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July 30, 2020

VIA E-MAIL AND FEDEX

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

**Re: Alteration Request Project #18-018, North Suburban Pain and Spine Center,
Des Plaines**

Dear Ms. Avery:

I am writing on behalf of North Suburban Pain & Spine Center, LLC (the "Permit Holder") in regards to North Suburban Pain and Spine Center, Project #18-018. The purpose of this letter is to request an Alteration of the approved permit pursuant to Ill. Admin. Code Section 1130.750. Enclosed with this letter are updated application pages to address the Alteration request and applicable review criteria related to the Alteration.

The Permit Holder in conjunction with the Illinois Department of Public Health ("IDPH") have worked aggressively over the last several weeks to move up the project completion date. The Permit Holders have carefully monitored the project costs and have concluded that based on the favorable financing terms that were secured for the project it would be more advantageous for the Permit Holders to take on additional debt and utilize less cash than previously described in the application for this project. As such, the Permit Holders recognize that they must request an alteration to the existing allocation of source of funds for the project.

In an effort to ensure compliance with the Illinois Health Facilities and Services Review Board ("HFSRB") rules, the Permit Holder is proactively (no alteration has been implemented at this time) seeking to change the source of funds to pay for the project's costs. The Permit Holder proposes to shift the amount of debt taken on for the project from \$2,032,442 to \$2,459,923 and decrease the amount of cash used for the project from \$677,481 to \$250,000. This reflects an increase of \$427,481 in debt to be taken on for the project with a corresponding decrease in the cash line for the project's source of funds.

Additionally, the Permit Holder is seeking an alteration to reduce the overall GSF of the facility from 6,980 GSF of space to 6,897 GSF. This reduction in space is the result of the architectural team coordinating with the builders to incorporate physician feedback that will provide for better work flow, and movement of patients to be treated at the facility. There is a 60

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GSF reduction in clinical space, and 23 GSF reduction in non-clinical space. These space reductions still allow the Permit Holder to meet applicable IDPH design standards for Ambulatory Surgical Treatment Centers. To date the Permit Holder have spent \$1,516,546.60 of the approved project costs. The shift in source of funds will give the Permit Holder flexibility to utilize cash reserves for other purposes to effectively open the facility and facilitate stronger cash flow for the organization.

We have enclosed updated application pages to address the aforementioned alteration requests. If you have any questions or need any additional information regarding the project, please feel free to contact me via phone at 312-212-4967 or via email at JMorado@beneschlaw.com.

Very truly yours,

BENESCH, FRIEDLANDER,
COPLAN & ARONOFF LLP

A handwritten signature in black ink, appearing to read "Juan Morado Jr.", with a stylized flourish at the end.

Juan Morado Jr.