

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR EXEMPTION PERMIT**

ORIGINAL

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

SEP 05 2018

Facility/Project Identification

Facility Name: Ashton Center for Day Surgery				HEALTH FACILITIES & SERVICES REVIEW BOARD
Street Address: 1800 McDonough Rd, #100				
City and Zip Code: Hoffman Estates, IL 60192				
County: Cook	Health Service Area: 7	Health Planning Area: 031		

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

Exact Legal Name: 1800 McDonough Road Surgery Center, LLC
Street Address: 1800 McDonough Rd, Ste 100
City and Zip Code: Hoffman Estates, IL 60192
Name of Registered Agent: Paul A. Gilman
Registered Agent Street Address: 330 N. Wabash Ave, Suite 1700
Registered Agent City and Zip Code: Chicago, IL 60611
Name of Chief Executive Officer: Kinooosh Jafari, MD
CEO Street Address: 1800 McDonough Rd, #100
CEO City and Zip Code: Hoffman Estates, IL 60192
CEO Telephone Number: 847-742-7272

Type of Ownership of Applicants

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

- o Corporations and limited liability companies must provide an **Illinois certificate of good standing**.
- o Partnerships must provide the name of the state in which they are 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]

Name: Kara Friedman
Title: Attorney
Company Name: Polsinelli
Address: 150 N. Riverside Plaza, Suite 3000, Chicago, IL 60606
Telephone Number: 312-873-3639
E-mail Address: kfriedman@polsinelli.com
Fax Number:

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

Name: Alfonso De Grando
Title: Administrator
Company Name: Ashton Center for Day Surgery

Address: 1800 McDonough Rd, Suite 100, Hoffman Estates, IL 60192
Telephone Number: 847-742-7272
E-mail Address: Admin@AshtonSurgical.com
Fax Number: 847-742-7274

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD APPLICATION FOR EXEMPTION PERMIT

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: Ashton Center for Day Surgery			
Street Address: 1800 McDonough Rd, #100			
City and Zip Code: Hoffman Estates, IL 60192			
County: Cook	Health Service Area: 7	Health Planning Area: 031	

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

Exact Legal Name: USP Chicago, Inc.	
Street Address: 15305 Dallas Parkway, Suite 1600	
City and Zip Code: Addison, TX 75001	
Name of Registered Agent: CT Corporation System	
Registered Agent Street Address: 208 So LaSalle St, Ste 814	
Registered Agent City and Zip Code: Chicago, IL 60604	
Name of Chief Executive Officer: William H. Wilcox	
CEO Street Address: 15305 Dallas Parkway, Suite 1600	
CEO City and Zip Code: Addison, TX 75001	
CEO Telephone Number: 972-713-3500	

Type of Ownership of Applicants

☐ Non-profit Corporation ☐ For-profit Corporation ☒ Limited Liability Company	☐ Partnership ☐ Governmental ☐ Sole Proprietorship
☐ Other	
- o Corporations and limited liability companies must provide an Illinois certificate of good standing. - o Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner.	
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Name: Kara Friedman
Title: Attorney
Company Name: Polsinelli
Address: 150 N. Riverside Plaza, Suite 3000, Chicago, IL 60606
Telephone Number: 312-873-3639
E-mail Address: kfriedman@polsinelli.com
Fax Number:

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

Name: Cathy Weaver
Title: Regional Vice President
Company Name: United Surgical Partners International

Title: Regional Vice President
Company Name: United Surgical Partners International
Address: 15305 Dallas Parkway, Suite 1600, Addison, TX 75001
Telephone Number: 317-679-7352

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD APPLICATION FOR EXEMPTION PERMIT

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: Ashton Center for Day Surgery			
Street Address: 1800 McDonough Rd, #100			
City and Zip Code: Hoffman Estates, IL 60192			
County:	Cook	Health Service Area	7 Health Planning Area: 031

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

Exact Legal Name: United Surgical Partners International, Inc.
Street Address: 15305 Dallas Parkway, Suite 1600
City and Zip Code: Addison, TX 75001
Name of Registered Agent: CT Corporation System
Registered Agent Street Address: 208 So LaSalle St, Ste 814
Registered Agent City and Zip Code: Chicago, IL 60604
Name of Chief Executive Officer: William H. Wilcox
CEO Street Address: 15305 Dallas Parkway, Suite 1600
CEO City and Zip Code: Addison, TX 75001
CEO Telephone Number: 972-713-3500

Type of Ownership of Applicants

☐ 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 they are 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]

Name: Kara Friedman
Title: Attorney
Company Name: Polsinelli
Address: 150 N. Riverside Plaza, Suite 3000, Chicago, IL 60606
Telephone Number: 312-873-3639
E-mail Address: kfriedman@polsinelli.com
Fax Number:

