLOYEES are proud of, and INVESTORS seek for long-term returns.

Statement of Principles

SERVICE EXCELLENCE

- Provide timely, professional, effective and efficient service to all customers.

CONTINUOUS IMPROVEMENT IN MEASURABLE WAYS

- Identify key needs and assess how well we meet those needs.
- Continuously improve services and measure progress.

EMPLOYEE DEVELOPMENT

- Hire talented and driven people.
- Increase skills through training and experience.
- Provide opportunities for growth within UHS.

ETHICAL AND FAIR TREATMENT OF ALL

- We are committed to fairness and trust with our patients, the physicians, purchasers of our services, and employees.
- We conduct our business according to the highest ethical standards.

TEAMWORK

- Work together to provide ever-improving customer service.
- Our team approach supersedes traditional departmental organization and creates a true customer focus.
- People at all levels of the organization participate in decision-making and process improvement.

COMPASSION

- Never lose sight of the fact that we provide care and comfort to people in need.
- Patients and families who rely upon us receive respectful and dignified treatment at all times.

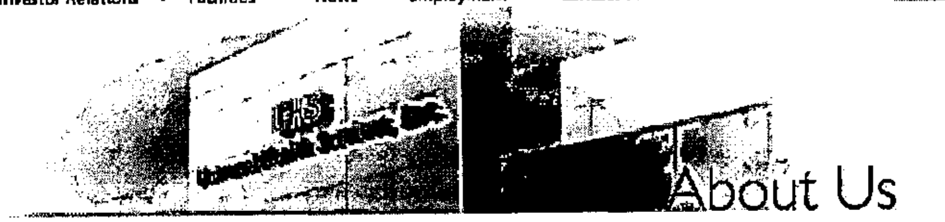
INNOVATION IN SERVICE DELIVERY

- Invest in the development of new and better ways of delivering our services.

*UHS is a registered trademark of UHS of Delaware, Inc., the management company for Universal Health Services, Inc. and a wholly-owned subsidiary of Universal Health Services. Universal Health Services, Inc. is a holding company and operates through its subsidiaries including its management company, UHS of Delaware, Inc. All healthcare and management operations are conducted by subsidiaries of Universal Health Services, Inc. To the extent any reference to "UHS or UHS facilities" on this website including any statements, articles or other publications contained herein relates to our healthcare or management operations it is referring to Universal Health Services' subsidiaries including UHS of Delaware. Further, the terms "we," "us," "our" or "the company" in such context similarly refer to the operations of Universal Health Services' subsidiaries including UHS of Delaware.

Compliance and Ethics | Mobile Site | Site Map | Disclaimer | HIPAA | Privacy Policy | Employee Self Service | Webmail

Universal Health Services, Inc.



- UHS Compliance Program
- Code of Conduct
- Código de Conducta
- Compliance Manual
- Manual de Cumplimiento
- Summary of Compliance Policies and Procedures
- Compliance Hotline
- UHS Facility Compliance Officers - Acute Care
- UHS Facility Compliance Officers - Behavioral Health

UHS Compliance Program

UHS Compliance Program

A message from Alan B. Miller and Marc Miller

Ethics and accountability are central to the core values and mission of UHS. Our patients and their families put their trust in us, as do our personnel, clinicians, vendors, business partners, investors and others, including the communities we serve. We share the important responsibility to continuously strive to achieve the highest standards of ethical conduct.

The Board of Directors and senior management of UHS are committed to compliance and ethical behavior. UHS has written this Code of Conduct to provide guidance on expectations for acceptable behavior for those who work on behalf of UHS. It provides a broad overview of compliance concepts and builds on the Code of Business Conduct and Corporate Standards, the UHS Compliance Manual, as well as the policies and procedures of our Compliance Program.

The Code of Conduct is one of the most important communications you will ever receive. It is the cornerstone of all UHS practices. You will need to read it from cover to cover. We expect you to understand and follow the Code of Conduct and help to make sure others do as well. Although no single document can provide all the answers, the Code of Conduct is a valuable resource designed to give guidance on where to turn if you see any inappropriate or unethical conduct or decisions being made.

Lead by example, ask questions if you don't know the answer, and report any problems or concerns about inappropriate or unethical actions. You can go to your supervisor, to management, to your facility compliance officer, UHS Compliance Office, or use other avenues described in this document, including the toll-free Compliance Hotline (1-800-852-3449) or via the Internet at www.uhs.alertline.com. UHS will not retaliate or tolerate any retaliation against you for reporting in good faith.

If we work together, we can achieve our goals - a work environment that puts patient care first and fosters service excellence, compassion, and the ethical and fair treatment of all.

Sincerely,

Alan B. Miller
Chairman and Chief Executive Officer

Marc D. Miller
President

UHS Background

ATTACHMENT - 11C

ATT- 11C Page 10 of 21

Universal Health Services, Inc.

About Us | Investor Relations | Facilities | News | Employment | Contact Us

- Acute Care
- Behavioral Health Care
- Ambulatory Centers
- See All

UHS Facilities and the Communities We are Proud to Serve

Universal Health Services, Inc. (NYSE: UHS) is one of the country's largest and most respected hospital management companies and is headquartered in King of Prussia, Pennsylvania. Through its subsidiaries, UHS owns and operates more than 231 acute care hospitals, behavioral health facilities and ambulatory surgical centers nationwide, in the U.S. Virgin Islands and Puerto Rico.

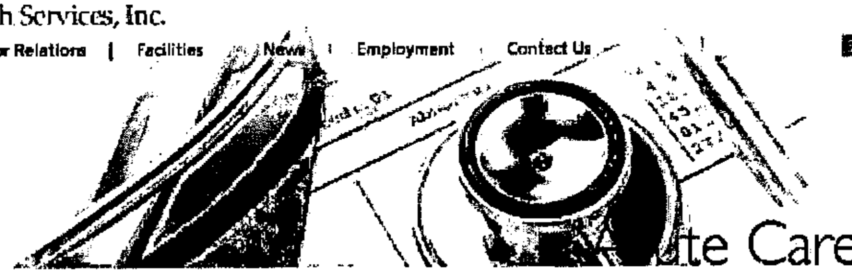
UHS Confidentiality Notice: This e-mail message, including any attachments, is for the sole use of the intended recipient (s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution of this information is prohibited. If this was sent to you in error, please notify the sender by repfy e-mail and destroy all copies of the original message.

"UHS Facilities" refers to subsidiaries of Universal Health Services, Inc.

Compliance and Ethics | Mobile Site | Site Map | Disclaimer | HIPAA | Privacy Policy | Employee Self Service | Webmail

UHS Universal Health Services, Inc.

About Us | Investor Relations | Facilities | News | Employment | Contact Us



- Acute Care
- Behavioral Health Care
- Ambulatory Centers
- See All

Acute Care Hospitals

Back to Map

Aiken Regional Medical Centers	Aiken, SC
Auburn Regional Medical Center	Auburn, WA
Centennial Hills Hospital Medical Center The Valley Health System	Las Vegas, NV
Corona Regional Medical Center	Corona, CA
Desert Springs Hospital Medical Center The Valley Health System	Las Vegas, NV
Doctors Hospital of Laredo This hospital is co-owned with physician investors.	Laredo, TX
Fort Duncan Regional Medical Center	Eagle Pass, TX
Inland Valley Medical Center Southwest Healthcare System	Wildomar, CA
Lakewood Ranch Medical Center The Manatee Healthcare System	Bradenton, FL
Manatee Memorial Hospital The Manatee Healthcare System	Bradenton, FL
Northern Nevada Medical Center	Sparks, NV
Northwest Texas Healthcare System	Amarillo, TX
Palmdale Regional Medical Center	Palmdale, CA
Rancho Springs Medical Center Southwest Healthcare System	Murrieta, CA
South Texas Health System	Edinburg, TX
Spring Valley Hospital Medical Center The Valley Health System	Las Vegas, NV
St. Mary's Regional Medical Center	Enid, OK
Summerlin Hospital Medical Center The Valley Health System	Las Vegas, NV
Texoma Medical Center	Denison, TX
The George Washington University Hospital	Washington, D.C.

Valley Hospital Medical Center The Valley Health System	Las Vegas, NV
Wellington Regional Medical Center	West Palm Beach, FL

UHS Universal Health Services, Inc.

About Us | Investor Relations | Facilities | News | Employment | Contact Us

- Acute Care
- Behavioral Health Care
- Ambulatory Centers
- See All

Behavioral Health Care

Back to Map

Adolescent Substance Abuse Program	Fort Walton Beach, FL
Alabama Clinical Schools	Birmingham, AL
Alhambra Hospital	Rosemead, CA
Alliance Health Center	Meridian, MS
Anchor Hospital	Atlanta, GA
Arbour - Fuller Hospital	South Attleboro, MA
Arbour - HRI Hospital	Brookline, MA
Arbour Counseling Services	Rockland, MA
Arbour Hospital	Boston, MA
Arbour Senior Care	Rockland, MA
Arrowhead Behavioral Health	Maumee, OH
Atlantic Shores Hospital	Fort Lauderdale, FL
Aurora Pavilion Behavioral Health Services	Aiken, SC
Austin Lakes Hospital	Austin, TX
Belmont Pines Hospital	Youngstown, OH
Benchmark Behavioral Health Services	Woods Cross, UT
Bloomington Meadows Hospital	Bloomington, IN
Blue Mountain Academy	Grand Terrace, CA
Boulder Creek Academy	Bonners Ferry, ID
Brentwood Behavioral Healthcare of Mississippi	Flowood, MS
Brentwood Hospital	Shreveport, LA
Brighton Behavioral Health Center	Portsmouth, VA
Bristol Youth Academy	Bristol, FL

Brooke Glen Behavioral Health	Fort Washington, PA
Brynn Marr Hospital	Jacksonville, NC
Calvary Center	Phoenix, AZ
Canyon Ridge Hospital	Chino, CA
Cedar Grove Treatment Center	Murfreesboro, TN
Cedar Ridge Hospital	Oklahoma City, OK
Cedar Ridge Residential Treatment Center	Oklahoma City, OK
Cedar Springs Behavioral Health Services	Colorado Springs, CO
Centennial Peaks Hospital	Louisville, CO
Center For Change	Orem, UT
Central Florida Behavioral Hospital	Orlando, FL
Chicago Children's Center	Chicago, IL
Clarion Psychiatric Center	Clarion, PA
Coastal Behavioral Health	Savannah, GA
Coastal Harbor Treatment Center	Savannah, GA
Columbus Behavioral Center	Columbus, IN
Community Behavioral Health	Memphis, TN
Compass Intervention Center	Memphis, TN
Copper Hills Youth Center	West Jordan, UT
Cottonwood Treatment Center	So. Salt Lake, UT
Creekside Academy	Sacramento, CA
Crescent Pines Hospital	Stockbridge, GA
Cumberland Hall Hospital	Hopkinsville, KY
Cumberland Hospital	New Kent, VA
Cypress Creek Hospital	Houston, TX
Del Amo Hospital	Torrance, CA
Desert Valley Hope Academy	Hemet CA,
Diamond Grove Center	Louisville, MS
Dover Behavioral Health System	Dover, DE
Emerald Coast Behavioral Hospital	Panama City, FL

Fairfax Hospital	Kirkland, WA
Fairmount Behavioral Health System	Philadelphia, PA
FHCHS of Puerto Rico	San Juan, PR
Fieldston Preparatory School	Titusville, FL
First Home Care - VA	Portsmouth, VA
Forest View Hospital	Grand Rapids, MI
Fort Lauderdale Hospital	Fort Lauderdale, FL
Foundations Behavioral Health	Doylestown, PA
Foundations for Living	Mansfield, OH
Fox Run Center for Children and Adolescents	St. Clairsville, OH
Fremont Hospital	Fremont, CA
Friends Hospital	Philadelphia, PA
Glen Oaks Hospital	Greenville, TX
Good Samaritan Counseling Center	Anchorage, AK
Gulf Coast Treatment Center	Fort Walton Beach, FL
Gulf Coast Youth Academy	Fort Walton Beach, FL
Hampton Behavioral Health Center	Westampton, NJ
Harbor Point Behavioral Health Center	Portsmouth, VA
Hartgrove Hospital	Chicago, IL
Havenwyck Hospital	Auburn Hills, MI
Heartland Behavioral Health Services	Nevada, MO
Heritage Oaks Hospital	Sacramento, CA
Hermitage Hall	Nashville, TN
Hickory Trail Hospital	DeSoto, TX
High Point Treatment Center	Cooper City, FL
Highlands Behavioral Health	Littleton, CO
Hill Crest Behavioral Health Services	Birmingham, AL
Holly Hill Hospital	Raleigh, NC
Horace Mann Academy	Rockledge, FL
Horizon Health Management	Lewisville, TX

Intermountain Hospital	Boise, ID
Jefferson Trail Treatment Center	Charlottesville, VA
Kempsville Center for Behavioral Health	Norfolk, VA
Keys of Carolina	Charlotte, NC
Keystone Center	Wallingford, PA
Kingwood Pines Hospital	Kingwood, TX
La Amistad Behavioral Health - Adult Program	Winter Park, FL
La Amistad Behavioral Health Services	Maitland, FL
Lakeside Behavioral Health System	Memphis, TN
Laurel Heights Hospital	Atlanta, GA
Laurel Oaks Behavioral Health Center	Dothan, AL
Laurel Ridge Treatment Center	San Antonio, TX
Liberty Point Behavioral Healthcare	Staunton, VA
Lighthouse Care Center of Augusta	Augusta, GA
Lighthouse Care Center of Conway	Conway, SC
Lincoln Prairie Behavioral Health Center	Springfield, IL
Lincoln Trail Behavioral Health System	Radcliff, KY
Macon Behavioral Health System	Macon, GA
Manatee Palms Group Homes	Bradenton, FL
Manatee Palms Youth Services	Bradenton, FL
Marion Youth Center	Marion, VA
McDowell Center for Children	Dyersburg, TN
Meridell Achievement Center	Liberty Hill, TX
Mesilla Valley Hospital	LasCruces, NM
Michiana Behavioral Health Center	Plymouth, IN
Midwest Center for Youth and Families	Kouts, IN
Millwood Hospital	Arlington, TX
Milton Girls Juvenile Residential Facility	Milton, FL
Mission Bell Academy	Riverside, CA
Mojave Ridge Academy	Victorville, CA

Morongo Basin Learning Academy	Morongo, CA
Mountain Youth Academy	Mountain City, TN
Natchez Trace Youth Academy	Waverly, TN
National Deaf Academy	Mt. Dora, FL
Newport News Behavioral Health Center	Newport News, VA
North Spring Behavioral Healthcare	Leesburg, VA
North Star Behavioral Health System - Debarr	Anchorage, AK
North Star Behavioral Health System - Palmer	Palmer, AK
North Star Hospital	Anchorage, AK
Northwest Academy	Naples, ID
NorthWest Academy	Streamwood, IL
Oak Plains Academy	Ashland City, TN
Okaloosa Youth Academy	Crestview, FL
Okaloosa Youth Development Center	Crestview, FL
Old Vineyard Behavioral Health Services	Winston-Salem, NC
Palmetto Behavioral Health - Pee Dee	Florence, SC
Palmetto Behavioral Health - Summerville	Summerville, SC
Palmetto Lowcountry Behavioral Health	North Charleston, SC
Panamericano (Cidra)	Cidra, PR
Parkwood Behavioral Health System	Olive Branch, MS
Peachford Hospital	Atlanta, GA
Peak Behavioral	Santa Teresa, NM
Pembroke Hospital	Pembroke, MA
Pinnacle Point	Little Rock, AR
Poplar Springs Hospital	Petersburg, VA
Prairie St. Johns	Fargo, ND
Pride Institute	Eden Prairie, MN
Professional Probation Services	Norcross, GA
Provo Canyon School	Provo, UT
Provo Canyon School - Springville Campus	Springville, UT

Rancho Academy of Learning	Rancho Cucamonga, CA
Rancho San Diego Academy	San Diego, CA
Rivendell Behavioral Health Services	Bowling Green, KY
Rivendell Behavioral Health Services of Arkansas	Benton, AR
River Crest Hospital	San Angelo, TX
River Oaks Hospital	New Orleans, LA
River Park Hospital	Huntington, WV
River Point Behavioral Health	Jacksonville, FL
Riverdale Country School	Palm Bay, FL
Riveredge	Forest Park, IL
Rock River Academy	Rockford, IL
Rockford Center	Newark, DE
Rolling Hills Hospital	Franklin, TN
Roxbury Treatment Center	Shippensburg, PA
San Marcos Treatment Center	San Marcos, TX
Sandy Pines	Tequesta, FL
Shadow Mountain Behavioral Health Services	Tulsa, OK
Shadow Mt-Oklahoma City	Oklahoma City, OK
Sierra Vista Hospital	Sacramento, CA
Somerset School in Riverside	Riverside, CA
South Texas Behavioral Health System	Edinburg, TX
Spring Mountain Sahara	Las Vegas, NV
Spring Mountain Treatment Center	Las Vegas, NV
Springwoods Behavioral Health	Fayetteville, AR
St. Louis Behavioral Medicine Institute	St. Louis, MO
St. Simons By-The-Sea	St. Simons Island, GA
Stonington Institute	North Stonington, CT
Streamwood Hospital	Streamwood, IL
Streamwood Residential Treatment Center (Elgin)	Streamwood, IL
Summit Oaks Hospital	Summit, NJ

SummitRidge Hospital	Lawrenceville, GA
Talbott Recovery Campus	Atlanta, GA
Texas NeuroRehab Center	Austin, TX
The BridgeWay	North Little Rock, AR
The Brook - Dupont	Louisville, KY
The Brook - KMI	Louisville, KY
The Carolina Center for Behavorial Health	Greer, SC
The Horsham Clinic	Ambler, PA
The Hughes Center	Danville, VA
The Meadows Hospital / Universal Community Behavorial Health	Centre Hall, PA
The Pavilion at Northwest Texas	Amarillo, TX
The Pavilion Foundation	Champaign, IL
The Ridge Behavioral Health System	Lexington, KY
The Vines Hospital	Ocala, FL
Three Rivers Behavioral Health	West Columbia, SC
Three Rivers Residential Treatment - Midlands	Columbia, SC
Timberlawn Mental Health System	Dallas, TX
TMC Behavioral Health Center	Sherman, TX
Turning Point Hospital	Moultrie, GA
Turning Point Youth Center	St. John's, MI
Two Rivers Psychiatric Hospital	Kansas City, MO
University Behavioral Center	Orlando, FL
Upper East Tennessee Regional Juvenile Detention Center	Johnson City, TN
Valle Vista Health System	Greenwood, IN
Virgin Islands Behavioral Services	St. Croix, VI
Virginia Beach Psychiatric Center	Virginia Beach, VA
Walton Youth Development Center	FL
Wekiva Springs Hospital	Jacksonville, FL
Wellstone Regional Hospital	Jefferson, IN
West Hills Hospital	Reno, NV

West Oaks Hospital	Houston, TX
Westwood Lodge	Westwood, MA
Willow Springs Center	Reno, NV
Windmoor Healthcare	Clearwater, FL
Windsor-Laurelwood Center	Willoughby, OH
Wyoming Behavioral Institute	Casper, WY

Compliance and Ethics | Mobile Site | Site Map | Disclaimer | HIPAA | Privacy Policy | Employee Self Service | Webmail

Universal Health Services, Inc.

About Us | Investor Relations | Facilities | News | Employment | Contact Us

- Acute Care
- Behavioral Health Care
- Ambulatory Centers
- See All

Ambulatory Centers

Back to Map

Northwest Texas Surgery Center This hospital is co-owned with physician investors.	Amarillo, TX
OJOS/Eye Surgery Specialists of Puerto Rico	Rio Piedras, Puerto Rico

Compliance and Ethics | Mobile Site | Site Map | Disclaimer | HIPAA | Privacy Policy | Employee Self Service | Webmail

PURPOSE OF PROJECT

The co-applicants propose adding 22 inpatient psychiatric beds at The Pavilion Foundation Hospital. The Pavilion is a comprehensive psychiatric facility located in Champaign, Illinois, providing hospital AMI (Acute Mental Illness) services to adults, children, and adolescents. Additionally, The Pavilion Foundation Hospital provides non-hospital treatment through our Residential Treatment Center (RTC). The RTC is licensed by the Department of Children and Family Services and is approved as a Child Care Institution. The Pavilion RTC is a program for children and adolescents ages 10-18 with severe emotional and psychiatric disorders requiring longer term care. The average length of stay for this program is one to one and half years.

This project will enhance access for needed psychiatric services in our service areas. As the only dedicated psychiatric facility in the area, the Hospital's utilization has grown dramatically and consistently over the last 6 years, increasing 81 percent from 2005 through 2011 (annualized) or over 10 percent per year. The Hospital is operating well above the Board's targeted occupancy rate. *During the last 22 months (2010 and through November 2011) 1,223 patients or an average of 53 patients per month were turned away by the Hospital due to lack of available beds.* In addition, three of the other four hospitals located in Planning Area 4 do not provide child and adolescent services and the other one that does treat this population is 47 miles away or a 55 minute travel time. In Planning Area 4, there are four hospitals that provide adult services. Only one of these are within 55 minute travel time or 47 miles away.

The Pavilion Foundation Hospital is a provider of safety net services to the communities it serves. Our services are consistent with recent amendments to the health facilities planning act, which includes "services provided by health care providers or organizations that deliver health care services to persons with barriers to mainstream health care due to lack of insurance, inability to pay, special needs, ethnic or cultural characteristics, or geographic." As discussed below and elsewhere in this application, the proposed hospital will provide specialty services to a patient population consisting of a large number of Medicaid recipients. During 2010, 57% of the patients admitted to The Pavilion Foundation Hospital were Medicaid recipients. Geographically, The Pavilion Foundation provides psychiatric services to patients throughout central and southern Illinois. Referrals are often made for patients whose residences are 200 miles from Champaign.

The additional beds for both child/adolescent and adult services will allow the facility to better separate patients by cognitive ability and diagnosis. The adult unit will be able to programmatically separate higher functioning adult patients from developmentally-delayed patients, leading to more individualized treatment planning and group activities. For the new youth unit, this allows the facility to offer a specialized, smaller unit for either trauma-based patients having severe life episodes or a dual-diagnosis unit for adolescents who have psychiatric and substance abuse issues. It is anticipated that a minimum of 60% of the patients admitted to Pavilion Foundation Hospital will be Medicaid recipients.

The Pavilion hospital was established with the primary goal of making a difference in the lives of people seeking treatment. The Pavilion offers a variety of treatment programs tailored to meet the needs of the individual client. Two such programs are the Inpatient Adult unit and the Inpatient Child and Adolescent unit. The primary function of these units is to stabilize the individual who is currently in crisis. The treatment team, consisting of the patient, significant others, Physicians, Nurses, Social Workers, Mental Health Technicians, and other professionals, work together to develop a treatment plan that meets the individual needs of the patient. By providing therapeutic services, medication management, education, and 24-hour nursing care, The Pavilion assists the patient in returning to a baseline level of functioning. Through discharge planning and aftercare coordination, we provide the patient with the tools to remain successful at that level of functioning. The patients and their families can be assured that the staff at The Pavilion is a team dedicated to their safety on their road to stabilization.

The project proposes an increase in the AMI authorized bed capacity by 22 beds, going from 47 to 69 beds. The proposed construction project consists of a new addition and renovation to house the additional beds and enhance our AMI and RTC programs. The project also includes enhanced support areas for administrative and storage functions. The additional beds will be located in both new construction and modernized space on the third level. The total square footage of the project is 32,486 which includes 13,922 SF of new construction and modernization of 8,810 SF. The breakdown of the space is 10,263 SF for clinical space and 22,223 SF for non-clinical space. The estimated total project cost of is $8,215,403. The completion date for the project will be April 1, 2013.

Project Alternatives:

A number of alternatives were evaluated for this project with the objective of enhancing the AMI resource for the area in a high quality, cost effective manner. These alternatives were deemed inferior options to the proposed project, which recommends adding 22 Inpatient psychiatric beds to the existing Pavilion hospital. Other alternatives considered include the following:

1. Add additional beds for only one level of service, either adult or child/adolescent.

   This alternative is not appropriate due to the fact there is a demand for both levels of care in this community, as well as surrounding and outlying communities. There were 1,087 denied admissions from January 1, 2010 - September 30, 2011 due to a lack of bed availability. The Pavilion hospital ran at 89% of its capacity the last two years, with some months as high as 97% of its capacity. In addition, both the general letters of support, as well as letters from referral sources, support the decision that additional beds for both levels of care are necessary. The total estimated cost for the project with only 12 beds (as well as the additional non-clinical areas) is $6,200,000. The limited bed capacity makes this project alternative economically unfeasible.

2. Operate an Acute Mental Illness unit (AMI) in a General Hospital.

   There are a few AMI units located in general hospitals that are operating below the Illinois Department Public Health's (IDPH) target occupancy level, which could benefit from The Pavilion Hospital's operating expertise, referral relationships and patients. While the IDPH does not differentiate between the services provided on an AMI unit operated by/in a general hospital and AMI services provided in the free-standing psychiatric hospital setting; clear differences exist in the scope of staffing, special programming alternatives and facilities provided. As a result, this alternative would result in The Pavilion providing essentially two levels of care, which is inconsistent with Universal Health Services' treatment philosophy, and would do nothing to improve access to the programs being offered at The Pavilion Hospital, which are clearly in demand by many surrounding communities.

3. Build a new Psychiatric facility in Southern Illinois.

The co-applicants evaluated the possibility of acquiring land and building a new facility or renovating an existing building in Southern Illinois. Because The Pavilion Hospital has traditionally attracted a large number of its patients from Southern Illinois, this alternative would improve accessibility for that segment of the patient population to be served by this project. Alternatively, accessibility would be diminished for the patient population residing in Champaign County and surrounding counties. In addition, the costs associated with the acquisition of the facility evaluated or building a new facility would add greatly to the project cost due to the loss of economies of scale. The costs of building a new hospital in Southern Illinois – with required support and ancillary areas -- would be approximately $9,000,000, which is significantly more than just adding 22 beds at The Pavilion hospital.

Within this project, the AMI beds have been programed and designed for optimal patient care and the space meets or surpasses all applicable licensure and all other regulatory requirements. The DGSF per bed is within the Board's space standards.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	**PROPOSED BGSF/DGSF**	**STATE STANDARD**	**DIFFERENCE**	**MET STANDARD?**
AMI – 22 beds	10,263 / 22 = 467DGSF	440-560 DGSF/Bed	none	yes
Building Support	Non Reviewable/No Standard			
Administration	Non Reviewable/No Standard			
Storage	Non Reviewable/No Standard			
Support	Non Reviewable/No Standard			
RTC (Residential Treatment Center)	Non Reviewable/No Standard			
Mechanical/Electrical	Non Reviewable/No Standard			

PROJECT SERVICES UTILIZATION:

Demand

The Pavilion Foundation Hospital is confident that it will exceed the Board's utilization standard for AMI services, by the end of the second year of operation after project completion. This conclusion is based upon a number of analyses. The following provide calculated support for the anticipated utilization by Referrals and analysis of Historic/Projected Utilization. The need for these bed resources are also supported by documentation of Latent Demand - Unmet Needs and Improvement to Access.

Latent Demand – Unmet Need

The expanding need for AMI services is evidenced by The Pavilion Foundation Hospital's experienced consistent and dramatic historical growth. Since calendar year 2005 through 2010, patient days have increased 80.8 percent or at a yearly rate of 10.4 percent compounded annually. Bed occupancy has exceeded the Board's targeted occupancy rate of 85 percent over the last 3 years - 2009 thru 2011.

HISTORIC UTILIZATION 2005 -- 2011

	2005	2006	2007	2008	2009	2010	2011	Change 2005-2010 Total	Annual
Admissions	1300	1269	1310	1560	1476	1530	1,520	17.7%	3.3%
Patient Days	8438	8782	10462	12905	14173	14741	15252	80.8%	10.4%
ADC	23.1	24.1	28.7	35.4	38.8	40.4	45.2		
Beds	47	47	47	47	47	47	47		
Occupancy	49.2%	51.2%	61.0%	75.2%	82.6%	85.9%	88.9%		

Source: IDPH Hospital Profiles 2004-2010; 2011 are annualized data from hospital records 2011 data are annualized from 10 months data (through October 2010)..

Admissions and occupancy are often higher than the averages indicated above. In addition to the above growth, The Pavilion Foundation has documented a large number of patients who have been turned away due to lack of an available bed. The Pavilion Foundation operates two specialized programs - Adult and Youth. Beds have been commonly filled in one or both units. The following tables indicate the number of patients that The Pavilion had to turn away due to lack of available beds. During 2010 and year to date 2011, The Pavilion did not have bed availability for 1,151 patients, or over 52 patients per month.

2011 Year-To-Date

	Total No Beds	Youth	Adult
1/11	51	26	25
2/11	29	20	9
3/11	99	44	55
4/11	95	61	34
5/11	104	64	40
6/11	23	0	23
7/11	52	0	52
8/11	57	4	53
9/11	64	11	53
10/11	64	9	55
11/11	73	42	31
YTD	711	281	430

2010

	Total No Beds	Youth	Adult
1/10	43	30	13
2/10	49	32	17
3/10	41	33	8
4/10	46	22	24
5/10	32	15	17
6/10	38	5	33
7/10	34	6	28
8/10	59	7	52
9/10	82	48	34
10/10	31	28	3
11/10	46	38	8
12/10	12	8	4
YTD	**513**	**272**	**241**

2009

	Total No Beds	Youth	Adult
2/09	18	14	4
3/09	16	16	0
4/09	19	16	3
5/09	68	60	8
6/09	2	1	1
7/09	9	0	9
8/09	5	2	3

9/09	32	19	13
10/09	36	16	20
11/09	41	30	11
12/09	34	15	19
YTD	**280**	**189**	**91**

Source: Hospital records

From 2009 through November 2011, *over 1,500 patients were not admitted to The Pavilion due to lack of available beds.*

Historic/Projected Utilization

The Pavilion Foundation has experienced a consistent and dramatic historical growth in patient days. Since calendar year 2005 through 2011 (annualized from 10 months of data), patient days have increased 81 percent or at a yearly rate of 10.4 percent compounded annually. Utilization has exceeded the Board's target occupancy of 85 percent for the last two years.

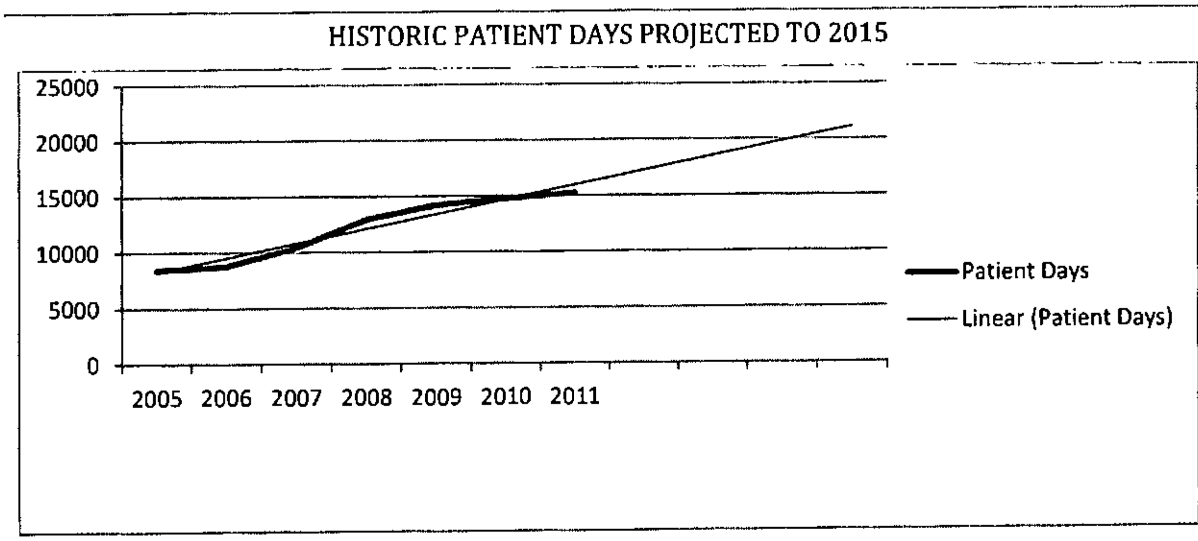
HISTORIC UTILIZATION

Source: IDPH Hospital Profiles 2004-2010; 2011 are annualized data from hospital records 2011 data

	2005	**2006**	**2007**	**2008**	**2009**	**2010**	2011	Change 2005-2010 Total	Annual
Admissions	**1300**	**1269**	**1310**	**1560**	**1476**	**1530**		17.7%	3.3%
Patient Days	**8438**	**8782**	**10462**	**12905**	**14173**	**14741**	15252	80.8%	10.4%
ADC	**23.1**	**24.1**	**28.7**	**35.4**	**38.8**	**40.4**	45.2		
Beds	**47**	**47**	**47**	**47**	**47**	**47**			
Occupancy	**49.2%**	**51.2%**	**61.0%**	**75.2%**	**82.6%**	**85.9%**	88.9%		

are annualized from 10 months data (through October 2010).

Trend analysis of the 6 years historical data, projected 4 years hence, predicts patient days of 22, 330 or an 88.6 percent utilization rate by the end of 2015.



For purposes of this application, The Pavilion Foundation is using a conservative growth rate of 7.8 percent per year, approximately one-third lower than the experienced historical rate. At this rate, The Pavilion Foundation will achieve the Board's utilization targets.

	DEPT./ SERVICE	HISTORICAL UTILIZATION	HISTORICAL % Change/Yr.	PROJECTED UTILIZATION	PROJECTED % Change/Yr.	STATE STANDARD	MET STANDARD?
YR 1 2014	**AMI**	8,438 – 15,252 **45.2% -- 88.9%**	10.4%	19,870 **78.9%**	7.8	**85.0%**	--
YR 2 2015	**AMI**	8,438 – 15,252 **45.2% -- 88.9%**	10.4%	21,407 **85.0%**	7.8	**85.0%**	**YES**

Referrals

As is typical of AMI admissions, few of our patients are not direct admissions from physicians. Most of our patients are referred by counseling and social service agencies. Attached are letters from referrers, indicated their historical and project patient referrals to The Pavilion Foundation Hospital predicated upon the expansion of bed capacity. The following table is a summary of their statements. Estimates are made for calendar years 2014 and 2015, the first and second full years after project completion.

