

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

**SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION**

**This Section must be completed for all projects.**

**Facility/Project Identification**

Facility Name: DuPage Medical Group – Schaumburg Medical Office Building		
Street Address: 1325 Meacham Road		
City and Zip Code: Schaumburg, Illinois 60173		
County: Cook	Health Service Area: 007	Health Planning Area:

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

Exact Legal Name: DuPage Medical Group, Ltd.
Street Address: 1100 West 31 <sup>st</sup> Street, Suite 300
City and Zip Code: Downers Grove, Illinois 60515
Name of Registered Agent: Illinois Corporation Service Company
Registered Agent Street Address: 801 Adlai Stevenson Drive
Registered Agent City and Zip Code: Springfield, Illinois 62703
Name of Chief Executive Officer: Steve Nelson
CEO Street Address: 3010 Highland Parkway, Suite 800
CEO City and Zip Code: Downers Grove, Illinois 60515
CEO Telephone Number: 630-469-9200

**Type of Ownership of Applicants**

<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership	
<input checked="" type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental	
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Other
<ul style="list-style-type: none"> <li>○ Corporations and limited liability companies must provide an <b>Illinois certificate of good standing</b>.</li> <li>○ 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.</li> </ul>		
<b>APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>		

**Primary Contact** [Person to receive ALL correspondence or inquiries]

Name: Anne M. Cooper
Title: Attorney
Company Name: Polsinelli PC
Address: 150 North Riverside Plaza, Suite 3000, Chicago, Illinois 60606
Telephone Number: 312-873-3606
E-mail Address: acooper@polsinelli.com
Fax Number:

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

Name: Christos Georgacopoulos
Title: Executive Director of Business Excellence
Company Name: DMG Practice Management Solutions LLC
Address: 3010 Highland Parkway, Suite 800, Downers Grove, Illinois 60515
Telephone Number: 630-456-7155
E-mail Address: Christos.Georgacopoulos@dulyhealthandcare.com
Fax Number:

**Facility/Project Identification**

Facility Name: DuPage Medical Group – Schaumburg Medical Office Building		
Street Address: 1325 Meacham Road		
City and Zip Code: Schaumburg, Illinois 60173		
County: Cook	Health Service Area: 007	Health Planning Area:

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

Exact Legal Name: DMG Practice Management Solutions LLC
Street Address: 1100 West 31 <sup>st</sup> Street, Suite 300
City and Zip Code: Downers Grove, Illinois 60515
Name of Registered Agent: Capitol Services, Inc.
Registered Agent Street Address: 108 Lakeland Avenue
Registered Agent City and Zip Code: Dover, Delaware 19901
Name of Chief Executive Officer: Steve Nelson
CEO Street Address: 3010 Highland Parkway, Suite 800
CEO City and Zip Code: Downers Grove, Illinois 60515
CEO Telephone Number: 630-469-9200

**Type of Ownership of Applicants**

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

- 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.**

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Telephone Number: 630-456-7155
E-mail Address: Christos.Georgacopoulos@dulyhealthandcare.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: Anne M. Cooper
Title: Attorney
Company Name: Polsinelli PC
Address: 150 North Riverside Plaza, Suite 3000, Chicago, Illinois 60606
Telephone Number: 312-873-3606
E-mail Address: acooper@polsinelli.com
Fax Number:

**Site Ownership**

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Shorewood Development Group
Address of Site Owner: 790 Estate Drive, Suite 200, Deerfield, Illinois 60015
Street Address or Legal Description of the Site: 1325 Meacham Road, Schaumburg, Illinois 60173 <b>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.</b>
<b>APPEND DOCUMENTATION AS ATTACHMENT 2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>

**Operating Identity/Licensee**

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

Exact Legal Name: DuPage Medical Group, Ltd.	
Address: 1100 West 31 <sup>st</sup> Street, Suite 300, Downers Grove, Illinois 60515	
<input type="checkbox"/> Non-profit Corporation <input checked="" type="checkbox"/> For-profit Corporation <input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Partnership <input type="checkbox"/> Governmental <input type="checkbox"/> Sole Proprietorship
<input type="checkbox"/> Other	
<ul style="list-style-type: none"> <li>o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.</li> <li>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.</li> <li>o <b>Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.</b></li> </ul>	
<b>APPEND DOCUMENTATION AS ATTACHMENT 3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>	

**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](http://www.FEMA.gov) or [www.illinoisfloodmaps.org](http://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.hfsrb.illinois.gov>). **NOTE:** A SPECIAL FLOOD HAZARD AREA AND 500-YEAR FLOODPLAIN DETERMINATION FORM has been added at the conclusion of this Application for Permit that must be completed to deem a project complete.

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 1110.20 and Part 1120.20(b)]

Part 1110 Classification :

- ☐ Substantive
- ☒ Non-substantive

**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.

DuPage Medical Group, Ltd. seeks authority to modernize a portion of a former retail space located at 1325 Meacham Road, Schaumburg, Illinois 60173 to address its growing patient base in Schaumburg and surrounding areas (the "Project"). These services will be non-hospital based ambulatory care. The total project cost is \$56,367,840.

The Project does not have an inpatient component nor does it establish any Category of Service; however, it requires an expenditure in excess of the capital expenditure threshold. As such, it is classified as non-substantive.

The Project will include modernization of 100,000 gross square feet of non-reviewable space.

### 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 be equal.

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs			
Site Survey and Soil Investigation			
Site Preparation			
Off Site Work			
New Construction Contracts			
Modernization Contracts		\$20,000,000	\$20,000,000
Contingencies		\$2,720,000	\$2,720,000
Architectural/Engineering Fees		\$1,430,000	\$1,430,000
Consulting and Other Fees		\$850,000	\$850,000
Movable or Other Equipment (not in construction contracts)		\$25,000,000	\$25,000,000
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment		\$6,367,840	\$6,367,840
Other Costs to Be Capitalized			
Acquisition of Building or Other Property (excluding land)			
<b>TOTAL USES OF FUNDS</b>		<b>\$56,367,840</b>	<b>\$56,367,840</b>
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities		\$6,990,000	\$6,990,000
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)*		\$49,377,840	\$49,377,840
Governmental Appropriations			
Grants			
Other Funds and Sources			
<b>TOTAL SOURCES OF FUNDS</b>		<b>\$56,367,840</b>	<b>\$56,367,840</b>
*\$22,650,000 of the project will be funded through the operating lease as tenant improvements, \$20,360,000 of the equipment will be leased, and the remaining project costs will be funded with cash. The tax assessed value of the existing building DMG will occupy is \$6,367,840			
<b>NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>			

**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:

<p>Land acquisition is related to project <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Purchase Price: \$ _____</p> <p>Fair Market Value: \$ _____</p>
<p>The project involves the establishment of a new facility or a new category of service  <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If yes, provide the dollar amount of all <b>non-capitalized</b> 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.</p> <p>Estimated start-up costs and operating deficit cost is \$ _____.</p>

**Project Status and Completion Schedules**

<b>For facilities in which prior permits have been issued please provide the permit numbers.</b>
<p>Indicate the stage of the project's architectural drawings:</p> <p style="text-align: center;"> <input type="checkbox"/> None or not applicable <span style="margin-left: 100px;"><input type="checkbox"/> Preliminary</span>  <input checked="" type="checkbox"/> Schematics <span style="margin-left: 100px;"><input type="checkbox"/> Final Working</span> </p>
<p>Anticipated project completion date (refer to Part 1130.140): <u>February 29, 2024</u></p>
<p>Indicate the following with respect to project expenditures or to financial commitments (refer to Part 1130.140):</p> <p> <input type="checkbox"/> Purchase orders, leases or contracts pertaining to the project have been executed.  <input type="checkbox"/> 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  <input checked="" type="checkbox"/> Financial Commitment will occur after permit issuance.         </p>
<p><b>APPEND DOCUMENTATION AS ATTACHMENT 8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b></p>

**State Agency Submittals** [Section 1130.620(c)]

<p>Are the following submittals up to date as applicable?</p> <p> <input checked="" type="checkbox"/> Cancer Registry  <input type="checkbox"/> APORS <b>NOT APPLICABLE</b>  <input checked="" type="checkbox"/> All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted  <input checked="" type="checkbox"/> All reports regarding outstanding permits         </p> <p><b>Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.</b></p>
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## Cost Space Requirements