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

Name: Cathy Weaver

Title: Regional Vice President
Company Name: United Surgical Partners International
Address: 15305 Dallas Parkway, Suite 1600, Addison, TX 75001
Telephone Number: 317-679-7352
E-mail Address: cweaver@uspi.com
Fax Number: 912-920-3445

Post Exemption 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: Kara Friedman
Title: Attorney
Company Name: Polsinelli
Address: 150 N. Riverside Plaza, Suite 3000, Chicago, IL 60606
Telephone Number: 312-873-3639
E-mail Address: kfriedman@polsinelli.com
Fax Number:

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: 1800 McDonough Road Properties, LLC
Address of Site Owner: 2607 W. 22 nd Street, Ste 48, Oak Brook, IL 60523
Street Address or Legal Description of the Site: 1800 McDonough Rd, Hoffman Estates, IL 60192
Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statements, 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: 1800 McDonough Road Surgery Center, LLC			
Address: 1800 McDonough Rd, Hoffman Estates, IL 60192			
☐	Non-profit Corporation	☐	Partnership
☐	For-profit Corporation	☐	Governmental
☒	Limited Liability Company	☐	Sole Proprietorship
		☐	Other
- o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. - o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner. - o Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.			
APPEND DOCUMENTATION AS ATTACHMENT 3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Organizational Relationships

Provide (for each 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 #2006-5 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 #2006-5 ([http:// www.illinois.gov/sites/hfsrb](http://www.illinois.gov/sites/hfsrb)).

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:

- ☒ Change of Ownership
- ☐ Discontinuation of an Existing Health Care Facility or of a category of service
- ☐ Establishment or expansion of a neonatal intensive care or beds

2. Narrative Description

In the space below, provide 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.

1800 McDonough Road Surgery Center d/b/a Ashton Center for Day Surgery (the "ASC") is a multi-specialty ambulatory surgical treatment center located in the Northwest Chicago suburb of Hoffman Estates, Illinois. In the proposed transaction, the current owners of the ASC will retain 49% of the ASC and sell the remaining interest to USP Chicago, Inc., a wholly owned subsidiary of United Surgical Partners International, Inc. (collectively, USPI). USPI will acquire its ownership interest using internally available financial resources. USPI has considerable experience and expertise in surgery center management and following the transaction USPI will provide the management services for the surgery center.

Assuming approval at or before the October 30, 2018 Health Facilities Services Review Board ("HFSRB") meeting, the parties intend to close this transaction in early November, with an effective date of November 1, 2018.

Related Project Costs

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

Land acquisition is related to project	☐ Yes	☒ No
Purchase Price: \$	_____	
Fair Market Value: \$	_____	
The project involves the establishment of a new facility or a new category of service		
☐ Yes ☒ No		
If yes, provide the dollar amount of all non-capitalized operating start-up costs (including operating deficits through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100.		
Estimated start-up costs and operating deficit cost is \$ _____.		

Project Status and Completion Schedules

For facilities in which prior permits have been issued please provide the permit numbers.	
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): <u>* November 1, 2018</u>	
Indicate the following with respect to project expenditures or to financial commitments (refer to Part 1130.140):	
☐ Purchase orders, leases or contracts pertaining to the project have been executed. ☐ Financial commitment is contingent upon permit issuance. Provide a copy of the contingent "certification of financial commitment" document, highlighting any language related to CON Contingencies	
☒ Financial Commitment 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 [Section 1130.620(c)]

Are the following submittals up to date as applicable:
☒ Cancer Registry
☒ APORS
☒ All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
☒ All reports regarding outstanding permits
Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.

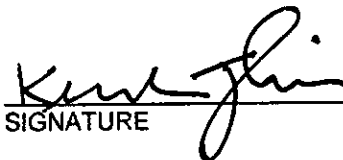
*Project completion date may be subject to change based on the effective date of HSFRB board approval.

CERTIFICATION

The Application must be signed by the authorized representatives of the applicant entity. Authorized representatives 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 manager 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 is filed on the behalf of 1800 McDonnough Road Surgery Center, LLC * in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application 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 fee required for this application is sent herewith or will be paid upon request.