Referrals

Agency	Historic (last 12 months)		Projected	
	Could Not be Placed	2010-2011	2013	2014
Center for Children's Services, Vermilion County		100	150	165
Cunningham Children's Home, Urbana	20		35	45
Community Elements, Champaign	23	37	37	37
Crosspoint Human Services, Danville	58	216	299	299
Sandra C. Leister, Ph.D., Champaign	3	9	20	22
Heritage Behavioral Health, Decatur		17	41	41
Children's Home Association of Illinois,	23	15	40	42
Southwestern Illinois Counseling Centers, Inc., Olney	3	19	24	26
One Hope United, Mt. Vernon	26	29	61	67
Southern Illinois Regional Social Services, Carbondale	41	63	114	124
Catholic Charities, Bloomington		60	80	90
Albert Lo, M.D., Champaign		20	22	24
The H Group, West Frankfort	30	41	78	85
Kevin Elliot Counseling, Champaign		4	6	10
The Rock Counseling Group, Urbana		6	9	9
Lifelinks	50	125	159	186
Community Resource Center, Centralia	38	72	121	132
Martin Repetto, M.D., Champaign		32	42	47
Institute for Human Resources, Pontiac	15	28	43	47
Keri Powell Therapy, Champaign	2	12	25	30
Mental Health Centers of Central Illinois, Springfield	25	40	65	71
Heartland Human Services, Effingham	6	3	18	18
Vermilion County Mental Health 708 Board, Danville	3	7	13	15
Palm Terrace of Mattoon,	3	6	11	12

Mattoon				
North Central Behavioral Health Systems, Ottawa	7	9	17	18
St. Mary's Good Samaritan, Centralia and Mt. Vernon	3	7	13	15
Family Counseling Center, Inc., Golcanda	3	6	11	13
Egyptian Public and Mental Health, Eldorado	4	8	12	14
Carle Physician Group, Champaign	15	42	62	63
Totals	401	1,033	1,628	1,767

Based upon the attached referrals, an additional 734 patients are to be admitted to the completed project within 2 years of completion. Added to the existing 1,530 admissions, the projected number of admissions is expected to be at least 2,264. At the current length of stay of 9.6 days, the projected number of patient days is 21,812. For the 69 bed facility, this number will yield an average daily census of 60 or an occupancy rate of 86.6 percent, versus the Board's target of 85 percent. See referral letters in Appendix A.

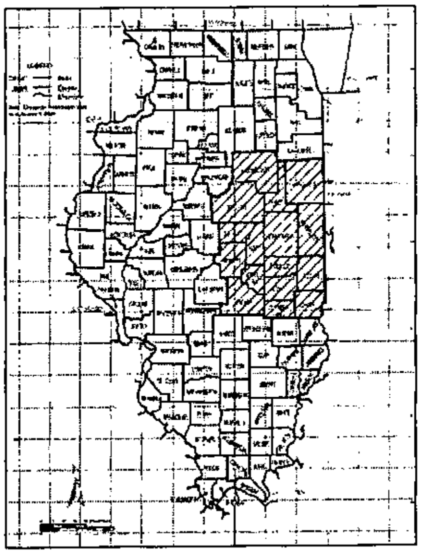
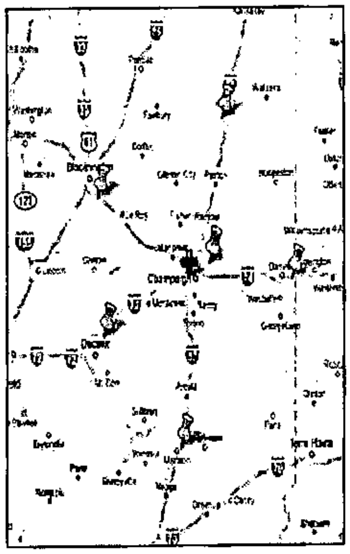
Access Improvements

Access to care will be improved by the expansion of services due to The Pavilion Foundation Hospital being one of the few AMI providers in a geographically large region and as a unique resource for: 1) being the region's only provider of comprehensive psychiatric services; 2) the only provider within 55 minute travel time of youth psychiatric services (child and adolescent); and a major provider of care to the Medicaid population.

The Pavilion Foundation Hospital was established with the primary goal of making a difference in the lives of people seeking treatment. As a freestanding, specialized facility, The Pavilion offers a variety of treatment programs tailored to meet the needs of the individual client. Two such programs are the Inpatient Adult unit and the Inpatient Child and Adolescent unit. The primary function of these units is to stabilize the individual who is currently in crisis. The treatment team, consisting of the patient, significant others, Physicians, Nurses, Social Workers, Mental Health Technicians, and other professionals, work together to develop a treatment plan that meets the individual needs of the patient. By providing therapeutic services, medication management, education, and 24-hour nursing care, The Pavilion assists the patient in returning the to a baseline level of functioning. Through discharge planning and aftercare coordination, we provide the patient with the tools to remain at that level of functioning. The patients and their families can be assured that the staff at The Pavilion is a team dedicated to their safety on their road to stabilization.

One of the benefits of The Pavilion as a provider of psychiatric care, is that The Pavilion offers comprehensive care services. Furthermore, individuals seeking treatment are admitted to a program that is tailored to meet the acuity needs at the time of initial assessment. At The Pavilion, it is understood that the patient's needs are ever changing. As a result, The Pavilion's comprehensive program allows the patient to change their level of care depending on their current need and acuity. These programs include Inpatient Hospitalization, Medical Detoxification, Dual Diagnosis Treatment, Partial Hospitalization and Intensive Outpatient Services. These programs have been developed to impact and make a difference in the lives of individuals seeking treatment at The Pavilion.

The Pavilion Foundation receives patients who reside throughout central and southern Illinois, residing up to 200 miles away. Most of these patients, over 70 percent, reside within HAS 4. HSA 4 is one of the largest planning areas in the state. It is comprised of 16 counties and is home to 878,358 people. Geographically, the planning area consists of 11,479 square miles or 21 percent of the State's area. Travel distance is a major issue in accessing specialized services such as AMI.

HSA IV	AMI Providers
	

Map Source US Bureau of Census

Within HSA 4, The Pavilion Foundation Hospital is the only specialized psychiatric facility and one of only two AMI providers within a 55 minute travel time. The Pavilion Foundation is the dominant provider AMI services (as measured by patient days), maintains the highest percentage of Medicaid admissions and is the only provider of child and adolescent AMI services within a 55 minute travel time or 47 mile distance. (Travel times and distances are documented in Appendix B.)

AMI SERVICES WITHIN PLANNING AREA 04								
		Travel Time	Distance in Miles	Adolescent/ Child	Total AMI Patients	Patient Days	Facility Medicaid (% of Admissions)	
Advocate BroMenn Regional Medical Center	Bloomington	59mins.	51.4	No	548	2709	19	11.9%
Provena Covenant Medical Center	Urbana	7mins.	2.9	No	952	4322	30	15.1%
Sara Bush Lincoln Health Center	Mattoon	1hr. 21mins	78.3	No	890	3612	20	19.7%
St. Mary's Hospital	Decatur	55mins.	47.4	Yes	1549	10595	56	21.1%
The Pavilion Foundation	**Champaign**			**Yes**	**1530**	**14741**	**47**	**49.5%**

Sources: Data – IDPH 2010 Hospital Profiles; Travel time/distance – Mapquest (November 14, 2011)

APPLICABLE REVIEW CRITERIA		Establish	Expand	Modernize
1110.730(b)(1) -	Planning Area Need - 77 Ill. Adm. Code 1100 (formula calculation)	X		
1110.730(b)(2) -	Planning Area Need - Service to Planning Area Residents	X	X	
1110.730(b)(3) -	Planning Area Need - Service Demand - Establishment of Category of Service	X		
1110.730(b)(4) -	Planning Area Need - Service Demand - Expansion of Existing Category of Service		X	
1110.730(b)(5) -	Planning Area Need - Service Accessibility	X		
1110.730(c)(1) -	Unnecessary Duplication of Services	X		
1110.730(c)(2) -	Maldistribution	X		
1110.730(c)(3) -	Impact of Project on Other Area Providers	X		
1110.730(d)(1) -	Deteriorated Facilities			X
1110.730(d)(2) -	Documentation			X
1110.730(d)(3) -	Documentation Related to Cited Problems			X
1110.730(d)(4) -	Occupancy			X
1110.730(e(1)) -	Staffing Availability	X	X	
1110.730(f) -	Performance Requirements	X	X	X
1110.730(g) -	Assurances	X	X	X

Service to Planning Area Residents

During calendar year 2010 The Pavilion Foundation admitted 1,350 patients to its AMI service. Of these, 1,088 admissions or 71.1 percent were of patients whose residential zip codes were within HSA IV.

2010 ADMISSIONS SUMMARY
PATIENT ORIGIN AS PERCENT OF TOTAL ADMISSIONS

County		Total		Percent
Champaign		465		**30.4%**
Clark		9		**0.6%**
Coles		105		**6.9%**
Cumberland		11		**0.7%**
DeWitt		17		**1.1%**
Douglas		24		**1.6%**
Edgar		20		**1.3%**
Ford		24		**1.6%**
Iroquois		12		**0.8%**
Livingston		27		**1.8%**
Macon		31		**2.0%**
McLean		97		**6.3%**
Moultrie		13		**0.8%**
Piatt		16		**1.0%**
Shelby		14		**0.9%**
Vermilion		203		**13.3%**
Total		1,088		**71.1%**

Hospital Patient Origin Data 2010:

(Service Codes: IPC child, IPA adolescent, IPL adult, IXL detox)

Admit Date	Service Code	County	Zip Code	COUNT
Planning Area 4				
2010	IPA	Champaign	60949	5
2010	IPA	Champaign	61802	24
2010	IPA	Champaign	61802	13
2010	IPA	Champaign	61802	24
2010	IPA	Champaign	61802	3
2010	IPC	Champaign	61802	2
2010	IPC	Champaign	61802	4
2010	IPC	Champaign	61802	9
2010	IPA	Champaign	61816	60

2010	IPC	Champaign	61821	22
2010	IPC	Champaign	61821	1
2010	IPC	Champaign	61821	11
2010	IPC	Champaign	61821	1
2010	IPL	Champaign	61821	21
2010	IPL	Champaign	61821	21
2010	IPL	Champaign	61821	1
2010	IPL	Champaign	61821	31
2010	IPL	Champaign	61821	25
2010	IPL	Champaign	61821	12
2010	IPL	Champaign	61821	1
2010	IPL	Champaign	61821	17
2010	IPL	Champaign	61821	7
2010	IXL	Champaign	61821	4
2010	IXL	Champaign	61821	1
2010	IXL	Champaign	61821	1
2010	IXL	Champaign	61821	4
2010	IXL	Champaign	61821	1
2010	IXL	Champaign	61821	4
2010	IXL	Champaign	61821	4
2010	IXL	Champaign	61821	2
2010	IPA	Champaign	61840	2
2010	IPA	Champaign	61843	6
2010	IPA	Champaign	61849	2
2010	IPA	Champaign	61851	1
2010	IPA	Champaign	61853	6
2010	IPC	Champaign	61853	2
2010	IPL	Champaign	61853	9
2010	IXL	Champaign	61853	5
2010	IPA	Champaign	61859	2
2010	IXL	Champaign	61859	2
2010	IPC	Champaign	61863	1
2010	IPA	Champaign	61864	1
2010	IPC	Champaign	61864	1
2010	IXL	Champaign	61864	1
2010	IPA	Champaign	61872	2
2010	IPL	Champaign	61872	1
2010	IPA	Champaign	61873	28
2010	IPA	Champaign	61873	21
2010	IPA	Champaign	61873	1
2010	IPA	Champaign	61873	2
2010	IPC	Champaign	61873	2
2010	IPL	Champaign	61873	9
2010	IXL	Champaign	61873	4
2010	IXL	Champaign	61875	1
2010	IPL	Champaign	61877	1

2010	IPA	Champaign	61878	2
2010	IPC	Champaign	61878	4
2010	IPL	Champaign	61878	2
2010	IPA	Champaign	61880	2
2010	IPC	Champaign	61880	3
2010	IPL	Champaign	61880	3
2010	IPA	Clark	62441	2
2010	IPA	Clark	62442	1
2010	IPC	Clark	62442	2
2010	IPC	Clark	62442	1
2010	IXL	Clark	62442	1
2010	IXL	Clark	62442	1
2010	IPL	Clark	62474	1
2010	IPA	Coles	61912	3
2010	IPC	Coles	61912	1
2010	IXL	Coles	61912	2
2010	IPC	Coles	61920	8
2010	IPC	Coles	61920	10
2010	IPL	Coles	61920	11
2010	IPA	Coles	61931	3
2010	IXL	Coles	61931	1
2010	IPA	Coles	61938	19
2010	IPA	Coles	61938	21
2010	IPL	Coles	61938	20
2010	IXL	Coles	61938	3
2010	IXL	Coles	61938	2
2010	IPA	Coles	62469	1
2010	IPL	Cumberland	62428	2
2010	IPC	Cumberland	62436	2
2010	IPA	Cumberland	62447	4
2010	IPA	Cumberland	62468	2
2010	IPC	Cumberland	62468	1
2010	IPA	Dewitt	61727	3
2010	IPC	Dewitt	61727	3
2010	IPL	Dewitt	61727	4
2010	IPA	Dewitt	61842	5
2010	IPC	Dewitt	61842	1
2010	IXL	Dewitt	61842	1
2010	IPA	Douglas	61910	1
2010	IPA	Douglas	61910	3
2010	IPA	Douglas	61910	4
2010	IPC	Douglas	61910	2
2010	IPA	Douglas	61911	1
2010	IXL	Douglas	61911	1
2010	IXL	Douglas	61913	1
2010	IPA	Douglas	61942	1
2010	IPL	Douglas	61942	1
2010	IPL	Douglas	61953	2

2010	IPA	Douglas	61956	5
2010	IPC	Douglas	61956	1
2010	IPL	Douglas	61956	1
2010	IPL	Edgar	61924	1
2010	IPA	Edgar	61933	1
2010	IPC	Edgar	61933	1
2010	IPA	Edgar	61940	4
2010	IPC	Edgar	61940	3
2010	IPL	Edgar	61940	8
2010	IPA	Edgar	61955	2
2010	IPA	Ford	60936	4
2010	IPC	Ford	60936	3
2010	IPL	Ford	60936	3
2010	IPA	Ford	60946	1
2010	IPL	Ford	60946	1
2010	IPA	Ford	60957	8
2010	IPC	Ford	60957	1
2010	IPL	Ford	60957	1
2010	IXL	Ford	60957	1
2010	IPL	Ford	60959	1
2010	IPC	Iroquois	60911	1
2010	IPA	Iroquois	60938	1
2010	IPL	Iroquois	60938	2
2010	IXL	Iroquois	60938	1
2010	IPA	Iroquois	60948	1
2010	IPC	Iroquois	60948	1
2010	IPL	Iroquois	60948	1
2010	IPA	Iroquois	60953	1
2010	IPA	Iroquois	60967	2
2010	IPL	Iroquois	60970	1
2010	IPL	Livingston	60460	2
2010	IPA	Livingston	61739	2
2010	IPL	Livingston	61739	1
2010	IPL	Livingston	61740	1
2010	IPA	Livingston	61764	4
2010	IPC	Livingston	61764	2
2010	IPL	Livingston	61764	13
2010	IXL	Livingston	61764	2
2010	IPA	Macon	62535	16
2010	IXL	Macon	62573	15
2010	IPA	McLean	61705	17
2010	IPA	McLean	61705	12
2010	IPA	McLean	61705	14
2010	IPA	McLean	61705	4
2010	IPC	McLean	61705	3
2010	IPC	McLean	61705	3
2010	IPC	McLean	61705	2
2010	IPC	McLean	61705	1

2010	IPL	McLean	61705	7
2010	IPL	McLean	61705	2
2010	IPL	McLean	61705	4
2010	IXL	McLean	61705	2
2010	IXL	McLean	61705	1
2010	IPA	McLean	61720	1
2010	IPA	McLean	61726	1
2010	IPA	McLean	61728	1
2010	IPA	McLean	61732	1
2010	IXL	McLean	61732	1
2010	IPA	McLean	61736	1
2010	IPA	McLean	61744	3
2010	IPA	McLean	61745	7
2010	IPL	McLean	61745	1
2010	IPA	McLean	61748	2
2010	IPA	McLean	61753	2
2010	IPA	McLean	61754	1
2010	IPA	McLean	61770	2
2010	IPL	McLean	61790	1
2010	IPA	Moultrie	61914	1
2010	IPA	Moultrie	61951	7
2010	IPC	Moultrie	61951	3
2010	IPL	Moultrie	61951	2
2010	IPC	Piatt	61813	2
2010	IPL	Piatt	61813	1
2010	IXL	Piatt	61855	1
2010	IPA	Piatt	61856	2
2010	IPC	Piatt	61856	1
2010	IPL	Piatt	61856	5
2010	IXL	Piatt	61856	2
2010	IPA	Piatt	61929	2
2010	IPA	Shelby	61957	1
2010	IPL	Shelby	62422	1
2010	IPA	Shelby	62463	5
2010	IPA	Shelby	62565	2
2010	IPC	Shelby	62565	2
2010	IPL	Shelby	62565	2
2010	IPA	Shelby	62571	1
2010	IPA	Vermilion	60932	1
2010	IPL	Vermilion	60932	1
2010	IPC	Vermilion	60942	1
2010	IPL	Vermilion	60942	4
2010	IXL	Vermilion	60942	3
2010	IPA	Vermilion	60960	1
2010	IPA	Vermilion	60963	1
2010	IPL	Vermilion	60963	1
2010	IPL	Vermilion	61810	1
2010	IPC	Vermilion	61811	1

2010	IPA	Vermilion	61814	3
2010	IPL	Vermilion	61814	1
2010	IXL	Vermilion	61814	1
2010	IPA	Vermilion	61817	1
2010	IPL	Vermilion	61817	3
2010	IXL	Vermilion	61817	3
2010	IPC	Vermilion	61831	1
2010	IPA	Vermilion	61834	48
2010	IPA	Vermilion	61841	2
2010	IXL	Vermilion	61841	1
2010	IPA	Vermilion	61846	1
2010	IPA	Vermilion	61846	6
2010	IPC	Vermilion	61846	4
2010	IPL	Vermilion	61846	1
2010	IXL	Vermilion	61846	1
2010	IPA	Vermilion	61848	1
2010	IPA	Vermilion	61858	5
2010	IPL	Vermilion	61858	1
2010	IXL	Vermilion	61858	1
2010	IPA	Vermilion	61865	5
2010	IPA	Vermilion	61865	3
2010	IPC	Vermilion	61865	26
2010	IPC	Vermilion	61865	1
2010	IPL	Vermilion	61865	42
2010	IPL	Vermilion	61865	1
2010	IPL	Vermilion	61865	8
2010	IXL	Vermilion	61865	5
2010	IXL	Vermilion	61865	2
2010	IXL	Vermilion	61865	1
2010	IPC	Vermilion	61870	1
2010	IPL	Vermilion	61870	1
2010	IPA	Vermilion	61883	5
2010	IPL	Vermilion	61883	1
2010	IXL	Vermilion	61883	1
Not Planning Area / HSA 4				
2010	IPL		23185	1
2010	IPL		27907	1
2010	IXL		35071	1
2010	IXL		38114	1
2010	IXL		38863	1
2010	IPL		42003	1
2010	IPA		46147	1
2010	IPL		47803	1
2010	IPL		47842	2
2010	IPC		47847	1
2010	IPA		47918	1
2010	IXL		47932	1
2010	IPL		47933	2

2010	IPL		47949	1
2010	IPL		47951	1
2010	IXL		47974	1
2010	IPL		60107	1
2010	IPA		60430	1
2010	IPL		60433	1
2010	IPL		60435	1
2010	IPA		60450	1
2010	IPL		60453	2
2010	IPA		60470	1
2010	IPA		60510	1
2010	IPL		60513	1
2010	IPA		60544	1
2010	IPA		60586	1
2010	IXL		60613	1
2010	IPL		60645	1
2010	IPL		60647	1
2010	IPC		60901	1
2010	IPL		60901	1
2010	IXL		60901	1
2010	IXL		60914	2
2010	IXL		60915	2
2010	IPC		60940	1
2010	IPA		60950	1
2010	IPL		60950	1
2010	IXL		61072	1
2010	IPL		61235	1
2010	IPA		61301	1
2010	IPA		61326	1
2010	IPA		61350	1
2010	IPL		61350	1
2010	IPC		61354	2
2010	IPL		61356	1
2010	IPA		61360	1
2010	IPC		61360	2
2010	IPA		61364	2
2010	IPL		61364	3
2010	IXL		61364	1
2010	IPL		61370	1
2010	IPL		61373	1
2010	IPA		61401	2
2010	IPA		61434	1
2010	IPL		61455	1
2010	IPL		61520	1
2010	IPA		61529	1
2010	IPC		61537	1
2010	IPL		61542	1
2010	IPA		61544	1

2010	IPC		61548	1
2010	IPL		61550	1
2010	IPA		61554	2
2010	IPC		61554	1
2010	IPL		61554	2
2010	IPC		61564	1
2010	IPC		61571	1
2010	IPL		61571	2
2010	IPA		61611	1
2010	IPA		61611	1
2010	IPL		61611	1
2010	IPA		61629	3
2010	IPA		61629	3
2010	IPA		61629	1
2010	IPA		61636	1
2010	IPA		61636	1
2010	IPA		61636	2
2010	IPC		61636	1
2010	IPL		61636	1
2010	IPL		61636	1
2010	IPL		61636	1
2010	IXL		61636	1
2010	IPA		61738	4
2010	IPL		61738	3
2010	IPA		61760	1
2010	IPL		61760	1
2010	IXL		62010	1
2010	IPL		62040	1
2010	IPL		62049	1
2010	IXL		62049	3
2010	IPA		62075	1
2010	IPA		62080	3
2010	IPA		62201	1
2010	IPA		62208	1
2010	IPA		62214	1
2010	IPA		62215	1
2010	IXL		62253	1
2010	IPL		62258	1
2010	IPA		62264	1
2010	IPA		62274	1
2010	IPA		62286	1
2010	IPL		62288	1
2010	IPC		62294	1
2010	IPA		62401	6
2010	IPC		62401	1
2010	IPL		62401	9
2010	IXL		62401	4
2010	IPC		62414	1

2010	IPA		62418	2
2010	IPC		62418	1
2010	IPA		62424	2
2010	IPA		62426	1
2010	IPL		62427	1
2010	IPL		62433	1
2010	IPA		62443	1
2010	IPA		62450	3
2010	IPC		62450	1
2010	IPL		62450	1
2010	IPA		62454	1
2010	IPL		62454	3
2010	IPA		62458	4
2010	IPL		62466	2
2010	IPL		62467	2
2010	IXL		62467	1
2010	IPA		62471	4
2010	IPC		62471	1
2010	IPA		62476	1
2010	IPA		62480	1
2010	IPA		62510	2
2010	IPA		62527	4
2010	IPA		62527	3
2010	IPA		62527	3
2010	IPC		62527	1
2010	IPL		62527	4
2010	IPL		62527	2
2010	IPL		62527	2
2010	IXL		62527	2
2010	IXL		62527	1
2010	IPA		62557	2
2010	IPL		62557	1
2010	IPA		62568	1
2010	IPL		62568	3
2010	IPA		62615	1
2010	IPL		62618	1
2010	IPA		62629	2
2010	IPL		62650	1
2010	IPC		62653	1
2010	IPA		62656	3
2010	IPL		62656	1
2010	IPA		62664	3
2010	IPC		62664	2
2010	IPL		62664	3
2010	IPA		62677	1
2010	IPC		62684	3
2010	IPA		62689	1
2010	IXL		62701	2

2010	IPA		62702	1
2010	IPL		62702	2
2010	IPA		62703	2
2010	IPL		62703	1
2010	IPA		62704	8
2010	IPC		62704	3
2010	IXL		62704	2
2010	IPL		62707	1
2010	IPL		62712	2
2010	IPA		62801	6
2010	IPC		62801	4
2010	IPL		62801	2
2010	IPL		62803	1
2010	IPC		62806	2
2010	IPC		62812	1
2010	IPA		62814	2
2010	IPC		62814	1
2010	IPA		62821	1
2010	IPA		62822	4
2010	IPA		62824	1
2010	IPL		62824	1
2010	IPA		62825	1
2010	IPA		62827	1
2010	IPA		62832	1
2010	IPC		62832	1
2010	IPL		62832	2
2010	IPL		62836	1
2010	IPL		62837	1
2010	IXL		62837	1
2010	IPA		62839	1
2010	IPC		62839	1
2010	IXL		62839	1
2010	IPL		62842	2
2010	IPA		62848	1
2010	IPA		62853	1
2010	IPC		62854	1
2010	IPA		62858	1
2010	IPC		62858	1
2010	IPL		62859	2
2010	IPA		62863	1
2010	IPA		62864	10
2010	IPC		62864	1
2010	IPL		62864	4
2010	IXL		62864	1
2010	IPL		62865	1
2010	IPL		62868	1
2010	IPA		62869	1
2010	IPL		62869	2

2010	IPC		62870	1
2010	IPL		62875	1
2010	IPA		62876	1
2010	IPA		62878	1
2010	IPA		62881	8
2010	IPC		62881	3
2010	IPL		62881	1
2010	IPA		62882	1
2010	IPA		62884	1
2010	IPL		62884	1
2010	IPL		62888	1
2010	IPA		62889	1
2010	IPA		62890	3
2010	IPA		62892	1
2010	IPA		62894	1
2010	IPL		62895	1
2010	IPA		62896	3
2010	IPC		62896	1
2010	IPL		62896	4
2010	IPC		62898	1
2010	IPA		62899	1
2010	IPA		62901	4
2010	IPC		62901	2
2010	IPL		62901	8
2010	IPL		62902	3
2010	IXL		62902	1
2010	IPA		62907	1
2010	IPL		62918	1
2010	IPC		62920	1
2010	IPA		62924	1
2010	IPC		62924	1
2010	IPL		62924	1
2010	IPA		62930	1
2010	IPL		62932	1
2010	IPL		62946	2
2010	IPA		62948	2
2010	IPL		62948	12
2010	IXL		62958	1
2010	IPL		62959	7
2010	IXL		62959	1
2010	IPA		62966	3
2010	IPC		62966	1
2010	IPL		62966	8
2010	IPL		78745	1
2010	IPL		82001	1
2010	IXL		85310	1
2010	IPL		94102	1
2010	IPL		99999	4

Demand

The Pavilion Foundation Hospital is confident that it will exceed the Board's utilization standard for AMI services, by the end of the second year of operation after project completion. This conclusion is based upon a number of analyses. The following provide calculated support for the anticipated utilization by Referrals and analysis of Historic/Projected Utilization. The need for these bed resources are also supported by documentation of Latent Demand - Unmet Needs and Improvement to Access.

Latent Demand – Unmet Need

The expanding need for AMI services is evidenced by The Pavilion Foundation Hospital's experienced consistent and dramatic historical growth. Since calendar year 2005 through 2010, patient days have increased 80.8 percent or at a yearly rate of 10.4 percent compounded annually. Bed occupancy has exceeded the Board's targeted occupancy rate of 85 percent over the last 3 years – 2009 thru 2011.

HISTORIC UTILIZATION 2005 -- 2011

	2005	2006	2007	2008	2009	2010	2011	Change 2005-2010 Total	Annual
Admissions	1300	1269	1310	1560	1476	1530	1,520	17.7%	3.3%
Patient Days	8438	8782	10462	12905	14173	14741	15252	80.8%	10.4%
ADC	23.1	24.1	28.7	35.4	38.8	40.4	45.2		
Beds	47	47	47	47	47	47	47		
Occupancy	49.2%	51.2%	61.0%	75.2%	82.6%	85.9%	88.9%		

Source: IDPH Hospital Profiles 2004-2010; 2011 are annualized data from hospital records 2011 data are annualized from 10 months data (through October 2010)..

Admissions and occupancy are often higher than the averages indicated above. In addition to the above growth, The Pavilion Foundation has documented a large number of patients who have been turned away due to lack of an available bed. The Pavilion Foundation operates two specialized programs – Adult and Youth. Beds have been commonly filled in one or both units. The following tables indicate the number of patients that The Pavilion had to turn away due to lack of available beds. During 2010 and year to date 2011, The Pavilion did not have bed availability for 1,151 patients, or over 52 patients per month.

2011 Year-To-Date

	Total No Beds	Youth	Adult
1/11	51	26	25
2/11	29	20	9
3/11	99	44	55
4/11	95	61	34
5/11	104	64	40
6/11	23	0	23
7/11	52	0	52
8/11	57	4	53
9/11	64	11	53
10/11	64	9	55
11/11	73	42	31
YTD	711	281	430

2010

	Total No Beds	Youth	Adult
1/10	43	30	13
2/10	49	32	17
3/10	41	33	8
4/10	46	22	24
5/10	32	15	17
6/10	38	5	33
7/10	34	6	28
8/10	59	7	52
9/10	82	48	34
10/10	31	28	3
11/10	46	38	8
12/10	12	8	4
YTD	**513**	**272**	**241**

2009

	Total No Beds	Youth	Adult
2/09	18	14	4
3/09	16	16	0
4/09	19	16	3
5/09	68	60	8
6/09	2	1	1
7/09	9	0	9
8/09	5	2	3
9/09	32	19	13
10/09	36	16	20
11/09	41	30	11
12/09	34	15	19
YTD	**280**	**189**	**91**

Source: Hospital records

From 2009 through November 2011, over 1,500 patients were not admitted to The Pavilion due to lack of available beds.

Historic/Projected Utilization

The Pavilion Foundation has experienced a consistent and dramatic historical growth in patient days. Since calendar year 2005 through 2011 (annualized from 10 months of data), patient days have increased 81 percent or at a yearly rate of 10.4 percent compounded annually. Utilization has exceeded the Board's target occupancy of 85 percent for the last two years.

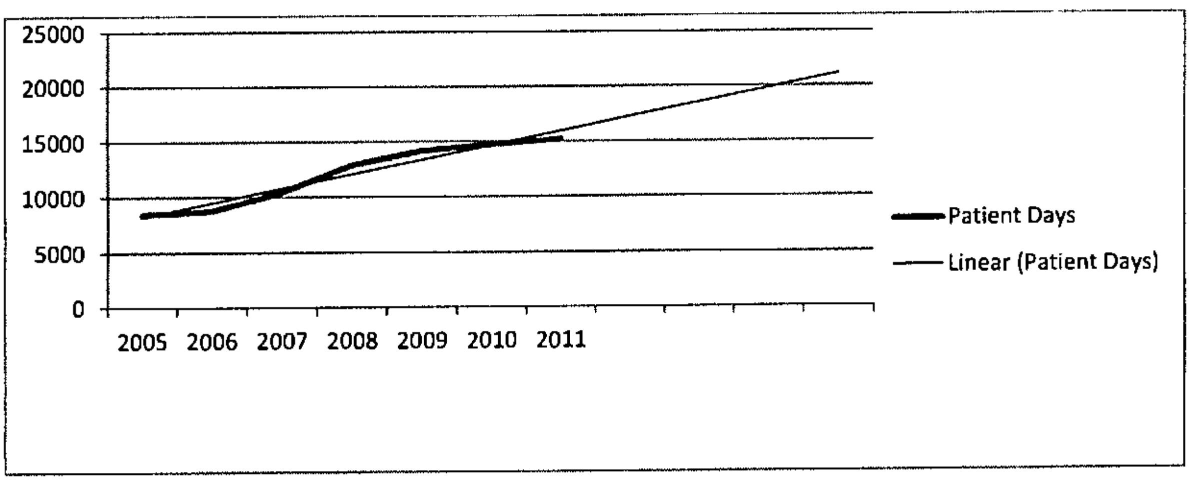
HISTORIC UTILIZATION

	2005	2006	2007	2008	2009	2010	2011	Change 2005-2010 Total	Annual
Admissions	**1300**	**1269**	**1310**	**1560**	**1476**	**1530**		17.7%	3.3%
Patient Days	**8438**	**8782**	**10462**	**12905**	**14173**	**14741**	15252	80.8%	10.4%
ADC	**23.1**	**24.1**	**28.7**	**35.4**	**38.8**	**40.4**	45.2		
Beds	**47**	**47**	**47**	**47**	**47**	**47**			
Occupancy	**49.2%**	**51.2%**	**61.0%**	**75.2%**	**82.6%**	**85.9%**	88.9%		

Source: IDPH Hospital Profiles 2004-2010; 2011 are annualized data from hospital records 2011 data are annualized from 10 months data (through October 2010).

Trend analysis of the 6 years historical data, projected 4 years hence, predicts patient days of 22, 330 or an 88.6 percent utilization rate by the end of 2015.

HISTORIC PATIENT DAYS PROJECTED TO 2015



For purposes of this application, The Pavilion Foundation is using a more conservative growth rate of 7.8 percent per year, approximately one-third lower than the experienced historical rate. At this rate, The Pavilion Foundation will achieve the Board's utilization targets.

	DEPT./ SERVICE	HISTORICAL UTILIZATION	HISTORICAL % Change/Yr.	PROJECTED UTILIZATION	PROJECTED % Change/Yr.	STATE STANDARD	MET STANDARD?
YR 1 2014	**AMI**	8,438 – 15,252 **45.2% -- 88.9%**	10.4%	19,870 **78.9%**	7.8	**85.0%**	--
YR 2 2015	**AMI**	8,438 – 15,252 **45.2% -- 88.9%**	10.4%	21,407 **85.0%**	7.8	**85.0%**	**YES**

Referrals

As is typical of AMI admissions, few of our patients are not direct admissions from physicians. Most of our patients are referred by counseling and social service agencies. Attached are letters from referrers, indicated their historical and project patient referrals to The Pavilion Foundation Hospital predicated upon the expansion of bed capacity. The following table is a summary of their statements. Estimates are made for calendar years 2014 and 2015, the first and second full years after project completion.

Referrals

Agency	Historic (last 12 months)		Projected	
	Could Not be Placed	2010-2011	2013	2014
Center for Children's Services, Vermilion County		100	150	165
Cunningham Children's Home, Urbana	20		35	45
Community Elements, Champaign	23	37	37	37
Crosspoint Human Services, Danville	58	216	299	299
Sandra C. Leister, Ph.D.,	3	9	20	22

Champaign				
Heritage Behavioral Health, Decatur		17	41	41
Children's Home Association of Illinois,	23	15	40	42
Southwestern Illinois Counseling Centers, Inc., Olney	3	19	24	26
One Hope United, Mt. Vernon	26	29	61	67
Southern Illinois Regional Social Services, Carbondale	41	63	114	124
Catholic Charities, Bloomington		60	80	90
Albert Lo, M.D., Champaign		20	22	24
The H Group, West Frankfort	30	41	78	85
Kevin Elliot Counseling, Champaign		4	6	10
The Rock Counseling Group, Urbana		6	9	9
Lifelinks	50	125	159	186
Community Resource Center, Centralia	38	72	121	132
Martin Repetto, M.D., Champaign		32	42	47
Institute for Human Resources, Pontiac	15	28	43	47
Keri Powell Therapy, Champaign	2	12	25	30
Mental Health Centers of Central Illinois, Springfield	25	40	65	71
Heartland Human Services, Effingham	6	3	18	18
Vermilion County Mental Health 708 Board, Danville	3	7	13	15
Palm Terrace of Mattoon, Mattoon	3	6	11	12
North Central Behavioral Health Systems, Ottawa	7	9	17	18
St. Mary's Good Samaritan, Centralia and Mt. Vernon	3	7	13	15
Family Counseling Center, Inc., Golcanda	3	6	11	13
Egyptian Public and Mental Health, Eldorado	4	8	12	14
Carle Physician Group, Champaign	15	42	62	63
Totals	401	1,033	1,628	1,767

Based upon the attached referrals, an additional 734 patients are to be admitted to the completed project within 2 years of completion. Added to the existing 1,530 admissions, the projected number of admissions is expected to be at least 2,264. At the current length of stay of 9.6 days, the projected number of patient days is 21,812. For the 69 bed facility, this number will yield an average daily census of 60 or an occupancy rate of 86.6 percent, versus the Board's target of 85 percent.