Provide in the following format, the **Departmental Gross Square Feet (DGSF)** or the **Building Gross Square Feet (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.**

**Not Reviewable Space [i.e. non-clinical]:** means an area for the benefit of the patients, visitors, staff or employees of a health care facility and not directly related to the diagnosis, treatment, or rehabilitation of persons receiving services from the health care facility. "Non-clinical service areas" include, but are not limited to, chapels; gift shops; newsstands; computer systems; tunnels, walkways, and elevators; telephone systems; projects to comply with life safety codes; educational facilities; student housing; patient, employee, staff, and visitor dining areas; administration and volunteer offices; modernization of structural components (such as roof replacement and masonry work); boiler repair or replacement; vehicle maintenance and storage facilities; parking facilities; mechanical systems for heating, ventilation, and air conditioning; loading docks; and repair or replacement of carpeting, tile, wall coverings, window coverings or treatments, or furniture. Solely for the purpose of this definition, "non-clinical service area" does not include health and fitness centers. [20 ILCS 3960/3]

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

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



**Facility Bed Capacity and Utilization NOT APPLICABLE**

Complete the following chart, as applicable. Complete a separate chart for each facility that is a part of the project and insert the chart after this page. Provide the existing bed capacity and utilization data for the latest **Calendar Year for which data is 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**.

<b>FACILITY NAME:</b>		<b>CITY:</b>			
<b>REPORTING PERIOD DATES:</b>					
		<b>From:</b>	<b>to:</b>		
<b>Category of Service</b>	<b>Authorized Beds</b>	<b>Admissions</b>	<b>Patient Days</b>	<b>Bed Changes</b>	<b>Proposed Beds</b>
Medical/Surgical					
Obstetrics					
Pediatrics					
Intensive Care					
Comprehensive Physical Rehabilitation					
Acute/Chronic Mental Illness					
Neonatal Intensive Care					
General Long-Term Care					
Specialized Long-Term Care					
Long Term Acute Care					
Other ((identify)					
<b>TOTALS:</b>					

**CERTIFICATION**

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

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole 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 for Permit is filed on the behalf of DuPage Medical Group, Ltd.\* 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

Paul Merrick, M.D.

PRINTED NAME

Chairman

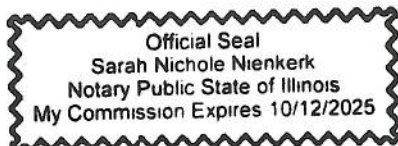
PRINTED TITLE

Notarization:

Subscribed and sworn to before me  
this 25 day of January

Sarah Nichole Nienkerk  
Signature of Notary

Seal



\*Insert EXACT legal name of the applicant

SIGNATURE

John Porcelli, M.D.

PRINTED NAME

President

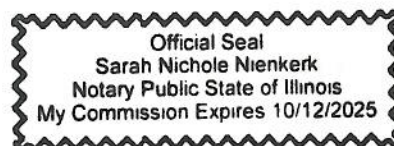
PRINTED TITLE

Notarization:

Subscribed and sworn to before me  
this 26 day of January

Sarah Nichole Nienkerk  
Signature of Notary

Seal



**CERTIFICATION**

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

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole 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);
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SIGNATURE

Paul Merrick, M.D.


PRINTED NAME

Chairman

PRINTED TITLE

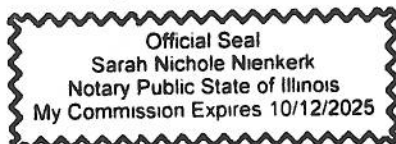
Notarization:

Subscribed and sworn to before me  
this 25 day of January



Signature of Notary

Seal



\*Insert EXACT legal name of the applicant

SIGNATURE

Steven H. Nelson


PRINTED NAME

Chief Executive Officer

PRINTED TITLE

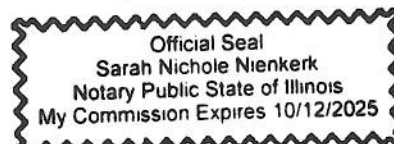
Notarization:

Subscribed and sworn to before me  
this 25 day of January



Signature of Notary

Seal



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

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

#### 1110.110(a) – Background of the Applicant

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 listing of all health care facilities currently owned and/or operated in Illinois, by any corporate officers or directors, LLC members, partners, or owners of at least 5% of the proposed health care facility.
3. For the following questions, please provide information for each applicant, including corporate officers or directors, LLC members, partners and owners of at least 5% of the proposed facility. A health care facility is considered owned or operated by every person or entity that owns, directly or indirectly, an ownership interest.
  - a. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant, directly or indirectly, during the three years prior to the filing of the application.
  - b. A certified listing of each applicant, identifying those individuals that have been cited, arrested, taken into custody, charged with, indicted, convicted or tried for, or pled guilty to the commission of any felony or misdemeanor or violation of the law, except for minor parking violations; or the subject of any juvenile delinquency or youthful offender proceeding. Unless expunged, provide details about the conviction and submit any police or court records regarding any matters disclosed.
  - c. A certified and detailed listing of each applicant or person charged with fraudulent conduct or any act involving moral turpitude.
  - d. A certified listing of each applicant with one or more unsatisfied judgements against him or her.
  - e. A certified and detailed listing of each applicant who is in default in the performance or discharge of any duty or obligation imposed by a judgment, decree, order or directive of any court or governmental agency.
4. 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.**
5. 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 that the information was 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 can 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.**

**Criterion 1110.110(b) & (d)****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 relevant area, per the applicant's definition.
3. Identify the existing problems or issues that need to be addressed as applicable and appropriate for the project.
4. Cite the sources of the 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 the age and condition of the project site, as well as 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 Staff 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** 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 1110.120 - 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 and it shall include the basis used for determining the space and the methodology applied.**
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 and certified by the facility's Medical Director.
  - b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that delineates the constraints or impediments.
  - c. The project involves the conversion of existing space that results in excess square footage.
  - d. Additional space is mandated by governmental or certification agency requirements that were not in existence when Appendix B standards were adopted.

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

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

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

**PROJECT SERVICES UTILIZATION:**

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

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

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

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

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

**UNFINISHED OR SHELL SPACE:**

Provide the following information:

1. Total gross square footage (GSF) of the proposed shell space.
2. The anticipated use of the shell space, specifying the proposed GSF to be allocated to each department, area or function.
3. Evidence that the shell space is being constructed due to:
  - a. Requirements of governmental or certification agencies; or
  - b. Experienced increases in the historical occupancy or utilization of those areas proposed to occupy the shell space.
4. Provide:
  - a. Historical utilization for the area for the latest five-year period for which data is 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.**

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)**

## VI. 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]:**

<u>\$6,990,000</u>	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 timetable 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 timetable of receipts;
<u>\$49,377,840</u>	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.
<b><u>\$56,367,840</u></b>	<b>TOTAL FUNDS AVAILABLE</b>
APPEND DOCUMENTATION AS <u>ATTACHMENT 33</u> , IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

**SECTION VII. 1120.130 - FINANCIAL VIABILITY**

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

**Financial Viability Waiver**

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

1. "A" Bond rating or better
2. All the project's 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 34, 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.

	<b>Historical 3 Years</b>			<b>Projected</b>
<b>Enter Historical and/or Projected Years:</b>				
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.