SIGNATURE

Kianoosh Jafari
PRINTED NAME

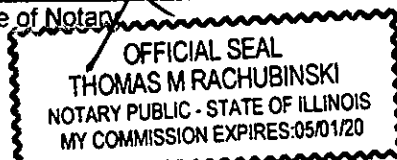
Manager
PRINTED TITLE

Notarization:

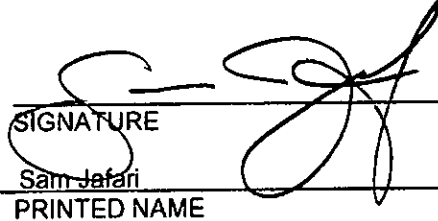
Subscribed and sworn to before me
this 27th day of August, 2018


Signature of Notary

Seal



*Insert the Exact legal name of the applicant

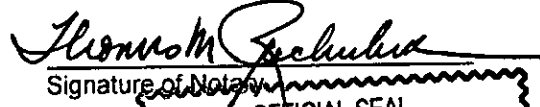

SIGNATURE

Sam Jafari
PRINTED NAME

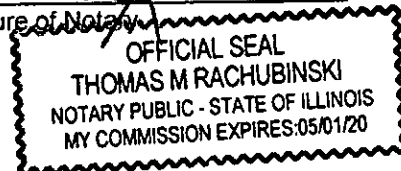
Manager
PRINTED TITLE

Notarization:

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this 27th day of August, 2018


Signature of Notary

Seal

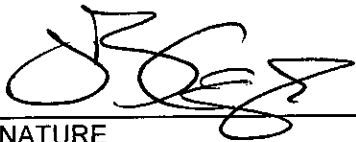


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- in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of United Surgical Partners International, 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 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 fee required for this application is sent herewith or will be paid upon request.



SIGNATURE

Jason B. Cagle

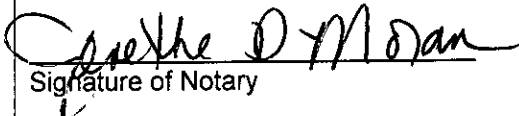
PRINTED NAME

Vice President

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 28 day of August 2018



Signature of Notary

Seal

SIGNATURE

PRINTED NAME

President

PRINTED TITLE

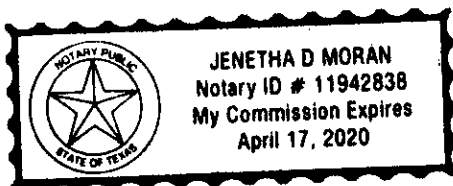
Notarization:

Subscribed and sworn to before me
this ____ day of ____

Signature of Notary

Seal

*Insert the EXACT legal name of the applicant



CERTIFICATION

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- o in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
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This Application is filed on the behalf of USP Chicago, 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 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 fee required for this application is sent herewith or will be paid upon request.

SIGNATURE

Mark Garvin
PRINTED NAME

Vice President
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this ____ day of ____

Signature of Notary

Seal

*Insert the EXACT legal name of the applicant

SIGNATURE

Cathy Weaver
PRINTED NAME

Vice President
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 28 day of August 2018

Signature of Notary

Seal

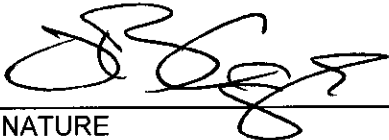
OFFICIAL SEAL
D CARTWRIGHT
Notary Public - State of Illinois
My Commission Expires Oct 13, 2019

CERTIFICATION

The Application must be signed by the authorized representatives of the applicant entity. Authorized representatives 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 manager 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.

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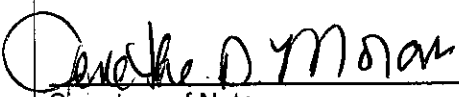
SIGNATURE

Jason B. Cagle
PRINTED NAME

Vice President
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 28th day of August 2018


Signature of Notary

Seal

SIGNATURE

Cathy Weaver
PRINTED NAME

Vice President
PRINTED TITLE

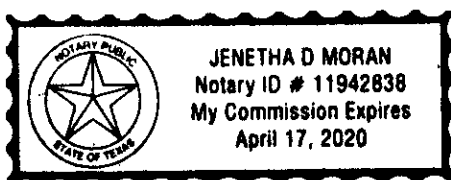
Notarization:

Subscribed and sworn to before me
this ____ day of ____

Signature of Notary

Seal

*Insert the EXACT legal name of the applicant



SECTION V. CHANGE OF OWNERSHIP (CHOW)**1130.520 Requirements for Exemptions Involving the Change of Ownership of a Health Care Facility**

1. Prior to acquiring or entering into a contract to acquire an existing health care facility, a person shall submit an application for exemption to HFSRB, submit the required application-processing fee (see Section 1130.230) and receive approval from HFSRB.
2. If the transaction is not completed according to the key terms submitted in the exemption application, a new application is required.
3. READ the applicable review criteria outlined below and **submit the required documentation (key terms) for the criteria:**