See Referral Letters in Appendix A.

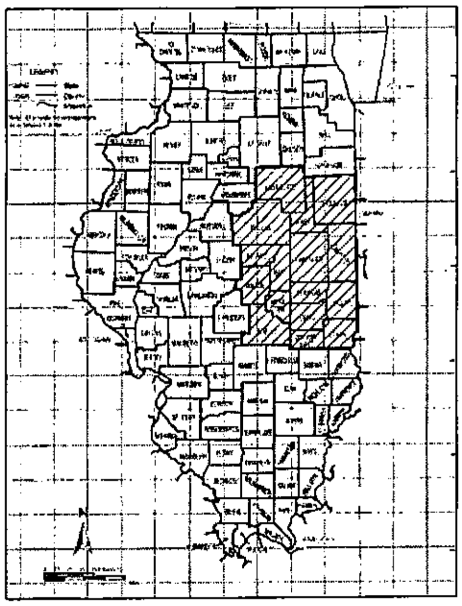
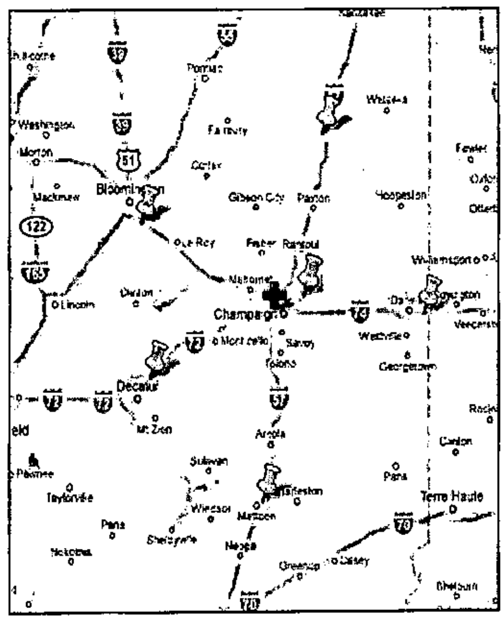
Access Improvements

Access to care will be improved by the expansion of services due to The Pavilion Foundation Hospital being one of the few AMI providers in a geographically large region and as a unique resource for: 1) being the region's only provider of comprehensive psychiatric services; 2) the only provider within 55 minute travel time of youth psychiatric services (child and adolescent); and a major provider of care to the Medicaid population.

The Pavilion Foundation Hospital was established with the primary goal of making a difference in the lives of people seeking treatment. As a freestanding, specialized facility, The Pavilion offers a variety of treatment programs tailored to meet the needs of the individual client. Two such programs are the Inpatient Adult unit and the Inpatient Child and Adolescent unit. The primary function of these units is to stabilize the individual who is currently in crisis. The treatment team, consisting of the patient, significant others, Physicians, Nurses, Social Workers, Mental Health Technicians, and other professionals, work together to develop a treatment plan that meets the individual needs of the patient. By providing therapeutic services, medication management, education, and 24-hour nursing care, The Pavilion assists the patient in returning the to a baseline level of functioning. Through discharge planning and aftercare coordination, we provide the patient with the tools to remain at that level of functioning. The patients and their families can be assured that the staff at The Pavilion is a team dedicated to their safety on their road to stabilization.

One of the benefits of The Pavilion as a provider of care, is that The Pavilion offers comprehensive care services. Furthermore, individuals seeking treatment are admitted to a program that is tailored to meet the acuity needs at the time of initial assessment. At The Pavilion, it is understood that the patient's needs are ever changing. As a result, The Pavilion's comprehensive program allows the patient to change their level of care depending on their current need and acuity. These programs include Inpatient Hospitalization, Medical Detoxification, Dual Diagnosis Treatment, Partial Hospitalization and Intensive Outpatient Services. These programs have been developed to impact and make a difference in the lives of individuals seeking treatment at The Pavilion.

HSA 4 is one of the largest planning areas in the state. It is comprised of 16 counties and is home to 878,358 people. Geographically, the planning area consists of 11,479 square miles or 21 percent of the State's area. Travel distance is a major issue in accessing AMI services, comprehensive AMI services and Adolescent/Youth AMI services.

HSA IV	AMI Providers
	

County map from US Census Bureau

Within HSA 4, The Pavilion Foundation Hospital is the only specialized psychiatric facility and one of only two AMI providers within a 55 minute travel time. The Pavilion Foundation is the dominant provider AMI services (as measured by patient days), maintains the highest percentage of Medicaid admissions and is the only provider of child and adolescent AMI services within a 55 minute travel time or 47 mile distance.

AMI SERVICES WITHIN PLANNING AREA 04								
		Travel Time	Distance in Miles	Adolescent/ Child	Total AMI Patients	Patient Days	Facility Medicaid (% of Admissions)	
Advocate BroMenn Regional Medical Center	Bloomington	59mins.	51.4	No	548	2709	19	11.9%
Provena Covenant Medical Center	Urbana	7mins.	2.9	No	952	4322	30	15.1%
Sara Bush Lincoln Health Center	Mattoon	1hr. 21mins.	51.5	No	890	3612	20	19.7%
St. Mary's Hospital	Decatur	55mins.	47.4	Yes	1549	10595	56	21.1%
The Pavilion Foundation	**Champaign**			**Yes**	**1530**	**14741**	**47**	**49.5%**

Sources: Data – IDPH 2010 Hospital Profiles; Travel time/distance – Mapquest (November 14, 2011)

Modernization Rationale

The third floor of the existing facility is being remodeled to accommodate expand the 17 bed Acute Mental Illness (AMI) unit into a 27 bed AMI unit. This will be accomplished by taking over space currently occupied by a Residential Treatment Center (RTC) Unit. In order to meet licensure, we will be creating a new Medicine Distribution room off of an expanded Nurse Station, as well as creating a new Day Room to handle the expanded capacity of the unit; and a Multi-purpose room and a Nurse's Office will be added. An old Seclusion room will be converted into a Private Patient room and two old Sleeping rooms will be converted to a new three bed Patient Room. A new Passageway is also being constructed in order to get proper exiting from the unit.

Not Applicable: Existing facility is code compliant for current usage.

Not Applicable: Existing facility is code compliant for current usage

Project shall meet the Board's utilization targets by the end of the 2nd calendar year of operation.

See Attachments 15, 11B and 22B.

The Pavilion
BEHAVIORAL HEALTH SYSTEM

November 11, 2011

Courtney Avery, Administrator
Health Facilities Services and Review Board
525 West Jefferson Street
Springfield, IL 62761-000162761-0001

Dear Ms. Avery,

The Pavilion Hospital will be able to fully staff for additional services with highly qualified individuals. Our recruitment plan includes: facility and on-line career websites, on-line job posting websites at local universities, print advertisement as well as local job fairs. We also have a number of applications and resumes on file from previous recruitment efforts.

Sincerely,

Laurie Crabtree

Laurie Crabtree, Director of Human Resources
The Pavilion Foundation

LC/jp

The Pavilion Foundation is a hospital solely for the provision of psychiatric services. It is designated a "Psychiatric Hospital" by IDPH, and has authorized beds in only one category of service, AMI.

The facility is located in an MSA and has a current authorized bed count of 47 AMI beds. The proposed project will increase this number to 69 beds. The individual units within the hospital are arranged as smaller discrete units to accommodate specialty programs in Adult and Youth (child and adolescent).

November 9, 2011

Courtney Avery, Administrator
Health Facilities Services and Review Board
525 West Jefferson Street
Springfield, IL 62751-000162761-0001

Dear Ms. Avery,

We hereby acknowledge that by the second complete year of operation after the project completion, that The Pavilion Foundation will achieve and maintain the occupancy standards specified in 77 Ill. Admin Code 1100 for the AMI category of service. (85 percent).

Sincerely,

Joseph Sheehy, CEO
The Pavilion Foundation

JS/jp

The following is the Audited Financial Statement for Universal Health Services, Inc., for Fiscal Year 2010.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Universal Health Services, Inc.:

In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of Universal Health Services, Inc. at December 31, 2010 and 2009, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2010, in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the accompanying index presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2010, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, financial statement schedule, and for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included under item 9A as *Management's Report on Internal Control over Financial Reporting*. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As described in under item 9A *Management's Report on Internal Control over Financial Reporting*, management has excluded Psychiatric Solutions, Inc. and its subsidiaries from its assessment of internal control over financial reporting as of December 31, 2010 because it was acquired by the Company in a purchase business combination during 2010. We have also excluded Psychiatric Solutions, Inc. from our audit of internal control over financial reporting. Psychiatric Solutions, Inc. and its subsidiaries are wholly owned subsidiaries whose total assets and total revenues represent 40% and 4%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2010.

/s/ PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania
February 28, 2011

UNIVERSAL HEALTH SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

	Year Ended December 31,		
	2010	2009	2008
	(in thousands, except per share data)		
Net revenues	$5,568,185	$5,202,379	$5,022,417
Operating charges:			
Salaries, wages and benefits	2,423,102	2,204,422	2,133,181
Other operating expenses	1,005,288	994,923	1,044,278
Supplies expense	733,093	699,249	694,477
Provision for doubtful accounts	546,909	508,603	476,745
Depreciation and amortization	223,915	204,703	193,635
Lease and rental expense	76,961	69,947	69,882
Transaction costs	53,220	0	0
	5,062,488	4,681,847	4,612,198
Income from operations	505,697	520,532	410,219
Interest expense, net	77,600	45,810	53,207
Income from continuing operations before income taxes	428,097	474,722	357,012
Provision for income taxes	152,302	170,475	123,378
Income from continuing operations	275,795	304,247	233,634
Income from discontinued operations, net of income tax expense of $4.0 million during 2008	—	—	6,436
Net income	275,795	304,247	240,070
Less: Net income attributable to noncontrolling interests	45,612	43,874	40,693
Net income attributable to UHS	$ 230,183	$ 260,373	$ 199,377
Basic earnings per share attributable to UHS:			
From continuing operations	$ 2.37	$ 2.65	$ 1.90
From discontinued operations	—	—	0.06
Total basic earnings per share	$ 2.37	$ 2.65	$ 1.96
Diluted earnings per share attributable to UHS:			
From continuing operations	$ 2.34	$ 2.64	$ 1.90
From discontinued operations	—	—	0.06
Total diluted earnings per share	$ 2.34	$ 2.64	$ 1.96
Weighted average number of common shares—basic	96,786	97,794	101,222
Add: Other share equivalents	1,187	481	196
Weighted average number of common shares and equivalents—diluted	97,973	98,275	101,418

The accompanying notes are an integral part of these consolidated financial statements.

UNIVERSAL HEALTH SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	December 31, 2010	December 31, 2009 (A)
	(Dollar amounts in thousands)	
Assets		
Current assets:		
Cash and cash equivalents	$ 29,474	$ 9,180
Accounts receivable, net	837,820	602,559
Supplies	94,330	84,272
Deferred income taxes	120,834	51,336
Other current assets	130,060	27,270
Assets of facilities held for sale	118,598	21,580
Total current assets	1,331,116	796,197
Property and Equipment		
Land	376,567	219,057
Buildings and improvements	3,057,313	2,098,164
Equipment	1,165,635	1,013,245
Property under capital lease	38,711	40,497
	4,638,226	3,370,963
Accumulated depreciation	(1,601,005)	(1,423,580)
	3,037,221	1,947,383
Construction-in-progress	215,746	367,855
	3,252,967	2,315,238
Other assets:		
Goodwill	2,589,914	732,685
Deferred charges	108,660	8,643
Other	245,279	111,700
	2,943,853	853,028
	$ 7,527,936	$ 3,964,463
Liabilities and Stockholders' Equity		
Current liabilities:		
Current maturities of long-term debt	$ 3,449	$ 2,573
Accounts payable	252,487	194,969
Liabilities of facilities held for sale	3,516	0
Accrued liabilities		
Compensation and related benefits	249,429	157,509
Interest	14,160	5,791
Taxes other than income	35,175	23,614
Other	268,083	196,734
Current federal and state income taxes	0	1,627
Total current liabilities	826,299	582,817
Other noncurrent liabilities	380,649	375,580
Long-term debt	3,912,102	956,429
Deferred income taxes	173,354	60,091
Commitments and contingencies (Note 8)		
Reedemable noncontrolling interest	211,761	197,152
Equity:		
Class A Common Stock, voting, $.01 par value; authorized 12,000,000 shares: issued and outstanding 6,656,308 shares in 2010 and 6,656,808 shares in 2009	67	67
Class B Common Stock, limited voting, $.01 par value; authorized 150,000,000 shares: issued and outstanding 90,093,562 shares in 2010 and 89,554,143 shares in 2009	897	896
Class C Common Stock, voting, $.01 par value; authorized 1,200,000 shares: issued and outstanding 665,400 shares in 2010 and 665,400 shares in 2009	7	7
Class D Common Stock, limited voting, $.01 par value; authorized 5,000,000 shares: issued and outstanding 35,218 shares in 2010 and 37,678 shares in 2009	—	—
Cumulative dividends	(128,049)	(108,627)
Retained earnings	2,125,989	1,879,981
Accumulated other comprehensive loss	(20,139)	(21,253)
Universal Health Services, Inc. common stockholders' equity	1,978,772	1,751,071
Noncontrolling interest	44,999	41,323
Total Equity	2,023,771	1,792,394
	$ 7,527,936	$ 3,964,463

(A) See Note 1 for revision related to redeemable noncontrolling interest.

The accompanying notes are an integral part of these consolidated financial statements.

UNIVERSAL HEALTH SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2010, 2009 and 2008
(in thousands, except per share data)

	Redeemable Interest[a]	Class A Common	Class B Common	Class C Common	Class D Common	Capital in Excess of Par Value	Cumulative Dividends	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	UHS Common Stockholders' Equity	Noncontrolling Interest	Total
Balance, January 1, 2008	$176,726	$ 33	$489	$ 3	$ 0	$ 0	($ 75,771)	$1,599,326	($ 6,881)	$1,517,199	$33,459	$1,550,658
Common Stock												
Issued/(converted) including tax benefits from exercise of stock options	—	—	2	—	—	—	—	2,547	—	2,549	—	2,549
Repurchased	—	—	(33)	—	—	—	—	(149,371)	—	(149,404)	—	(149,404)
Restricted share-based compensation expense	—	—	—	—	—	—	—	4,678	—	4,678	—	4,678
Dividends	—	—	—	—	—	—	(16,150)	—	—	(16,150)	—	(16,150)
Stock option expense	—	—	—	—	—	—	—	10,416	—	10,416	—	10,416
Distributions to noncontrolling interests	(27,706)	—	—	—	—	—	—	—	—	—	(3,381)	(3,381)
Capital contributions from noncontrolling interests	2,107	—	—	—	—	—	—	—	—	—	226	226
Purchase of minority ownership interests in majority owned businesses	—	—	—	—	—	—	—	—	—	—	(1,058)	(1,058)
Other	—	—	—	—	—	—	—	—	—	—	5,670	5,670
Comprehensive income:												
Net income	34,970	—	—	—	—	—	—	199,377	—	199,377	5,722	205,099
Amortization of terminated hedge (net of income tax effect of $120)	—	—	—	—	—	—	—	—	(216)	(216)	—	(216)
Unrealized derivative losses on cash flow hedges (net of income tax effect of $3,644)	—	—	—	—	—	—	—	—	(5,891)	(5,891)	—	(5,891)
Minimum pension liability (net of income tax effect of $11,572)	—	—	—	—	—	—	—	—	(18,708)	(18,708)	—	(18,708)
Subtotal—comprehensive income	34,970	—	—	—	—	—	—	199,377	(24,815)	174,562	5,722	180,284
Balance, January 1, 2009	186,097	33	458	3	—	—	(91,921)	1,666,973	(31,696)	1,543,850	40,638	1,584,488

See Note 1 for revision related to redeemable noncontrolling interest.

UNIVERSAL HEALTH SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY—(Continued)
For the Years Ended December 31, 2010, 2009 and 2008
(in thousands, except per share data)

	Redeemable Interest[a]	Class A Common	Class B Common	Class C Common	Class D Common	Capital in Excess of Par Value	Cumulative Dividends	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	UHS Common Stockholders' Equity	Noncontrolling Interest	Total
Common Stock												
Issued/(converted) including tax benefits from exercise of stock options	—	—	2	—	—	—	—	3,285	—	3,287	—	3,287
Repurchased	—	—	(15)	—	—	—	—	(63,275)	—	(63,290)	—	(63,290)
Restricted share-based compensation expense	—	—	—	—	—	—	—	3,174	—	3,174	—	3,174
Dividends	—	—	—	—	—	—	(16,706)	—	—	(16,706)	—	(16,706)
Stock dividend	—	34	451	4	—	—	—	(489)	—	—	—	—
Stock option expense	—	—	—	—	—	—	—	9,940	—	9,940	—	9,940
Distributions to noncontrolling interests	(23,130)	—	—	—	—	—	—	—	—	—	(6,736)	(6,736)
Capital contributions from noncontrolling interests	—	—	—	—	—	—	—	—	—	—	121	121
Purchase of minority ownership interests in majority owned businesses	—	—	—	—	—	—	—	—	—	—	(229)	(229)
Other	—	—	—	—	—	—	—	—	—	—	(2,160)	(2,160)
Comprehensive income:												
Net income	34,185	—	—	—	—	—	—	260,373	—	260,373	9,689	270,062
Amortization of terminated hedge (net of income tax effect of $126)	—	—	—	—	—	—	—	—	(216)	(216)	—	(216)
Unrealized derivative losses on cash flow hedges (net of income tax effect of $899)	—	—	—	—	—	—	—	—	1,477	1,477	—	1,477
Minimum pension liability (net of income tax effect of $5,667)	—	—	—	—	—	—	—	—	9,182	9,182	—	9,182
Subtotal—comprehensive income	34,185	—	—	—	—	—	—	260,373	10,443	270,816	9,689	280,505
Balance, January 1, 2010	197,152	67	896	7	—	—	(108,627)	1,879,981	(21,253)	1,751,071	41,323	1,792,394

See Note 1 for revision related to redeemable noncontrolling interest.

UNIVERSAL HEALTH SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY—(Continued)
For the Years Ended December 31, 2010, 2009 and 2008
(in thousands, except per share data)

	Redeemable Interest[a]	Class A Common	Class B Common	Class C Common	Class D Common	Capital in Excess of Par Value	Cumulative Dividends	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	UHS Common Stockholders' Equity	Noncontrolling Interest	Total
Common Stock												
Issued/(converted) including tax benefits from exercise of stock options	—	—	4	—	—	—	—	10,890	—	10,894	—	10,894
Repurchased	—	—	(3)	—	—	—	—	(11,525)	—	(11,528)	—	(11,528)
Restricted share-based compensation expense	—	—	—	—	—	—	—	3,139	—	3,139	—	3,139
Dividends	—	—	—	—	—	—	(19,422)	—	—	(19,422)	—	(19,422)
Stock option expense	—	—	—	—	—	—	—	13,321	—	13,321	—	13,321
Distributions to noncontrolling interests	(23,777)	—	—	—	—	—	—	—	—	—	(8,662)	(8,662)
Capital contributions from noncontrolling interests	—	—	—	—	—	—	—	—	—	—	—	—
Purchase of minority ownership interests in majority owned businesses	—	—	—	—	—	—	—	—	—	—	600	600
Other	4,512	—	—	—	—	—	—	—	—	—	—	—
Comprehensive income:												
Net income	33,874	—	—	—	—	—	—	230,183	—	230,183	11,738	241,921
Amortization of terminated hedge (net of income tax effect of $120)	—	—	—	—	—	—	—	—	(216)	(216)	—	(216)
Unrealized derivative losses on cash flow hedges (net of income tax effect of $528)	—	—	—	—	—	—	—	—	868	868	—	868
Minimum pension liability (net of income tax effect of $281)	—	—	—	—	—	—	—	—	462	462	—	462
Subtotal—comprehensive income	33,874	—	—	—	—	—	—	230,183	1,114	231,297	11,738	243,035
Balance, December 31, 2010	211,761	$ 67	$897	$ 7	—	—	($128,049)	$2,125,989	($20,139)	$1,978,772	$44,999	$2,023,771

See Note 1 for revision related to redeemable noncontrolling interest.

The accompanying notes are an integral part of these consolidated financial statements.

UNIVERSAL HEALTH SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
	2010	2009	2008
	(Amounts in thousands)		
Cash Flows from Operating Activities:			
Net income	$ 275,795	$ 304,247	$ 240,070
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation & amortization	223,997	204,703	195,766
Gains on sales of assets and businesses, net of losses	(1,993)	(1,346)	(21,464)
Stock based compensation expense	16,799	13,096	14,125
Provision for settlements	—	—	25,000
Changes in assets & liabilities, net of effects from acquisitions and dispositions:			
Accounts receivable	22,726	(1,402)	22,445
Construction management and other receivable	—	29,519	(20,693)
Accrued interest	8,408	357	(123)
Accrued and deferred income taxes	132	14,930	(3,483)
Other working capital accounts	(26,437)	(18,828)	3,878
Other assets and deferred charges	11,539	6,699	21,003
Other	812	755	2,811
Accrued insurance expense, net of commercial premiums paid	19,739	44,314	73,413
Payments made in settlement of self-insurance claims	(50,173)	(55,782)	(58,561)
Net cash provided by operating activities	501,344	541,262	494,187
Cash Flows from Investing Activities:			
Property and equipment additions, net of disposals	(239,274)	(379,748)	(354,537)
Acquisition of property and businesses	(1,958,298)	(12,499)	(23,481)
Proceeds received from sales of assets and businesses	21,460	9,770	82,062
Costs incurred for purchase and implementation of electronic health records application	(17,971)	(7,957)	—
Settlement proceeds received related to prior year acquisition, net of expenses	—	—	1,539
Investment in joint-venture	—	—	(1,249)
Net cash used in investing activities	(2,194,083)	(390,434)	(295,666)
Cash Flows from Financing Activities:			
Reduction of long-term debt	(1,392,086)	(66,499)	(166,557)
Additional borrowings	3,266,146	26,069	151,129
Financing costs	(101,815)	—	(975)
Repurchase of common shares	(11,528)	(63,288)	(149,404)
Dividends paid	(19,422)	(16,706)	(16,150)
Issuance of common stock	3,594	3,290	2,354
Profit distributions to noncontrolling interests	(32,456)	(29,866)	(31,087)
Proceeds from sale of noncontrolling interests in majority owned business	600	—	—
Capital contributions from noncontrolling interests	—	121	2,333
Purchase of noncontrolling interests in majority owned businesses	—	(229)	(1,058)
Net cash provided by (used in) financing activities	1,713,033	(147,108)	(209,415)
Increase (decrease) in cash and cash equivalents	20,294	3,720	(10,894)
Cash and cash equivalents, beginning of period	9,180	5,460	16,354
Cash and cash equivalents, end of period	$ 29,474	$ 9,180	$ 5,460
Supplemental Disclosures of Cash Flow Information:			
Interest paid	$ 76,900	$ 57,018	$ 62,285
Income taxes paid, net of refunds	$ 152,088	$ 155,368	$ 130,379

Supplemental Disclosures of Noncash Investing and Financing Activities:
See Notes 2, 4 and 7

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1) BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Services provided by our hospitals, all of which are operated by subsidiaries of ours include general and specialty surgery, internal medicine, obstetrics, emergency room care, radiology, oncology, diagnostic care, coronary care, pediatric services, pharmacy services and/or behavioral health services. We, through our subsidiaries, provide capital resources as well as a variety of management services to our facilities, including central purchasing, information services, finance and control systems, facilities planning, physician recruitment services, administrative personnel management, marketing and public relations.

The more significant accounting policies follow:

A) Principles of Consolidation: The consolidated financial statements include the accounts of our majority-owned subsidiaries and partnerships controlled by us or our subsidiaries as the managing general partner. All significant intercompany accounts and transactions have been eliminated.

B) Revenue Recognition: We record revenues and related receivables for health care services at the time the services are provided. Medicare and Medicaid revenues represented 38% of our net patient revenues during each of 2010, 2009 and 2008. Revenues from managed care entities, including health maintenance organizations and managed Medicare and Medicaid programs accounted for 46% of our net patient revenues during each of 2010, 2009 and 2008.

We report net patient service revenue at the estimated net realizable amounts from patients and third-party payors and others for services rendered. We have agreements with third-party payors that provide for payments to us at amounts different from our established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges and per diem payments. Estimates of contractual allowances under managed care plans are based upon the payment terms specified in the related contractual agreements. We closely monitor our historical collection rates, as well as changes in applicable laws, rules and regulations and contract terms, to assure that provisions are made using the most accurate information available. However, due to the complexities involved in these estimations, actual payments from payors may be different from the amounts we estimate and record.

We estimate our Medicare and Medicaid revenues using the latest available financial information, patient utilization data, government provided data and in accordance with applicable Medicare and Medicaid payment rules and regulations. The laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation and as a result, there is at least a reasonable possibility that recorded estimates will change by material amounts in the near term. Certain types of payments by the Medicare program and state Medicaid programs (e.g. Medicare Disproportionate Share Hospital, Medicare Allowable Bad Debts and Inpatient Psychiatric Services) are subject to retroactive adjustment in future periods as a result of administrative review and audit and our estimates may vary from the final settlements. Such amounts are included in accounts receivable, net, on our Consolidated Balance Sheets. The funding of both federal Medicare and state Medicaid programs are subject to legislative and regulatory changes. As such, we can not provide any assurance that future legislation and regulations, if enacted, will not have a material impact on our future Medicare and Medicaid reimbursements. Adjustments related to the final settlement of these retrospectively determined amounts did not materially impact our results in 2010, 2009 or 2008.

We provide care to patients who meet certain financial or economic criteria without charge or at amounts substantially less than our established rates. Because we do not pursue collection of amounts determined to qualify as charity care, they are not reported in net revenues or in accounts receivable, net. Our acute care hospitals provided charity care and uninsured discounts, based on charges at established rates, amounting to $807 million during 2010, $671 million during 2009 and $609 million during 2008.

C) Provision for Doubtful Accounts: Collection of receivables from third-party payers and patients is our primary source of cash and is critical to our operating performance. Our primary collection risks relate to uninsured patients and the portion of the bill which is the patient's responsibility, primarily co-payments and deductibles. We estimate our provisions for doubtful accounts based on general factors such as payer mix, the agings of the receivables and historical collection experience. We routinely review accounts receivable balances in conjunction with these factors and other economic conditions which might ultimately affect the collectability of the patient accounts and make adjustments to our allowances as warranted. At our acute care hospitals, third party liability accounts are pursued until all payments and adjustments are posted to the patient account. For those accounts with a patient balance after third party liability is finalized or accounts for uninsured patients, the patient is sent a series of statements and collection letters. Patients that express an inability to pay are reviewed for potential sources of assistance including our charity care policy. If the patient is deemed unwilling to pay, the account is written-off as bad debt and transferred to an outside collection agency for additional collection effort. Our accounts receivable are recorded net of established charity care reserves of $99 million as of December 31, 2010 and $61 million as of December 31, 2009.

Uninsured patients that do not qualify as charity patients are extended an uninsured discount of at least 20% of total charges. During the collection process the hospital establishes a partial reserve in the allowance for doubtful accounts for self-pay balances outstanding for greater than 60 days from the date of discharge. All self-pay accounts at the hospital level are fully reserved if they have been outstanding for greater than 90 days from the date of discharge. Third party liability accounts are fully reserved in the allowance for doubtful accounts when the balance ages past 180 days from the date of discharge. Potential charity accounts are fully reserved when it is determined the patient may be unable to pay.

On a consolidated basis, we monitor our total self-pay receivables to ensure that the total allowance for doubtful accounts provides adequate coverage based on historical collection experience. At December 31, 2010 and December 31, 2009, accounts receivable are recorded net of allowance for doubtful accounts of $249 million and $169 million, respectively.

D) Concentration of Revenues: Our five majority owned acute care hospitals in the Las Vegas, Nevada market contributed, on a combined basis, 21% in 2010 and 22% in each of 2009 and 2008, of our consolidated net revenues. On a combined basis, our facilities in the McAllen/Edinburg, Texas market (consisting of three acute care facilities, a children's hospital and a behavioral health facility) contributed 6% in 2010 and 7% in each of 2009 and 2008 of our consolidated net revenues.

E) Cash and Cash Equivalents: We consider all highly liquid investments purchased with maturities of three months or less to be cash equivalents.

F) Property and Equipment: Property and equipment are stated at cost. Expenditures for renewals and improvements are charged to the property accounts. Replacements, maintenance and repairs which do not improve or extend the life of the respective asset are expensed as incurred. We remove the cost and the related accumulated depreciation from the accounts for assets sold or retired and the resulting gains or losses are included in the results of operations.

We capitalize interest expense on major construction projects while in progress. We capitalized interest on major construction projects amounting to $7.6 million during 2010, $11.6 million during 2009 and $7.9 million during 2008.

Depreciation is provided on the straight-line method over the estimated useful lives of buildings and improvements (twenty to forty years) and equipment (three to fifteen years). Depreciation expense (excluding discontinued operations) was $202.8 million during 2010, $184.6 million during 2009 and $176.1 million during 2008.

G) Long-Lived Assets: We review our long-lived assets, including amortizable intangible assets, for impairment whenever events or circumstances indicate that the carrying value of these assets may not be recoverable. The assessment of possible impairment is based on our ability to recover the carrying value of our asset based on our estimate of its undiscounted future cash flow. If the analysis indicates that the carrying value is not recoverable from future cash flows, the asset is written down to its estimated fair value and an impairment loss is recognized. Fair values are determined based on estimated future cash flows using appropriate discount rates.

H) Goodwill: Goodwill is reviewed for impairment at the reporting unit level on an annual basis or sooner if the indicators of impairment arise. Our judgments regarding the existence of impairment indicators are based on market conditions and operational performance of each reporting unit. We have designated September 1st as our annual impairment assessment date and performed an impairment assessment as of September 1, 2010 which indicated no impairment of goodwill. There were also no goodwill impairments during 2009 or 2008. Future changes in the estimates used to conduct the impairment review, including profitability and market value projections, could indicate impairment in future periods potentially resulting in a write-off of a portion or all of our goodwill.

Changes in the carrying amount of goodwill for the two years ended December 31, 2010 were as follows (in thousands):

	Acute Care Services	Behavioral Health Services	Total Consolidated
Balance, January 1, 2009	$391,046	$ 341,891	$ 732,937
Goodwill divested during the period	(1,201)	—	(1,201)
Adjustments to goodwill (a)	—	949	949
Balance, January 1, 2010	389,845	342,840	732,685
Goodwill acquired during the period	510	1,895,276	1,895,786
Goodwill divested during the period	(871)	—	(871)
Adjustments to goodwill (b)	—	(37,686)	(37,686)
Balance, December 31, 2010	$389,484	$2,200,430	$2,589,914

(a) Consists of adjustments to prior year purchase price allocations.
(b) The reduction to the Behavioral Health Services' goodwill consists primarily of a reclassification to "assets of facilities held for sale" and represents the goodwill attributable to a legacy facility which we agreed to divest pursuant to our agreement with the Federal Trade Commission.

I) Other Assets: Other assets consist primarily of amounts related to: (i) intangible assets acquired in connection with our acquisition of Psychiatric Solutions, Inc. ("PSI") in November, 2010 consisting of Medicare licenses, certificates of need and contracts to manage the operations of behavioral health services owned by third-parties; (ii) prepaid fees for various software and other applications used by our hospitals; (iii) costs incurred in connection with the purchase and implementation of an electronic health records application for each of our acute care facilities; (iv) deposits; (v) investments in various businesses, including Universal Health Realty Income Trust; (vi) the invested assets related to a deferred compensation plan that is held by an independent trustee in a rabbi-trust and that has a related payable included in other noncurrent liabilities; (vii) the estimated future payments related to physician-related contractual commitments, as discussed below, and; (viii) other miscellaneous assets. As of December 31, 2010 other intangible assets, net of accumulated amortization, were approximately $100 million. Other intangible assets, net of accumulated amortization, were not material to our financial statements as of December 31, 2009.

J) Physician Guarantees and Commitments: As of December 31, 2010, our accrued liabilities-other, and our other assets include $8 million of estimated future payments related to physician-related contractual commitments. Pursuant to contractual guarantees outstanding as of December 31, 2010 that are applicable to future years, we have $15 million of potential future financial obligations of which $13 million are potential obligations during 2011 and $2 million are potential obligations during 2012 and later.

K) Self-Insured Risks: We provide for self-insured risks, primarily general and professional liability claims and workers' compensation claims. Our estimated liability for self-insured professional and general liability claims is based on a number of factors including, among other things, the number of asserted claims and reported incidents, estimates of losses for these claims based on recent and historical settlement amounts, estimate of incurred but not reported claims based on historical experience, and estimates of amounts recoverable under our commercial insurance policies. All relevant information, including our own historical experience is used in estimating the expected amount of claims. While we continuously monitor these factors, our ultimate liability for professional and general liability claims could change materially from our current estimates due to inherent uncertainties involved in making this estimate. Our estimated self-insured reserves are reviewed and changed, if necessary, at each reporting date and changes are recognized currently as additional expense or as a reduction of expense. See Note 8 for discussion of revisions to prior year general and professional liability reserves and self-insurance liability assumed in connection with our acquisition of PSI in November, 2010. Based on the results of workers' compensation reserves analyses, we recorded reductions of prior year reserves of $4 million during 2010, $7 million during 2009 and $4 million during 2008.

L) Income Taxes: Deferred tax assets and liabilities are recognized for the amount of taxes payable or deductible in future years as a result of differences between the tax bases of assets and liabilities and their reported amounts in the financial statements. We believe that future income will enable us to realize our deferred tax assets net of recorded valuation allowances relating to state net operating loss carry-forwards.