**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 35, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**SECTION VIII.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 the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or
  - B) Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

**B. Conditions of Debt Financing**

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

- 1) That the selected form of debt financing for the project will be at the lowest net cost available;
- 2) That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;
- 3) That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

**C. Reasonableness of Project and Related Costs**

Read the criterion and provide the following:

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

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	Circ.*	Const. \$ (A x C)	Mod. \$ (B x E)	
Contingency									
TOTALS									

\* Include the percentage (%) of space for circulation

**D. Projected Operating Costs**

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

**E. Total Effect of the Project on Capital Costs**

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

**APPEND DOCUMENTATION AS ATTACHMENT 36, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**SECTION IX. SAFETY NET IMPACT STATEMENT**

**SAFETY NET IMPACT STATEMENT that describes all the following must be submitted for ALL SUBSTANTIVE PROJECTS AND PROJECTS TO DISCONTINUE HEALTH CARE FACILITIES [20 ILCS 3960/5.4]:**

1. The project's material impact, if any, on essential safety net services in the community, **including the impact on racial and health care disparities 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 37.**

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

	Outpatient				
	<b>Total</b>				

APPEND DOCUMENTATION AS ATTACHMENT 37, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

**SECTION X. CHARITY CARE INFORMATION**

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 39.**

CHARITY CARE			
	Year	Year	Year
<b>Net Patient Revenue</b>			
Amount of Charity Care (charges)			
Cost of Charity Care			

**APPEND DOCUMENTATION AS ATTACHMENT 38, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**SECTION XI -SPECIAL FLOOD HAZARD AREA AND 500-YEAR FLOODPLAIN DETERMINATION FORM**

In accordance with Executive Order 2006-5 (EO 5), the Health Facilities & Services Review Board (HFSRB) must determine if the site of the CRITICAL FACILITY, as defined in EO 5, is located in a mapped floodplain (Special Flood Hazard Area) or a 500-year floodplain. All state agencies are required to ensure that before a permit, grant or a development is planned or promoted, the proposed project meets the requirements of the Executive Order, including compliance with the National Flood Insurance Program (NFIP) and state floodplain regulation.



1. Applicant: DuPage Medical Group, Ltd. 1100 West 31<sup>st</sup> Street, Downers Grove, Suite 300  
 (Name) (Address)

(City) (State) (ZIP Code) (Telephone Number)

2. Project Location: 1325 Meacham Road Schaumburg, Illinois  
 (Address) (City) (State)

Cook Schaumburg  
 (County) (Township) (Section)

3. You can create a small map of your site showing the FEMA floodplain mapping using the FEMA Map Service Center website (<https://msc.fema.gov/portal/home>) by entering the address for the property in the Search bar. If a map, like that shown on page 2 is shown, select the **Go To NFHL Viewer** tab above the map. You can print a

copy of the floodplain map by selecting the  icon in the top corner of the page. Select the pin tool icon  and place a pin on your site. Print a FIRMETTE size image.

If there is no digital floodplain map available select the **View/Print FIRM** icon above the aerial photo. You will then need to use the Zoom tools provided to locate the property on the map and use the **Make a FIRMette** tool to create a pdf of the floodplain map.

**IS THE PROJECT SITE LOCATED IN A SPECIAL FLOOD HAZARD AREA: Yes\_\_\_ No X**

**IS THE PROJECT SITE LOCATED IN THE 500-YEAR FLOOD PLAIN?**

If you are unable to determine if the site is in the mapped floodplain or 500-year floodplain, contact the county or the local community building or planning department for assistance.

If the determination is being made by a local official, please complete the following:

FIRM Panel Number: \_\_\_\_\_ Effective Date: \_\_\_\_\_

Name of Official: \_\_\_\_\_ Title: \_\_\_\_\_

Business/Agency: \_\_\_\_\_ Address: \_\_\_\_\_

(City) (State) (ZIP Code) (Telephone Number)

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**NOTE:** This finding only means that the property in question is or is not in a Special Flood Hazard Area or a 500-year floodplain as designated on the map noted above. It does not constitute a guarantee that the property will or will not be flooded or be subject to local drainage problems.

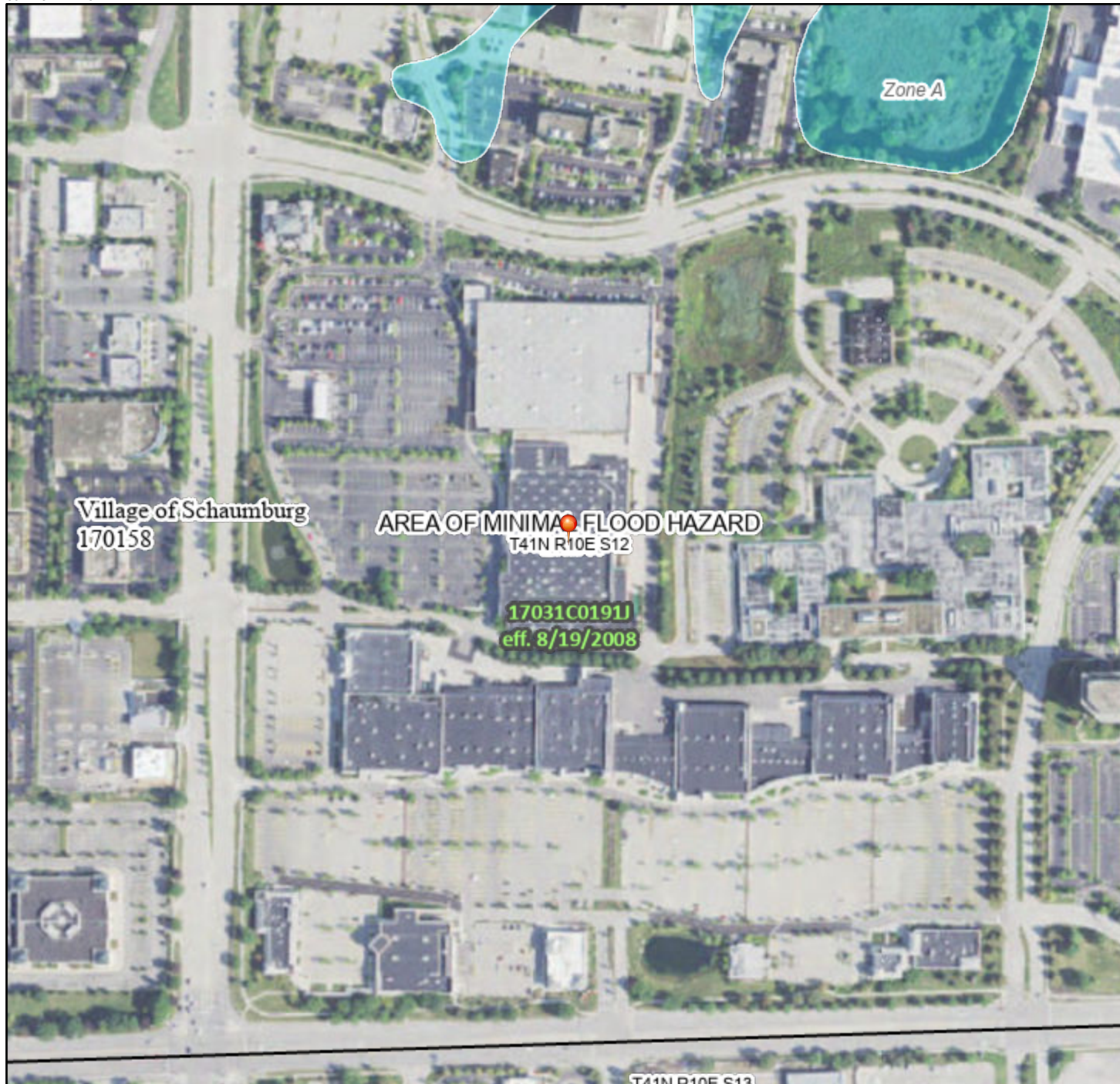
**If you need additional help, contact the Illinois Statewide Floodplain Program at 217/782-4428**



# National Flood Hazard Layer FIRMette



88°2'49"W 42°3'27"N



0 250 500 1,000 1,500 2,000 Feet 1:6,000 25 88°2'12"W 42°3'1"N  
Basemap: USGS National Map: Orthoimagery: Data refreshed October, 2020

## Legend

#22-021

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS		Without Base Flood Elevation (BFE) Zone A, V, A99
		With BFE or Depth Zone AE, AO, AH, VE, AR
		Regulatory Floodway
OTHER AREAS OF FLOOD HAZARD		0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
		Future Conditions 1% Annual Chance Flood Hazard Zone X
		Area with Reduced Flood Risk due to Levee. See Notes. Zone X
		Area with Flood Risk due to Levee Zone D
OTHER AREAS		NO SCREEN Area of Minimal Flood Hazard Zone X
		Effective LOMRs
GENERAL STRUCTURES		Area of Undetermined Flood Hazard Zone D
		Channel, Culvert, or Storm Sewer
		Levee, Dike, or Floodwall
OTHER FEATURES		20.2 Cross Sections with 1% Annual Chance
		17.5 Water Surface Elevation
		Coastal Transect
		Base Flood Elevation Line (BFE)
		Limit of Study
		Jurisdiction Boundary
		Coastal Transect Baseline
MAP PANELS		Profile Baseline
		Hydrographic Feature
		Digital Data Available
		No Digital Data Available
		Unmapped