APPLICABLE REVIEW CRITERIA	CHOW
1130.520(b)(1)(A) - Names of the parties	X
1130.520(b)(1)(B) - Background of the parties, which shall include proof that the applicant is fit, willing, able, and has the qualifications, background and character to adequately provide a proper standard of health service for the community by certifying that no adverse action has been taken against the applicant by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois against any health care facility owned or operated by the applicant, directly or indirectly, within three years preceding the filing of the application.	X
1130.520(b)(1)(C) - Structure of the transaction	X
1130.520(b)(1)(D) - Name of the person who will be licensed or certified entity after the transaction	
1130.520(b)(1)(E) - List of the ownership or membership interests in such licensed or certified entity both prior to and after the transaction, including a description of the applicant's organizational structure with a listing of controlling or subsidiary persons.	X
1130.520(b)(1)(F) - Fair market value of assets to be transferred.	X
1130.520(b)(1)(G) - The purchase price or other forms of consideration to be provided for those assets. [20 ILCS 3960/8.5(a)]	X
1130.520(b)(2) - Affirmation that any projects for which permits have been issued have been completed or will be completed or altered in accordance with the provisions of this Section	X
1130.520(b)(2) - If the ownership change is for a hospital, affirmation that the facility will not adopt a more restrictive charity care policy than the policy that was in effect one year prior to the transaction. The hospital must provide affirmation that the compliant charity care policy will remain in effect for a two-year period following the change of ownership transaction	X
1130.520(b)(2) - A statement as to the anticipated benefits of	X

the proposed changes in ownership to the community	
1130.520(b)(2) - The anticipated or potential cost savings, if any, that will result for the community and the facility because of the change in ownership;	X
1130.520(b)(2) - A description of the facility's quality improvement program mechanism that will be utilized to assure quality control;	X
1130.520(b)(2) - A description of the selection process that the acquiring entity will use to select the facility's governing body;	X
1130.520(b)(2) - A statement that the applicant has prepared a written response addressing the review criteria contained in 77 Ill. Adm. Code 1110.240 and that the response is available for public review on the premises of the health care facility	X
1130.520(b)(2)- A description or summary of any proposed changes to the scope of services or levels of care currently provided at the facility that are anticipated to occur within 24 months after acquisition.	X

Application for Change of Ownership Among Related Persons

When a change of ownership is among related persons, and there are no other changes being proposed at the health care facility that would otherwise require a permit or exemption under the Act, the applicant shall submit an application consisting of a standard notice in a form set forth by the Board briefly explaining the reasons for the proposed change of ownership. [20 ILCS 3960/8.5(a)]

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

SECTION X. CHARITY CARE INFORMATION (CHOW ONLY)

Charity Care information **MUST** be furnished for **ALL** projects [1120.20(c)].

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 41.

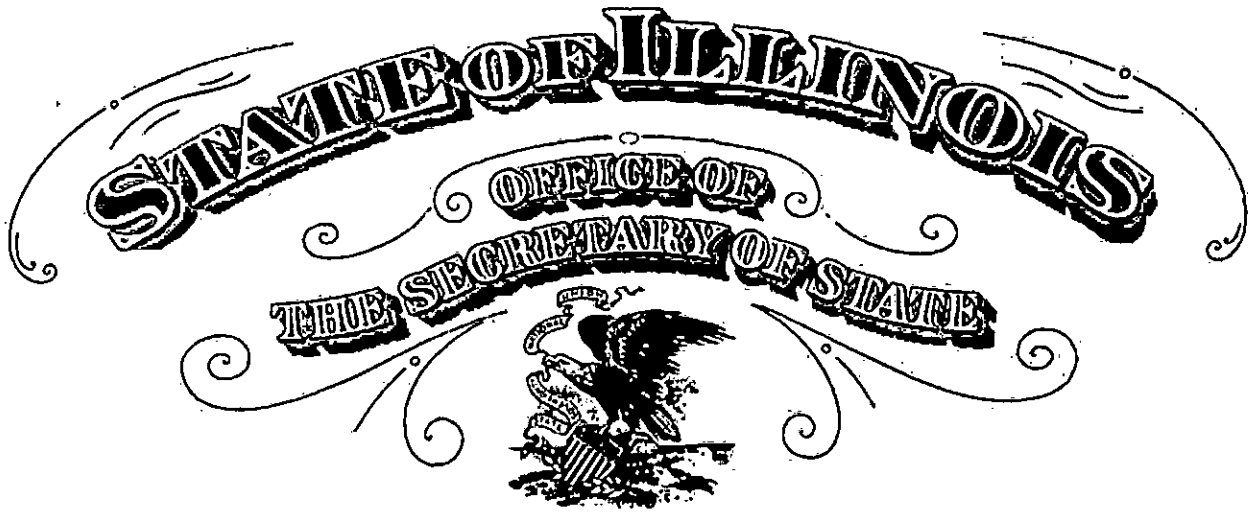
CHARITY CARE			
	Year	Year	Year
Net Patient Revenue			
Amount of Charity Care (charges)			
Cost of Charity Care			

APPEND DOCUMENTATION AS **ATTACHMENT 21**, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Section I, Identification, General Information, and Certification

Applicants:

Certificates of Good Standing for 1800 McDonough Road Surgical Center, LLC d/b/a Ashton Center for Day Surgery, USP Chicago, Inc. and United Surgical Partners International, Inc. (collectively, the "Applicants") are attached at Attachment – 1.