We operate in multiple jurisdictions with varying tax laws. We are subject to audits by any of these taxing authorities. Our tax returns have been examined by the Internal Revenue Service ("IRS") through the year ended December 31, 2006. We believe that adequate accruals have been provided for federal, foreign and state taxes.

See Note 6 for additional disclosure regarding income taxes.

M) Other Noncurrent Liabilities: Other noncurrent liabilities include the long-term portion of our professional and general liability, workers' compensation reserves, pension and deferred compensation liabilities, liability incurred in connection with split-dollar life insurance agreements on the lives of our chief executive officer and his wife and interest rate swap liabilities.

N) Redeemable Noncontrolling Interests and Noncontrolling Interest: Outside owners hold noncontrolling, minority ownership interests of: (i) approximately 28% in our five acute care facilities located in Las Vegas, Nevada; (ii) 20% in an acute care facility located in Washington, D.C.; (iii) approximately 11% in an acute care facility located in Laredo, Texas, and; (iv) 20% in a behavioral health care facility located in Philadelphia, Pennsylvania, the majority ownership interest of which was acquired by us as result of our acquisition of PSI in November, 2010. The redeemable noncontrolling interests balances of $212 million and $197 million as of December 31, 2010 and 2009, respectively, and the noncontrolling interests balances of $45 million and $41 million as of December 31, 2010 and 2009, respectively, consist primarily of the third-party ownership interests in these hospitals.

Generally accepted accounting principles require that noncontrolling interests be classified as equity and we have previously presented all noncontrolling interests in total equity. However, since certain of our noncontrolling interests have redemption rights outside of our control, those noncontrolling interests are classified outside of permanent equity and reflected as redeemable noncontrolling interests. As previously disclosed in our Reports on Form 10-Q for the quarterly periods ended June 30, 2010 and September 30, 2010, noncontrolling interests with an estimated redemption amount of $197 million as of December 31, 2009 and $186 million as of December 31, 2008, have been reclassified from total equity to redeemable noncontrolling interests outside of permanent equity. These revisions did not affect stockholders' equity attributable to UHS nor did they affect any previously reported percentages based upon equity (such as percentage of debt to total capitalization and return on average equity), since we have based those calculations on only stockholders' equity attributable to UHS (as opposed to total equity). We do not believe that these revisions, which are reflected on our Consolidated Statements of Common Stockholders' Equity for the years ended December 31, 2009 and 2008, as included herein, are material to the condensed consolidated financial statements for the prior years.

The applicable sections of our December 31, 2009 Consolidated Balance Sheet and Consolidated Statements of Changes in Equity for the Years Ended December 31, 2009 and 2008, as reported and as revised, are as follows (amounts in thousands):

	As reported Dec. 31, 2009	As revised Dec. 31, 2009	As reported Jan. 1, 2009	As revised Jan. 1, 2009	As reported Jan. 1, 2008	As revised Jan. 1, 2008
Redeemable noncontrolling interest	—	$ 197,152	—	$ 186,097	—	$ 176,726
Equity:						
Universal Health Services, Inc. common stockholders' equity	1,751,071	1,751,071	1,543,850	1,543,850	1,517,199	1,517,199
Noncontrolling interest	238,475	41,323	226,735	40,638	210,184	33,458
Total equity	$1,989,546	$1,792,394	$1,770,585	$1,584,488	$1,727,383	$1,550,657

In connection with the five acute care facilities located in Las Vegas, Nevada, the minority ownership interests of which are reflected as redeemable noncontrolling interests on our Consolidated Balance Sheet, the outside owners have certain "put rights", that are currently exercisable, that if exercised, require us to purchase the minority member's interests at fair market value. The put rights are exercisable upon the occurrence of: (i) certain specified financial conditions falling below established thresholds; (ii) breach of the management contract by the managing member (a subsidiary of ours), or; (iii) if the minority member's ownership percentage is reduced to less than certain thresholds. In connection with the behavioral health care facility located in Philadelphia, Pennsylvania, the minority ownership interest of which is also reflected as redeemable noncontrolling interests on our Consolidated Balance Sheet as of December 31, 2010, the outside owner has a "put option" to put its entire ownership interest to us at any time. If exercised, the put option requires us to purchase the minority member's interest at fair market value. As of December 31, 2010, we believe the fair market value of the minority ownership interests in these facilities approximates the book value of the redeemable noncontrolling interests.

O) Comprehensive Income: Comprehensive income or loss, is comprised of net income, changes in unrealized gains or losses on derivative financial instruments and a pension liability.

P) Accounting for Derivative Financial Investments and Hedging Activities: We manage our ratio of fixed to floating rate debt with the objective of achieving a mix that management believes is appropriate. To manage this risk in a cost-effective manner, we, from time to time, enter into interest rate swap agreements in which we agree to exchange various combinations of fixed and/or variable interest rates based on agreed upon notional amounts.

We account for our derivative and hedging activities using the Financial Accounting Standard Board's ("FASB") guidance which requires all derivative instruments, including certain derivative instruments embedded in other contracts, to be carried at fair value on the balance sheet. For derivative transactions designated as hedges, we formally document all relationships between the hedging instrument and the related hedged item, as well as its risk-management objective and strategy for undertaking each hedge transaction.

Derivative instruments designated in a hedge relationship to mitigate exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges. Cash flow hedges are accounted for by recording the fair value of the derivative instrument on the balance sheet as either an asset or liability, with a corresponding amount recorded in accumulated other comprehensive income ("AOCI") within shareholders' equity. Amounts are reclassified from AOCI to the income statement in the period or periods the hedged transaction affects earnings.

We use interest rate derivatives in our cash flow hedge transactions. Such derivatives are designed to be highly effective in offsetting changes in the cash flows related to the hedged liability. For derivative instruments designated as cash flow hedges, the ineffective portion of the change in expected cash flows of the hedged item are recognized currently in the income statement.

Derivative instruments designated in a hedge relationship to mitigate exposure to changes in the fair value of an asset, liability, or firm commitment attributable to a particular risk, such as interest rate risk, are considered fair value hedges. Fair value hedges are accounted for by recording the changes in the fair value of both the derivative instrument and the hedged item in the income statement.

For hedge transactions that do not qualify for the short-cut method, at the hedge's inception and on a regular basis thereafter, a formal assessment is performed to determine whether changes in the fair values or cash flows of the derivative instruments have been highly effective in offsetting changes in cash flows of the hedged items and whether they are expected to be highly effective in the future.

Q) Stock-Based Compensation: At December 31, 2010, we have a number of stock-based employee compensation plans. Pursuant to the FASB's guidance, we expense the grant-date fair value of stock options and other equity-based compensation pursuant to the straight-line method over the stated vesting period of the award using the Black-Scholes option-pricing model.

The expense associated with share-based compensation arrangements is a non-cash charge. In the Consolidated Statements of Cash Flows, share-based compensation expense is an adjustment to reconcile net income to cash provided by operating activities. The applicable FASB guidance requires that cash flows resulting from tax deductions in excess of compensation cost recognized be classified as financing cash flows. During 2010, 2009 and 2008, there were no net excess tax benefits generated.

R) Earnings per Share: Basic earnings per share are based on the weighted average number of common shares outstanding during the year. Diluted earnings per share are based on the weighted average number of common shares outstanding during the year adjusted to give effect to common stock equivalents.

The following table sets forth the computation of basic and diluted earnings per share, for the periods indicated:

	Twelve Months Ended December 31, 2010	2009	2008
Basic and diluted:			
Income from continuing operations	$275,795	$304,247	$233,634
Less: Net income attributable to noncontrolling interest	(45,612)	(43,874)	(40,693)
Less: Net income attributable to unvested restricted share grants	(918)	(1,146)	(719)
Income from continuing operations attributable to UHS—basic and diluted	$229,265	$259,227	$192,222
Income from discontinued operations, net of taxes	—	—	6,436
Net income attributable to UHS—basic and diluted	$229,265	$259,227	$198,658
Weighted average number of common shares—basic	96,786	97,794	101,222
Basic earnings per share attributable to UHS:			
From continuing operations	$ 2.37	$ 2.65	$ 1.90
From discontinued operations	—	—	0.06
Total basic earnings per share	$ 2.37	$ 2.65	$ 1.96
Weighted average number of common shares	96,786	97,794	101,222
Net effect of dilutive stock options and grants based on the treasury stock method	1,187	481	196
Weighted average number of common shares and equivalents—diluted	97,973	98,275	101,418
Diluted earnings per share attributable to UHS:			
From continuing operations	$ 2.34	$ 2.64	$ 1.90
From discontinued operations	—	—	0.06
Total diluted earnings per share	$ 2.34	$ 2.64	$ 1.96

The "Net effect of dilutive stock options and grants based on the treasury stock method", for all years presented above, excludes certain outstanding stock options applicable to each year since the effect would have been anti-dilutive. The excluded weighted-average stock options totaled 1,000 during 2010, 3.6 million during 2009 and 1.9 million during 2008.

S) Fair Value of Financial Instruments: The fair values of our registered debt and investments are based on quoted market prices. The fair values of other long-term debt, including capital lease obligations, are estimated by discounting cash flows using period-end interest rates and market conditions for instruments with similar maturities and credit quality. The carrying amounts reported in the balance sheet for cash, accounts receivable, accounts payable, and short-term borrowings approximates their fair values due to the short-term nature of these instruments. Accordingly, these items have been excluded from the fair value disclosures included elsewhere in these notes to consolidated financial statements.

T) Use of Estimates: The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

U) Mergers and Acquisitions: The acquisition method of accounting for business combinations requires that the assets acquired and liabilities assumed be recorded at the date of acquisition at their respective fair values with limited exceptions. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Any excess of the purchase price (consideration transferred) over the estimated fair values of net assets acquired is recorded as goodwill. Transaction costs and costs to restructure the acquired company are expensed as incurred. The fair value of intangible assets, including Medicare Licenses, Certificates of Need, and certain contracts, is based on significant judgments made by our management, and accordingly, for significant items we typically obtain assistance from third party valuation specialists.

V) Accounting Standards:

Transfers of Financial Assets: In June 2009, the FASB issued an amendment to the accounting and disclosure requirements for transfers of financial assets. This amendment requires greater transparency and additional disclosures for transfers of financial assets and the entity's continuing involvement with them and changes the requirements for derecognizing financial assets. In addition, this amendment eliminates the concept of a qualifying special-purpose entity ("QSPE"). This amendment became effective for us on January 1, 2010. This amendment did not have a material impact on our consolidated financial position or results of operations.

Consolidation of Variable Interest Entities: In June 2009, the FASB also issued an amendment to the accounting and disclosure requirements for the consolidation of variable interest entities ("VIE"s). The elimination of the concept of a QSPE, as discussed above, removes the exception from applying the consolidation guidance within this amendment. This amendment requires an enterprise to perform a qualitative analysis when determining whether or not it must consolidate a VIE. The amendment also requires an enterprise to continuously reassess whether it must consolidate a VIE. Additionally, the amendment requires enhanced disclosures about an enterprise's involvement with VIEs and any significant change in risk exposure due to that involvement, as well as how its involvement with VIEs impacts the enterprise's financial statements. Finally, an enterprise will be required to disclose significant judgments and assumptions used to determine whether or not to consolidate a VIE. This amendment became effective for us on January 1, 2010. This amendment did not have a material impact on our consolidated financial position or results of operations.

Presentation of Insurance Claims and Related Insurance Recoveries: In August 2010, the FASB issued Accounting Standard Updates ("ASU") 2010-24, "Health Care Entities (Topic 954): Presentation of Insurance Claims and Related Insurance Recoveries," which clarifies that a health care entity should not net insurance recoveries against a related claim liability. The guidance provided in this ASU is effective for the fiscal years, and interim periods within those years, beginning after December 15, 2010. The adoption of this standard is not expected to have any impact on our consolidated financial position or results of operations.

Measuring Charity Care for Disclosures: In August 2010, the FASB issued ASU 2010-23, "Health Care Entities (Topic 954): Measuring Charity Care for Disclosure," which prescribes a specific measurement basis of charity care for disclosure. The guidance provided in this ASU is effective for fiscal years beginning after December 15, 2010. The adoption of this standard is not expected to have any impact on our consolidated financial position or results of operations.

Fair Value Measurements and Disclosures: The Financial Accounting Standards Board ("FASB") has issued Accounting Standards Update No. 2010-06, *Fair Value Measurements and Disclosures about Fair Value Measurements* ("ASU 2010-06). ASU 2010-06 affects all entities that are required to make disclosures about recurring and nonrecurring fair value measurements under FASB ASC Topic 820, originally issued as FASB Statement No. 157, *Fair Value Measurements*. This ASU requires certain new disclosures and clarifies two existing disclosure requirements. The new disclosures and clarifications of existing disclosures are effective for interim and annual reporting periods beginning after December 15, 2009, except for the disclosures about purchases, sales, issuances, and settlements in the roll forward of activity in Level 3 fair value measurements.

Those disclosures are effective for fiscal years beginning after December 15, 2010 and for interim periods within those fiscal years. ASU No. 2010-06 is not expected to have a significant impact on our disclosures.

2) ACQUISITIONS AND DIVESTITURES

Year ended December 31, 2010:

2010 Acquisitions of Assets and Businesses:

During 2010, we spent $1.96 billion and assumed $1.08 billion of debt on the acquisition of businesses and real property, including the following:

- the acquisition of Psychiatric Solutions, Inc. on November 15, 2010 for a total purchase price of $3.04 billion consisting of $1.96 billion in cash plus the assumption of approximately $1.08 billion of PSI's debt, the majority of which has since been refinanced. PSI was formerly the largest operator of freestanding inpatient behavioral health care facilities operating a total of 105 inpatient and outpatient facilities in 32 states, Puerto Rico, and the U.S. Virgin Islands, and;
- the acquisition of substantially all of the assets of an outpatient surgery center located in Florida in which we previously held a 20% minority ownership interest. The purchase price consideration in connection with this transaction, which occurred during the first quarter, consisted of acquisition of the net assets less the assumption of the outstanding liabilities and third-party debt.

The aggregate net purchase price of the facilities was allocated to assets and liabilities based on their preliminary estimated fair values as follows:

	Amount (000s)
Working capital, net	$ 65,000
Assets held for sale	67,000
Property, plant & equipment	940,000
Goodwill	1,896,000
Other assets	132,000
Income tax assets, net of deferred tax liabilities	2,000
Debt	(1,082,000)
Liabilities held for sale	(1,000)
Redeemable noncontrolling interests	(5,000)
Other liabilities	(56,000)
Cash paid in 2010 for acquisitions	$ 1,958,000

Goodwill of the facilities acquired is computed, pursuant to the residual method, by deducting the fair value of the acquired assets and liabilities from the total purchase price. The factors that contribute to the recognition of goodwill, which may also influence the purchase price, include the following for each of the acquired facilities: (i) the historical cash flows and income levels; (ii) the reputations in their respective markets; (iii) the nature of the respective operations, and; (iv) the future cash flows and income growth projections.

In connection with the receipt of antitrust clearance from the Federal Trade Commission ("FTC") in connection with our acquisition of PSI in November, 2010, we agreed to divest three former PSI facilities, one of which is located in Delaware (MeadowWood Behavioral Health System) and two of which are located in Nevada (Montevista Hospital and Red Rock Hospital) as well as one of our legacy facilities in Puerto Rico (Hospital San Juan Capestrano). Pursuant to the terms of our agreement with the FTC, we are required to divest the facilities in Delaware and Nevada within approximately six months and the facility in Puerto Rico within approximately nine months from the date the FTC finalizes the agreement. As of the date of this filing, our agreement with the FTC is not final and thus, the time period within which we must divest the facilities has not yet commenced. The operating results for the three former PSI facilities located in Delaware and Nevada are reflected as discontinued operations during 2010 from the November 15th date of acquisition through December 31st. Since the aggregate income from discontinued operations before income tax expense for these facilities is not material to our 2010 consolidated financial statements, it is included as a reduction to other operating expenses. The assets and liabilities for MeadowWood Behavioral Health System, Montevista Hospital, Red Rock Hospital and Hospital San Juan Capestrano are reflected as "held for sale" on our Consolidated Balance Sheet as of December 31, 2010. The assets of facilities held for sale includes $11 million of accounts receivable, $18 million of property and equipment, $89 million of goodwill and $1 million of other assets. The liabilities of facilities held for sale includes $2 million of accounts payable and $2 million of accrued compensation and related benefits.

During 2008, we sold a 125-bed acute care hospital located in Pennsylvania and commenced divestiture considerations for the real property of our four acute care facilities located in Louisiana that were severely damaged and closed during 2005 as a result of damage sustained from Hurricane Katrina. The operating results and gain on divestiture for the facility located in Pennsylvania are reflected as "Income/(loss) from discontinued operations, net of income tax expense" in the Consolidated Statements of Income for 2008.

The following table shows the results of operations of these facilities, on a combined basis, for all facilities reflected as discontinued operations (amounts in thousands):

	Year Ended December 31,		
	2010	2009	2008
Net revenues	$4,155	$—	$58,467
Income (loss) from discontinued operations	859	—	(2,996)
Gain on divestiture	—	—	13,413
Income from discontinued operations, before income tax expense	859	—	10,417
Income tax expense	(318)	—	(3,981)
Income from discontinued operations, net of income tax expense	$ 541	—	$ 6,436

Assuming the acquisition of PSI occurred on January 1, 2009, our 2009 pro forma net revenues would have been approximately $7.01 billion and our pro forma net income attributable to UHS and pro form net income attributable to UHS per diluted share would have been $211 million and $2.14 per diluted share, respectively. The 2009 pro forma net income attributable to UHS and net income attributable to UHS per diluted share include the after-tax impact of the transaction costs incurred by us in connection with the acquisition of PSI amounting to $79 million or $.81 per diluted share.

Our 2010 pro forma net revenues would have been approximately $7.30 billion and our pro forma net income attributable to UHS and pro forma net income attributable to UHS per diluted share would have been $342 million and $3.47 per diluted share, respectively.

During the period of November 16, 2010 through December 31, 2010, the facilities acquired from PSI generated $227 million of net revenues which are included in our consolidated net revenues for the year ended December 31, 2010. The aggregate effect of the earnings generated by these facilities since the date of acquisition, less the cost on the borrowings utilized to finance the acquisition, was not material to our 2010 net income attributable to UHS and net income attributable to UHS per diluted share.

2010 Divestitures of Assets and Businesses:

During 2010, we received $21 million from the divestiture of assets and businesses, including the following:

- the sale of our minority ownership interest in a healthcare technology company;
- the sale of a portion of our ownership interest in an outpatient surgery center located in Texas, and;
- the sale of the real property of Methodist Hospital located in Louisiana that was severely damaged and closed in 2005 as a result of Hurricane Katrina.

The pre-tax gain, net of losses, resulting from the above-mentioned transactions did not have a material impact on our 2010 financial statements.

Year ended December 31, 2009:

2009 Acquisitions of Assets and Businesses:

During 2009, we spent $12 million on the acquisition of businesses and real property, including the following:

- the acquisition of a 72-bed behavioral health care facility located in Louisville, Colorado, and;
- the acquisition of the real property assets of a medical office building located on the campus of one of our acute care hospitals located in Texas.

The aggregate net purchase price of the facilities was allocated to assets and liabilities based on their estimated fair values as follows:

	Amount (000s)
Working capital, net	$ 1,000
Property, plant & equipment	11,000
Cash paid in 2009 for acquisitions	$12,000

Assuming the acquisition of the behavioral health facility located in Colorado occurred on January 1, 2009, the pro forma effect on our 2009 net revenues, income from continuing operations, income from continuing operations per basic and diluted share, net income attributable to UHS and net income attributable to UHS per basic and diluted share was immaterial. Assuming the acquisition occurred on January 1, 2008, the pro forma effect on our 2008 net revenues, income from continuing operations, income from continuing operations per basic and diluted share, net income attributable to UHS and net income attributable to UHS per basic and diluted share was immaterial.

2009 Divestitures of Assets and Businesses:

During 2009, we received $10 million from the divestiture of assets and businesses, including the following:

- the sale of the real property assets of a medical office building on the campus of a previously divested acute care facility located in Pennsylvania, and;
- the sale of our ownership interest in an outpatient surgery center

Year ended December 31, 2008:

2008 Acquisitions of Assets and Businesses:

During 2008, we spent $23 million on the acquisition of businesses and real property, including the following:

- the acquisition of a 76-bed behavioral health facility located in Lawrenceville, Georgia, and;
- the acquisition of previously leased real property assets of a behavioral health facility located in Nevada.

The aggregate net purchase price of the facilities was allocated to assets and liabilities based on their estimated fair values as follows:

	Amount (000s)
Working capital, net	$ (1,000)
Property, plant & equipment	13,000
Goodwill	11,000
Cash paid in 2008 for acquisitions	$23,000

Assuming the acquisition of the behavioral health facility located in Georgia occurred on January 1, 2008, the pro forma effect on our 2008 net revenues, income from continuing operations, income from continuing operations per basic and diluted share, net income attributable to UHS and net income attributable to UHS per basic and diluted share was immaterial.

Also during 2008, we spent a combined $2 million to purchase/repurchase minority ownership interests in two outpatient surgery centers. We also received $2 million of net settlement proceeds related to a prior year acquisition.

2008 Divestiture of Assets and Businesses:

During 2008, we received $82 million from the divestiture of assets and businesses, including the following:

- the sale of the assets and operations of Central Montgomery Medical Center, a 125-bed acute care facility located in Lansdale, Pennsylvania;
- the sale of our ownership interest in a third-party provider of supply chain services, and;
- the sale of our ownership interest in an outpatient surgery center and certain other real property assets.

In addition to the $13 million pre-tax gain recording during 2008 on the sale Central Montgomery Medical Center, which is included in income/(loss) from discontinued operations, net of income tax expense, our 2008 income from continuing operations includes a combined pre-tax gain of $8 million from the sale of our ownership interest in a third-party provider of supply chain services and the sale our ownership interest in an outpatient surgery center and certain other real property assets.

3) FINANCIAL INSTRUMENTS

Fair Value Hedges:

During 2010, 2009, and 2008, we had no fair value hedges outstanding.

Cash Flow Hedges:

Our interest expense is sensitive to changes in the general level of interest rates. To mitigate the impact of fluctuations in domestic interest rates, a portion of our debt is fixed rate accomplished by either borrowing on a long-term basis at fixed rates or by, from time to time, entering into interest rate swap and interest rate cap transactions. Interest rate swap agreements require us to pay fixed and receive floating interest rates or to pay floating and receive fixed interest rates over the life of the agreements. Interest rate caps provide for us to receive a payment for each quarter the 3-month LIBOR exceeds a given strike price. We may also, from time to time, enter into treasury locks ("T-Locks") to protect from a rise in the yield of the underlying treasury security for a forecasted bond issuance.

Effective January 1, 2009, we adopted the authoritative guidance for disclosures in connection with derivative instruments and hedging activities which requires additional disclosure about a company's derivative activities, but does not require any new accounting related to derivative activities. We have applied the requirements of the guidance on a prospective basis. Accordingly, disclosures related to interim periods prior to the date of adoption have not been presented.

During the fourth quarter of 2010, we entered into three interest rate caps on a total notional amount of $1 billion whereby we paid a premium of $240,000 in exchange for the counterparties agreeing to pay the difference between 2.25% and three-month LIBOR if the 3 month LIBOR rate rises above 2.25% during the term of the caps. If the three month LIBOR does not reach 2.25% during the term of the caps, no payment is made to us. All of the caps expire on December 15, 2011. We also entered into four forward starting interest rate swaps in the fourth quarter of 2010 whereby we pay a fixed rate on a total notional amount of $600 million and receive 3-month LIBOR. Each of the four swaps become effective on December 15, 2011 and will mature on May 15, 2015. The average fixed rate payable on these swaps is 2.38%.

During the fourth quarter of 2007, we entered into two interest rate swaps whereby we pay a fixed rate on a total notional principal amount of $150 million and receive 3-month LIBOR. Each of the two interest rate swaps has a notional principal amount of $75 million. The fixed rate payable on the first interest rate swap is 4.7625% and matures on October 5, 2012. The fixed rate payable on the second interest rate swap is 4.865% and the maturity date is October, 17, 2011. The notional amount of the second interest rate swap reduced to $50 million on October 18, 2010. We measure our interest rate swaps at fair value on a recurring basis. The fair value of our interest rate swaps is based primarily on quotes from banks. We consider those inputs to be "level 3" in the fair value hierarchy as outlined in the authoritative guidance for disclosures in connection with derivative instruments and hedging activities. The fair value of our interest rate swaps was a liability of $10 million at December 31, 2010, of which $2 million is included in other current liabilities and $8 million is included in other noncurrent liabilities on the accompanying balance sheet. The fair value of our interest rate swaps was $12 million as of December 31, 2009 which is included in other noncurrent liabilities.

4) LONG-TERM DEBT

A summary of long-term debt follows:

	December 31, 2010	December 31, 2009
	(amounts in thousands)	
Long-term debt:		
Notes payable and Mortgages payable (including obligations under capitalized leases of $11,962 in 2010 and $6,959 in 2009) and term loans with varying maturities through 2038; weighted average interest at 6.5% in 2010 and 6.3% in 2009 (see Note 7 regarding capitalized leases)	$ 49,355	$ 13,324
Revolving credit and demand notes	187,500	329,200
Term Loan A, net of unamortized discount of $7,678	1,042,322	—
Term Loan B, net of unamortized discount of $23,500	1,576,500	—
Revenue bonds, interest at floating rates of 0.3% at December 31, 2010 and 2009, respectively, with varying maturities through 2015	5,300	5,300
Accounts receivable securitization program	204,000	10,000
6.75% Senior Secured Notes due 2011, net of the unamortized discount of $9 in 2010 and $19 in 2009, and fair market value adjustment of $559 in 2010 and $1,169 in 2009.	200,550	201,150
7.125% Senior Secured Notes due 2016, including unamortized net premium of $24 in 2010 and $28 in 2009	400,024	400,028
7.00% Senior Unsecured Notes due 2018	250,000	—
	3,915,551	959,002
Less-Amounts due within one year	(3,449)	(2,573)
	$3,912,102	$956,429

On November 15, 2010, we terminated our credit agreement dated March 4, 2005 (the "Prior Credit Agreement"). The Prior Credit Agreement provided for an unsecured revolving line of credit of up to $800 million including a $100 sublimit for letters of credit. The interest rate on borrowings was determined, at our option, as either (i) the LIBOR plus a spread of 0.33% to 0.575% or (ii) at the higher of the prime rate or the federal funds rate plus 0.5%. A facility fee ranging from 0.07% to .175% based on our credit ratings from Standard & Poor's Rating Services and Moody's Investors Services, Inc. was required on the total commitment.

Also, on November 15, 2010, we entered into a new credit agreement (the "Credit Agreement") with various financial institutions. The Credit Agreement provides for a senior secured credit facility in an aggregate amount of $3.45 billion, comprised of a new $800 million revolving credit facility, a $1.05 billion Term Loan A facility and a $1.6 billion Term Loan B facility. The revolving credit facility and the Term Loan A mature on November 15, 2015 and the Term Loan B matures on November 16, 2016. The revolving credit facility includes a $125 million sub-limit for letters of credit. The senior secured credit facility is secured by substantially all of the assets of the Company and our material subsidiaries (the "Collateral") and guaranteed by our material subsidiaries.

Borrowings made pursuant to the Credit Agreement will bear interest at a rate per annum equal to, at our election, (1) at the greatest of: (a) the lender's prime rate; (b) the weighted average of the federal funds rate, plus 0.5%, and; (c) one month LIBOR plus 1%, in each case, plus an applicable margin which ranges from 1.50% to 3.00%, initially 2.25%, 2.25% and 3.00% for the revolving credit facility, the Term Loan A facility and the Term Loan B facility, respectively, or: (2) one, two, three, or six month LIBOR (at our election), plus an applicable margin ranging from 2.5% to 4.0% initially 3.25%, 3.25% and 4.00% for the revolving credit facility, the Term Loan A facility and the Term Loan B facility, respectively. At no time shall the LIBOR rate used to determine the rate on a tranche B Term Loan be deemed to be less than 1.50%. A commitment fee ranging from .25% to .50% is required on the unused commitment. At December 31, 2010 the applicable commitment fee was .50%. Commencing with the quarter ending June 30, 2011 the applicable margins for the Term Loan A facility and the revolving credit facility are subject to increase or decrease based upon our consolidated leverage ratio or upon our credit ratings from Standard & Poor's Rating Services and Moody's Investor Services Inc. at such time. There are no compensating balance requirements.

In October, 2010, we amended our accounts receivable securitization program ("Securitization") with a group of conduit lenders and liquidity banks. We increased the size of the Securitization to $240 million (the "Commitments"), from $200 million, and extended the maturity date to October 25, 2013. Substantially all of the patient-related accounts receivable of our acute care hospitals ("Receivables") serve as collateral for the outstanding borrowings. The interest rate on the borrowings is based on the commercial paper rate plus a spread of .475% and there is a facility fee of .375% required on 102% on the Commitments. We have accounted for this Securitization as borrowings. We maintain effective control over the Receivables since, pursuant to the terms of the Securitization; the Receivables are sold from certain of our subsidiaries to special purpose entities that are wholly-owned by us. The Receivables, however, are owned by the special purpose entities, can be used only to satisfy the debts of the wholly-owned special purpose entities, and thus are not available to us except through our ownership interest in the special purpose entities. The wholly-owned special purpose entities use the Receivables to collateralize the loans obtained from the group of third-party conduit lenders and liquidity banks. The group of third-party conduit lenders and liquidity banks do not have recourse to us beyond the assets of the wholly-owned special purpose entities that securitize the loans. We had $204 million of outstanding borrowings pursuant to the terms of our accounts receivable securitization program.

As of December 31, 2010, we had $3 million of outstanding borrowings under a short-term, on-demand credit facility. Outstanding borrowings pursuant to this facility are classified as long-term debt on our Consolidated Balance Sheet since they can be refinanced through available borrowings under the terms of our Credit Agreement.

As of December 31, 2010, we had an aggregate of $577 million of available borrowing capacity pursuant to the terms of our Credit Agreement and Securitization, net of $71 million of outstanding letters of credit and $3 million of outstanding borrowings pursuant to the short-term, on-demand note.

On November 15, 2010, in connection with our acquisition of PSI, we assumed $1.08 billion of PSI's outstanding debt. As of December 15, 2010, $1.05 billion of PSI's outstanding borrowings, in addition to $29 million of call premiums and original issue discounts related to PSI's senior subordinated notes, was repaid utilizing funds borrowed under our Credit Agreement. In connection with PSI's 7.75% senior subordinated notes due in 2015 ("PSI Notes"), we provided notice of redemption of all the PSI Notes and irrevocably deposited $632 million (the redemption price plus interest through December 15, 2010) with the trustee on November 15, 2010 thereby satisfying and discharging our obligations under the PSI Notes.

On September 29, 2010, we issued $250 million of 7.00% senior unsecured notes (the "Unsecured Notes") which are scheduled to mature on October 1, 2018. The funds generated from this debt issuance were held in escrow until the November 15, 2010 completion date of the PSI acquisition. Interest on the Unsecured Notes is payable semiannually in arrears on April 1st and October 1st of each year. The Unsecured Notes can be redeemed in whole at anytime subject to a make-whole call at treasury rate plus 50 basis points prior to October 1, 2014. They are also redeemable in whole or in part at a price of: (i) 103.5% on or after October 1, 2014; (ii) 101.75% on or after October 1, 2015, and; (iii) 100% on or after October 1, 2016.

On June 30, 2006, we issued $250 million of senior notes which have a 7.125% coupon rate and mature on June 30, 2016 (the "7.125% Notes"). Interest on the 7.125% Notes is payable semiannually in arrears on June 30th and December 30th of each year. In June, 2008, we issued an additional $150 million of 7.125% Notes which formed a single series with the original 7.125% Notes issued in June, 2006. Other than their date of issuance and initial price to the public, the terms of the 7.125% Notes issued in June, 2008 are identical to and trade interchangeably with, the 7.125% Notes which were originally issued in June, 2006.

During 2001, we issued $200 million of senior notes which have a 6.75% coupon rate and which mature on November 15, 2011 (the "6.75% Notes"). The interest on the 6.75% Notes is paid semiannually in arrears on May 15th and November 15th of each year. The 6.75% Notes can be redeemed in whole at any time and in part from time to time. Since we expect to have the borrowing capacity, and intend to refinance the 6.75% Notes upon their maturity in November, 2011 utilizing borrowings under our Credit Agreement, they are classified as long-term debt on our Consolidated Balance Sheet as of December 31, 2010.

In connection with the entering into of the Credit Agreement on November 15, 2010, and in accordance with the Indenture dated January 20, 2000 governing the rights of our existing notes, we entered into a supplemental indenture pursuant to which our 7.125% Notes (due in 2015) and our 6.75% Notes (due in 2011) will be equally and ratably secured with the lenders under the Credit Agreement with respect to the collateral for so long as the lenders under the Credit Agreement are so secured.

The average amounts outstanding during 2010, 2009, and 2008 are under the Credit Agreement, Prior Credit Agreement, demand notes and accounts receivable securitization program were $610 million, $287 million and $431 million, respectively, with corresponding interest rates of 3.4%, 1.7%, and 3.9% including commitment and facility fees. The maximum amounts outstanding at any month-end were $3.11 billion in 2010, $356 million in 2009, and $566 million in 2008. The effective interest rate on our Credit Agreement, accounts receivable securitization program and demand notes, which includes the respective interest expense, commitment and facility fees, designated interest rate swaps expense and amortization of deferred financing costs and original issue discounts, was 5.0% in 2010, 3.9% in 2009, and 4.5% in 2008.

Our Credit Agreement includes a material adverse change clause that must be represented at each draw. The Credit Agreement includes covenants that include (1) a limitation on sales of assets, mergers, change of ownership, liens and indebtedness, transactions with affiliates and dividends; and (2) requires compliance financial covenants including maximum leverage and minimum interest coverage ratios. We are in compliance with all required covenants as of December 31, 2010.

The fair value of our long-term debt at December 31, 2010 and 2009 was $3.96 billion and $1.02 billion respectively.

Aggregate maturities follow:

	(000s)
2011	$ 3,449
2012	2,678
2013	206,693
2014	4,942
2015	1,436,483
Later	2,261,306
Total	$3,915,551

5) COMMON STOCK

In November, 2009, we declared a two-for-one stock split in the form of a 100% stock dividend which was paid on December 15, 2009 to shareholders of record as of December 1, 2009. All classes of common stock participated on a pro rata basis and, as required, references to share quantities, share prices and earnings per share for all periods presented or discussed have been adjusted to reflect the two-for-one stock split.

Dividends

Cash dividends of \$.20 per share (\$19 million in the aggregate) was declared and paid during 2010, \$.17 per share (\$17 million in the aggregate) were declared and paid during 2009 and \$.16 per share (\$16 million in the aggregate) were declared and paid during 2008.