The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on **10/26/2021 at 12:16 PM** and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

**Section I, Identification, General Information, and Certification**  
**Applicants**

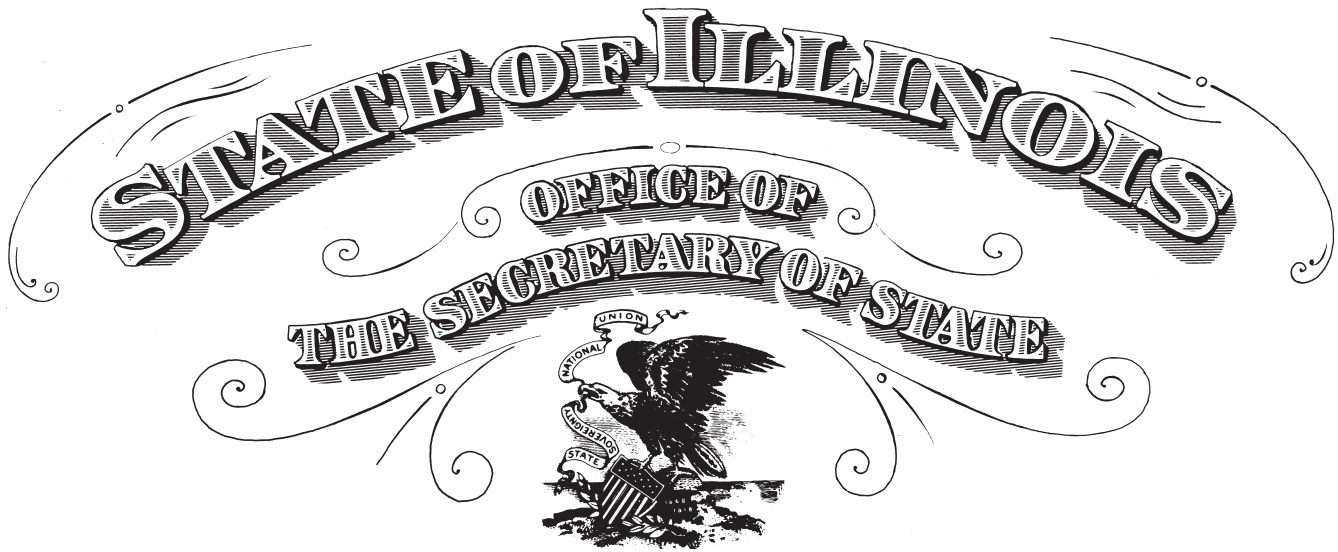
Certificates of Good Standing for DuPage Medical Group, Ltd. and DMG Practice Management Solutions LLC (collectively, "DMG") are attached at Attachment – 1.

DuPage Medical Group, Ltd. will be the operator of the Schaumburg medical office building.

DuPage Medical Group, Ltd.'s financial statements are consolidated with DMG Practice Management Solutions LLC. Accordingly, DMG Practice Management Solutions LLC is included as a co-applicant in this application. DMG Practice Management Solutions LLC does not do business in the State of Illinois. A Certificate of Good Standing for DMG Practice Management Solutions LLC from its state of incorporation, Delaware, is attached.

File Number

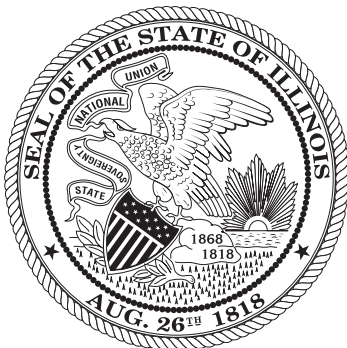
4887-921-7



***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*

DU PAGE MEDICAL GROUP, LTD., A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JULY 22, 1968, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS 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 26TH*  
*day of OCTOBER A.D. 2021 .*

*Jesse White*

SECRETARY OF STATE

Authentication #: 2129902734 verifiable until 10/26/2022

Authenticate at: <http://www.ilsos.gov>

# Delaware

The First State

*I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF  
DELAWARE, DO HEREBY CERTIFY "DMG PRACTICE MANAGEMENT SOLUTIONS LLC"  
IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN  
GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF  
THIS OFFICE SHOW, AS OF THE TWENTY-SIXTH DAY OF OCTOBER, A.D. 2021.*

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



5903346 8300

SR# 20213614314

You may verify this certificate online at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)

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

Jeffrey W. Bullock, Secretary of State

Authentication: 204511794

Date: 10-26-21

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

The Leasehold Interest Overview of Terms between Shorewood Development Group and DuPage Medical Group to lease the property located at 1325 Meacham Road, Schaumburg, Illinois is attached at Attachment – 2.



**1325 Meacham Road, Schaumburg, Illinois**  
**Leasehold Interest Overview of Terms**

Shorewood Development Group, LLC, an Illinois limited liability company (“**Shorewood**”) is under contract to purchase the real property and improvements located at northeast corner of North Meacham Road and East Golf Road in Schaumburg, Illinois (the “**Shopping Center**”). DuPage Medical Group, Ltd., an Illinois professional corporation (“**DMG**”) plans to occupy a portion of the Shopping Center consisting of approximately 100,000 gross square feet (the “**Premises**”), subject to receipt of a certificate of need (“**CON**”) permit from the Illinois Health Facilities and Services Review Board, in order to provide health care services pursuant to a real estate leasing arrangement (the “**Lease**”).

In connection with DMG’s planned use and occupancy of the Premises, Shorewood will fund certain renovations to the Premises (the “**Work**”) through a monetary contribution to be used for hard and soft cost of such Work (the “**Contribution**”). As consideration for receipt of the Contribution, the tenant will have the following obligations under the Lease for the Premises as summarized below:

<b>Contribution</b>	Shorewood is providing a Contribution of \$226.50 per square foot of the Premises, which shall be used for the Work in the Premises.
<b>Lease Rent</b>	Initial Lease Rent = \$32.80 per square foot  subject to (a) adjustment, if applicable, based on remeasurement of the Premises; and 2% annual escalation;  <i>plus</i> tenant’s proportionate share (calculated based on the ratio of the square footage of the Premises to the square footage of the Shopping Center) of common area maintenance charges and real estate taxes.
<b>Initial Lease Term</b>	20 years
<b>Extension Option</b>	Three 5-year options
<b>Exclusive Use</b>	DMG and its affiliates, assignees, and/or tenants, will have the exclusive right to use the Premises for medical use as the primary use

Accepted and agreed to this 11<sup>th</sup> day of May 2022

**[SIGNATURES APPEAR ON THE FOLLOWING PAGE]**

**DUPAGE MEDICAL GROUP, LTD.**

DocuSigned by:



C156B3CF490A4A2...  
Paul Merrick, M.D.  
Chairman  
5/11/2022

**SHOREWOOD DEVELOPMENT  
GROUP, LLC**



Louis Schriber III  
Founder/President

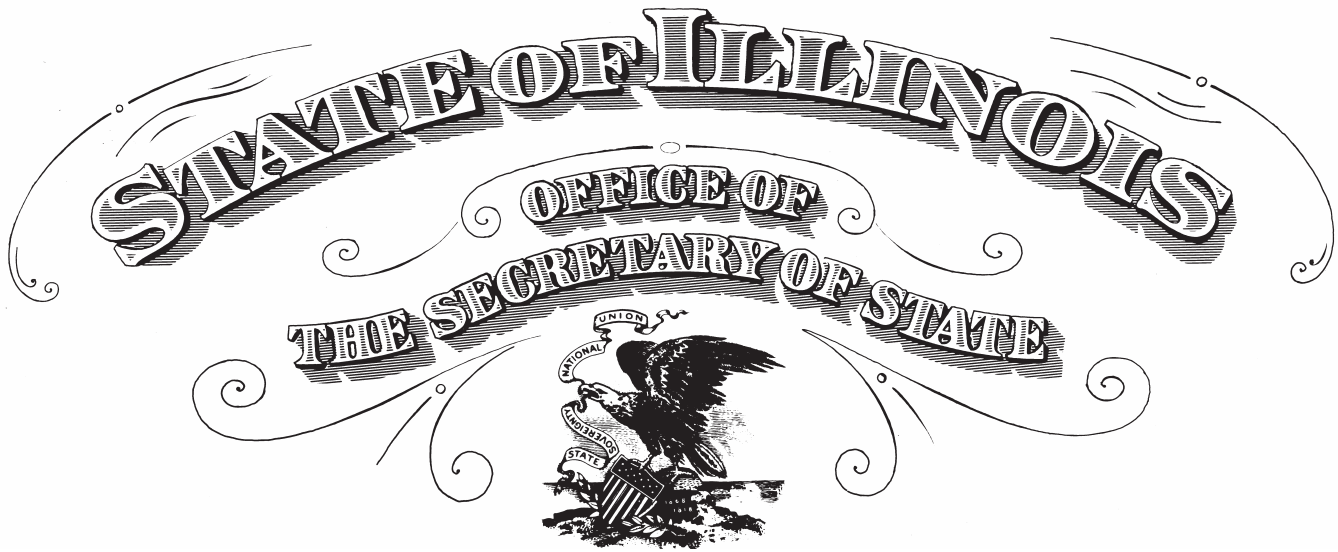
**Section I, Identification, General Information, and Certification**  
**Operating Entity/Licensee**

The Certificate of Good Standing for DuPage Medical Group, Ltd. is attached at Attachment – 3.