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

1800 MCDONOUGH ROAD SURGERY CENTER, LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON MAY 09, 2007, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.



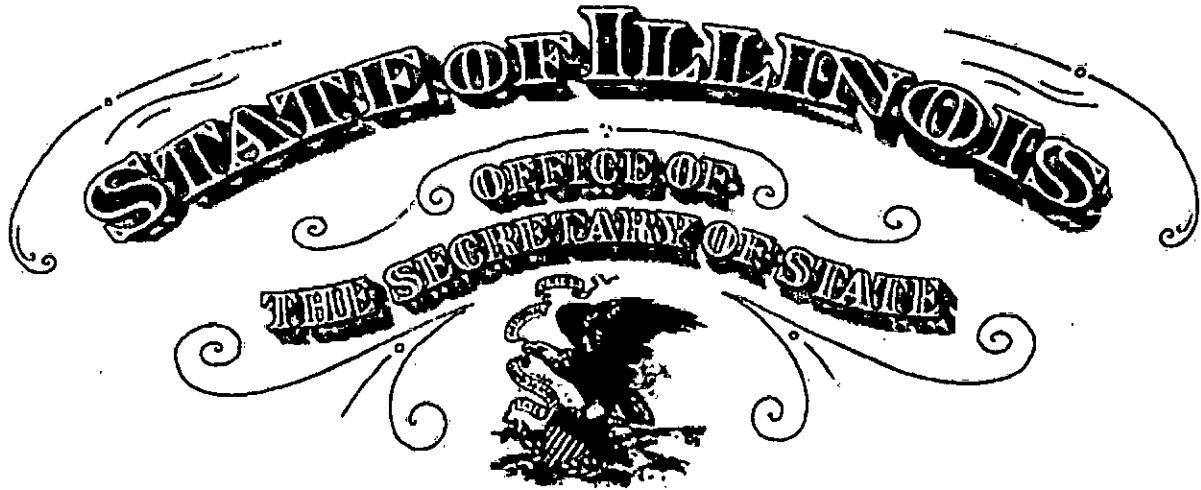
***In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 29TH
day of AUGUST A.D. 2018 .***

Jesse White

SECRETARY OF STATE

Authentication #: 1824101178 verifiable until 08/29/2019

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



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

USP CHICAGO, INC., A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JUNE 09, 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 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 23RD
day of AUGUST A.D. 2018 .**

Jesse White

SECRETARY OF STATE

Authentication #: 1823501148 verifiable until 08/23/2019
Authenticate at: <http://www.cyberdriveillinois.com>

Delaware

The First State

Page 1

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "UNITED SURGICAL PARTNERS INTERNATIONAL, INC." IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE TWENTY-NINTH DAY OF AUGUST, A.D. 2018.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL REPORTS HAVE BEEN FILED TO DATE.

AND I DO HEREBY FURTHER CERTIFY THAT THE FRANCHISE TAXES HAVE BEEN PAID TO DATE.



2865387 8300

SR# 20186409063

You may verify this certificate online at corp.delaware.gov/authver.shtml

A handwritten signature in black ink, appearing to read "JBULLOCK", is written over a horizontal line. Below the line, the text "Jeffrey W. Bullock, Secretary of State" is printed.

Authentication: 203331417

Date: 08-29-18

Attachment - 1

Section I, Identification, General Information, and Certification
Site Ownership

There is no change in site ownership.

Section I, Identification, General Information, and Certification
Operating Identity/Licensee

1800 McDonough Road Surgery Center, LLC is the operating entity for Ashton Center for Day Surgery, which is the trade name of the ASC. Following the transaction 1800 McDonough Road Surgery Center, LLC will remain the operating entity for the facility. The Illinois Certificate of Good Standing for 1800 McDonough Road Surgery Center, LLC is attached at Attachment – 3.



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

1800 MCDONOUGH ROAD SURGERY CENTER, LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON MAY 09, 2007, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.



In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 29TH day of AUGUST A.D. 2018 .