Stock Repurchase Programs

During 1999, 2004, 2005, 2006 and 2007, our Board of Directors approved stock repurchase programs authorizing us to purchase up to an aggregate of 43 million shares of our outstanding Class B Common Stock on the open market at prevailing market prices or in negotiated transactions off the market. There is no expiration date for our stock repurchase programs. The following schedule provides information related to our stock repurchase programs for each of the three years ended December 31, 2010:

	Additional Shares Authorized For Repurchase	Total number of shares purchased(a)	Average price paid per share for forfeited restricted shares	Total number of shares purchased as part of publicly announced programs	Average price paid per share for shares purchased as part of publicly announced program	Aggregate purchase price paid (in thousands)	Maximum number of shares that may yet be purchased under the program
Balance as of January 1, 2008							11,250,184
2008	—	6,587,136	\$0.01	6,536,636	\$22.86	\$149,404	4,713,548
2009	—	2,574,209	\$0.01	2,561,209	\$24.71	\$ 63,288	2,152,339
2010	—	301,933	\$0.01	293,933	\$39.22	\$ 11,528	1,858,406
Total for three year period ended December 31, 2010	—	9,463,278	\$0.01	9,391,778	\$23.87	\$224,220	

(a) Includes 8,000 during 2010, 13,000 during 2009 and 50,500 during 2008 of restricted shares that were forfeited by former employees pursuant to the terms of our restricted stock purchase plan.

Stock-based Compensation Plans

At December 31, 2010, we have a number of stock-based employee compensation plans. Pursuant to the FASB's guidance, we expense the grant-date fair value of stock options and other equity-based compensation pursuant to the straight-line method over the stated vesting period of the award using the Black-Scholes option-pricing model.

The expense associated with share-based compensation arrangements is a non-cash charge. In the Consolidated Statements of Cash Flows, share-based compensation expense is an adjustment to reconcile net income to cash provided by operating activities. The applicable FASB guidance requires that cash flows resulting from tax deductions in excess of compensation cost recognized be classified as financing cash flows. During 2010, 2009 and 2008, there were no net excess tax benefits generated.

Compensation costs related to outstanding stock options were recognized as follows: (i) a pre-tax charge of \$13.3 million (\$8.3 million after-tax) or \$.08 per diluted share during 2010; (ii) \$9.9 million (\$6.2 million after-tax) or \$.06 per diluted share during 2009, and; (iii) a pre-tax charge of \$10.4 million (\$6.4 million after-tax) or \$.06 per diluted share during 2008. In addition, during the years ended 2010, 2009 and 2008, compensation costs of \$3.1 million (\$2.0 million after-tax), \$2.8 million (\$1.8 million after-tax) and \$3.4 million (\$2.1 million after-tax), respectively, were recognized related to restricted stock.

We adopted the 2005 Stock Incentive Plan, as amended in 2008, (the "Stock Incentive Plan") which replaced our Amended and Restated 1992 Stock Option Plan which expired in July of 2005. An aggregate of fourteen million shares of Class B Common Stock has been reserved under the Stock Incentive Plan. There were 94,000, 2,499,750 and 2,665,500 stock options, net of cancellations, granted during 2010, 2009 and 2008, respectively. The per option weighted-average grant-date fair value of options granted during 2010, 2009, and 2008 was $7.84, $7.93 and $3.08, respectively. Stock options to purchase Class B Common Stock have been granted to our officers, key employees and directors under our above referenced stock option plans. All stock options were granted with an exercise price equal to the fair market value on the date of the grant. Options are exercisable ratably over a four-year period beginning one year after the date of the grant. All outstanding options expire five years after the date of the grant.

The fair value of each option grant was estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions derived from averaging the number of options granted during the most recent five-year period that were granted or have vestings after January 1, 2006. The 2008 weighted-average assumptions were based upon twenty-two option grants, the 2009 weighted-average assumptions were based upon nineteen option grants and the 2010 weighted-average assumptions were based upon seventeen option grants.

Year Ended December 31,	2010	2009	2008
Volatility	27%	28%	28%
Interest rate	3%	3%	3%
Expected life (years)	3.6	3.6	3.6
Forfeiture rate	10%	10%	10%
Dividend yield	0.7%	0.7%	0.7%

The risk-free rate is based on the U.S. Treasury zero coupon four year yield in effect at the time of grant. The expected life of the stock options granted was estimated using the historical behavior of employees. Expected volatility was based on historical volatility for a period equal to the stock option's expected life. Expected dividend yield is based on our actual dividend yield at the time of grant.

The table below summarizes our stock option activity during each of the last three years:

Outstanding Options	Number of Shares	Average Option Price	Range (High-Low)
Balance, January 1, 2008	6,360,950	$25.94	$29.89 -$19.25
Granted	2,890,000	$16.50	$31.70 -$16.22
Exercised	(760,674)	$24.76	$29.89 -$19.25
Cancelled	(373,950)	$26.22	$29.26 -$22.57
Balance, January 1, 2009	8,116,326	$22.68	$31.70 -$16.22
Granted	2,635,000	$31.18	$31.18 -$31.18
Exercised	(1,582,376)	$23.71	$29.89 -$16.22
Cancelled	(366,500)	$22.84	$29.89 -$16.22
Balance, January 1, 2010	8,802,450	$25.03	$31.70 -$16.22
Granted	94,000	$30.40	$32.28 -$30.32
Exercised	(2,000,250)	$24.87	$31.70 -$16.22
Cancelled	(301,250)	$24.91	$31.18 -$16.22
Balance, December 31, 2010	6,594,950	$25.16	$32.28 -$16.22
Outstanding options vested and exercisable as of December 31, 2010	2,795,700	$25.11	$31.18 -$16.22

The following table provides information about unvested options for the year December 31, 2010:

	Shares	Weighted Average Grant Date Fair Value
Unvested options as of January 1, 2010	6,345,500	$5.75
Granted	94,000	$7.84
Vested	(2,344,500)	$5.74
Cancelled	(295,750)	$5.69
Unvested options as of December 31, 2010	3,799,250	$5.80

The following table provides information about all outstanding options, and exercisable options, at December 31, 2010:

	Options Outstanding	Options Exercisable
Number	6,594,950	2,795,700
Weighted average exercise price	$ 25.16	$ 25.11
Aggregate intrinsic value as of December 31, 2010	$120,440,108	$51,193,866
Weighted average remaining contractual life	2.8	2.1

The total in-the-money value of all stock options exercised during the year ended December 31, 2010 was $26.8 million.

The weighted average remaining contractual life for options outstanding and weighted average exercise price per share for exercisable options at December 31, 2010 were as follows:

	Options Outstanding			Exercisable Options		Expected to Vest Options(a)	
Exercise Price	Shares	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Life (in Years)	Shares	Weighted Average Exercise Price Per Share	Shares	Weighted Average Exercise Price Per Share
$16.22 – $24.45	3,277,450	$19.63	2.5	1,484,700	$20.81	1,607,021	$18.66
$25.32 – $29.26	826,000	29.02	0.8	780,750	29.17	40,562	26.46
$29.60 – $32.28	2,491,500	31.14	3.9	530,250	31.17	1,758,065	31.14
Total	6,594,950	$25.16	2.8	2,795,700	$25.11	3,405,648	$25.19

(a) Assumes a weighted average forfeiture rate of 10.36%.

In addition to the Stock Incentive Plan, we have the following stock incentive and purchase plans: (i) the 2010 Employees' Restricted Stock Purchase Plan ("2010 Plan"), which replaced the Second Amended and Restated 2001 Employees' Restricted Stock Purchase Plan ("2001 Plan"), which allows eligible participants to purchase shares of Class B Common Stock at par value, subject to certain restrictions, and; (ii) a 2005 Employee Stock Purchase Plan which allows eligible employees to purchase shares of Class B Common Stock at a ten percent discount. There were 94,955, 138,870 and 117,914 shares issued pursuant to the Employee Stock Purchase Plan during 2010, 2009 and 2008, respectively. Compensation expense recorded in connection with this plan was $339,000, $316,000 and $328,000 during 2010, 2009 and 2008, respectively.

We have reserved 6.0 million shares of Class B Common Stock for issuance under these various plans (excluding terminated plans) and have issued approximately 600,000 shares, net of cancellations, pursuant to the terms of these plans (excluding terminated plans) as of December 31, 2010.

The 2001 Plan, as described above, expired in March, 2010. Under this plan, we had 2.4 million shares of Class B Common Stock reserved for issuance and have issued approximately 1.2 million shares, net of cancellations, pursuant to the terms of this plan as of December 31, 2010, of which 313,770 became fully vested during 2010, 31,638 became fully vested during 2009 and 296,400 became fully vested during 2008.

During the first quarter of 2010, pursuant to the 2001 Plan and prior to its expiration, the Compensation Committee of the Board of Directors (the "Committee") approved the issuance of 49,472 restricted shares of our Class B Common Stock at $30.32 per share ($1.5 million in the aggregate) to our Chief Executive Officer ("CEO") and Chairman of the Board. These shares, which were issued pursuant to a provision in our CEO's employment agreement, are scheduled to vest ratably on the first, second, third and fourth anniversary dates of the grant, assuming our CEO remains employed by us. In the event that our CEO's employment is terminated by reason of disability, death, without proper cause or due to breach of the CEO's employment agreement by us, the vesting of these awards will occur immediately. In connection with this grant, we recorded compensation expense of $355,000 during 2010 and the remaining expense associated with this award (estimated at $1.1 million as of December 31, 2010) will be recorded over the remaining vesting periods of the award.

During the first quarter of 2009, pursuant to the 2001 Plan, the Committee approved the issuance of 109,850 restricted shares of our Class B Common Stock at $20.26 per share ($2.2 million in the aggregate) to our CEO. These shares are scheduled to vest ratably on the first, second, third and fourth anniversary dates of the grant and are subject to the same conditions and terms as mentioned above in connection with the grant of restricted shares during the first quarter of 2010. 27,463 of these shares became fully vested in 2010. In connection with this grant, we recorded compensation expense of $556,000 during 2010 and $482,000 during 2009 and the remaining expense associated with this award (estimated at $1.2 million as of December 31, 2010) will be recorded over the remaining vesting periods of the award.

During the first quarter of 2008, pursuant to the 2001 Plan, the Committee approved the issuance of 62,190 restricted shares of our Class B Common Stock at $24.12 per share ($1.5 million in the aggregate) to our CEO. These shares are scheduled to vest ratably on the first, second, third and fourth anniversary dates of the grant and are subject to the same conditions and terms as mentioned above in connection with the grant of restricted shares during the first quarter of 2010. 15,548 of these shares became fully vested in each of 2010 and 2009. In connection with this grant, we recorded compensation expense of $375,000 during each of 2010 and 2009 and $360,000 during 2008 and the remaining expense associated with this award (estimated at $390,000 as of December 31, 2010) will be recorded over the remaining vesting periods of the award.

During the fourth quarter of 2007, pursuant to the 2001 Plan, the Committee approved the issuance of 61,362 restricted shares of our Class B Common Stock at $24.45 per share ($1.5 million in the aggregate) to our CEO. These shares are scheduled to vest ratably on the first, second, third and fourth anniversary dates of the grant and are subject to the same conditions and terms as mentioned above in connection with the grant of restricted shares during the first quarter of 2010. 15,341 of these shares became fully vested in 2010 and 15,340 of these shares became fully vested in each of 2009 and 2008. In connection with this grant, we recorded compensation expense of $375,000 during each of 2010, 2009 and 2008. The remaining expense associated with this award (estimated at $333,000 as of December 31, 2010) will be recorded over the remaining vesting periods of the award.

Additionally, during 2007, pursuant to the 2001 Plan, the Committee approved the issuance of 22,250 restricted shares of our Class B Common stock at a weighted average of $29.62 per share ($659,000 in the aggregate) to various employees. These shares have various vesting schedules. We recorded compensation expense of $135,000 during each of 2010, 2009 and 2008, in connection with these grants and the remaining expense associated with these awards (estimated at $162,000 as of December 31, 2010) will be recorded over the remaining vesting periods of the awards, assuming the recipients remain employed by us.

During the fourth quarter of 2006, pursuant to the 2001 Plan, the Committee approved the issuance of 247,000 restricted shares (net of cancellations) of our Class B Common Stock at $25.71 per share ($6.4 million in the aggregate) to various officers and employees. These shares became fully vested in November, 2010. In connection with this grant, we recorded compensation expense of $1.3 million, $1.5 million and $1.4 million during 2010, 2009 and 2008, respectively.

At December 31, 2010, 23,588,743 shares of Class B Common Stock were reserved for issuance upon conversion of shares of Class A, C and D Common Stock outstanding, for issuance upon exercise of options to purchase Class B Common Stock and for issuance of stock under other incentive plans. Class A, C and D Common Stock are convertible on a share for share basis into Class B Common Stock.

In connection with the long-term incentive plans described above, we recorded compensation expense of $3.5 million in 2010, $3.2 million in 2009 and $3.7 million in 2008. Including the stock option related compensation expense recorded pursuant to 123R, of $13.3 million in 2010, $9.9 million in 2009 and $10.4 million in 2008, we recorded a total stock compensation expense of $16.8 million in 2010, $13.1 million in 2009 and $14.1 million in 2008.

6) INCOME TAXES

Components of income tax expense/(benefit) from continuing operations are as follows (amounts in thousands):

	Year Ended December 31,		
	2010	2009	2008
Current			
Federal	$129,394	$147,653	$126,222
Foreign	2,555	—	—
State	17,975	21,413	22,230
	$149,924	$169,066	$148,452
Deferred			
Federal and foreign	2,102	1,669	(22,814)
State	276	(260)	(2,260)
	2,378	1,409	(25,074)
Total	$152,302	$170,475	$123,378

Deferred taxes are required to be classified based on the financial statement classification of the related assets and liabilities which give rise to temporary differences. Deferred taxes result from temporary differences between the financial statement carrying amounts and the tax bases of assets and liabilities. The components of deferred taxes are as follows (amounts in thousands):

	Year Ended December 31,	
	2010	2009
Deferred income tax assets:		
Self-insurance reserves	$ 121,249	$ 110,829
Compensation accruals	53,855	22,910
State net operating loss carryforwards and other state deferred tax assets	46,338	27,357
Other currently non-deductible accrued liabilities	19,016	18,378
Net pension liability—OCI only	9,268	9,549
Doubtful accounts and other reserves	31,046	4,142
Other combined items—OCI only	3,196	3,599
	$ 283,968	$ 196,764
Less: Valuation Allowance	$ (32,352)	$ (23,084)
Net deferred income tax assets:	$ 251,616	$ 173,680
Deferred income tax liabilities:		
Depreciable and amortizable assets	$(299,566)	$(178,146)
Other deferred tax liabilities	(4,570)	(4,289)
Net deferred income tax assets (liabilities)	$ (52,520)	$ (8,755)

Increases in deferred tax assets relating to self-insurance reserves, compensation related accruals, allowance for uncollectible patient accounts, and net operating losses and capital loss carryforwards as well as increases in deferred tax liabilities relating to depreciable and separately identifiable intangible assets primarily reflect the impact of deferred taxes recorded in conjunction with the acquisition of Psychiatric Solutions, Inc.

The effective tax rates, as calculated by dividing the provision for income taxes by income from continuing operations before income taxes, were as follows for each of the years ended December 31, 2010, 2009 and 2008 (dollar amounts in thousands):

	2010	2009	2008
Provision for income taxes	$152,302	$170,475	$123,378
Income from continuing operations before income taxes	428,097	474,722	357,012
Effective tax rate	35.6%	35.9%	34.6%

The effective tax rates, as calculated by dividing the provision for income taxes by the difference in income from continuing operations before income taxes, minus income from continuing operations attributable to noncontrolling interests, were as follows for each of the years ended December 31, 2010, 2009 and 2008 (dollar amounts in thousands):

	2010	2009	2008
Provision for income taxes	$152,302	$170,475	$123,378
Income from continuing operations before income taxes	428,097	474,722	357,012
Less: Net income attributable to noncontrolling interests	(45,612)	(43,874)	(40,693)
Income from continuing operations before income taxes and after net income attributable to noncontrolling interests	382,485	430,848	316,319
Effective tax rate	39.8%	39.6%	39.0%

Impacting the effective tax rates during 2010 were the following items: (i) $5 million unfavorable discrete tax item recorded to adjust the non-deductible portion of certain transaction costs incurred during 2010 in connection with our acquisition of PSI; (ii) a $4 million unfavorable discrete tax item recorded to adjust for the non-deductible, $9 million charge incurred from split-dollar life insurance agreements entered into during 2010 on the lives of our chief executive officer and his wife, partially offset by; (iii) a $4 million favorable discrete tax item recorded during 2010 to adjust the estimated non-deductible portion of the previously disclosed South Texas Health System settlement with the government based upon the final agreement. Impacting the effective tax rates during 2009 was a $4 million unfavorable discrete tax item related to the estimated non-deductible portion of the South Texas Health System settlement.

A reconciliation between the federal statutory rate and the effective tax rate on continuing operations is as follows:

	Year Ended December 31,		
	2010	2009	2008
Federal statutory rate	35.0%	35.0%	35.0%
State taxes, net of federal income tax benefit	3.1	3.2	4.1
Nondeductible transaction costs	1.3	—	—
Other items	0.4	1.4	(0.1)
Impact of noncontrolling interest	(4.2)	(3.7)	(4.4)
Effective tax rate	35.6	35.9	34.6
Impact of noncontrolling interest	4.2	3.7	4.4
Effective tax rate, including noncontrolling interest	39.8%	39.6%	39.0%

Included in "Other current assets" on our Consolidated Balance Sheet are prepaid federal and state income taxes amounting to $51.2 million and $555,000 as of December 31, 2010 and 2009, respectively.

The net deferred tax assets and liabilities are comprised as follows (amounts in thousands):

	Year Ended December 31,	
	2010	2009
Current deferred taxes		
Assets	$ 123,362	$ 53,584
Liabilities	(2,528)	(2,248)
Total deferred taxes-current	$ 120,834	$ 51,336
Noncurrent deferred taxes		
Assets	$ 128,254	$ 120,096
Liabilities	(301,608)	(180,187)
Total deferred taxes-noncurrent	(173,354)	(60,091)
Total deferred tax assets (liabilities)	$ (52,520)	$ (8,755)

The assets and liabilities classified as current relate primarily to the allowance for uncollectible patient accounts, compensation-related accruals and the current portion of the temporary differences related to self-insurance reserves. At December 31, 2010, state net operating loss carryforwards (expiring in years 2011 through 2030), and credit carryforwards available to offset future taxable income approximated $662 million, representing approximately $33.3 million in deferred state tax benefit (net of the federal benefit). At December 31, 2010 related to the acquisition of Psychiatric Solutions, Inc., there were federal net operating losses of $3.3 million expiring in 2022 representing approximately $1.1 million in deferred federal tax benefits, federal and state capital loss carryforwards of $9.0 million expiring in 2014 representing approximately $3.4 million in deferred federal and state tax benefit, and foreign net operating loss carryforwards of approximately $10.6 million expiring through 2017 representing approximately $4.5 million in deferred foreign tax benefit.

A valuation allowance is required when it is more likely than not that some portion of the deferred tax assets will not be realized. Based on available evidence, it is more likely than not that certain of our state tax benefits will not be realized, therefore, valuation allowances of $27.8 million and $23.1 million have been reflected as of

December 31, 2010 and 2009, respectively. During 2010, the valuation allowance on these state tax benefits increased by $3.1 million due to additional net operating losses incurred and an increase of $1.6 million due to Psychiatric Solutions, Inc. In addition, there was a $4.5 million increase in the valuation allowance related to foreign net operating losses due to Psychiatric Solutions, Inc.

We adopted the provisions of Accounting for Uncertainty in Income Taxes effective January 1, 2007. During 2010 and 2009, the estimated liabilities for uncertain tax positions (including accrued interest and penalties) were increased in the amount of approximately $3.2 million and $2.0 million, respectively, due to tax positions taken in the current and prior years. The increase in 2010 is primarily attributable to tax positions taken by Psychiatric Solutions, Inc. on pre-acquisition tax return years. Also during 2010, the estimated liabilities for uncertain tax positions (including accrued interest and penalties) were reduced due to the lapse of the statute of limitations resulting in a net income tax benefit of approximately $1 million. The balance at December 31, 2010 and 2009, if subsequently recognized, that would favorably affect the effective tax rate and the provision for income taxes is approximately $5 million and $4 million, respectively.

We recognize accrued interest and penalties associated with uncertain tax positions as part of the tax provision. As of December 31, 2010 and 2009, we have approximately $1 million of accrued interest and penalties. The U.S. federal statute of limitations remains open for the 2007 and subsequent years. Foreign and U.S. state and local jurisdictions have statutes of limitations generally ranging for 3 to 4 years. The statute of limitations on certain jurisdictions could expire within the next twelve months. It is reasonably possible that the amount of unrecognized tax benefits will change during the next 12 months however it is anticipated that any such change, if it were to occur, would not have a material impact on our results of operations.

The tabular reconciliation of unrecognized tax benefits for the years ended December 31, 2010, 2009 and 2008 is as follows (amounts in thousands).

	As of December 31,		
	2010	2009	2008
Balance at January 1,	$5,754	$3,759	$ 2,450
Gross amount of increase and decrease in unrecognized tax benefits as a result of tax positions taken in the prior years	2,076	1,245	1,641
Gross amount of increase and decrease in unrecognized tax benefits as a result of tax positions taken in the current year	1,219	750	750
Amount of decrease in unrecognized tax benefits as a result of settlement	(219)	—	—
Amount of decrease in unrecognized tax benefits as a lapse in statute	(907)	—	(1,082)
Balance at December 31,	$7,923	$5,754	$ 3,759

7) LEASE COMMITMENTS

Certain of our hospital facilities are held under operating leases with Universal Health Realty Income Trust with terms expiring in 2011 through 2014 (see Note 9). Certain of these leases also contain provisions allowing us to purchase the leased assets during the term or at the expiration of the lease at fair market value. We also lease the real property of certain facilities acquired by us in connection with the acquisition of PSI in November, 2010.

A summary of property under capital lease follows (amounts in thousands):

	As of December 31,	
	2010	2009
Land, buildings and equipment	$ 38,712	$ 40,499
Less: accumulated amortization	(35,627)	(40,096)
	$ 3,085	$ 403

Future minimum rental payments under lease commitments with a term of more than one year as of December 31, 2010, are as follows (amounts in thousands):

Year	Capital Leases	Operating Leases
	(000s)	
2011	$ 2,668	$ 65,549
2012	2,464	39,038
2013	2,310	24,957
2014	1,316	16,284
2015	1,224	10,894
Later Years	7,338	39,036
Total minimum rental	$17,320	$195,758
Less: Amount representing interest	(5,358)	
Present value of minimum rental commitments	11,962	
Less: Current portion of capital lease obligations	(1,874)	
Long-term portion of capital lease obligations	$10,088	

In the ordinary course of business, our facilities routinely lease equipment pursuant to month-to-month lease arrangements that will likely result in future lease & rental expense in excess of the amounts indicated above. Capital lease obligations of $7.1 million in 2010, $700,000 in 2009 and $3.4 million in 2008 were incurred when we assumed capital lease obligations upon the acquisition of facilities or entered into capital leases for new equipment.

8) COMMITMENTS AND CONTINGENCIES

Professional and General Liability Claims and Property Insurance

Professional and General Liability

Effective January 1, 2008, most of our subsidiaries became self-insured for professional and general liability exposure up to $10 million per occurrence (as compared to $20 million per occurrence prior to 2008). Prior to our acquisition of PSI in November, 2010, our subsidiaries purchased several excess policies through commercial insurance carriers which provide for coverage in excess of $10 million up to $200 million per occurrence and in the aggregate. However, we are liable for 10% of the claims paid pursuant to the commercially insured coverage in excess of $10 million up to $60 million per occurrence and in the aggregate.

Prior to our acquisition in November, 2010, the PSI facilities were commercially insured for professional and general liability insurance claims in excess of a $3 million self-insured retention to a limit of $75 million. PSI utilized its captive insurance company to manage the self-insured retention and that captive insurance company remains in place after our acquisition of PSI.

Since our acquisition of PSI on November 15, 2010, the former PSI subsidiaries are self-insured for professional and general liability exposure up to $3 million per occurrence and our legacy subsidiaries (which are not former PSI subsidiaries) are self-insured for professional and general liability exposure up to $10 million per occurrence. Effective November, 2010, our subsidiaries (including the former PSI subsidiaries) were provided with several excess policies through commercial insurance carriers which provide for coverage in excess of the applicable per occurrence self-insured retention (either $3 million or $10 million) up to $200 million per occurrence and in the aggregate. We remain liable for 10% of the claims paid pursuant to the commercially insured coverage in excess of $10 million up to $60 million per occurrence and in the aggregate.

Our estimated liability for self-insured professional and general liability claims is based on a number of factors including, among other things, the number of asserted claims and reported incidents, estimates of losses for these claims based on recent and historical settlement amounts, estimate of incurred but not reported claims based on historical experience, and estimates of amounts recoverable under our commercial insurance policies. While we continuously monitor these factors, our ultimate liability for professional and general liability claims could change materially from our current estimates due to inherent uncertainties involved in making this estimate. Given our significant self-insured exposure for professional and general liability claims, there can be no assurance that a sharp increase in the number and/or severity of claims asserted against us will not have a material adverse effect on our future results of operations.

Upon our acquisition of PSI, we conducted a thorough analysis of PSI's claims and related reserves and, with the assistance of an independent third-party actuary, we determined that the aggregate self-insured retention estimate for the pre-acquisition professional and general liability claims amounted to $51 million which is included in our total accrual as of December 31, 2010, as discussed below.

As of December 31, 2010, the total accrual for our professional and general liability claims, including the estimated claims related to the facilities acquired from PSI, was $289 million, of which $60 million is included in current liabilities. As of December 31, 2009, the total accrual for our professional and general liability claims was $266 million, of which $46 million is included in other current liabilities.

Based upon the results of reserve analyses, we recorded reductions to our professional and general liability self-insurance reserves (relating to prior years) amounting to $49 million during 2010 and $23 million during 2009. These favorable changes in our estimated future claims payments were due to: (i) an increased weighting given to company-specific metrics (to 75% from 50%), and decreased general industry metrics (to 25% from 50%), related to projected incidents per exposure, historical claims experience and loss development factors; (ii) historical data which measured the realized favorable impact of medical malpractice tort reform experienced in several states in which we operate, and; (iii) a decrease in claims related to certain higher risk specialties (such as obstetrical) due to a continuation of the company-wide patient safety initiative undertaken during the last several years. As the number of our facilities and our patient volumes have increased, thereby providing for a statistically significant data group, and taking into consideration our long-history of company-specific risk management programs and claims experience, our reserve analyses have included a greater emphasis on our historical professional and general liability experience which has developed favorably as compared to general industry trends. Actuarially determined estimates for our 2011 provision for self-insured professional and general liability claims were developed based upon similar metrics and weighting.

Property Insurance

Acute care facilities and legacy behavioral health care facilities

We have commercial property insurance policies covering catastrophic losses, including windstorm damage, up to a $1 billion policy limit per occurrence, subject to $250,000 deductible. Losses resulting from named windstorms are subject to deductibles between 3% and 5% of the declared total insurable value of the property. In addition, we have commercial property insurance policies covering catastrophic losses resulting from earthquake and flood damage, each subject to aggregated loss limits (as opposed to per occurrence losses.). Our earthquake limit is $250 million, subject to a deductible of $250,000, except for facilities located within documented fault zones. Earthquake losses that affect facilities located in fault zones within the United States are subject to a $100 million limit and will have applied deductibles ranging from 1% to 5% of the declared total insurable value of the property. The earthquake limit in Puerto Rico is $25 million. Flood losses have either a $250,000 or $500,000 deductible, based upon the location of the facility.

Behavioral health care facilities acquired in November, 2010

The newly acquired facilities formerly owned by PSI have all risk property coverage with a loss limit of $100 million with a $25,000 deductible. Earth movement losses, except California, are subject to an annual aggregate loss limit of $100 million with a $50,000 per occurrence deductible. Earthquake coverage in California is further sub-limited to an annual aggregate loss limit of $50 million with a deductible of 5% of the declared total insurable value of the property. Named windstorms are insured to $100 million per occurrence but are potentially subject to applied deductibles ranging from 1% to 5% of the declared total insurable value of the property. Flood losses are subject to an annual aggregate loss limit of $100 million with deductibles ranging from $50,000 to $100,000. Flood losses that occur in designated high hazard areas are sub-limited to $25 million with a $500,000 deductible.

Due to an increase in property losses experienced nationwide in recent years, the cost of commercial property insurance has increased. As a result, catastrophic coverage for earthquake and flood has been limited to annual aggregate losses (as opposed to per occurrence losses). Given these insurance market conditions, there can be no assurance that a continuation of these unfavorable trends, or a sharp increase in uninsured property losses sustained by us, will not have a material adverse effect on our future results of operations.

Legal Proceedings

U.S. v. Marion and UHS:

In late 2007, July, 2008 and January, 2009, the Office of Inspector General for the Department of Health and Human Services ("OIG") issued a series of subpoenas seeking documents related to the treatment of Medicaid beneficiaries at two of our facilities, Marion Youth Center and Mountain Youth Academy,. It was our understanding at that time that the OIG was investigating whether claims for reimbursement submitted by those facilities to the Virginia Medicaid program were supported by adequate documentation of the services provided which could be considered to be a basis for a false claims act violation. In August, 2008, the Office of the Attorney General for the Commonwealth of Virginia issued a subpoena to Keystone Newport News, another of our facilities. It was our understanding at that time that the Office of Attorney General was investigating whether Keystone Newport News complied with various Virginia laws and regulations, including documentation requirements.

In response to these subpoenas, we produced the requested documents on a rolling basis and we cooperated with the investigations in all respects. We also met with representatives of the OIG, the Virginia Attorney General, the United States Attorney for the Western District of Virginia, and the United States Department of Justice Civil Division on several occasions to discuss a possible resolution of this matter. However, the parties were not able to reach a resolution.

Consequently, in November, 2009, the United States Department of Justice and the Virginia Attorney General intervened in a qui tam case that had been filed by former employees of Marion Youth Center under seal in 2007 against Universal Health Services, Inc. ("UHS"), and Keystone Marion, LLC and Keystone Education and Youth Services, LLC ("Keystone"). The Department of Justice and the Commonwealth of Virginia filed and served their complaint which, at present, relates solely to the Marion Youth Center. The complaint originally alleged causes of action pursuant to the federal and state false claims acts, the Virginia fraud statute, and unjust enrichment. The former employees filed a separate amended complaint, alleging employment and retaliation claims as well as false claim act violations. In April, 2010, the defendants in the lawsuit filed motions to dismiss the claims filed by the government and the former employees. In July, 2010, the court ruled on the motions, granting them in part and denying them in part. The court has allowed the government to proceed with its claims under the federal and state false claims act and the Virginia fraud statute. In addition, the court has allowed the former employees to proceed with parts of their employment related and retaliation claims. We have established a reserve in connection with this matter which did not have a material impact on our financial statements. We will continue to defend ourselves vigorously against the government's and the former employees' allegations. There can be no assurance that we will prevail in the litigation or that the case will be limited to the Marion Youth Center.

Devore, et. al. v. Keystone Education and Youth Services, LLC:

Alicante School in California was acquired by a subsidiary of ours in October, 2005. Prior to our acquisition, two former employees of the facility filed a false claim act qui tam action and a gender discrimination/whistleblower claim in Sacramento County Superior Court. The plaintiffs allege that the Alicante School improperly billed subdivisions of the state of California based upon services provided at the school and that the plaintiffs were discriminated against based upon their gender and as a result of their objection to these practices. In June, 2008, we entered into an agreement with the former owners of the facility whereby they agreed to defend the case, indemnify us and hold us harmless for any damages that may result from this case. The former owners of the facility had been funding the legal defense of this case since that time. Recently, the court approved the agreed upon $9.5 million settlement of this matter which we paid to the plaintiffs in January, 2011. Since we have made a demand on the former owners of the facility for repayment, and intend to pursue collection of the $9.5 million pursuant to the June, 2008 indemnification agreement (although we can provide no assurance that we will collect the entire $9.5 million), the settlement amount and related receivable is reflected in other current assets and other accrued liabilities on our Consolidated Balance Sheet as of December 31, 2010.

Martin v. UHS of Delaware:

UHS of Delaware, Inc., a subsidiary, and one of our non-public schools in California operated by one of our subsidiaries have been named as defendants in a state False Claim Act case in Sacramento County Superior Court. Plaintiffs are a former student and employees of the Elmira School who claim that the UHS Schools in California unlawfully retained public education funding from the state of California for the operation of these schools but failed to meet state requirements to qualify as a non-public school. Plaintiffs have also claimed that we committed unfair business practices associated with these allegations. We deny liability and intend to defend this case vigorously. We are presently uncertain as to the legal viability of the claims and are unable to determine the extent of potential financial exposure, if any, at this time.

Wage and Hour Class Actions:

Ethridge v. Universal Health Services et. al:

In June, 2008, we and one of our acute care facilities, Lancaster Community Hospital, were named as defendants in a wage and hour lawsuit in Los Angeles County Superior Court. This is a purported class action lawsuit alleging that the hospital failed to provide sufficient meal and break periods to certain employees. In June, 2010 a settlement was reached with the attorneys for the class representative. The settlement was recently approved by the court. The reserve established for the settlement of this matter did not have a material impact on our 2010 consolidated financial position or results of operations.

Other:

We and/or our subsidiaries are presently involved in three other wage and hour class action cases in California and Tennessee. Two of those cases have been certified as a class by the California State Superior Court in Alameda County and the United States District Court for the Western District of Tennessee, respectively. At present, we are uncertain as to the extent of potential financial exposure but do not believe potential settlements or judgments in these cases will have a material impact on our consolidated financial position or results of operations.

Department of Justice ICD Investigation:

In September, 2010, we, along with many other companies in the healthcare industry, received a letter from the United States Department of Justice ("DOJ") advising of a False Claim Act investigation being conducted in connection with the implantation of implantable cardioverter defibrillators ("ICDs") from 2003 to the present at several of our acute care facilities. The DOJ alleges that ICDs were implanted and billed by our facilities in contravention of a National Claims Determination regarding these devices. At present, we are uncertain as to the extent of the claims, liability for such claims and potential financial exposure in connection with this matter.