File Number

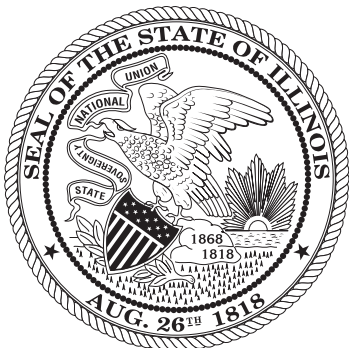
4887-921-7



***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*

DU PAGE MEDICAL GROUP, LTD., A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JULY 22, 1968, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS 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 26TH*  
*day of OCTOBER A.D. 2021 .*

*Jesse White*

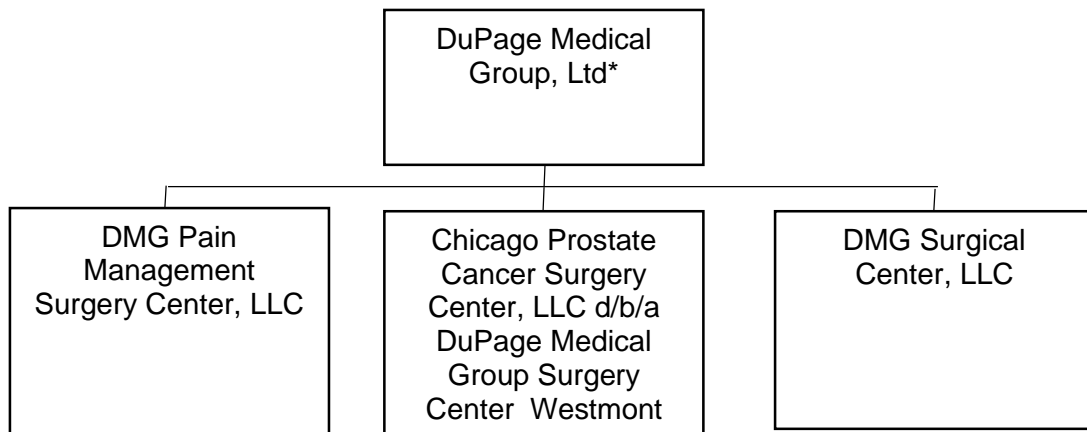
SECRETARY OF STATE

Authentication #: 2129902734 verifiable until 10/26/2022

Authenticate at: <http://www.ilsos.gov>

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

The organization chart for DuPage Medical Group, Ltd is attached at Attachment – 4.

**Organizational Chart**

\*Because DMG's financial statements are consolidated with those of DMG Practice Management Solutions, DMG Practice Management Solutions was included as a co-applicant within this application.

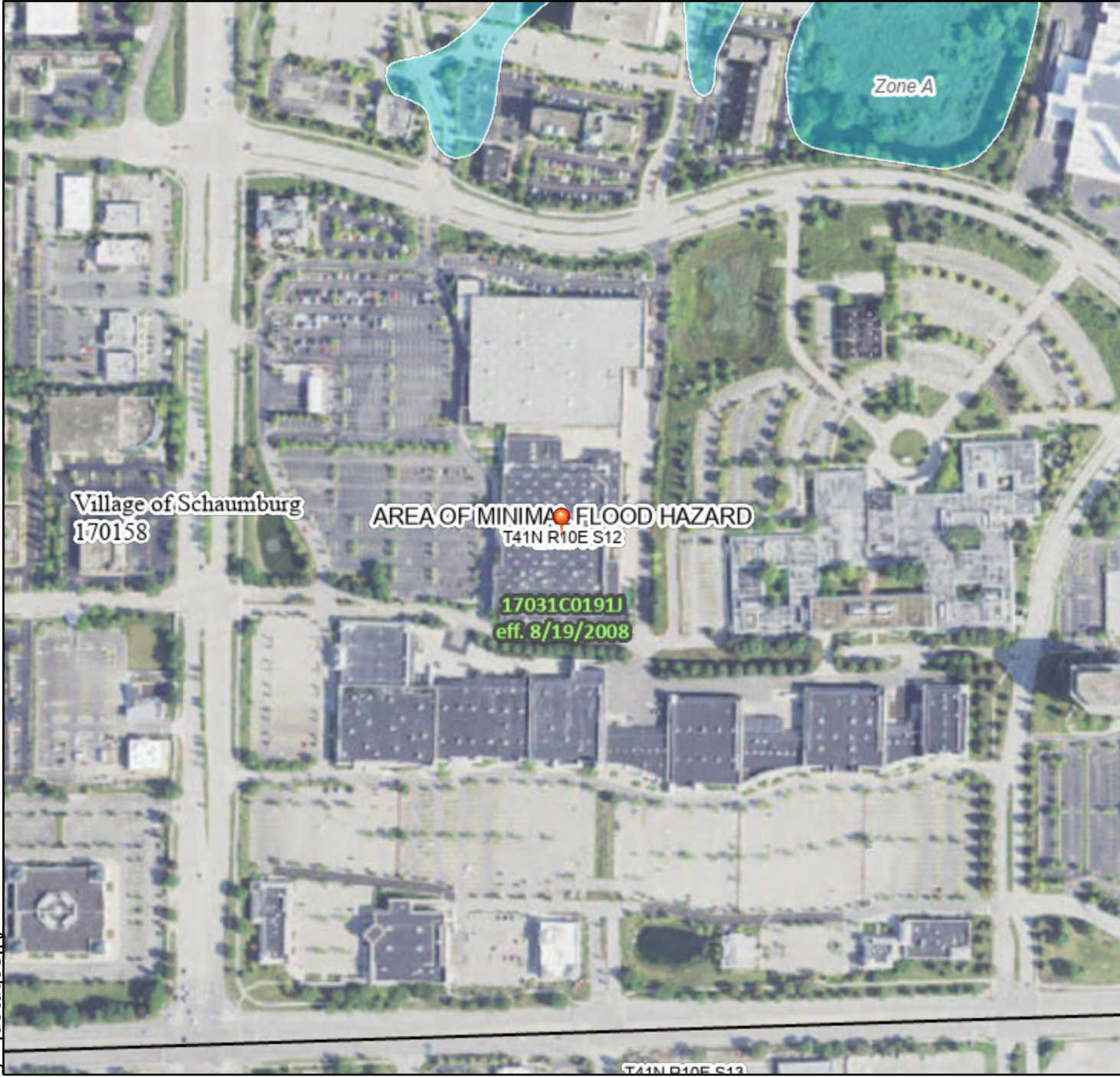
**Section I, Identification, General Information, and Certification**  
**Flood Plain Requirements**

The site of the proposed medical office building complies with the requirements of Illinois Executive Order #2006-5. The proposed medical office building will be located at 1325 Meacham Road, Schaumburg, Illinois 60173. As shown in the documentation from FEMA Flood Map Service Center attached at Attachment – 5, the interactive map for Panel 17031C0191J shows this area is not located within a flood plain.