Jesse White

SECRETARY OF STATE

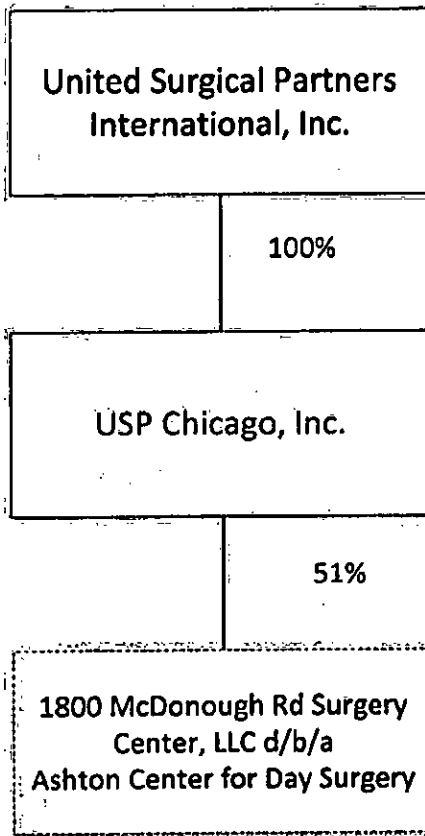
Authentication #: 1824101178 verifiable until 08/29/2019

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

Section I, Identification, General Information, and Certification
Organizational Relationships

The organizational chart showing the current ownership structure of Ashton Center for Day Surgery, along with the post-closing ownership structure is enclosed at Attachment – 4.

ORGANIZATIONAL STRUCTURE



Section I, Identification, General Information, and Certification
Flood Plain Requirements

The proposed change of ownership of Ashton Center for Day Surgery involves no construction or modernization. Accordingly, this criterion is not applicable.

Section I, Identification, General Information, and Certification
Historic Resources Preservation Act Requirements

The proposed project will not involve construction or modernization of Ashton Center for Day Surgery. Accordingly, this criterion is not applicable.

Section III, Project Purpose, Background and Alternatives – Information Requirements
Criterion 1110.230(b), Project Purpose, Background and Alternatives

Background of Applicant

- 1. A listing of all health care facilities owned or operated by the Applicant, including licensing, and certificates, if applicable.**

Applicant owns and operates only one health care facility: Ashton Center for Day Surgery, located at 1800 McDonough Road, #100, Hoffman Estates, IL 60192.

- 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 filling of the application.**

Certification that no adverse action has been taken against either of the Applicants or against any health care facilities owned or operated by the Applicants in Illinois within three years preceding the filing of this application is attached at Attachment – 11A.

- 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 national recognized accreditation organizations.**

An authorization permitting the Illinois Health Facilities and Services Review Board ("State Board") and IDPH access to any documents necessary to verify information submitted, including, but not limited to: official records of IDPH or other State agencies; and the records of nationally recognized accreditation organizations is attached at Attachment – 11A.



ASHTON CENTER
For Day Surgery, LLC

August 15, 2018

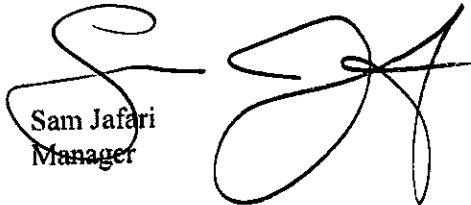
Richard Sewell
Vice Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

Dear Vice Chair Sewell:

I hereby certify under penalty of perjury as provided in §1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 that no adverse action has been taken against any facility owned or operated by 1800 McDonough Road Surgery Center, LLC, in the State of Illinois during the three years prior to filing this application.

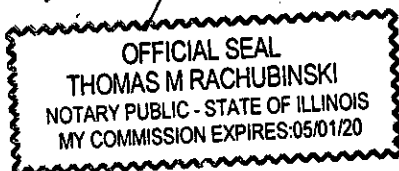
Additionally, pursuant to 77 Ill. Admin. Code § 1110.230(a)(3)(C), I hereby authorize the Health Facilities and Services Review Board ("HFSRB") and the Illinois Department of Public Health ("IDPH") access to any documents necessary to verify information submitted as part of this application for permit. I further authorize HFSRB and IDPH to obtain any additional information or documents from other government agencies which HFSRB or IDPH deem pertinent to process this application for permit.

Sincerely,


Sam Jafari
Manager

Subscribed and sworn to me
This 27th day of August, 2018


Notary Public





United Surgical Partners
INTERNATIONAL

August 28, 2018

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

Dear Vice Chair Sewell:

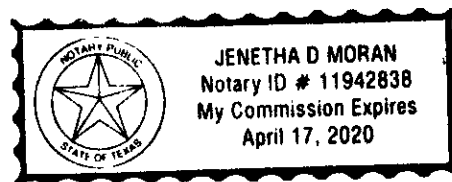
I hereby certify under penalty of perjury as provided in §1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 that no adverse action has been taken against any facility owned or operated by USP Chicago, Inc., USPI Holding Company, Inc., USPI Group Holdings, Inc., USPI Holdings, Inc., United Surgical Partners International, Inc., United Surgical Partners Holdings, Inc., and/or USP Domestic Holdings, Inc. in the State of Illinois during the three years prior to filing this application.