Other Matters

The healthcare industry is subject to numerous laws and regulations which include, among other things, matters such as government healthcare participation requirements, various licensure, certifications, and accreditations, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Government action has increased with respect to investigations and/or allegations concerning possible violations of fraud and abuse and false claims statutes and/or regulations by healthcare providers. Providers that are found to have violated these laws and regulations may be excluded from participating in government healthcare programs, subjected to potential licensure, certification, and/or accreditation revocation, subjected to fines or penalties or required to repay amounts received from the government for previously billed patient services. We monitor all aspects of our business and have developed a comprehensive ethics and compliance program that is designed to meet or exceed applicable federal guidelines and industry standards. Because the law in this area is complex and constantly evolving, governmental investigation or litigation may result in interpretations that are inconsistent with industry practices, including ours. Although we believe our policies, procedures and practices comply with governmental regulations, there is no assurance that we will not be faced with sanctions, fines or penalties in connection with such inquiries or actions, including with respect to the investigations and other matters discussed herein. Even if we were to ultimately prevail, such inquiries and/or actions could have a material adverse effect on us.

Southwest Healthcare System:

During the third quarter of 2009, Southwest Healthcare System ("SWHCS"), which operates Rancho Springs Medical Center and Inland Valley Regional Medical Center in Riverside County, California, entered into an agreement with the Center for Medicare and Medicaid Services ("CMS"). The agreement required SWHCS to engage an independent quality monitor to assist SWHCS in meeting all CMS' conditions of participation. Further, the agreement provided that, during the last 60 days of the agreement, CMS would conduct a full Medicare certification survey. That survey took place the week of January 11, 2010.

In April, 2010, SWHCS received notification from CMS that it intended to effectuate the termination of SWHCS's Medicare provider agreement effective June 1, 2010. In May, 2010, SWHCS entered into an agreement with CMS which abated the termination action scheduled for June 1, 2010. The agreement is one year in duration and required SWHCS to engage independent experts in various disciplines to analyze and develop implementation plans for SWHCS to meet the Medicare conditions of participation. At the conclusion of the agreement, CMS will conduct a full certification survey to determine if SWHCS has achieved substantial compliance with the Medicare conditions of participation. During the term of the agreement, SWHCS remains eligible to receive reimbursements from Medicare for services rendered to Medicare beneficiaries.

Also in April, 2010, SWHCS received notification from the California Department of Public Health ("CDPH") indicating that it planned to initiate a process to revoke SWHCS's hospital license. In May, 2010, SWHCS received the formal document related to the revocation action. In September, 2010, SWHCS entered into an agreement with CDPH relating to the license revocation. The terms of the CDPH agreement are substantially similar to those contained in the agreement with CMS. As a result of the agreement, SWHCS's hospital license remains in effect pending the outcome of the CMS full certification survey which will occur at the end of the agreement. Pursuant to the results of the CMS full certification survey, which we anticipate occurring in mid-year, 2011, should SWHCS be deemed to have achieved substantial compliance with the Medicare conditions of participation, CDPH shall deem SWHCS's license to be in good standing. Failure of SWHCS to achieve substantial compliance with the Medicare conditions of participation, pursuant to CMS's full certification survey, will likely have a material adverse impact on SWHCS's ability to continue to operate the facilities.

As a result of the matters discussed above, we were not previously permitted to open newly constructed capacity at Rancho Springs Medical Center and Inland Valley Medical Center. However, in February, 2011, we received permission from CDPH to begin accessing the new capacity. Unrelated to these developments, we expect a competitor to open a newly constructed acute care hospital during the first quarter of 2011. We are unable to predict the net impact of these developments on SWHCS's results of operations in 2011 and beyond.

Rancho Springs Medical Center and Inland Valley Medical Center remain fully committed to providing high-quality healthcare to their patients and the communities they serve. We therefore intend to work expeditiously and collaboratively with both CMS and CDPH in an effort to resolve these matters, although there can be no assurance we will be able to do so. Failure to resolve these matters could have a material adverse effect on us. For the years ended December 31, 2010 and 2009, after deducting an allocation for corporate overhead expense, SWHCS generated approximately 1.1% and 4.3%, respectively, of our income from operations after income attributable to noncontrolling interest.

Matters Relating to PSI:

The following matters pertain to PSI or former PSI facilities (owned by subsidiaries of Psychiatric Solutions, Inc.) for which we have assumed the defense as a result of our acquisition of PSI which was completed in November, 2010:

Garden City Employees' Retirement System v. PSI:

This is a purported shareholder class action lawsuit filed in the United States District Court for the Middle District of Tennessee against PSI and the former directors in 2009 alleging violations of federal securities laws. We are uncertain at this time as to potential liability and damages but intend to defend the case vigorously.

Department of Justice Investigation of Sierra Vista:

In 2009, Sierra Vista Hospital in Sacramento, California learned of an investigation by the U.S. Department of Justice ("DOJ") relating to Medicare services provided by the facility. The DOJ ultimately notified the facility that with respect to partial hospitalization and outpatient services, the DOJ believed that the medical record documentation did not adequately support the claims submitted for reimbursement by Medicare. We recently reached a tentative financial settlement with the DOJ. The reserve established in connection with this matter did not have a material impact on our consolidated financial position or results of operations. As part of that agreement, the facility will be subject to a corporate integrity agreement, the terms of which have not yet been finalized.

Department of Justice Investigation of Friends Hospital:

In October, 2010, Friends Hospital in Philadelphia, Pennsylvania, received a subpoena from the DOJ requesting certain documents from the facility. The requested documents have been collected and provided to the DOJ for review and examination. At present, we are uncertain as to the focus, scope or extent of the investigation, liability of the facility and/or potential financial exposure, if any, in connection with this matter.

Department of Justice Investigation of Riveredge Hospital:

In 2008, Riveredge Hospital in Chicago, Illinois received a subpoena from the DOJ requesting certain information from the facility. Additional requests for documents were also received from the DOJ in 2009 and 2010. The requested documents have been provided to the DOJ and we continue to cooperate with the DOJ with respect to this investigation. At present, we are uncertain as to the focus, scope or extent of the investigation, liability of the facility and/or potential financial exposure, if any, in connection with this matter.

Virginia Department of Medical Assistance Services Recoupment Claims:

The Virginia Department of Medical Assistance Services ("DMAS") has conducted audits at seven former PSI Residential Treatment Centers operated in the Commonwealth of Virginia to confirm compliance with provider rules under the state's Medicaid Provider Services Manual ("Manual"). As a result of those audits, DMAS claims the facilities failed to comply with the requirements of the Manual and has requested repayment of Medicaid payments to those facilities. PSI had previously filed appeals to repayment demands at each facility which are currently pending.

General:

Currently, and from time to time, some of our other facilities are subjected to inquiries and/or actions and receive notices of potential non-compliance of laws and regulations from various federal and state agencies. If one of our facilities is found to have violated these laws and regulations, the facility may be excluded from participating in government healthcare programs, subjected to potential licensure revocation, subjected to fines or penalties or required to repay amounts received from the government for previously billed patient services. We do not believe that, other than as described above, any such existing action would materially affect our consolidated financial position or results of operations.

In addition, various suits and claims arising against us in the ordinary course of business are pending. In the opinion of management, the outcome of such claims and litigation will not materially affect our consolidated financial position or results of operations.

In addition to our long-term debt obligations as discussed in Note 4-*Long-Term Debt* and our operating lease obligations as discussed in Note 7-*Lease Commitments*, we have various other contractual commitments outstanding as of December 31, 2010 as follows: (i) other combined estimated future purchase obligations of $178 million related to a long-term contract with third-parties consisting primarily of certain revenue cycle data processing services for our acute care facilities ($82 million), expected costs to be paid to a third-party vendor in connection with the purchase and implementation of an electronic health records application for each of our acute care facilities ($81 million) and estimated minimum liabilities for physician commitments expected to be paid in the future ($15 million), and; (ii) combined estimated future payments of $255 million related to our non-contributory, defined benefit pension plan ($220 million consisting of estimated payments through 2087), other retirement plan liabilities ($14 million) and deferred severance payments related to our acquisition of PSI in November, 2010 ($21 million).

As of December 31, 2010 we were party to certain off balance sheet arrangements consisting of standby letters of credit and surety bonds. Our outstanding letters of credit and surety bonds as of December 31, 2010 totaled $76 million consisting of: (i) $63 million related to our self-insurance programs; (ii) $3 million related primarily to pending appeals of legal judgments (including judgments related to professional and general liability claims), and; (iii) $10 million of other debt guarantees related to public utilities and entities in which we own a minority interest.

9) RELATIONSHIP WITH UNIVERSAL HEALTH REALTY INCOME TRUST AND RELATED PARTY TRANSACTIONS

Relationship with Universal Health Realty Income Trust:

At December 31, 2010, we held approximately 6.2% of the outstanding shares of Universal Health Realty Income Trust (the "Trust"). We serve as Advisor to the Trust under an annually renewable advisory agreement pursuant to the terms of which we conduct the Trust's day-to-day affairs, provide administrative services and present investment opportunities. In addition, certain of our officers and directors are also officers and/or directors of the Trust. Management believes that it has the ability to exercise significant influence over the Trust, therefore we account for our investment in the Trust using the equity method of accounting. We earned an advisory fee from the Trust, which is included in net revenues in the accompanying consolidated statements of income, of approximately $1.8 million during 2010 and $1.6 million during each of 2009 and 2008. Our pre-tax share of income from the Trust was $1.0 million during 2010, $1.1 million during 2009 and $900,000 during 2008 and is included in net revenues in the accompanying consolidated statements of income for each year. The carrying value of this investment was $7.3 million and $8.1 million at December 31, 2010 and 2009, respectively, and is included in other assets in the accompanying consolidated balance sheets. The market value of this investment was $28.8 million at December 31, 2010 and $25.2 million at December 31, 2009, based on the closing price of the Trust's stock on the respective dates.

Total rent expense under the operating leases on the hospital facilities with the Trust was $16.2 million during 2010, $16.3 million during 2009 and $16.1 million during 2008. In addition, certain of our subsidiaries are tenants in several medical office buildings owned by limited liability companies in which the Trust holds non-controlling ownership interests.

The Trust commenced operations in 1986 by purchasing certain properties from us and immediately leasing the properties back to our respective subsidiaries. Most of the leases were entered into at the time the Trust commenced operations and provided for initial terms of 13 to 15 years with up to six additional 5-year renewal terms. Each lease also provided for additional or bonus rental, as discussed below. The base rents are paid monthly and the bonus rents are computed and paid on a quarterly basis, based upon a computation that compares current quarter revenue to a corresponding quarter in the base year. The leases with our subsidiaries are unconditionally guaranteed by us and are cross-defaulted with one another.

Pursuant to the terms of the leases with the Trust, we have the option to renew the leases at the lease terms described above by providing notice to the Trust at least 90 days prior to the termination of the then current term. In addition, we have rights of first refusal to: (i) purchase the respective leased facilities during and for 180 days after the lease terms at the same price, terms and conditions of any third-party offer, or; (ii) renew the lease on the respective leased facility at the end of, and for 180 days after, the lease term at the same terms and conditions pursuant to any third-party offer. We also have the right to purchase the respective leased facilities at the end of the lease terms or any renewal terms at the appraised fair market value. In addition, during 2006, as part of the overall exchange and substitution transaction relating to Chalmette Medical Center ("Chalmette") which was completed during the third quarter of 2006, as well as the early five year lease renewals on Southwest Healthcare System-Inland Valley Campus ("Inland Valley"), Wellington Regional Medical Center ("Wellington"), McAllen Medical Center and The Bridgeway ("Bridgeway"), the Trust agreed to amend the Master Lease to include a change of control provision. The change of control provision grants us the right, upon one month's notice should a change of control of the Trust occur, to purchase any or all of the four leased hospital properties at their appraised fair market value purchase price.

The table below details the renewal options and terms for each of our four hospital facilities leased from the Trust:

Hospital Name	Type of Facility	Annual Minimum Rent	End of Lease Term	Renewal Term (years)
McAllen Medical Center	Acute Care	$5,485,000	December, 2011	20(a)
Wellington Regional Medical Center	Acute Care	$3,030,000	December, 2011	20(b)
Southwest Healthcare System, Inland Valley Campus	Acute Care	$2,648,000	December, 2011	20(b)
The Bridgeway	Behavioral Health	$ 930,000	December, 2014	10(c)

(a) We have four 5-year renewal options at existing lease rates (through 2031).
(b) We have two 5-year renewal options at existing lease rates (through 2021) and two 5-year renewal options at fair market value lease rates (2022 through 2031).
(c) We have two 5-year renewal options at fair market value lease rates (2015 through 2024).

Split-dollar Life Insurance Agreements:

In December, 2010, our Board of Directors approved the Company's entering into supplemental life insurance plans and agreements on the lives of our chief executive officer and his wife. As a result of these agreements, based on actuarial tables and other assumptions, during the life expectancies of the insureds, we would pay approximately $25 million in premiums and certain trusts, owned by our chief executive officer, would pay approximately $8 million in premiums. Based on the projected premiums mentioned above, and assuming the policies remain in effect until the death of the insureds, we will be entitled to receive death benefit proceeds of no less than $33 million representing the $25 million of aggregate premiums paid by us as well as the $8 million of aggregate premiums paid by the trusts. During the fourth quarter of 2010, we paid approximately $6 million in premium payments. We recorded a pre-tax and after-tax expense of $9 million during the fourth quarter of 2010 representing the present value of our projected premium funding commitment over the terms of the policies.

Other Related Party Transactions:

A member of our Board of Directors and member of the Executive Committee is Of Counsel to the law firm used by us as our principal outside counsel. This Board member is also the trustee of certain trusts for the benefit of our CEO and his family. This law firm also provides personal legal services to our CEO.

10) PENSION PLAN

We maintain contributory and non-contributory retirement plans for eligible employees. Our contributions to the contributory plan amounted to $20.8 million, $20.4 million and $19.8 million in 2010, 2009 and 2008, respectively. The non-contributory plan is a defined benefit pension plan which covers employees of one of our subsidiaries. The benefits are based on years of service and the employee's highest compensation for any five years of employment. Our funding policy is to contribute annually at least the minimum amount that should be funded in accordance with the provisions of ERISA.

The following table shows the reconciliation of the defined benefit pension plan as of December 31, 2010 and 2009:

	2010	2009
	(000s)	
Change in plan assets:		
Fair value of plan assets at beginning of year	$61,451	$46,432
Actual return (loss) on plan assets	10,027	13,718
Employer contributions	6,657	5,950
Benefits paid	(4,256)	(4,164)
Administrative expenses	(477)	(485)
Fair value of plan assets at end of year	$73,402	$61,451
Change in benefit obligation:		
Benefit obligation at beginning of year	$85,476	$84,483
Service cost	1,140	1,191
Interest cost	4,958	4,834
Benefits paid	(4,256)	(4,164)
Actuarial (gain) loss	6,195	(868)
Benefit obligation at end of year	$93,513	$85,476
Amounts recognized in the Consolidated Balance Sheet:		
Other noncurrent liabilities	20,110	24,025
Total liability at end of year	$20,110	$24,025
Additional year end information for Pension Plan		
Projected benefit obligation	$93,513	$85,476
Accumulated benefit obligation	91,559	83,140
Fair value of plan assets	73,402	61,451

	2010	2009	2008
		(000s)	
Components of net periodic cost (benefit)			
Service cost	$ 1,140	$ 1,191	$ 1,192
Interest cost	4,958	4,834	4,827
Expected return on plan assets	(5,151)	(3,927)	(5,345)
Recognized actuarial loss	2,538	4,676	276
Net periodic cost	$ 3,485	$ 6,774	$ 950

	2010	2009
Measurement Dates		
Benefit obligations	12/31/2010	12/31/2009
Fair value of plan assets	12/31/2010	12/31/2009

	2010	2009
Weighted average assumptions as of December 31		
Discount rate	5.54%	5.96%
Rate of compensation increase	4.00%	4.00%

	2010	2009	2008
Weighted-average assumptions for net periodic benefit cost calculations			
Discount rate	5.96%	5.87%	6.48%
Expected long-term rate at return on plan assets	8.00%	8.00%	8.00%
Rate of compensation increase	4.00%	4.00%	4.00%

The accumulated benefit obligation was $91,559 and $83,140 as of December 31, 2010 and 2009, respectively. The accumulated benefit obligation exceeded the fair value of plan assets as of December 31, 2010 and 2009. In 2010 and 2009, the accrued pension cost is included in non-current liabilities in the accompanying Consolidated Balance Sheet. We estimate that there will be $2,427 of net loss that will be amortized from accumulated other comprehensive income over the next fiscal year.

Our pension plans assets were $73,402 and $61,290 at December 31, 2010 and 2009, respectively. The market values of our pension plan assets at December 31, 2010 and December 31, 2009 by asset class were as follows:

December 31, 2010	Total	Level 1	Level 2	Level 3
Equities:				
U.S. Large Cap	$22,010	$—	$22,010	$—
U.S. Mid Cap	1,468	—	1,468	—
U.S. Small-Mid Cap	6,295	—	6,295	—
U.S. Small Cap	1,471	—	1,471	—
International Developed	10,353	—	10,353	—
Emerging Markets	3,709	—	3,709	—
Fixed income:				
Core Fixed Income	11,542	—	11,542	—
Long Duration Fixed Income	11,421	—	11,421	—
Real Estate:				
REIT Fund	3,740	—	3,740	—
Tangible Assets:				
Commodities		—		—
Cash/Currency:				
Cash Equivalents	1,393	—	1,393	—
Total market value	$73,402	$—	$73,402	$—

December 31, 2009	Total	Level 1	Level 2	Level 3
Equities:				
U.S. Large Cap	$19,784	$19,508	$ 276	$—
U.S. Mid Cap	4,034	4,034	—	—
U.S. Small Cap	2,888	2,888	—	—
International Developed	7,229	7,229	—	—
Emerging Markets	2,692	2,692	—	—
Fixed income:				
Investment Grade Taxable	17,300	10,505	6,795	—
Global High Yield	3,010	3,010	—	—
Real Estate:				
Public reits	2,204	2,204	—	—
Tangible Assets:				
Commodities	1,788	1,788	—	—
Cash/Currency:				
Cash Equivalents	522	161	361	—
Total market value	$61,451	$54,019	$7,432	$—

To develop the expected long-term rate of return on plan assets assumption, we considered the historical returns and the future expectations for returns for each asset class, as well as the target asset allocation of the pension portfolio.

The following table shows expected benefit payments for the years ended December 31, 2011 through 2020 for our defined pension plan. There will be benefit payments under this plan beyond 2020.

Estimated Future Benefit Payments (000s)	
2011	$ 4,822
2012	5,122
2013	5,399
2014	5,653
2015	5,894
2016-2020	32,534
Total	$59,424

	2010	2009
Plan Assets		
Asset Category		
Equity securities	62%	60%
Fixed income securities	31%	34%
Other	7%	6%
Total	100%	100%

Investment Policy, Guidelines and Objectives have been established for the defined benefit pension plan. The investment policy is in keeping with the fiduciary requirements under existing federal laws and managed in accordance with the Prudent Investor Rule. Total portfolio risk is regularly evaluated and compared to that of the plan's policy target allocation and judged on a relative basis over a market cycle. The following asset allocation policy and ranges have been established in accordance with the overall risk and return objectives of the portfolio:

	Policy	As of 12/31/10	Permitted Range
Total Equity	58%	62%	51-61%
Total Fixed Income	36%	31%	32-42%
Other	6%	7%	0-10%

In accordance with the investment policy, the portfolio will invest in high quality, large and small capitalization companies traded on national exchanges, and investment grade securities. The investment managers will not write or buy options for speculative purposes; securities may not be margined or sold short. The manager may employ futures or options for the purpose of hedging exposure, and will not purchase unregistered sectors, private placements, partnerships or commodities.

11) SEGMENT REPORTING

Our reportable operating segments consist of acute care hospital services and behavioral health care services. The "Other" segment column below includes centralized services including information services, purchasing, reimbursement, accounting, taxation, legal, advertising, design and construction and patient accounting as well as the operating results for our other operating entities including outpatient surgery and radiation centers. The chief operating decision making group for our acute care hospital services and behavioral health care services is comprised of our Chief Executive Officer, the President and the Presidents of each operating segment. The Presidents for each operating segment also manage the profitability of each respective segment's various facilities. The operating segments are managed separately because each operating segment represents a business unit that offers different types of healthcare services or operates in different healthcare environments. The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies included in this Annual Report on Form 10-K for the year ended December 31, 2010.

2010	Acute Care Hospital Services	Behavioral Health Services	Other	Total Consolidated
	(Dollar amounts in thousands)			
Gross inpatient revenues	$10,890,171	$2,566,366	—	$13,456,537
Gross outpatient revenues	$ 4,771,070	$ 350,192	$ 49,245	$ 5,170,507
Total net revenues	$ 3,901,815	$1,635,455	$ 30,915	$ 5,568,185
Income (loss) from continuing operations before income taxes	$ 363,427	$ 346,050	($281,380)	$ 428,097
Total assets	$ 2,755,697	$4,360,710	$ 411,529	$ 7,527,936

2009	Acute Care Hospital Services	Behavioral Health Services	Other	Total Consolidated
	(Dollar amounts in thousands)			
Gross inpatient revenues	$ 9,901,032	$2,075,141	—	$11,976,173
Gross outpatient revenues	$ 4,100,427	$ 282,473	$ 62,353	$ 4,445,253
Total net revenues	$ 3,810,828	$1,315,029	$ 76,522	$ 5,202,379
Income (loss) from continuing operations before income taxes	$ 386,208	$ 281,541	($193,027)	$ 474,722
Total assets	$ 2,748,175	$ 998,508	$ 217,780	$ 3,964,463

2008	Acute Care Hospital Services	Behavioral Health Services	Other	Total Consolidated
	(Dollar amounts in thousands)			
Gross inpatient revenues	$ 9,292,596	$1,951,560	—	$11,244,156
Gross outpatient revenues	$ 3,655,051	$ 258,022	$ 73,699	$ 3,986,772
Total net revenues	$ 3,669,504	$1,251,116	$ 101,797	$ 5,022,417
Income (loss) from continuing operations before income taxes	$ 283,062	$ 244,525	($170,575)	$ 357,012
Total assets	$ 2,517,208	$ 970,524	$ 254,730	$ 3,742,462

12) QUARTERLY RESULTS (unaudited)

The following tables summarize the quarterly financial data for the two years ended December 31, 2010 and 2009:

2010	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
	(amounts in thousands, except per share amounts)				
Net revenues	$1,347,153	$1,338,315	$1,323,264	$1,559,453	$5,568,185
Income from continuing operations	$ 82,762	$ 76,415	$ 65,802	$ 50,816	$ 275,795
Income/(loss) from discontinued operations	$ —	$ —	$ —	$ —	$ —
Net income	$ 82,762	$ 76,415	$ 65,802	$ 50,816	$ 275,795
Less: Net income attributable to noncontrolling interests	$ 10,943	$ 10,843	$ 10,192	$ 13,634	$ 45,612
Net income attributable to UHS	$ 71,819	$ 65,572	$ 55,610	$ 37,182	$ 230,183
Earnings per share attributable to UHS-Basic:					
From continuing operations	$ 0.74	$ 0.68	$ 0.57	$ 0.38	$ 2.37
From discontinued operations	$ —	$ —	$ —	$ —	$ —
Total basic earnings per share	$ 0.74	$ 0.68	$ 0.57	$ 0.38	$ 2.37
Earnings per share attributable to UHS-Diluted:					
From continuing operations	$ 0.73	$ 0.67	$ 0.57	$ 0.38	$ 2.34
From discontinued operations	$ —	$ —	$ —	$ —	$ —
Total diluted earnings per share	$ 0.73	$ 0.67	$ 0.57	$ 0.38	$ 2.34

The 2010 quarterly financial data presented above includes the following:

Second Quarter:

- (i) a favorable $16.4 million pre-tax reduction ($10.2 million, or $.10 per diluted share, net of taxes) to our professional and general liability self-insurance reserves relating to years prior to 2010, as discussed in *Self-Insured Risks*; (ii) $18.2 million of pre-tax transaction costs ($11.3 million, or $.11 per diluted share, net of taxes) recorded in connection with our acquisition of Psychiatric Solutions, Inc. ("PSI");

Third Quarter:

- (i) $3.9 million of pre-tax transaction costs ($2.4 million, or $.02 per diluted share, net of taxes) recorded in connection with our acquisition of PSI, and; (ii) a favorable $4.3 million ($.04 per diluted share) discrete tax item recorded in connection with a settlement payment made to the government in connection with the investigation of our South Health Systems affiliates;

Fourth Quarter:

- (i) a favorable $32.6 million pre-tax reduction ($17.9 million, or $.18 per diluted share, net of taxes) to our professional and general liability self-insurance reserves relating to years prior to 2010, as discussed in *Self-Insured Risks*; (ii) $31.1 million of pre-tax transaction costs ($24.9 million, or $.25 per diluted share, net of taxes) recorded in connection with our acquisition of PSI; (iii) an unfavorable

$6.7 million pre-tax ($4.1 million, or .$04 per diluted share, net of taxes) charge to write-off certain costs related to an acute care hospital construction project, and; (iv) an unfavorable $9.2 million ($.09 per diluted share) charge recorded in connection with split-dollar life insurance agreements on the lives of our chief executive officer and his wife.

2009	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
	(amounts in thousands, except per share amounts)				
Net revenues	$1,312,419	$1,303,640	$1,295,109	$1,291,211	$5,202,379
Income from continuing operations	$ 82,034	$ 93,977	$ 59,054	$ 69,182	$ 304,247
Income/(loss) from discontinued operations	$ —	$ —	$ —	$ —	$ —
Net income	$ 82,034	$ 93,977	$ 59,054	$ 69,182	$ 304,247
Less: Net income attributable to noncontrolling interests	$ 14,493	$ 13,084	$ 7,980	$ 8,317	$ 43,874
Net income attributable to UHS	$ 67,541	$ 80,893	$ 51,074	$ 60,865	$ 260,373
Earnings per share attributable to UHS-Basic:					
From continuing operations	$ 0.68	$ 0.82	$ 0.52	$ 0.62	$ 2.65
From discontinued operations	$ —	$ —	$ —	$ —	$ —
Total basic earnings per share	$ 0.68	$ 0.82	$ 0.52	$ 0.62	$ 2.65
Earnings per share attributable to UHS-Diluted:					
From continuing operations	$ 0.68	$ 0.82	$ 0.52	$ 0.62	$ 2.64
From discontinued operations	$ —	$ —	$ —	$ —	$ —
Total diluted earnings per share	$ 0.68	$ 0.82	$ 0.52	$ 0.62	$ 2.64

All periods have been adjusted to reflect the two for one stock split in the form of a 100% stock dividend paid in December 2009.

The 2009 quarterly financial data presented above includes the following:

Second Quarter:

- (i) a favorable $22.8 million pre-tax reduction ($14.2 million, or $.14 per diluted share, net of taxes) to our professional and general liability self-insurance reserves relating to years prior to 2009, as discussed in *Self-Insured Risks*; (ii) an unfavorable $4.3 million ($.04 per diluted share) discrete tax item recorded in connection with a settlement payment made to the government in connection with the investigation of our South Health Systems affiliates;

Fourth Quarter:

- (i) a favorable $7.0 million pre-tax reduction ($4.4 million, or $.05 per diluted share, net of taxes) to our workers' compensation self-insurance reserves relating primarily to years prior to 2009, as discussed in *Self-Insured Risks*.

SCHEDULE II—VALUATION AND QUALIFYING ACCOUNTS

Description	Balance at beginning of period	Charges to costs and expenses	Acquisitions of business	Write-off of uncollectible accounts	Balance at end of period
Allowance for doubtful accounts receivable:					
Year ended December 31, 2010	$168,876	$546,909	$56,596	$(523,759)	$248,622
Year ended December 31, 2009	$162,975	$508,603	$ —	$(502,702)	$168,876
Year ended December 31, 2008	$121,321	$484,138	$ —	$(442,484)	$162,975

Included in the charges to costs and expenses are $7,393 in 2008 related to an acute care facility that was divested during 2008.

(THIS PAGE INTENTIONALLY LEFT BLANK)

Corporate Information

EXECUTIVE OFFICES

Universal Corporate Center
367 South Gulph Road
P.O. Box 61558
King of Prussia, PA 19406
(610) 768-3300

REGIONAL OFFICES

Development
1504 East Franklin Street
Suite 200
Chapel Hill, NC 27514
(919) 928-8212

Central Region
3801 South Capital of Texas Highway
Suite 275
Austin, TX 78704
(512) 330-9858

Western Region
1635 Village Center Circle
Suite 180
Las Vegas, NV 89134
(702) 360-9040

Behavioral Health Regional Office
110 Westwood Place
Suite 100
Brentwood, TN 37207
(615) 250-0000

Behavioral Health Regional Office
6640 Carothers Parkway
Suite 500
Franklin, TN 37067
(615) 312-5700

ANNUAL MEETING

May 18, 2011, 10:00 a.m.
Universal Corporate Center
367 South Gulph Road
King of Prussia, PA 19406

COMPANY COUNSEL

Fulbright & Jaworski, L.L.P.
New York, New York

AUDITORS

PricewaterhouseCoopers LLP
Philadelphia, Pennsylvania

TRANSFER AGENT AND REGISTRAR

BNY Mellon Shareowner Services
Newport Office Center VII
480 Washington Blvd.
Jersey City, NJ 07310
1-800-851-9677
www.bnymellon.com/shareowner/equityaccess

TDD: Hearing Impaired # 1-800-231-5469

Please contact BNY Mellon Shareowner Services for prompt assistance on address changes, lost certificates, consolidation of duplicate accounts or related matters.

INTERNET ADDRESS

The Company can be accessed on the Internet at http://www.uhsinc.com

LISTING

Class B Common Stock: New York Stock Exchange under the symbol UHS

PUBLICATIONS

For copies of the Company's annual report, Form 10-K, Form 10-Q, quarterly earnings releases, and proxy statements, please call 1-800-874-5819, or write

Investor Relations
Universal Health Services, Inc.
Universal Corporate Center
367 South Gulph Road
P.O. Box 61558
King of Prussia, PA 19406

FINANCIAL COMMUNITY INQUIRIES

The Company welcomes inquiries from members of the financial community seeking information on the Company. These should be directed to Steve Filton, Chief Financial Officer.

DISCLOSURE UNDER 303A.12(a)

In accordance with Section 303A.12(a) of The New York Stock Exchange Listed Company Manual, we submitted our CEO's Certification to the New York Stock Exchange in 2010. Additionally, contained in Exhibits 31.1 and 31.2 of our Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 28, 2011, are our CEO's and CFO's Certifications regarding the quality of our public disclosure under Section 302 of the Sarbanes-Oxley Act of 2002.

Board of Directors

Alan B. Miller[3,4]
Chairman of the Board
Chief Executive Officer

Marc D. Miller[3,4]
President of the Company

Leatrice Ducat[1,2,5]
President and Founder, National Disease Research Interchange since 1980; President and Founder, Human Biological Data Interchange since 1988; Founder, Juvenile Diabetes Foundation, National and International Organization

John H. Herrell[1]
Former Chief Administrative Officer and Member, Board of Trustees, Mayo Foundation; Rochester, MN

Robert H. Hotz[1,2,3,4,5]
Senior Managing Director, Head of Investment Banking, Head of the Board of Directors Advisory Service, Member of the Board of Directors Houlihan Lokey Howard & Zukin, New York, NY; Former Senior Vice Chairman, Investment Banking for the Americas, UBS Warburg, LLC, New York, NY

Anthony Pantaleoni[3,4]
Of Counsel, Fulbright & Jaworski, L.L.P., New York, NY

Rick Santorum[2,5]
Fox News Contributor. Senior fellow at the Ethics and Public Policy Center, Washington, D.C. He served as a United States Senator from Pennsylvania from 1995 to 2007, and a U.S. Representative from 1991 to 1995 representing the 18th Congressional District in Pennsylvania. From 2001 to 2007, he served as Chairman of the Senate Republican Conference, where he directed the communications operations of Senate Republicans and was the third-ranking member of the Republican leadership.

Committees of the Board: [1]Audit Committee, [2]Compensation Committee, [3]Executive Committee, [4]Finance Committee, [5]Nominating/Corporate Governance Committee

Officers and Senior Management

CORPORATE OFFICERS

Alan B. Miller
Chief Executive Officer
and Chairman of the Board

Marc D. Miller
President

Steve G. Filton
Senior Vice President and
Chief Financial Officer

Debra K. Osteen
Senior Vice President

Charles F. Boyle
Vice President and Controller

John Paul Christen
Vice President
Acute Finance

Larry Harrod
Vice President
Behavioral Finance

Matthew D. Klein
Vice President and
General Counsel

Michael S. Nelson
Vice President
Information Services

Cheryl K. Ramagano
Vice President and Treasurer

Richard C. Wright
Vice President
Development

STAFF VICE PRESIDENTS

George Brunner
Vice President and
Deputy General Counsel

James Caponi
Vice President
Chief Compliance and
Privacy Officer

Craig Conti
Vice President
Development

Robert Engelhard
Vice President
Insurance

Timothy Fowler
Vice President
UHT Development

Robert Halinski
Vice President
Reimbursement

Nancy Kurtzman
Vice President
Employee Benefits

Donald Pyskacek
Vice President
Building Solutions, Inc.

William Seed
Vice President
Design and Construction

Robert Zurad
Vice President
Tax

ACUTE CARE DIVISION

Kevin DiLallo
Vice President

Frank Lopez
Vice President

Douglas Matney
Vice President

Karla Perez
Vice President

Barbara Campfield
Vice President and
Corporate CNO

John Cunningham
Vice President
Operations

Charles DeBusk
Vice President
Process and Performance
Improvement

Jennie Dulac
Vice President
Quality Management

Kenneth Griffin
Vice President
Ambulatory Division and
Physician Practice
Administration

Maribeth Jenquine
Vice President
Patient Financial Services

Andrew Littauer
Vice President
Managed Care

Mary Ann Ninnis
Vice President
Advertising

BEHAVIORAL HEALTH DIVISION

Gary M. Gilberti
Senior Vice President

Martin C. Schappell
Senior Vice President

Joe C. Crabtree
Divisional Vice
President

Robert A. Deney
Divisional Vice
President

John Hollinsworth
Divisional Vice
President

Roz Hudson
Divisional Vice
President

Scott Kardenetz
Divisional Vice
President

Sharon Worsham
Divisional Vice
President

Steven Airhart
Regional Vice President

Geoff Botak
Regional Vice President

Matthew W. Crouch
Regional Vice President

Shelley Nowak
Regional Vice President

Craig L. Nuckles
Regional Vice President

John Willingham
Regional Vice President

Darien Applegate
Vice President

Isa Diaz
Vice President
Public Affairs

Carothers H. Evans
Vice President

Randall P. Goldberg
Vice President

Karen E. Johnson
Vice President

Michael R. Lyons
Vice President
Specialty Education

Robert E. Minor
Vice President
Development

Philip J. Moraci
Vice President

Dick Windle
Vice President
Information Services

Universal Health Services, Inc.
Universal Corporate Center
P.O. Box 61558
367 South Gulph Road
King of Prussia, PA 19406
www.uhsinc.com

D. Projected Operating Costs

Pojected Operating and Ccapital Costs per Day Year 2 Target Utilization	
Operating Costs	
Salaries and Benefits	$1,416,156.25
Supplies	$301,331.00
Total	$1,717,487.25
Patient Days	$6,826.00
Operating Costs per Patient Day	**$251.61**

F.Total Effect of the Project on Capital Costs

Depreciation		Years Depreciated	
Building and Improvments	$7,760,878.00	20	$388,043.90
Moveable or Other Equipment	$454,525.00	7	$64,932.14
			$452,976.04

Capital Costs	
Depreciaiton & Amortization	$452,976.04
Patient Days	$6,826.00
Captial Costs per Patient Day	**$66.36**

XI. Safety Net Impact Statement

The Pavilion Foundation Hospital is a provider of safety net services, consistent with the definition recently included in proposed amendments to the health facilities planning act, which includes "services provided by health care providers or organizations that deliver health care services to persons with barriers to mainstream health care due to lack of insurance, inability to pay, special needs, ethnic or cultural characteristics, or geographic." As discussed below and elsewhere in this application, the proposed hospital will provide specialty services to a patient population consisting of a large number of Medicaid recipients. During 2010, 57% of the patients admitted to The Pavilion Foundation Hospital were Medicaid recipients. In addition, three of the other four hospitals located in Planning Area 4 do not provide child and adolescent services and the other one that does treat this population is 55 minutes in travel distance. In Planning Area 4, there are four hospitals that provide adult services. Only one of these is within 55 minutes in travel time from the applicants' site.