# National Flood Hazard Layer FIRMMette



88°2'49"W 42°3'27"N



Attachment - 5

## #22-021

### Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS		Without Base Flood Elevation (BFE) Zone A, V, A99
		With BFE or Depth Zone AE, AO, AH, VE, AR
		Regulatory Floodway
OTHER AREAS OF FLOOD HAZARD		0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
		Future Conditions 1% Annual Chance Flood Hazard Zone X
		Area with Reduced Flood Risk due to Levee. See Notes. Zone X
		Area with Flood Risk due to Levee Zone D
OTHER AREAS		NO SCREEN Area of Minimal Flood Hazard Zone X
		Effective LOMRs
GENERAL STRUCTURES		Area of Undetermined Flood Hazard Zone D
		Channel, Culvert, or Storm Sewer
		Levee, Dike, or Floodwall
OTHER FEATURES		20.2 Cross Sections with 1% Annual Chance
		17.5 Water Surface Elevation
		Coastal Transect
		Base Flood Elevation Line (BFE)
		Limit of Study
		Jurisdiction Boundary
		Coastal Transect Baseline
		Profile Baseline
MAP PANELS		Digital Data Available
		No Digital Data Available
		Unmapped



The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on **10/26/2021 at 12:16 PM** and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

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

The Historic Preservation Act determination from the Illinois Historic Preservation Agency is attached at Attachment – 6.





## Illinois Department of Natural Resources

One Natural Resources Way Springfield, Illinois 62702-1271  
www.dnr.illinois.gov

JB Pritzker, Governor  
Colleen Callahan, Director

Cook County  
Schaumburg

CON - Modernization to Establish the Schaumburg Medical Office Building  
1325 N. Meacham Road  
SHPO Log #004102821

November 17, 2021

Anne Cooper  
Polsinelli  
150 N. Riverside Plaza, Suite 3000  
Chicago, IL 60606-1599

Dear Ms. Cooper:

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

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

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

If you have any further questions, please contact Rita Baker, Cultural Resources Manager, at 217/785-4998 or at Rita.E.Baker@illinois.gov.

Sincerely,

A handwritten signature in black ink that reads "Carey L. Mayer".

Carey L. Mayer, AIA  
Deputy State Historic  
Preservation Officer

**Section I, Identification, General Information, and Certification**  
**Project Costs**

<b>Project Costs</b>			
<b>USE OF FUNDS</b>	<b>CLINICAL</b>	<b>NONCLINICAL</b>	<b>TOTAL</b>
Preplanning Costs			
Site Survey and Soil Investigation			
Site Preparation			
Off Site Work			
New Construction Contracts			
Modernization Contracts		\$20,000,000	\$20,000,000
Contingencies		\$2,720,000	\$2,720,000
Architectural/Engineering Fees		\$1,430,000	\$1,430,000
Consulting and Other Fees		\$850,000	\$850,000
Movable or Other Equipment (not in construction contracts)			
Equipment General		\$1,440,000	\$1,440,000
IT/Telecom		\$3,200,000	\$3,200,000
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment			
FMV of Building*		\$6,367,840	\$6,367,840
Furniture		\$1,800,000	\$1,800,000
Imaging Equipment		\$10,092,000	\$10,092,000
Medical Equipment		\$8,468,000	\$8,468,000
Other Costs to Be Capitalized			
Acquisition of Building or Other Property (excluding land)			
<b>TOTAL USES OF FUNDS</b>		<b>\$56,367,840</b>	<b>\$56,367,840</b>

\*See Attachment – 7A



**Fair Market Value of Building**

As the Project involves the renovation of an existing building, which is 100,000 gsf, the FMV of the existing building is based on the tax assessed value of the property as determined by the Cook County Assessor's Office.



## Property Details

**07-12-400-064-0000**

1351 N MEACHAM RD • SCHAUMBURG, IL • Schaumburg

## Tax Details

PROPERTY CLASSIFICATION	<b>517</b>
SQUARE FOOTAGE (LAND)	<b>481,344</b>
NEIGHBORHOOD	<b>100</b>
TAXCODE	<b>35011</b>
NEXT SCHEDULED REASSESSMENT	<b>2022</b>

## Assessed Valuation

2020 Assessor Certified values include adjustments, where applicable, for COVID-19 effects on property.

	<b>2021 Assessor Certified</b>	<b>2020 Board of Review Certified</b>
TOTAL ESTIMATED MARKET VALUE	<b>\$6,367,840</b>	<b>\$6,900,000</b>
TOTAL ASSESSED VALUE	<b>\$1,591,960</b>	<b>\$1,725,000</b>
LAND ASSESSED VALUE	<b>\$1,383,864</b>	<b>\$1,383,864</b>
BUILDING ASSESSED VALUE	<b>\$208,096</b>	<b>\$341,136</b>

\* "Property Location" is not a legal/postal mailing address. Its sole purpose is to help our Office locate the property. Therefore, you should not utilize the property location for any purpose, however, you may update the Property Location with your Legal/Postal Mailing Address should you choose to do so. Updating the address will not change the Property Location to a Legal/Postal Mailing Address.

\*\* Information may be available by submitting an FOIA Request

## Exemption Status

Exemption History

Characteristics

DESCRIPTION	One story store
AGE	**
BUILDING SQUARE FOOTAGE	**
ASSESSMENT PHASE	Assessor Valuation

<sup>1</sup> Excluded from building square footage, except apartment

<sup>2</sup> Excluded from building square footage

\* "Property Location" is not a legal/postal mailing address. Its sole purpose is to help our Office locate the property. Therefore, you should not utilize the property location for any purpose, however, you may update the Property Location with your Legal/Postal Mailing Address should you choose to do so. Updating the address will not change the Property Location to a Legal/Postal Mailing Address.

\*\* Information may be available by submitting an FOIA Request

**Section I, Identification, General Information, and Certification**  
**Active CON Permits**

DuPage Medical Group has no active CON permits.

**Section I, Identification, General Information, and Certification**  
**Cost Space Requirements**


Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
<b>REVIEWABLE</b>							
Total Reviewable							
<b>NON-REVIEWABLE</b>							
Exam and Treatment Spaces	\$23,730,861	42,100			42,100		
Physician Offices	\$1,803,771	3,200			3,200		
Staff Workspaces and Nurses Stations	\$6,538,669	11,600			11,600		
Reception, Waiting and Registration	\$4,171,220	7,400			7,400		
Storage and Supplies	\$2,480,185	4,400			4,400		
Staff Lounge and Lockers	\$1,578,300	2,800			2,800		
Toilets	\$2,029,242	3,600			3,600		
Communication, IT and Electrical Closets	\$1,070,989	1,900			1,900		
Entry and Circulation	\$12,119,086	21,500			21,500		
Mechanical, Plumbing, Building Support	\$676,414	1,200			1,200		
Administrative Spaces and Offices	\$169,103	300			300		
<b>Total Non-Reviewable</b>	<b>\$56,367,840</b>	<b>100,000</b>			<b>100,000</b>		
<b>TOTAL</b>	<b>\$56,367,840</b>	<b>100,000</b>			<b>100,000</b>		

**Section III, Project Purpose, Background and Alternatives – Information Requirements**

**Criterion 1110.110(a), Project Purpose, Background, and Alternatives**

1. A list of health care facilities owned or operated by DMG in Illinois, including licensing and certification information is attached at Attachment – 11A.
2. Letters from the Applicants certifying no adverse action has been taken against any facility owned or operated by the Applicants in Illinois during the three years prior to filing this application is attached at Attachment – 11C.
3. An authorization permitting the State Board and the Illinois Department of Public Health (“IDPH”) access to any documents necessary to verify the information submitted, including but not limited to: official records of IDPH or other State agencies is attached at Attachment – 11C.

<b>Name</b>	<b>Address</b>	<b>License No.</b>	<b>Accreditation Identification No.</b>
DuPage Medical Group Surgery Center Westmont	815 Pasquinelli Drive Westmont, IL 60559	7003098	TJC 293933
DMG Pain Management Surgery Center	2940 Rolling Ridge Road, Suite 200 Naperville, IL 60567	7003162	AAAHHC 95139
DMG Surgical Center	2725 Technology Drive Lombard, IL 60148	7003023	AAAHHC 68951

 <b>Illinois Department of PUBLIC HEALTH</b>		
<b>LICENSE, PERMIT, CERTIFICATION, REGISTRATION</b>		
The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.		
Issued under the authority of the Illinois Department of Public Health		
<b>Ngozi O. Ezike, M.D.</b> <b>Director</b>		
EXPIRATION DATE	CATEGORY	LD NUMBER
09/06/2022		7003162
<b>Ambulatory Surgery Treatment Center</b>  Effective: 09/07/2021		
DMG Pain Management Surgery Center, LLC 2940 Rollingridge Rd Ste 200 Naperville, IL 60564		
The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. #19-493-001 10M 9/18		

→ DISPLAY THIS PART IN A  
CONSPICUOUS PLACE

Exp. Date 09/06/2022


Lic Number 7003162

Date Printed 07/13/2021

DMG Pain Management Surgery Cent  
 2940 Rollingridge Rd Ste 200  
 Naperville, IL 60564-4226

FEE RECEIPT NO.