Additionally, pursuant to 77 Ill. Admin. Code § 1110.230(a)(3)(C), I hereby authorize the Health Facilities and Services Review Board ("HFSRB") and the Illinois Department of Public Health ("IDPH") access to any documents necessary to verify information submitted as part of this application for permit. I further authorize HFSRB and IDPH to obtain any additional information or documents from other government agencies which HFSRB or IDPH deem pertinent to process this application for permit.

Sincerely,

Jason B. Cagle
Vice President

Subscribed and sworn to me
This 28 day of August, 2018

Notary Public



United Surgical Partners
INTERNATIONAL

August 28, 2018

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

Dear Vice Chair Sewell:

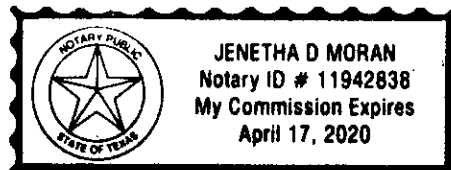
I hereby certify under penalty of perjury as provided in §1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 that no adverse action has been taken against any facility owned or operated by USP Chicago, Inc., USPI Holding Company, Inc., USPI Group Holdings, Inc., USPI Holdings, Inc., United Surgical Partners International, Inc., United Surgical Partners Holdings, Inc., and/or USP Domestic Holdings, Inc. in the State of Illinois during the three years prior to filing this application.

Additionally, pursuant to 77 Ill. Admin. Code § 1110.230(a)(3)(C), I hereby authorize the Health Facilities and Services Review Board ("HFSRB") and the Illinois Department of Public Health ("IDPH") access to any documents necessary to verify information submitted as part of this application for permit. I further authorize HFSRB and IDPH to obtain any additional information or documents from other government agencies which HFSRB or IDPH deem pertinent to process this application for permit.

Sincerely,

Jason B. Cagle
Vice President

Subscribed and sworn to me
This 28th day of August, 2018

Notary Public

Section V, Change of Ownership

Criterion 1110.520 Requirements for Exemptions Involving the Change of Ownership of a Health Care Facility

Applicable Review Criteria – CHOW

1. 1130.520 (b)(1)(A)- Names of the parties

The Applicants are 1800 McDonough Road Surgical Center, LLC, USP Chicago, Inc. and United Surgical Partners International, Inc. (collectively, the "Applicants").

2. 1130.520(b)(1)(B) – Background of the parties

Each of the applicants, by their signatures to the Certification pages of this application, attest that the applicant is fit, willing, able and has the qualifications, background and character to adequately provide a proper standard of health service for the community.

Each of the applicants, by their signatures to the Certification pages of this application, attest that no adverse action has been taken against the applicant by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois against any health care facilities owned or operated by the applicant, directly or indirectly, within three years preceding the filing of the application.

3. 1130.520(b)(1)(C) – Structure of the transaction

1800 McDonough Road Surgical Center, LLC is currently the approved operating entity of Ashton Center for Day Surgery. Following the transaction, USP Chicago, Inc. will have a majority ownership interest in Ashton Center for Day Surgery. United Surgical Partners International, Inc. is the parent of UPS Chicago, Inc. 1800 McDonough Road Surgical Center, LLC will remain the operating entity for the surgical center after the transaction closes.

4. 1130.520(b)(1)(D) – Name of Licensed Entity after Transaction

1800 McDonough Road Surgical Center, LLC will be the licensee of the ASTC following the transaction.

5. 1130.520(b)(1)(E) – List of ownership or membership interests in such licensed or certified entity both prior to and after transaction, including a description of the applicant's organizational structure with a listing of controlling or subsidiary persons

An organizational structure of the current owner, as well as the post-closing organizational structure of the proposed applicants are attached at Attachment - 4.

6. 1130.520(b)(1)(F) – Fair market value of assets to be transferred

The fair market value of the transferred assets is \$16,091,182.

7. 1130.520(b)(1)(G) – Purchase price or other forms of consideration to be provided

Purchase price is \$16,091,182.

8. 1130.520(b)(2) – Affirmations

In accordance with 77 Ill. Adm. Code §1130.520, Applicants affirm that there is no project for which permits have been issued but which have not been completed.

9. **1130.520(b)(2) – If ownership change is for hospital, affirmation that the facility will not adopt a more restrictive charity care policy that the policy that was in effect one year prior to the transaction. The hospital must provide affirmation that the compliant charity care policy will remain in effect for a two-year period following the change of ownership transaction.**

Not applicable.