PLANNING AREA 4 AMI PROVIDERS
2010 UTILIZATION AND MEDICAID LEVELS

HOSPITAL		Travel Time	Distance in Miles	AMI		Beds	Facility Medicaid (Percent of Admissions)
				Admissions	Patient Days		
Advocate BroMenn Regional Medical Center	Normal	59mins.	51.4	548	2709	19	11.9%
Provena Covenant Medical Center	Urbana	6mins.	2.24	952	4322	30	15.1%
Sara Bush Lincoln Health Center	Mattoon	1 hrs. 21mins	78.3	890	3612	20	19.7%
St. Mary's Hospital	Decatur	55mins.	47.4	1549	10595	56	21.1%
The Pavilion Foundation	**Champaign**			**1530**	**14741**	**47**	**49.5%**

Within its planning area and adjacent planning areas, The Pavilion Foundation is the dominant provider of AMI services as measured by patient days. The Hospital also admits the highest percentage of Medicaid patients of all the AMI providers in the service area. The Pavilion Foundation Hospital expects its role in providing psychiatric services for the Medicaid population in the community, to continue to increase over time.

Universal Health Services facilities are major providers of acute psychiatric inpatient services to the medically indigent and medically underserved in Illinois. The following table indicates the level of Medicaid reimbursement as a percentage of Net Inpatient Revenue for all UHS facilities in Illinois.

UHS OWNED/OPERATED FACILITIES 2010					
		Planning Area	Beds	Adolescent/ Pediatrics	Medicaid Percent Inpatient Admissions 2010
The Pavilion Foundation	Champaign	4	47	Yes	**49.5%**
Lincoln Prairie Behavioral Center	Springfield	3	80		**54.5%**
Riveredge Hospital	Forest Park	6	210		**58.1%**
Streamwood Behavioral Health System	Streamwood	A-07	162		**82.5%**
UHS Hartgrove Hospital	Chicago	A-02	150	Yes	**68.3%**
Garfield Park	Chicago	A-02	Under construction, CON Permit 09-015, Completion Date Aug. 2012		
State of Illinois Average All Hospitals					**20.5%**

Source: IDPH Hospital Profiles 2010.

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

This project will have negligible effect on other area providers due to the type of services provided and patient population served.

THE PAVILION FOUNDATION Safety Net Information per PA 96-0031 CHARITY CARE			
Charity (# of patients)	**2008**	**2009**	**2010**
Inpatient	20	15	12
Outpatient	10	10	12
Total	**30**	**25**	**24**
Charity (cost in dollars)			
Inpatient	50,000	111,744	112,800
Outpatient	10,000	36,204	50.000

THE PAVILION FOUNDATION Safety Net Information per PA 96-0031			
Total	**$60,000**	**$147,948**	**$162,800**
	MEDICAID		
Medicaid (# of patients/% of total)	**2008**	**2009**	**2010**
Inpatient	656/42.1%	636/43.1%	758/49.5
Outpatient	220/30.3%	234/35.9%	144/25.2%
Total	876	870	902
Medicaid (revenue)			
Inpatient	$4,824,933	$6,480,831	$9,470,609
Outpatient	$ 102,880	$ 119,161	$ 398,828
Total	$4,927,813	$6,599,992	$9,869,437
Additional Community Benefits			
Taxes[2]			$194,092
Other			$15,000
Total			**$209,092**

LINCOLN PRAIRIE BEHAVIORAL HEALTH CENTER Safety Net Information per PA 96-0031			
	CHARITY CARE		
Charity (# of patients)	**2008**	**2009**	**2010**
Inpatient	0	0	0
Outpatient	0	0	0
Total	**0**	**0**	**0**
Charity (cost in dollars)	**0**	**0**	**0**
Inpatient	0	0	0
Outpatient	0	0	0
Total	**0**	**0**	**0**
MEDICAID			
Medicaid (# of patients/% of total)	**2008**	**2009**	**2010**
Inpatient	474/74.8%	971/73.1%	995/76.8
Outpatient	191/65.4%	487/57.9%	2,419/54.5
Total	665	1,458	3,414
Medicaid (revenue)			
Inpatient	2,737,646	$19,939,120	11,670,486
Outpatient	11,045	$378,817	138,700
Total	$2,748,691	$20,317,937	$11,809,185
Additional Community Benefits			
Taxes			$161,216
Other			
Total			**$161,216**

2 Includes state and local sales and real estate taxes

RIVEREDGE HOSPITAL Safety Net Information per PA 96-0031			
	CHARITY CARE		
Charity (# of patients)	2008	2009	2010
Inpatient	6	14	1
Outpatient	0	0	0
Total	6	0	0
Charity (cost in dollars)			
Inpatient	$16,281	17,836	5,626
Outpatient	0	0	0
Total	$16,281	$17,836	$5,626
	MEDICAID		
Medicaid (# of patients/% of Total)	2008	2009	2010
Inpatient	1,608/59.1%	1,364/58.4	1,677/58.1%
Outpatient	444/90.2%	655/93.6	6,501/91.1%
Total	2,052	2,019	8,178
Medicaid (revenue)			
Inpatient	2,737,646	$19,939,120	11,670,486
Outpatient	11,045	$378,817	138,700
Total	$2,748,691	$20,317,937	$11,809,185
Additional Community Benefits			
Taxes			$319,000
Other			$75,100
Total			$394,100

STREAMWOOD BEHAVIORAL HEALTH SYSTEM Safety Net Information per PA 96-0031			
	CHARITY CARE		
Charity (# of patients)	2008	2009	2010
Inpatient	0	0	0
Outpatient	0	0	0
Total	0	0	0
Charity (cost in dollars)			
Inpatient	0	216,556	0
Outpatient	0	86,884	0
Total	0	303,440	0
	MEDICAID		
Medicaid (# of patients/% of Total)	2008	2009	2010
Inpatient	1,594/82.9%	1,842/83.1%	2,142/82.5%
Outpatient	858/84.4%	917/85.2%	1,043/85.4%
Total	2,452	2,759	3,185
Medicaid (revenue)			

STREAMWOOD BEHAVIORAL HEALTH SYSTEM Safety Net Information per PA 96-0031			
Inpatient	$26,565,773	28,890,546	30,171,292
Outpatient	$1,565,507	1,627,394	2,440,776
Total	$28,131,280	$30,517,940	$32,612,068
Additional Community Benefits			
Taxes			$1,054,013
Other			$54,739
Total			**$1,108,752**

UHS HARTGROVE HOSPITAL Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	**2008**	**2009**	**2010**
Inpatient	19	16	14
Outpatient	0	0	0
Total	**19**	**16**	**14**
Charity (cost in dollars)			
Inpatient	46,653	55,368	19,021
Outpatient	0	0	0
Total	$46,653	$55,368	$19,021
Medicaid (# of patients/% of Total)			
Inpatient	2,264/67.2%	2,212/65.2%	2,197/68.3%
Outpatient	9,046/84.2%	6,437/98.5%	985/80.0%
Total	11,310	8,649	3,182
Medicaid (revenue)			
Inpatient	30,764,866	31,266,771	$35,757,546
Outpatient	884,051	1,018,364	996,705
Total	$31,648,917	$32,285,135	$36,754,425
Additional Community Benefits			
Taxes			$1,577,834
Other			$4,790
Total			**$1,582,624**

XII. Charity Care Information

The following are the charity care data for the applicants' facilities for 2008 through 2010.

THE PAVILION FOUNDATION HOSPITAL CHARITY CARE			
	2008	2009	2010
Net Patient Revenue	**$9,820,573**	**$11,759,826**	**$12,914,953[3]**
Amount of Charity Care (charges)			
Cost of Charity Care	**$60,000**	**$147,948**	**$162,800**

LINCOLN PRAIRIE BEHAVIORAL HEALTH CHARITY CARE			
	2008	**2009**	**2010**
Net Patient Revenue	**4,892,175**	**$14,943,989**	**$15,074,614**
Amount of Charity Care (charges)			
Cost of Charity Care	**0**	**0**	**$4,438**

RIVEREDGE HOSPITAL CHARITY CARE			
	2008	**2009**	**2010**
Net Patient Revenue	**$32,337,261**	**$28,704,819**	**$32,581,539**
Amount of Charity Care (charges)			
Cost of Charity Care	**$16,281**	**$17,836**	**$5,626**

STREAMWOOD BEHAVIORAL HEALTH SYSTEMS CHARITY CARE			
	2008	**2009**	**2010**
Net Patient Revenue	**$33,945,482**	**$36,813,261**	**$37,826,464**
Amount of Charity Care (charges)			
Cost of Charity Care	**0**	**303,440**	**0**

UHS HARTGROVE CHARITY CARE			
	2008	**2009**	**2010**
Net Patient Revenue	**$38,700,669**	**$40,181,155**	**$43,658,318**
Amount of Charity Care (charges)			
Cost of Charity Care	**$46,653**	**147,948**	**$19,021**

[3] Note that the Net Revenue reported above for The Pavilion is a corrected number from that which was inadvertently reported on the 2010 Annual Questionnaire. A request is being made to the Board to correct the historical report.

community elements
1801 Fox Drive, Champaign, IL 61820
communityelements.org

November 8, 2011

Mr. Joe Sheehy, CEO
The Pavilion Foundation
806 W. Church
Champaign, Illinois 61820

Dear Mr. Sheehy,

We support the expansion of The Pavilions to enhance both adult and youth residential capacity in our community and county. The ability to assist individuals and families with local residential options can mean a smoother transition to wellness and recovery as well as reduce the trauma and fear around placements far from home. Certainly with the recent announcements of closure for several of our State Operated Facilities, we know that there will, in turn, be an increased need to serve more individuals, both adults and children in existing hospitals.

During the past 12 months our crisis services team screened and assisted with the placements of 37 individuals, 30 Adults (15 over 21 years of age) and 7 children (under 18), at the Pavilion Hospital. We have also had numerous situations in which local beds were not available and we had to assist with locating hospitals outside of our County, which meant individuals were moved far away from home and those that support their recovery. I also note that the Pavilion Hospital records indicate that we had approximately 23 referrals which could not be accommodated due to the fact that they reached their maximum bed capacity.

As the resources at the State level erode due to growing financial constraints and legislative decisions, there is a growing need in community for both inpatient and outpatient psychiatric services for all ages and levels of acuity. While difficult to measure, we believe that the referrals for local hospitals could expand if access to additional beds were possible. If the bed capacity were to increase, the number of referrals and admissions would likely also increase.

If you have any questions, or need further information, I can be reached at (217) 398-8080 or sferguson@communityelements.org.

Sincerely,

Sheila Ferguson
Chief Executive Officer

Notarized by: ______________ Signature   11/9/2011 Date

OFFICIAL SEAL
MARGARET J SCHNEIDER
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:05/02/15
(Seal)

CHILD CARE • COUNSELING • SUPPORT FOR FAMILIES
Center for Children's Services
"Because We Care"

November 9, 2011

Joe Sheehy
Chief Executive Officer
The Pavilion Foundation
Champaign, Illinois

Dear Mr. Sheehy:

The Center for Children's Services supports the expansion of The Pavilion to enhance both and adult and youth capacities for psychiatric hospitalization in this community.

As the SASS provider for Vermillion County, The Center for Children's Services performs hundreds of emergency mental health screenings per year for children and youth, to assess need for psychiatric hospitalization. In a typical year, the Center has hospitalized at the Pavilion over 100 child and adolescent patients. Another 50 or so referrals per year have been made to the Pavilion for psychiatric hospitalization that could not be provided because of inadequate capacity. There are times when we have been forced to hospitalize children as far away as the Chicago area because no beds have been available in a closer location. By expanding your capacity, you will increase our ability to hospitalize youth that need it in a location close to home. We would project that in 2013 we would hospitalize approximately 150 youth at the Pavilion if your requested expansion is approved. 2014 projections would be approximately 165 hospitalizations at the Pavilion if the expansion takes place.

We have observed over the past several years a growing need for a full spectrum of intensive mental health service options for an increasingly troubled population of children and youth. We welcome the prospect of additional intensive mental health services near our community.

Sincerely,

Ed Michaels

Ed Michaels, Ph.D.
Executive Director/ Chief Executive Officer

OFFICIAL SEAL
CHRISTINE M BRUNS
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:12/15/14

OFFICIAL SEAL
CHRISTINE M BRUNS
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:12/15/14

Christine Bruns

301 North Cunningham Avenue
Urbana, IL 61802
(217) 367-3728, fax. (217) 367-2896

PO Box 878
Urbana, IL 61803-0378
www.cunninghamhome.org

November 9, 2011

Mr. Joe Sheehy
Chief Executive Officer
The Pavilion Foundation
809 W. Church Street
Champaign, IL 61820

Dear Mr. Sheehy:

I am pleased to offer a letter of support for the expansion of the Pavilion Hospital program. Cunningham Children's Home provides residential and private special education services to over 300 severely, emotionally, and behaviorally disturbed children and young adults annually. Periodically our clients require acute psychiatric care during their treatment with us. Unfortunately, due to the lack of capacity at the Pavilion Hospital, in the past 12 months over 20 of our clients have been diverted to hospitals out of the area, some over three hours away.

Diversions out of our catchment area create a myriad of problems for clients. Families, treatment professionals, and educational staff are much less effective if they have to travel long distances to support our clients. The best care for our children and young adults is a local treatment option which provides the opportunity for greater continuity and quality of care. Based on historical trends, we anticipate 35 to 45 referrals to the Pavilion Hospital per year.

Please do not hesitate to contact me should you have any questions regarding this correspondence or our support for the planned expansion of the Pavilion Hospital programs. I may be reached at mlivingston@cunninghamhome.org or 217.367.3728.

Sincerely,

Marlin Livingston, LCSW
President/CEO

Witnessed and affirmed this 9th day of November, 2011.

Peggy Campo
Peggy Campo, Notary Public

"OFFICIAL SEAL"
PEGGY CAMPO
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 2-28-2014

CUNNINGHAM
Children's Home

Crosspoint
Human Services
Serving Our Community

November 8, 2011

Mr. Joe Sheehy, CEO
The Pavilion Foundation
809 West Church Street
Champaign, Illinois 61820

Dear Mr. Sheehy:

Crosspoint Human Services supports the expansion of the Pavilions to enhance both adult and youth capacities. Crosspoint serves as the behavioral health crisis provider for youth and adults in Champaign and Vermilion Counties. The Pavilion Hospital is an excellent resource for the people we serve because of the nearness to the natural supports of family and community we serve.

Over the past twelve months Crosspoint has referred 216 persons to the Pavilion Hospital, and we have had 58 referrals which could not be accommodated due to bed capacity. Crosspoint has an exceptional working relationship with the Pavilion Hospital, but it is frustrating to have to be turned away because of full beds.

The approximate number of referrals with an expanded Pavilion for 2013 and 2014 could be 598.

Thank you for the opportunity to write in support.

Sincerely,

Thomas Pollock

Thomas Pollock, Executive Director

Subscribed and affirmed to before me this 8th day of November, 2011.

(Seal) "OFFICIAL SEAL"
MICHELLE L. TUTWILER
Notary Public, State of Illinois
My Commission Expires 09/08/2014

Michelle L. Tutwiler
Signature of Notary Public

210 Avenue C • Danville IL 61832-5410
Phone: 217-442-3200 • Fax: 217-442-7460
TTY: 217-442-8471

Sandra C. Leister, PhD
Licensed Clinical Psychologist
701 Devonshire Dr.
Champaign, IL 61820
(217) 352-2672

Joe Sheehy, CEO
The Pavilion Foundation Hospital
809 West Church Street
Champaign, IL 61820

Dear Mr. Sheehy,

- I definitely support the expansion of The Pavilions to increase both and adult and youth capacities – both for mental health and addiction services.
- Over the past 12 months I have referred 9 patients to The Pavilion Hospital, and have had 3 referrals which could not be accommodated due to lack of availability of bed openings. I could potentially refer 11 additional patients in 2013 and 13 in 2014.
- This has created problems both in the safety and placement of my patients as well as my input to the treatment team prior to and access to patients after hospitalization.
- Additionally, it is not appropriate to send my patients to another hospital through an Emergency Room which is not staffed with Mental Health providers.
- There is a growing need for community inpatient psychiatric services both inpatient and outpatient resources as evidenced by the lack of available bed space.
- This is compounded by the tight structure of the insurance plans available in Central Illinois and the tight restriction of the HMO plans many of my patients have as the Pavilion is their preferred provider.

Thank you for your consideration.

Sandra Leister

Sandra C. Leister, PhD
Licensed Clinical Psychologist

OFFICIAL SEAL
CHRISTINE M BRUNS
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:12/15/14

Christine Bruns

Heritage
Behavioral Health
Center, Inc.

A legacy of service, building for the future

November 7, 2011

Joe Sheehy
CEO
Pavilion Foundation

Dear Mr. Sheehy:

Heritage Behavioral Health Center supports the expansion of The Pavilion's beds to enhance both adult and youth capacities. We greatly value the Pavilion as a resource, especially for child and adolescent psychiatric patients involved in the Screening, Assessment and Support Services (SASS) program. During the past year, we have experienced a growing need for both inpatient and outpatient services. When local hospitals are full, we are often forced to place young patients in psychiatric facilities as far away as Chicago or the St. Louis area, causing additional stress to both the patients and their families. During the past 12 months we have referred 17 patients to the Pavilion Hospital. We anticipate approximately 41 referrals during 2013 and 2014 with the expanded Pavilion.

The expansion of the Pavilion would fill a need for psychiatric care and enable patients to stay closer to home and the support of their families. We support the expansion of the Pavilion's beds to enhance both adult and youth capacities.

Yours truly,

Susan Martin MA, LCPC

Susan Martin, MA, LCPC
Division Manager, Outpatient Services.

County of Macon, State of Illinois
7th day of November, 2011
Kimberly K. Hicks
notary

"OFFICIAL SEAL"
KIMBERLY K HICKS
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 12-01-2014

GIVING CHILDREN A CHILDHOOD AND FUTURE

November 9, 2011

Joe Sheehy, CEO
The Pavilion Foundation
809 W. Church Street
Champaign, IL 61820

Dear Mr. Sheehy,

Children's Home Association of Illinois is a proud partner of The Pavilion. We support the expansion of The Pavilion to enhance both adult and youth capacities

Over the past 12 months we have referred 15 patients to The Pavilion Hospital and we had 23 referrals which could not be accommodated due to bed capacity. This definitely presents a problem to our staff trying to place a child or adult, but mostly prevents our clients from receiving the quickest and most appropriate care.

We have noticed over the past several years, an increase in the number of crisis calls we receive. The number of inpatient and outpatient psychiatric referrals has also proportionately increased. Projections indicate that we will make approximately 40 referrals in 2013 and 42 referrals in 2014 to The Pavilion. For the benefit of all involved, I hope the number of referral deflections due to bed capacity will decrease.

Thank you for your attention in this matter and I hope to be witness to the forthcoming expansion of The Pavilion.

Sincerely,

Jennifer J. Chiras, MS

Jennifer Chiras
SASS Clinical Coordinator
Children's Home Association of Illinois

OFFICIAL SEAL
JAN T PAINTNER
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 5/2/2012

Jan T. Paintner

CHILDREN'S HOME
ASSOCIATION OF ILLINOIS

GENERAL INFORMATION
309.685.1047
309.687.7299 FAX
www.chail.org

ACADEMY CAMPUS
401 NE MADISON

BEHAVIORAL HEALTH CENTER
511 NE MADISON

KNOXVILLE CAMPUS
2130 N KNOXVILLE

SCOTT'S PRAIRIE
HANNA CITY, ILLINOIS

YOUTH FARM CAMPUS
722 W PENNSYLVANIA

Southeastern Illinois Counseling Centers, Inc.

504 Micah Drive
P.O. Drawer M
Olney, IL 62450

618-395-4306
or for
Administration
618-395-4309
Fax 618-395-4507

Glenn Jackson
Executive Director

Mr. Joseph Sheehy,
CEO
Pavilion Foundation

November 4, 2011

Mr. Joseph Sheehy,

This letter is intended to express the support of Southeastern Illinois Counseling Center's for the expansion of The Pavilion Foundation to enhance both their adult and youth capacities. Over the past 12 months, we have referred 19 patients to the Pavilion Hospital, and we experienced 3 referrals which could not be accommodated due to lack of bed capacity. The approximated number of referrals with an expanded Pavilion could be as high as 24 for 2013 and possibly 26 for 2014 due to the increased capacity. As an agency, we have never encountered any serious problems with placing any of our clients with Pavilion Hospital, other than a lack of available bed space.

Sincerely,

MSW, LCSW

Rich Swisher, LCSW
Clinical Director

Albion

Fairfield

Flora

Lawrenceville

Mt. Carmel

Newton

Olney

Robinson

"OFFICIAL SEAL"
JAN T PAINTNER
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 5/2/2012

Jan T. Paintner

■ **After Hours**
Crisis Intervention
618-395-5026

one hope

Protecting children.
Strengthening families.

November 2, 2011

The Pavilion Foundation
809 West Church Street
Champaign, IL 61820
Attn: Joseph Sheehy, CEO

Dear Mr. Sheehy,

This letter is to express our support of the expansion of The Pavilion Foundation to increase both adult and youth capacities.

- Over the past 12 months we have referred 29 patients to The Pavilion Hospital. We had 26 referrals which could not be accommodated due to lack of bed space.

- With an increased bed capacity, the approximate number of referrals to The Pavilion could be 61 for 2013 and 67 for 2014.

- Our agency utilizes your facility as our first option for youth with developmental delays because there are few options for placement for this population. We also prefer your facility for our adult referrals. When your facility is at capacity we have few options for placement. Recently because of the youth's age and his development delays, a young man had to be maintained by staff at the residential facility where he resides for approximately 36 hours while we continued to seek placement.

- We are seeing a marked increase in our adult referrals as well as the number of psychiatric referrals overall. We feel that this is due to lack of capacity of outpatient service providers and extended time waiting for intake appointments to become available..

Respectfully submitted

M Joyce Loyd, LMFT

M Joyce Loyd, LMFT

Cynthia L Ellis
Notary Public

OFFICIAL SEAL
CYNTHIA L. ELLIS
Notary Public, State of Illinois
My Commission Expires 04-01-12

11-2-11
Date

111 S. 20th St.
Mt. Vernon, Illinois 62864

t: 618.242.8266 f: 618.242.1150
www.onehopeunited.org

Southern Illinois Regional Social Services

604 East College Street
Carbondale, Illinois 62901
618.457.6703
www.sirss.org

Building Better Lives
SIRSS
Southern Illinois Regional Social Services

November 4, 2011

Joe Sheehy
CEO
The Pavilion Foundation
809 West Church Street
Champaign, IL 61820

Dear Mr. Sheehy,

I am pleased to recommend and support the expansion of the Pavilion Hospital to better serve individuals in need of mental health services. After evaluating data from our referrals for the past 12 months to the Pavilion Hospital, we found the following information relevant and believe that it will aid in supporting the expansion of the Pavilion Hospital:

- 63 patients were referred and accepted as patients at the Pavilion Hospital.
- 41 patients were referred and deflected from hospitalization due to non-capacity.

If an expansion of the Pavilion Hospital were to occur, the approximate number of referrals would increase from 63 to 114 for 2013 and 124 for 2014 due to increased capacity.

The patients referred from our agency were homicidal or suicidal. The latest data on suicide in the US from the CDC reports that 3.7% of adults seriously think about suicide, 1% of adults reported making suicide plans, .5% of adults reported attempting suicide, and for individual's age 10-24 suicide is the 4th leading cause of death. With the expansion of the Pavilion these numbers could be reduced and patients could live better and more fulfilled lives in the community.

In addition to the aforementioned statistics regarding suicidal thoughts and behaviors the recent changes to the State of Illinois budget, the expected closure of several state mental health hospitals, and the transition from long-term care facilities to acute care beds clearly show the need for additional private mental health services.

With the expansion of the Pavilion Hospital it is possible to provide, design, and implement services that will help patients build better lives.

Sincerely,

Verletta A [signature]

Verletta Saxon, PhD, LCPC, CRC
Crisis Manager

"OFFICIAL SEAL"
JAN T PAINTNER
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 5/2/2012
Jan T. Paintner

Ca holic

DIOCESE OF PEORIA

PROVIDING HELP. CREATING HOPE.

November 2, 2011

Mr. Joe Sheehy, CEO
The Pavilion Foundation
809 West Church Street
Champaign, IL 61820

Dear Mr. Sheehy:

We support the expansion of The Pavilion's beds to enhance both adult and youth capacities. Over the last 12 months, we have referred 60 patients to The Pavilion Hospital. Over those same 12 months on many occasions our clients have been turned away from beds at the Pavilion due to having no available beds or not enough room to fit the certain criteria for the unit. With the decline in the economy and more families utilizing Medicaid services in McLean County, the SASS team has seen an overall increase in the need for crisis intervention service which includes inpatient hospitalization. The need for child psychiatry has also increased greatly over the past 6 months which has been a service often given with the help of inpatient and outpatient services at the Pavilion. The way that the number of screenings have been going and the amount of families in need of services both inpatient and outpatient the SASS team can see using the Pavilion more than the current year with about 80-90 children using the inpatient unit at the Pavilion and more probably unitizing the outpatient resources that are available also.

Sincerely,

Brett Siegel MSW LSW

Brett Siegel, MSW, LSW
Lead SASS Therapist

"OFFICIAL SEAL"
JAN T PAINTNER
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 5/2/2012

Jan T. Paintner

BS:lac

BLOOMINGTON OFFICE
502 South Morris Avenue
Bloomington, Illinois 61701
Phone 309.820.7616
Fax 309.820.7657

ADMINISTRATION OFFICE
2900 West Heading Avenue
West Peoria, Illinois 61604
Phone 309.636.8000
www.ccdop.org

OFFICES
Bloomington · Champaign
Danville · Galesburg · LaSalle
Lincoln · Macomb · Peoria
Rock Island

Albert Lo, M.D. Cindy Sundeen, APN
208 East Springfield Avenue, Suite A
Champaign, Illinois 61820
Office: 217-355-0926, Fax: 217-355-1801

November 2, 2011

Joseph Sheehy, CEO
Pavilion Foundation
809 W. Church Street
Champaign, IL 61820

Dear Mr. Sheehy,

I support the expansion of The Pavilion beds to enhance both adult and youth capabilities.

I am a licensed physician in Illinois and am Board Certified in Psychiatry. Over the last twelve months, I have referred twenty patients for admission to The Pavilion.

Subsequent to the completion of The Pavilion's expanded capabilities I will continue to refer patients to that facility. During 2013, I would anticipate referring for admission approximately twenty two patients and in 2014, twenty four patients.

Sincerely,

Albert Lo, M.D.

Notary Public ______________ Date 11-3-11

OFFICIAL SEAL
HEATHER WITMER
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:05/19/13

902 West Main Street
West Frankfort, IL 62896
Phone (618) 937-6483
TDD (618) 937-4709
Fax (618) 937-1440

P O Box 365
1307 West Main Street
Marion, IL 62959
Phone (618) 997-5336
TDD (618) 993-8629
Fax (618) 993-2969

3111 Williamson County Parkway
Marion, IL 62959
Phone (618) 997-3647
Fax: (618) 969-9437

Building Better Tomorrows . Today
www.buildingbettertomorrows.org

11/2/11
Mr. Joseph Sheehy
The Pavilion Foundation
809 W. Church Street
Champaign< IL. 61820

Dear Mr. Joseph Sheehy,

I am writing this letter to support the proposed expansion of beds at the Pavilion Foundation to enhance both the adult and youth units. There are often times due to shortage of beds in the Southern region that requires the crisis staff to make referrals to the Pavilion Foundation.

Over the past 12 months we have referred 41 patients and there have been 30 referral that could not be considered for admission due to lack of bed space. This potential expansion would allow for an additional 78-85 referrals in the next two years. There are limited resources for inpatient admission for both youth and adults. This proposed expansion would reduce or somewhat alleviate the lack of available psychiatric beds. In the future, there will be a growing need for acute psychiatric beds due to the increasing severity of consumer behavior health issues.

Harold Jones

Harold Jones

Manager of Emergency Services Department
The H Group

Signed before me this day, November 2, 2011, in West Frankfort, Il

Bonita A Sprague

"OFFICIAL SEAL"
Bonita A. Sprague
Notary Public, State of Illinois
My Commission Expires 05/03/2014

KEVIN ELLIOTT
COUNSELING

44 East Main Street
Suite 406
Champaign, Illinois 61820
Phone: 217-398-9066
Fax: 217-398-9077
Kevin@KevinElliottCounseling.com
www. KevinElliottCounseling.com

November 4, 2011

Joe Sheehy, CEO
The Pavilion Foundation
809 W. Church St.
Champaign, IL 61820

Dear Mr. Sheehy:

We at Kevin Elliott Counseling support the expansion of The Pavilion to enhance both and adult and youth capacities. Over the past 12 months, we have referred 4 patients to The Pavilion. All of these were able to be admitted, but over the past 10 years that my business has been in practice, there have been occasions in which The Pavilion was filled to capacity and a referral could not be admitted. There is a pressing need in the community for both inpatient and outpatient psychiatric services. With the growth of my own business, and an expanded Pavilion, I would expect that referrals to The Pavilion in 2013 and 2014 will be along the lines of 6 to 10 per year.

Thank you for the ongoing services that The Pavilion provides to our community.

Sincerely,

Kevin Elliott

Kevin Elliott, LCPC

"OFFICIAL SEAL"
JAN T PAINTNER
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 5/2/2012

Jan T. Paintner

The Rock Counseling Group

Mr. Joe Sheehy
CEO
The Pavilion Foundation

Dear Mr. Sheehy,

We at the Rock Counseling Group want to acknowledge our support and encouragement in the expansion of The Pavilion Hospital to enhance both the adult and youth bed capacities. Over the past 12 months we have referred 6 patients in need of treatment services and as a growing practice this need will continue to increase. As our staff have been mental health providers in the Champaign-Urbana, Illinois community for over 10 years, we have experienced the importance of having access to services at The Pavilion Hospital. The additional bed capacity will provide individuals and families with increased availability to treatment without having to leave their community and support networks. The Rock Counseling Group staff has collectively seen an increase for mental health services in an inpatient setting over the past 5 years and have been frustrated with the limited availability of these services. This need will only continue to grow and we support the movement to provide additional beds to accommodate this. The Rock Counseling Group increase in referrals following this expansion could grow by over 50%.

R.J. McNicholl, LCSW
Senior Therapist
The Rock Counseling Group

Staci McNicholl, LCSW
Senior Therapist
The Rock Counseling Group

Michelle Buxton, LCSW
Therapist
The Rock Counseling Group

OFFICIAL SEAL
CHRISTINE M BRUNS
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:12/15/14

Christine M. Bruns

1105 Brighton Drive
Urbana, IL 61801

Phone: 217-722-9079 Fax: 217-501-4322

November 14, 2011

Joe Sheehy

CEO

The Pavilion Foundation

Dear Mr. Sheehy,

I support the expansion of The Pavilions Foundation to enhance both and adult and youth capacities. Over the past 12 months we have referred 125 patients to The Pavilion Hospital, and we had 50 referrals which could not be accommodated due to bed capacity. The approximate number of referrals, with an expanded Pavilion, could be 168 for 2013 and 186 for 2014 due to increased be capacity. Due to the potential closings of SOFs in Illinois feel that this expansion would benefit the residents of Illinois in need of psychiatric hospitalization.

Respectfully Submitted

Joseph D King
Crisis and SASS supervisor of LifeLinks

"OFFICIAL SEAL"
JAN T PAINTNER
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 5/2/2012

Jan T. Paint

Community Resource Center

CRC

101 South Locust • Centralia, IL 62801 • (618) 533-1291

Prevention Education & Training • (618) 533-2030

FAX (618) 533-0012 • TTY/TDD (618) 533-0020

Monday, November 14, 2011

Joe Sheehy
CEO
The Pavilion Foundation

Dear Mr. Sheehy,

We support the expansion of The Pavilions Foundation to enhance both and adult and youth capacities. Over the past 12 months we have referred 72 patients to The Pavilion Hospital, and we had 38 referrals, which could not be accommodated due to bed capacity. The approximate number of referrals, with an expanded Pavilion, could be 121 for 2013 and 132 for 2014 due to increased be capacity.

There is a growing need in our community for inpatient psychiatric services and outpatient. An expansion would greatly help in meeting our community's needs.

Sincerely,

Mikaella Walker MA LCPC

Mikaella Walker, MA., LCPC
Mental Health Therapist
SASS Coordinator

"OFFICIAL SEAL"
JAN T PAINTNER
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 5/2/2012

Jan T. Paintner

Salem: 315 Westgate, Salem, IL 62881, 618-548-2181
Carlyle: 580 Eighth Street, Carlyle, IL 62231, 618-594-4581
Vandalia: 421 West Main, Vandalia, IL 62471, 618-283-4229

November 14, 2011

Joe Sheehy, CEO
The Pavilion
809 West Church Street
Champaign, IL 61820

Dear Mr. Sheehy,

I support the expansion of The Pavilion beds to enhance both adult and youth capabilities.

I am a licensed physician in Illinois and am Board Certified in Psychiatry. Over the last twelve months, I have referred 32 patients for admission to The Pavilion.