 <b>Illinois Department of PUBLIC HEALTH</b>			HF 123037
<b>LICENSE, PERMIT, CERTIFICATION, REGISTRATION</b>			
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.			
<b>Ngozi O. Ezike, M.D.</b> <b>Director</b>		Issued under the authority of the Illinois Department of Public Health	
EXPIRATION DATE	CATEGORY	I.D. NUMBER	
07/16/2022		7003098	
<b>Ambulatory Surgery Treatment Center</b>  Effective: 07/17/2021			
Chicago Prostate Cancer Surgery Center 815 Pasquinelli Dr Westmont, IL 60559			
<small>The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. #19-493-001 10M 9/18</small>			

← DISPLAY THIS PART IN A  
CONSPICUOUS PLACE

Exp. Date 07/16/2022

Lic Number 7003098

Date Printed 05/28/2021

Chicago Prostate Cancer Surgery Cent

815 Pasquinelli Dr  
Westmont, IL 60559-1276

FEE RECEIPT NO.



**Illinois Department of  
PUBLIC HEALTH**

HF 123599

**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.

**Ngozi O. Ezike, M.D.**  
**Director**

Issued under the authority of  
the Illinois Department of  
Public Health

EXPIRATION DATE	CATEGORY	I.D. NUMBER
9/9/2022		7003023
<b>Ambulatory Surgery Treatment Center</b>		
Effective: 09/10/2021		

**DMG Surgical Center, LLC**  
**2725 S Technology Dr**  
**Lombard, IL 60148**

The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. #19-493-001 10M 9/18

**#22-021**

← **DISPLAY THIS PART IN A  
CONSPICUOUS PLACE**

Exp. Date 9/9/2022

Lic Number 7003023

Date Printed 8/12/2021

**DMG Surgical Center, LLC**

**2725 S Technology Drive**  
**Lombard, IL 60148-5675**

**FEE RECEIPT NO.**





ACCREDITATION ASSOCIATION  
for AMBULATORY HEALTH CARE, INC.

## ACCREDITATION NOTIFICATION

October 26, 2021

<b>Organization #</b>	95139	<b>Program Type</b>	Ambulatory Surgery Center
<b>Decision Recipient</b>	Mrs. Kristina Sharkey	<b>CCN</b>	14C0001149
<b>Organization Name</b>	DMG Pain Management Surgery Center		
<b>Address</b>	2940 Rollingridge Road, Suite 200		
<b>City</b>	<b>State</b>	<b>Zip</b>	
Naperville	IL	60564-4226	

Dear DMG Pain Management Surgery Center,

As an ambulatory surgery center (ASC) that has undergone the AAAHC/Medicare Deemed Status Survey, your ASC has demonstrated its compliance with the AAAHC Standards and all Medicare Conditions for Coverage (CfC).

<b>Survey Date</b>	10/4/2021-10/5/2021	<b>Deficiency Level</b>	Standard
<b>Type of Survey</b>	Re-accreditation/Medicare Deemed Status		
<b>Acceptable PoC Received</b>	10/25/2021	<b>Correction Method</b>	Plan of Action, Self Attestation, Document Review

### Congratulations!

The AAAHC Accreditation Committee recommends your ASC for participation in the Medicare Deemed Status program. The Centers for Medicare and Medicaid Services (CMS) has the final authority to determine participation and effective dates in Medicare Deemed Status in accordance with the regulations at 42 CFR 489.13.

<b>Accreditation Type</b>	Full Accreditation	<b>Recommend Medicare Deemed Status</b>	Yes
<b>Accreditation Term Begins</b>	11/23/2021	<b>Accreditation Term Expires</b>	11/22/2024

**Special CC:** CMS CO - Baltimore  
CMS RO V- Chicago

**Accreditation Renewal Code:** 470DF82495139

### Next Steps

- Leadership and staff of your ASC should take time to thoroughly review your Survey Report and Plan of Correction (PoC).
  - Subsequent surveys by AAAHC will seek evidence that deficiencies from this survey were addressed within the timeframes of your PoC.
  - The Summary Table provides an overview of compliance for each chapter applicable to your organization.

Organization # 95139 Organization: DMG Pain Management Surgery Center  
October 26, 2021

Page 2

2. AAAHC requires **notification of any changes** within your organization in accordance with policies and procedures in the front section of the *Accreditation Handbook*. Visit the AAAHC website “I want to” section and select “Notify AAAHC of a change in my organization” and follow instructions.
  3. AAAHC Standards, policies and procedures are reviewed and revised on an ongoing basis. You are invited to participate in the review through the periodic public comment process. Your organization will be notified when the proposed changes are available for review. You may also check the AAAHC website for details.
  4. Accredited ASCs are required to maintain operations in compliance with the current AAAHC policies and Standards, which include the CMS Conditions for Coverage. Updates are published in the AAAHC *Handbooks*. Any mid-year updates are announced and posted to the AAAHC website, [www.aaahc.org](http://www.aaahc.org).
  5. In order to ensure uninterrupted accreditation, your ASC should submit the *Application for Survey* approximately five months prior to the expiration of your term of accreditation. In states for which accreditation is mandated by law, the *Application* should be submitted six months in advance to ensure adequate time for review and scheduling the survey.
- NOTE:** You will need the Accreditation Renewal Code found above to submit your renewal application.

#### Additional Information

Throughout your term of accreditation, AAAHC will communicate announcements via e-mail to the primary contact for your organization. Please be sure to notify us ([notifyeast@aaahc.org](mailto:notifyeast@aaahc.org)) should this individual or his/her contact information change.

If you have questions or comments about the accreditation process, please contact AAAHC Accreditation Services at 847.853.6060. We look forward to continuing to partner with you to deliver safe, high-quality health care.

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

Dear Chair Savage:

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 as defined in 77 Ill. Admin. Code § 1130.140 has been taken against any health care facility owned or operated by DuPage Medical Group, Ltd. or DMG Practice Management Solutions, LLC in the State of Illinois during the three year period prior to filing this application.

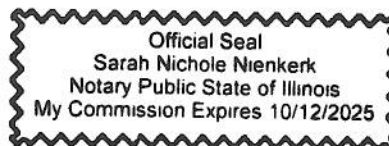
Additionally, pursuant to 77 Ill. Admin. Code § 1110.110(a)(2)(J), I hereby authorize the Health Facilities and Services Review Board ("HFSRB") and the Illinois Department of Public Health ("IDPH") access to any documents necessary to verify information submitted as part of this application for permit. 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,

Paul Merrick, M.D.  
 Chairman  
 DuPage Medical Group, Ltd.  
 Co-Chairman  
 DMG Practice Management Solutions LLC

Subscribed and sworn to me  
 This 25 day of January, 2022

Sarah Nichole Nienkerk  
 Notary Public



**Section III, Project Purpose, Background and Alternatives – Information Requirements**  
**Criterion 1110.110(b), Project Purpose, Background, and Alternatives**

**Purpose of the Project**

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

Founded in 1999, DMG is the largest independent, multi-specialty physician group in the Chicago area with more than 775 primary care and specialty care physicians in over 125 suburban Chicago locations. DMG is a patient-centered organization focused on improving access to convenient, quality health care using the latest technology and treatment options.

DMG proposes to modernize a former retail space for the purpose of consolidating physician practice space in Schaumburg, Illinois. This Project will help DMG serve its growing patient base in Schaumburg by offering the following services: Allergy, Cardiology, Chiropractic, Diabetic Education, Endocrinology, Endoscopy, Family Practice, Gastroenterology, General Surgery, Imaging, Immediate Care, Infusion, Internal Medicine, Laboratory, Maternal Fetal Medicine, Neurology, OBGYN, Oncology, Ophthalmology, Orthopedics, Pain Management, Pediatrics, Physiatry, Podiatry, Physical and Occupational Therapy, Radiation Oncology, Rheumatology, Vascular Surgery.