10. **1130.520(b)(2), A statement as to the anticipated benefits of the proposed changes in ownership to the community.**

The purpose of the proposed acquisition of the 1800 McDonough Road Surgery center is to ensure patients in Hoffman Estates, Illinois have continued access to high quality, cost-effective surgical services. The acquisition will create economies of scale, integrate clinical, administrative and support functions, eliminate functional redundancies and redesign patient care delivery and allow the systems to share the resources and benefits of USPI's infrastructure and processes and qualify initiatives.

11. **1130.520(b)(2) The anticipated or potential cost savings, if any, that will result for the community and the facility because of the change of ownership**

12. The purpose of the proposed acquisition of the 1800 McDonough Road Surgery center is to ensure patients in Hoffman Estates, Illinois have continued access to high quality, cost-effective surgical services. The acquisition will create economies of scale, integrate clinical, administrative and support functions, eliminate functional redundancies and redesign patient care delivery and allow the systems to share the resources and benefits of USPI's infrastructure and processes and qualify initiatives.

13. **1130.520(b)(2) – A description of the facilities quality improvement program mechanism that will be utilized to assure quality control**

The Applicants intend to utilize USPI's established quality control mechanisms.

14. **1130.520(b)(2) – A description of the selection process that the acquiring entity will use to select the facilities governing body**

The facility governing body will consist of the medical director and the facility administrator. A regional director of operations will have oversight of the facility governing body.

15. **1130.520(b)(2) – Statement that the applicant has prepared a written response addressing the review criteria contained in 77 Ill. Adm. Code 1110.240 and that the response is available for public review on the premises of the health care facility**

Not applicable.

16. **1130.520(b)(2) – A description or summary of any proposed changes to the scope of service or levels of care currently provided at the facility that are anticipated to occur within 24 months after acquisition**

There are no proposed changes to the scope of services or levels of care that were planned to be provided at the facility that are anticipated to occur within twenty-four months after the acquisition. However, if any such change is subsequently determined to be advantageous, the ASC will seek

any associated approval that may be requested for such a change consistent with the Health Facilities Service Review Board law and rules.

Section X, Charity Care Information

The table below provides charity care information for all ASTCs located in the State of Illinois that are owned or operated by the Applicants.

CHARITY CARE - 1800 McDonough Road Surgery Center, LLC			
	2014	2015	2016 ¹
Net Patient Revenue	\$5,249,847	\$8,362,213	\$9,837,205
Amount of Charity Care (charges)	\$0	\$0	\$16,298
Cost of Charity Care	\$0	\$0	\$16,298

¹ 2017 on file with HFSRB

After paginating the entire completed application indicate, in the chart below, the page numbers for the included attachments:

INDEX OF ATTACHMENTS		
ATTACHMENT NO.		PAGES
1	Applicant Identification including Certificate of Good Standing	19-22
2	Site Ownership	23
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	24-25
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	26-27
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7	Project and Sources of Funds Itemization	----
8	Financial Commitment Document If required	----
9	Cost Space Requirements	----
10	Discontinuation	----
11	Background of the Applicant	30
12	Purpose of the Project	----
13	Alternatives to the Project	----
	Service Specific:	----
14	Neonatal Intensive Care Services	31-36
15	Change of Ownership	
	Financial and Economic Feasibility:	
16	Availability of Funds	----
17	Financial Waiver	----
18	Financial Viability	----
19	Economic Feasibility	----
20	Safety Net Impact Statement	----
21	Charity Care Information	37



150 N. Riverside Plaza, Suite 3000, Chicago, IL 60606-1599 • 312.819.1900

September 4, 2018

Anne M. Cooper
(312) 873-3606
(312) 819-1910 fax
acooper@polsinelli.com

FEDERAL EXPRESS

Michael Constantino
Supervisor, Project Review Section
Illinois Department of Public Health
Health Facilities and Services Review Board
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761

Re: Application for Exemption Permit - Ashton Center for Day Surgery

Dear Mr. Constantino:

I am writing on behalf of 100 McDonough Road Surgery Center, LLC, USP Chicago, Inc. and United Surgical Partners International, Inc. (collectively, "Ashton Center for Day Surgery") to submit the attached Application for Exception Permit for Change of Ownership of the entity who has operational control over Ashton Center for Day Surgery, an ambulatory surgery center located in Chicago. For your review, I have attached the following documents:

1. Check for \$2,500 for the application processing fee;
2. Completed Application for Exemption Permit;
3. Copies of Certificate of Good Standing for the Applicants;
4. Charity care data.

Thank you for your time and consideration of Ashton Center for Day Surgery's application for exemption permit. If you have any questions or need any additional information to complete your review of the Ashton Center for Day Surgery's application for exemption permit, please feel free to contact me.

Sincerely

Anne M. Cooper

Attachments