Subsequent to the completion of The Pavilion's expanded capabilities I will continue to refer patients to The Pavilion. During 2013, I would anticipate referring for admission approximately 42 patients and in 2014 could refer 47 patients (the number of admits plus no beds and 10% for growth).

Sincerely,

Martin Repetto, MD
Medical Director, The Pavilion

Notary Public Jan T. Paintner

Date 11/14/2011

"OFFICIAL SEAL"
JAN T PAINTNER
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 5/2/2012

INSTITUTE FOR HUMAN RESOURCES

PO Box 768 • 310 E. Torrance Ave. • Pontiac, IL 61764 • (815) 844-6109 • FAX (815) 844-3561

IHR
TOGETHER
WE CAN DO IT

November 3, 2011

The Pavilion Foundation
Joe Sheehy
CEO
809 W. Church St.
Champaign, Il 61820

Dear Mr. Sheehy,

I am writing a letter on behalf of the Institute for Human Resources supporting the expansion of The Pavilions to enhance both adult and youth capacities. Over the past 12 months we have referred 28 patients to The Pavilion Hospital, and we had 15 referrals which could not be accommodated due to bed capacity. I have personally worked with the staff at The Pavilion for the past 6 years and have always had a good experience when working with them. In our community we have seen problems when trying to place mentally ill clients that are in need of immediate care due to a shortage of beds. Instead of finding proper placements in a psychiatric hospital, they need to be placed in our community hospital in the Intensive Care Unit until a bed becomes available. The approximate number of referrals with an expanded Pavilion for 2013 could be 43 and for 2014 would be 47.

Sincerely,

Janet M Michalski, BA MHP

Janet M. Michalski, BA, MHP
Crisis Counselor
310 E. Torrance, Pontiac, Il 61764
815-844-6109
michalski@ihrpontiac.com

"OFFICIAL SEAL"
JAN T PAINTNER
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 5/2/2012

Jan T. Paintner

Energy and persistence conquer all things

November 2, 2011

Mr. Joe Sheehy:

Please, let this letter serve as documentation of my complete support of The Pavilion's plan to expand the adult and youth psychiatric inpatient units. Over the past twelve months, my business has referred fourteen patients to The Pavilion. Unfortunately, two of these patients required inpatient admissions and your hospital was unable to accommodate them due to capacity issues. These patients has to arrange admissions at hospitals outside of our community which caused complications in many areas—insurance issues, transportation, inability for family involvement and lack of continuity of care to name a few.

My business has experienced rapid growth due to the growing need in the community for mental health care. I have seen about double the amount of patients come into my practice in comparison to the previous year. It would be reasonable to anticipate that the number of patients referred to your facility from my practice could increase to 25 referrals in 2013 and 30 in 2014. There has been much discussion between my colleagues in the community regarding the lack of access to mental health care, and I expect the expansion of your facility to be helpful.

Sincerely,

Keri Powell

Keri Powell, MSW, LCSW

Keri Powell Therapy
701 Devonshire Dr., Ste B15
Champaign, IL 61820
217-352-0200

"OFFICIAL SEAL"
JAN T PAINTNER
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 5/2/2012

Jan T. Paintner

MENTAL HEALTH CENTERS
OF CENTRAL ILLINOIS
A Memorial Health System Affiliate

710 North Eighth Street, Springfield, Illinois 62702
Phone (217) 525-1064 • Fax (217) 525-9047
TTY (217) 588-7805 • MHCCI.org

November 3, 2011

To: Mr. Joe Sheehy, CEO
The Pavilion Foundation

Re: *Support for Expansion*

Dear Mr. Sheehy:

I support the expansion of The Pavilion to enhance both the adult and youth capacities. I manage a Psychiatric Response Team that screens patients in our local emergency departments. We often experience hospitals being at capacity when it comes to finding placement for both adults and children requiring inpatient psychiatric care.

Over the past 12 months my team has referred 40 patients to The Pavilion Hospital, and we had 25 referrals which could not be accommodated due to bed capacity. These patients were either placed at another hospital or held in our community emergency departments. In calculating a ten percent growth rate, the approximate number of referrals with an expanded Pavilion for 2013 could reach 65 patients and referrals for 2014 could reach 71 patients. Our need for inpatient beds is rising particularly with the uncertain future of the State mental health facility's (Andrew McFarland Mental Health Center) ability to keep civil beds available for our community.

Please consider opening more beds for inpatient psychiatric care for both adults and children. They will be well utilized!

Sincerely,
Monica Farquhar, MS, LCPC
Monica Farquhar, MS, LCPC
Clinical Manager, Access/ Psychiatric Response Team/ Adult Outpatient Programs

"OFFICIAL SEAL"
JAN T PAINTNER
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 5/2/2012
Jan T. Paintner

HEARTLAND
Human Services

Mr. Joe Sheehy, CEO

The Pavilion Foundation

Dear Mr. Sheehy,

November 7, 2011

The management and staff at Heartland Human Services in Effingham strongly support the expansion of The Pavilions Foundation to enhance both adult and youth capacities.

Over the past 12 months, we have referred 9 patients to The Pavilion and of those 9, 6 had been rejected because of bed capacity issues.

With the closing of various state hospitals and the conversion of civil beds to forensic beds, we strongly anticipate and increase in the number of referrals to The Pavilion for 2012 and beyond. I think it would be safe to say that our referrals may very well double.

As an outpatient facility, we do our very best to make sure hospitalization is absolutely necessary before we enter into this process, but we are finding it increasingly difficult to find bed space in our part of the state.

Thank you for your consideration in this matter and we all pray for better mental health for all of those in our state.

Sincerely,

Kurt T. Simon, M. Div, CADC

Outpatient Director

Heartland Human Services

"OFFICIAL SEAL"
PAINTNER
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 5/2/2012

Janet T. Paintner

PO Box 1047, Effingham, IL 62401

VERMILION COUNTY
MENTAL HEALTH 708 BOARD

101 West North Street Danville, Illinois 61832 (217) 443-3500

November 13, 2011

Mr. Sheehy
The Pavilion Foundation
809 West Church Street
Champaign, IL. 61820

Dear Mr. Sheehy:

The Vermilion County Mental Health 708 Board is in support of The Pavilion Foundation's efforts to increase their bed capacity. We have been in a collaborative partnership with The Pavilion Foundation for many years and know that this is a much needed service to be provided to the community. We have referred approximately 7 patients over the last year and additionally had 3 patients that were not admitted due to bed capacity. We could foresee referring 13 patients in 2013 and 15 in 2014.

We have known for several years that bed capacity at the Pavilion is limited and many times our children have to travel to Chicago or Indiana for hospitalization. This puts a tremendous burden on parents and makes family involvement in treatment next to impossible.

We applaud the Pavilion for taking this step to better local services and will be happy to help out however we can with this application.

Sincerely,
DeeAnn Ryan
Dee Ann Ryan, Executive Director
Vermilion County Mental Health 708 Board

OFFICIAL SEAL
CHRISTINE M BRUNS
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:12/15/14

Christine M Bruns

1000 Palm Avenue
Mattoon, Illinois 61938
Phone: 217.234.7403
Fax: 217.258.6642

Palm Terrace
OF MATTOON

"Caring with a Hometown Touch"

Joe Sheehy

CEO

The Pavilion Foundation

Dear Mr. Sheehy,

- We support the expansion of The Pavilions Foundation to enhance both and adult and youth capacities.
- Over the past 12 months we have referred 6 patients to The Pavilion Hospital, and we had 3 referrals which could not be accommodated due to bed capacity.
- The approximate number of referrals, with an expanded Pavilion, could be 11 for 2013 and 12 for 2014 due to increased be capacity.
- When the Pavilion is full we have no place for our Mentally Ill residents under the age of 60 to receive inpatient treatment. We feel is a dis-service to our residents when we have to delay their treatment due to the limited bed availability.
- Our referrals for individuals that our Mentally Ill has increased by 30 percent over the past year. We feel that this increase is due to reduced/cut budgets and community programs/services being cut. Over the past few years our community awareness on how to identify and treat individuals that suffering from a mental illness has improved but the services provided to them have decreased. If inpatient services/bed availability were to increase then we could get our individuals the treatment they need in a timely fashion.

Sincerely,

Glenna K. Birch

Glenna K. Birch, LNHA

"OFFICIAL SEAL"
JAN T PAINTNER
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 5/2/2012

Jan T. Paintner

NORTH CENTRAL
BEHAVIORAL HEALTH SYSTEMS

Administrative Offices
2960 Chartres Street
LaSalle, IL 61301 • 815-224-1610
FAX 815-223-1634
Web site: www.ncbhs.org

November 15, 2011

Mr. Joe Sheehy
Chief Executive Officer
The Pavilion Foundation
800 W. Church Street
Champaign, IL 61820

Dear Mr. Sheehy:

This letter shall serve as a letter of support for the expansion of The Pavilions to enhance both adult and youth capacities. As you know, inpatient services are most times very difficult to access across our state and the situation has reached a crisis level in many areas. The following data support the need for additional beds at your facility:

- In the last year, we have admitted 9 clients. We were unable to admit an additional 7 clients due to bed limitations.
- In 2013 we estimate that we will refer 17 clients for admission/services
- In 2014 we project that we would admit 18 clients.
- In future years, we estimate that we will refer even more clients if additional beds/services are available.

As a community provider, we continue to have difficulty in finding inpatient beds, so we welcome the availability of additional beds/services to serve as ever-growing need.

Please contact me if I can be of further assistance.

Sincerely,

Don Miskowiec
Chief Executive Officer

State of Illinois
County of LaSalle

Notarized this 15th day of November, 2011
Notary Public: Laurie Eltrevoog

OFFICIAL SEAL
LAURIE ELTREVOOG
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES [illegible]

[illegible] Ottawa, IL 61350 815-434-[illegible] FAX: 815-434-[illegible]

2960 Chartres Street, LaSalle, IL 61301, 815-224-1610, FAX: 815-224-[illegible]

17 North Point Drive, Streator, IL 61364, 815-673-3388, FAX: 815-673-[illegible]

Perry Plaza, Suite F, 526 S. Bureau Valley Parkway, Princeton, IL 61356, 815-875-[illegible], FAX: 815-875-[illegible]

239 Martin Avenue, Canton, IL 61520, 309-647-[illegible], FAX: 309-647-[illegible]

301 East Jefferson, Macomb, IL 61455, 309-833-[illegible], FAX: 309-836-[illegible]

St.Mary'sGoodSamaritan
Incorporated

Cosponsored by Felician Services, Inc.
and SSM Health Care

November 18, 2011

Mr. Joe Sheehy
CEO, The Pavilion Foundation

Dr. Mr. Sheehy,

As Director of Social Services at St. Mary's Hospital in Centralia and Good Samaritan Regional Health Center in Mt. Vernon, I support the expansion of The Pavilions Foundation to enhance both and adult and youth capacities. Over the past 12 months we have referred 7 patients to The Pavilion Hospital, and we had 3 referrals which could not be accommodated due to bed capacity. The approximate number of referrals, with an expanded Pavilion, could be 13 for 2013 and 15 for 2014 due to increased be capacity.

Inpatient psychiatric bed capacity has been shrinking in Southern Illinois. This has caused an increase in patients waiting hours and even days in the Emergency Department and the inpatient medical unit for transfer to the appropriate level of care. We are increasing looking for services outside our immediate geographic area due to this shortage. Service expansion of The Pavilions Foundation would be an excellent resource for our organization.

Please contact me at 618-436-8691 if you have any questions. Thank you.

Sincerely,

Keith Suedmeyer, MSW, MPH
Director, Social Services
St. Mary's Good Samaritan, Inc.

"OFFICIAL SEAL"
JAN T PAINTNER
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 5/2/2012

400 North Pleasant
Centralia, IL 62801
618.436.8000

www.smgsi.com

FCC

FAMILY COUNSELING CENTER, INC.

ADMINISTRATIVE OFFICES:

125 N. MARKET STREET
P.O. BOX 759
GOLCONDA, IL 62938
618-683-2461
618-683-2066 (fax)
fccgolconda@hotmail.com

OUTPATIENT SERVICES:

JOHNSON COUNTY
408 E. VINE STREET
VIENNA, IL 62995
618-658-2611 TTD
618-658-2501 (fax)
618-658-2759 (fax)
fccvienna1@hotmail.com

HARDIN COUNTY
212 MAIN STREET
ELIZABETHTOWN, IL 62931
618-287-7010
618-287-7016 (fax)

DEVELOPMENTAL SERVICES:

JOHNSON COUNTY
DEVELOPMENTAL TRAINING
618-658-JCDT (5238)
618-658-5240 (fax)

HARDIN COUNTY
DEVELOPMENTAL TRAINING
618-285-3361
618-285-3362 (fax)

POPE COUNTY WORKSHOP
618-683-2461
618-683-2066 (fax)

RESIDENTIAL SERVICES:

CACHE RIVER HOUSE
618-634-9269

OHIO RIVER HOUSE
618-683-3434

HILLTOP HOUSE
618-285-6952

HERITAGE HOUSE
618-658-4047

November 14, 2011

Joseph Sheehy, CEO
The Pavilion Foundation
809 West Church Street
Champaign, IL 61820

Letter of Support for Expansion of Acute Care Psychiatric Beds

Dear Mr. Sheehy:

We support the expansion of The Pavilions Foundation to enhance both and adult and youth capacities.

Over the past 12 months, we have referred 6 patients to The Pavilion Hospital, and we had 3 referrals which could not be accommodated due to bed capacity. The approximate number of referrals, with an expanded Pavilion, could be 11 for 2013 and 13 for 2014 due to increased be capacity.

There is a need in community inpatient psychiatric services both inpatient and outpatient. He has seen an increase in the number of referrals to our SASS program in recent years.

If you should have any questions, please contact me at 618-658-2611.

Sincerely,

Sherrie Crabb MS QMHP

Sherrie Crabb, MS QMHP
Behavioral Health Assistant Director

Subscribed and sworn to before me.
this 14th day of November 2011.

Rosemary Rouse

OFFICIAL SEAL
ROSEMARY ROUSE
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:05/14/12

Egyptian Public & Mental Health Department

Serving
Gallatin* Saline* White Counties
www.egyptian.org

ACCREDITED

Home Care

Across Illinois

Angie Hampton, MS, LCPC, LSW
Chief Executive Officer

November 21, 2011

Toni Anderson

Youth Program Manger

Egyptian Public and Mental Health Department

Dear Mr. Shechy,

We support the expansion of The Pavilions Foundation to enhance both adult and youth capacities. Over the past 12 months we have referred 8 patients to The Pavilion Hospital, and we had 4 referrals which could not be accommodated due to bed capacity. The approximate number of referrals, with an expanded Pavilion, could be 12 for 2013 and 14 for 2014 due to increased need for capacity.
We live in a rural community with very little resources available for psychiatric services.
There continues to be a growing need for psychiatric services in our area and Pavilion has been able to help us fulfill this need.

Toni Anderson MS, QMHP

Toni Anderson, MS, QMHP

"OFFICIAL SEAL"
TAMMY KARNES
Notary Public, State of Illinois
My Commission Expires: 8/30/2014

Tammy Karnes

1412 US 45 North
Eldorado, IL 62930
Phone: (618) 273-3326
FAX: (618) 273-2808
TTY: (618) 273-9403
(Send All Mail To Eldorado Office)

1705 College Avenue
Carmi, IL 62821
Phone: (618) 382-7311
FAX: (618) 382-7552

112 E. Main Street, P.O. Box 181
Ridgway, IL 62979-0181
Phone: (618) 272-4691
FAX: (618) 272-5751

CARLE PHYSICIAN GROUP
1813 W. Kirby Avenue | Champaign, IL 61821

Carle

November 14, 2011

Joe Sheehy, CEO
The Pavilion
809 West Church Street
Champaign, IL 61820

Dear Mr. Sheehy,

We support the expansion of The Pavilion beds to enhance both adult and youth capabilities.

We are licensed physicians in Illinois and are Board Certified in Psychiatry. Over the last twelve months, we have referred 42 patients for admission to The Pavilion; however, we could have referred an additional 15 patients but due to lack of capabilities these patients could not be referred.

Subsequent to the completion of The Pavilion's expanded capabilities we will continue to refer patients to The Pavilion. During the next two years we anticipate referring 125 patients (the number of admits plus no beds and 10% for growth).

Sincerely,

Charles Hawley, MD

John Beck, MD

Sherrie Levy, MD

Gerald Welch, MD

"OFFICIAL SEAL"
JAN T PAINTNER
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 5/2/2012

Jan T Paintner
Notary Public

11/14/2011
Date

mapquest

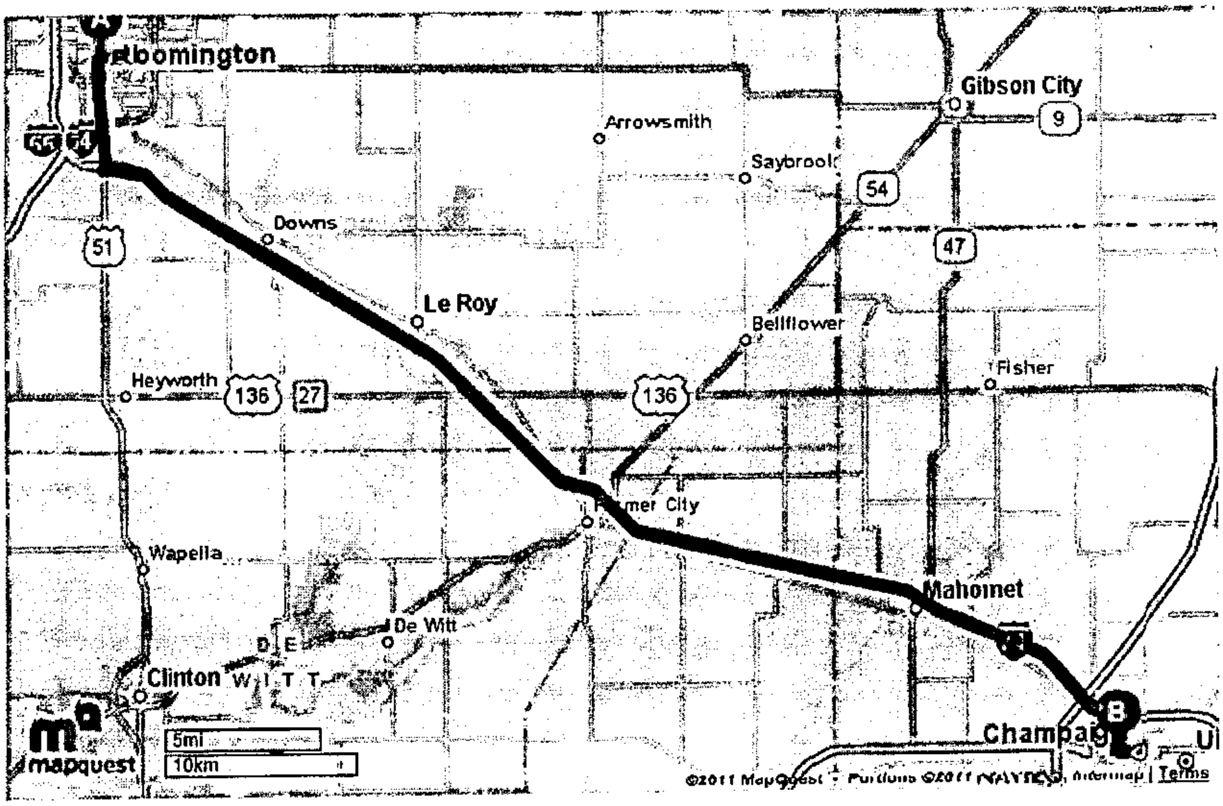
Notes
To Bromenn Hospital, Bloomington

Trip to:
Pavilion
809 W Church St
Champaign, IL 61820
(217) 373-1700
51.40 miles
59 minutes

	Miles Per Section	Miles Driven
Bromenn Healthcare 1322 S Main St # A, Normal, IL 61761 (309) 268-5930		
1. Start out going **north** on **S Main St / US-51-BR N** toward **W Virginia Ave.**	**Go 0.03 Mi**	0.03 mi
2. Take the 1st **left** onto **W Virginia Ave.** *Harper Oil Co is on the left* *If you reach Harris St you've gone a little too far*	**Go 0.05 Mi**	0.08 mi
3. Take the 1st **left** onto **US-51-BR S / S Center St.** Continue to follow **US-51-BR S.** *If you are on S Madison St and reach Apple St you've gone about 0.1 miles too far*	**Go 4.3 Mi**	4.4 mi
4. Merge onto **I-74 E.**	**Go 45.1 Mi**	49.5 mi
5. Take the **Prospect Avenue** exit, **EXIT 181.**	**Go 0.3 Mi**	49.8 mi
6. Turn **right** onto **N Prospect Ave.** *If you reach I-74 E you've gone about 0.2 miles too far*	**Go 1.2 Mi**	51.0 mi
7. Turn **left** onto **W Park Ave.** *W Park Ave is just past W Church St* *If you reach W University Ave you've gone a little too far*	**Go 0.2 Mi**	51.2 mi
8. Take the 1st **left** onto **N New St.** *If you reach N Lynn St you've gone about 0.1 miles too far*	**Go 0.07 Mi**	51.2 mi
9. Turn **left** onto **W Church St.**	**Go 0.2 Mi**	51.4 mi
10. **809 W CHURCH ST** is on the **left.** *If you reach N Prospect Ave you've gone a little too far*		51.4 mi
Pavilion	**51.4 mi**	**51.4 mi**

B 809 W Church St, Champaign, IL 61820
(217) 373-1700

Total Travel Estimate: **51.40 miles - about 59 minutes**



mapquest

Notes

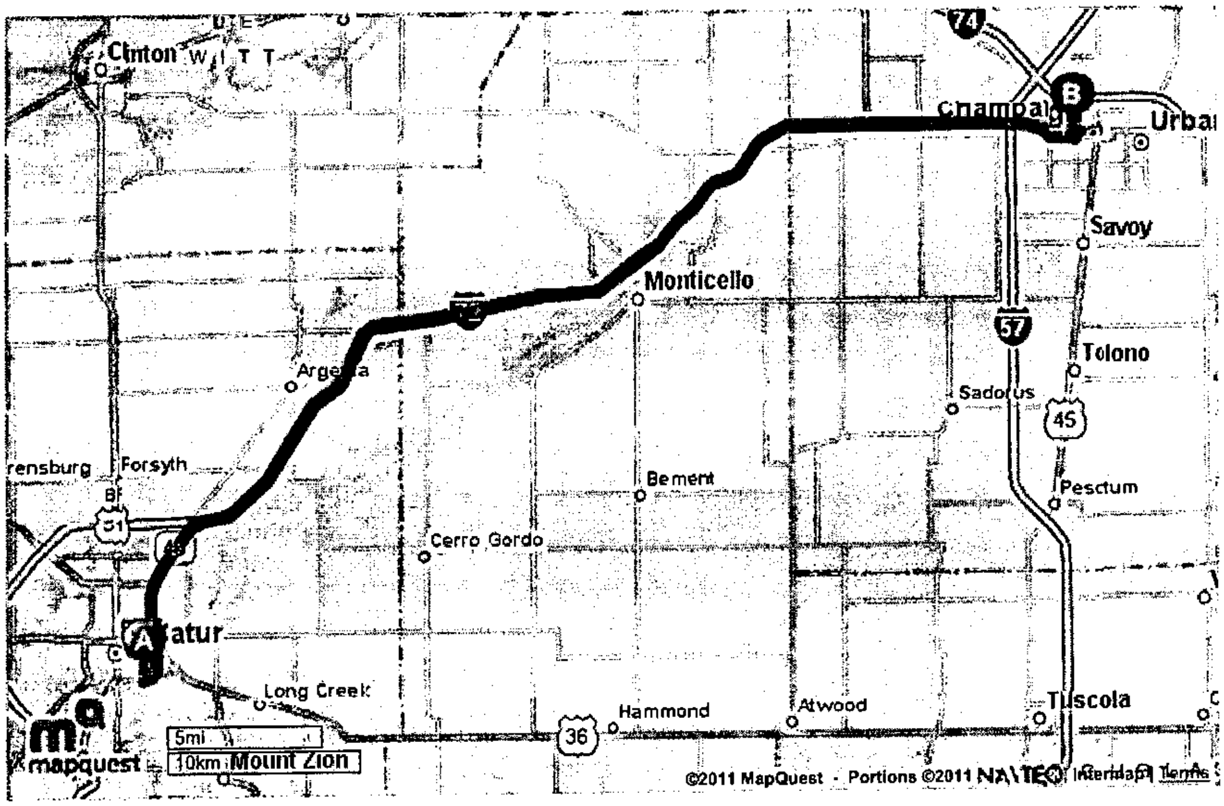
From St. Mary's Hospital, Decatur

Trip to:
Pavilion
809 W Church St
Champaign, IL 61820
(217) 373-1700
47.46 miles
55 minutes

		Miles Per Section	Miles Driven
A	**St Mary's Hospital** 1800 E Lake Shore Dr, Decatur, IL 62521 (217) 464-2966		
	1. Start out going **north** on **E Lake Shore Dr / IL-105** toward **E Lakeview Ave.** Continue to follow **IL-105.**	**Go 1.6 Mi**	1.6 mi
NORTH 121	2. **IL-105** becomes **IL-121 N.**	**Go 2.0 Mi**	3.6 mi
	3. Stay **straight** to go onto **N 22nd St.**	**Go 0.9 Mi**	4.5 mi
NORTH 48	4. **N 22nd St** becomes **IL-48 N.**	**Go 1.9 Mi**	6.4 mi
EAST 72	5. Merge onto **I-72 E** toward **Champaign.** *If you reach Cundiff Rd you've gone about 0.5 miles too far*	**Go 38.8 Mi**	45.2 mi
	6. **I-72 E** becomes **W University Ave.**	**Go 0.3 Mi**	45.5 mi
	7. Turn **right** onto **S Mattis Ave.** *Schnucks Champaign is on the corner* *If you reach N Victor St you've gone about 0.1 miles too far*	**Go 0.3 Mi**	45.7 mi
10	8. Turn **left** onto **W Springfield Ave / IL-10.** *W Springfield Ave is just past W Union St* *Village Inn Pizza Parlor is on the corner* *If you reach W Healey St you've gone a little too far*	**Go 1.0 Mi**	46.7 mi
150	9. Turn **left** onto **S Prospect Ave / US-150.** *S Prospect Ave is just past S Highland Ave* *If you reach S Van Doren St you've gone a little too far*	**Go 0.3 Mi**	47.0 mi
	10. Turn **right** onto **W Park Ave.** *W Park Ave is just past W University Ave* *If you reach W Church St you've gone a little too far*	**Go 0.2 Mi**	47.2 mi

11. Take the **1st left** onto **N New St.** *If you reach N Lynn St you've gone about 0.1 miles too far*	**Go 0.07 Mi**	47.3 mi
12. Turn **left** onto **W Church St.**	**Go 0.2 Mi**	47.5 mi
13. **809 W CHURCH ST** is on the **left.** *If you reach N Prospect Ave you've gone a little too far*		47.5 mi
Pavilion 809 W Church St, Champaign, IL 61820 (217) 373-1700	**47.5 mi**	**47.5 mi**

Total Travel Estimate: **47.46 miles - about 55 minutes**



mapquest

Notes

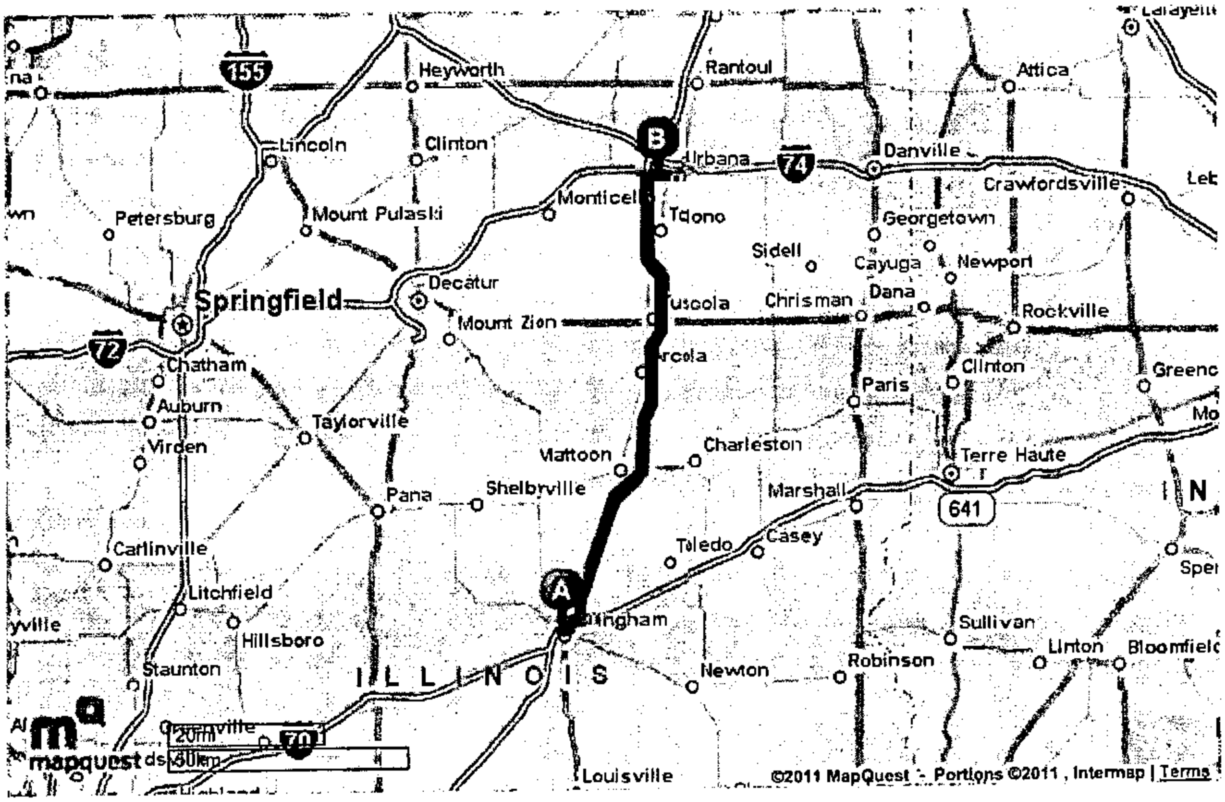
To Sarah Bush Lincoln, Effingham

Trip to:
Pavilion
809 W Church St
Champaign, IL 61820
(217) 373-1700
78.29 miles
1 hour 21 minutes

	Miles Per Section	Miles Driven
Sarah Bush Lincoln Health Center David Mc Cullough 905 N Maple St # 1, Effingham, IL 62401 (217) 347-7077		
1. Start out going **south** on **N Maple St** toward **W Illinois Ave.**	**Go 0.1 Mi**	0.1 mi
2. Take the 3rd **left** onto **W Temple Ave.** *W Temple Ave is just past W Indiana Ave* *First Presbyterian Church is on the corner* *If you reach W Kentucky Ave you've gone a little too far*	**Go 0.5 Mi**	0.6 mi
3. Turn **left** onto **N 3rd St / US-45 N.** *N 3rd St is just past N 4th St* *If you reach N 2nd St you've gone a little too far*	**Go 1.2 Mi**	1.7 mi
4. Merge onto **I-57 N** toward **Champaign / Terre Haute.** *If you are on N 3rd St and reach E Rickelman Ave you've gone about 0.3 miles too far*	**Go 72.9 Mi**	74.6 mi
5. Merge onto **I-72 E** via **EXIT 235A** toward **University Avenue.**	**Go 1.4 Mi**	76.0 mi
6. **I-72 E** becomes **W University Ave.**	**Go 0.3 Mi**	76.3 mi
7. Turn **right** onto **S Mattis Ave.** *Schnucks Champaign is on the corner* *If you reach N Victor St you've gone about 0.1 miles too far*	**Go 0.3 Mi**	76.5 mi
8. Turn **left** onto **W Springfield Ave / IL-10.** *W Springfield Ave is just past W Union St* *Village Inn Pizza Parlor is on the corner* *If you reach W Healey St you've gone a little too far*	**Go 1.0 Mi**	77.6 mi
9. Turn **left** onto **S Prospect Ave / US-150.** *S Prospect Ave is just past S Highland Ave* *If you reach S Van Doren St you've gone a little too far*	**Go 0.3 Mi**	77.9 mi
10. Turn **right** onto **W Park Ave.**		

	W Park Ave is just past W University Ave *If you reach W Church St you've gone a little too far*	**Go 0.2 Mi**	78.1 mi
	11. Take the 1st **left** onto **N New St.** *If you reach N Lynn St you've gone about 0.1 miles too far*	**Go 0.07 Mi**	78.1 mi
	12. Turn **left** onto **W Church St.**	**Go 0.2 Mi**	78.3 mi
	13. **809 W CHURCH ST** is on the **left.** *If you reach N Prospect Ave you've gone a little too far*		78.3 mi
B	**Pavilion** 809 W Church St, Champaign, IL 61820 (217) 373-1700	**78.3 mi**	**78.3 mi**

Total Travel Estimate: **78.29 miles - about 1 hour 21 minutes**



mapquest

Notes

To Provena Covenant, Urbana

Trip to:
Pavilion
809 W Church St
Champaign, IL 61820
(217) 373-1700
2.87 miles
7 minutes

		Miles Per Section	Miles Driven
A	**Provena Covenant Medical Center** 2000 N Neil St, Champaign, IL 61820 (217) 351-0628		
	1. Start out going **northwest** on **N Neil St** toward **Town Center Blvd.**	Go 0.2 Mi	0.2 mi
	2. Take the 1st **left** onto **W Towncenter Blvd.** *Mc Alister's Deli is on the left* *If you reach Town Center Apartments you've gone about 0.1 miles too far*	Go 0.5 Mi	0.7 mi
	3. Take the 3rd **left** onto **N Prospect Ave.** *N Prospect Ave is 0.2 miles past Ryder Ln* *Penn Station East Coast Subs is on the corner* *If you reach Boardwalk Dr you've gone about 0.2 miles too far*	Go 1.8 Mi	2.5 mi
	4. Turn **left** onto **W Park Ave.** *W Park Ave is just past W Church St* *If you reach W University Ave you've gone a little too far*	Go 0.2 Mi	2.6 mi
	5. Take the 1st **left** onto **N New St.** *If you reach N Lynn St you've gone about 0.1 miles too far*	Go 0.07 Mi	2.7 mi
	6. Turn **left** onto **W Church St.**	Go 0.2 Mi	2.9 mi
	7. **809 W CHURCH ST** is on the **left.** *If you reach N Prospect Ave you've gone a little too far*		2.9 mi
B	**Pavilion** 809 W Church St, Champaign, IL 61820 (217) 373-1700	**2.9 mi**	**2.9 mi**

Total Travel Estimate: **2.87 miles - about 7 minutes**