The purpose of the Project is to ensure continued access to quality, coordinated, efficient and cost-effective services for the residents of Schaumburg and surrounding areas. The Project will provide office space for physicians and midlevel providers to ensure the availability of health care services as care shifts to the outpatient setting. Access to these services is essential to the overall well-being of the communities DMG serves, particularly in light of the aging population and the co-morbidities associate with the shifting age cohort.

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

A map of the market area for the proposed Schaumburg medical office building is attached at Attachment – 12. It is anticipated the majority of patients using the proposed practice location will reside within 10 miles of the facility. A list of all zip codes located, in total or in part, within 10 miles of the site is provided in the table below:

<b>Zip Code</b>	<b>Name</b>	<b>Population</b>
60004	Arlington Heights	50,639
60005	Arlington Heights	30,079
60007	Elk Grove Village	33,161
60008	Rolling Meadows	21,663
60016	Des Plaines	59,291
60018	Des Plaines	30,037
60056	Mount Prospect	54,524

60062	Northbrook	40,686
60067	Palatine	37,840
60070	Prospect Heights	15,908
60074	Palatine	39,217
60089	Buffalo Grove	41,014
60090	Wheeling	38,553
60106	Bensenville	20,341
60107	Streamwood	39,894
60108	Bloomington	22,494
60133	Hanover Park	38,113
60139	Glendale Heights	34,160
60143	Itasca	11,222
60148	Lombard	52,588
60157	Medinah	2,970
60169	Hoffman Estates	33,373
60172	Roselle	24,371
60173	Schaumburg	12,610
60191	Wood Dale	14,021
60192	Hoffman Estates	15,467
60193	Schaumburg	39,646
60194	Schaumburg	19,525
60195	Schaumburg	5,020
<b>Total</b>		<b>878,427</b>

U.S. Census Bureau, American Community Survey 5-Year Estimates Data Profiles available at <https://data.census.gov/cedsci/table?q=United%20States&g=0100000US&tid=ACSDP1Y2018.DP05> (last visited Jan. 4, 2022).

**3. Identify the existing problems or issues that need to be addressed, as applicable, and appropriate for the Project.**

Demand for physician services in the United States has grown substantially over the past two decades due to the nation's expanding and aging population and improving insurance coverage. This growth has led DMG to significantly expand its complement of providers and number of locations over the past several years. To address existing demand and allow for anticipated growth among the services that will occupy the proposed clinic, DMG must add office space to accommodate additional providers.

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

The Project takes into account multiple external sources that demonstrate historical and anticipated growth in demand for outpatient physician services. It was also informed by analysis of internal documents.

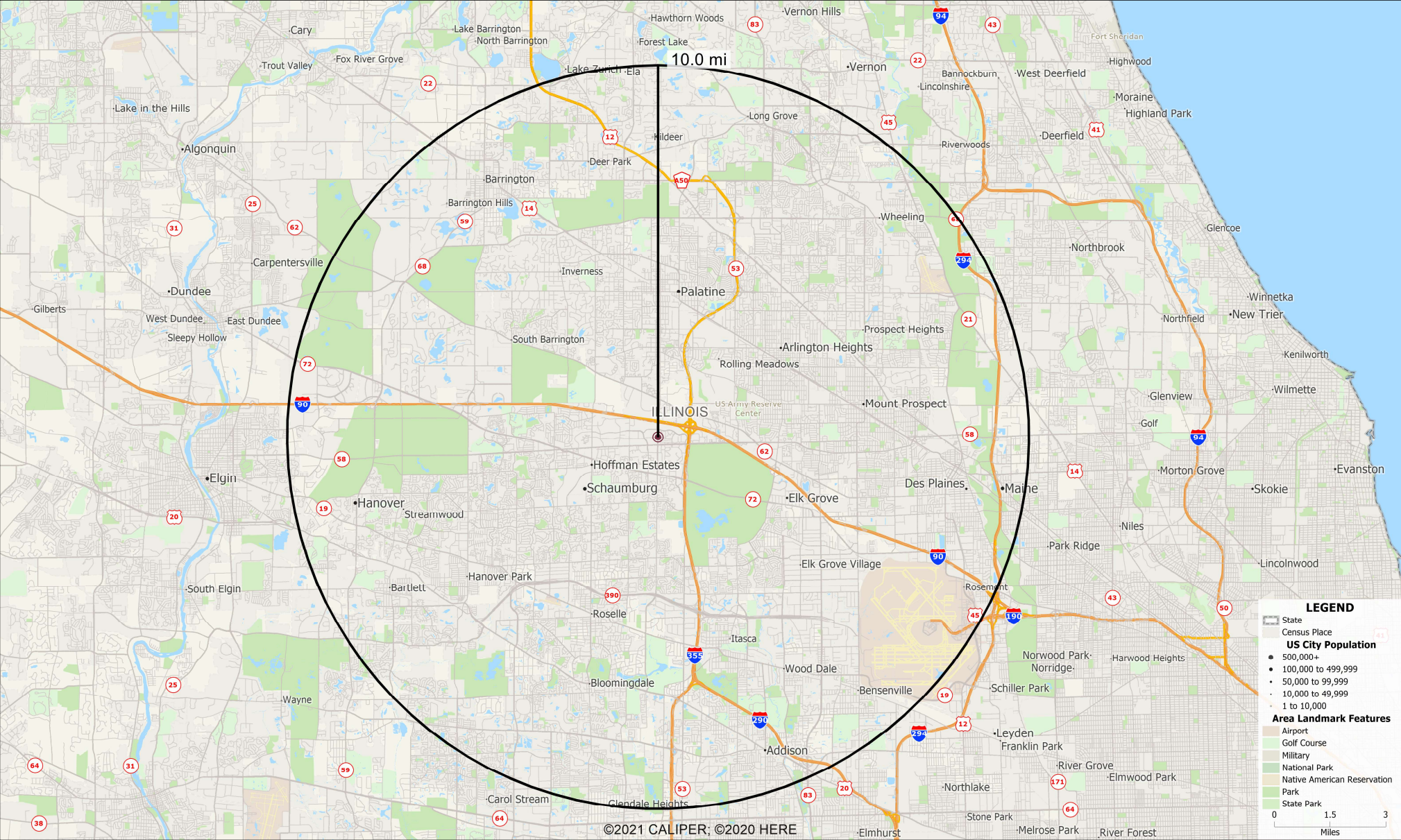
5. **Detail how the Project will address or improve the previously referenced issues as well as the population's health status and well-being.**

As discussed in greater detail above, the Project will allow DMG to improve access to care for residents of Schaumburg and surrounding areas.

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

The goal of the Project is to provide contemporary and easily accessible office space for DMG providers. Upon project completion, that goal, as it relates to the market area identified above, will be met.





### **Section III, Project Purpose, Background and Alternatives – Information Requirements**

#### **Criterion 1110.110(d), Project Purpose, Background, and Alternatives**

##### **Alternatives**

DMG proposes to modernize a portion of a former retail space for the purpose of consolidating physician practice space in Schaumburg, Illinois. As discussed more fully below, the Project is the most effective and least costly alternative to the other alternatives considered when balancing access and quality with costs. The following narrative consists of a comparison of the proposed project to the alternatives.

DMG considered the following alternatives:

#### **1. Project of Lesser Scope: Do Nothing (\$0)**

This option will not allow DMG address the growing demand for services in Schaumburg and the surrounding area. Under this option, patient access, patient satisfaction and the cost of care would be adversely affected. For these reasons, this alternative was rejected.

#### **2. Proposed: Modernize former retail space for the purpose of consolidating physician practice space (\$56,367,840)**

DMG ultimately decided to modernize a former retail space in Schaumburg. The chosen option will provide additional medical space in a cost-effective manner. It will also help DMG serve its growing patient base in the Schaumburg area by allowing for the addition of immediate care and advanced imaging services.

For all of these reasons, this option was chosen for the Project.

**Section IV, Project Scope, Utilization, and Unfinished/Shell Space**  
**Criterion 1110.120(a), Size of the Project**

The space criterion is only applicable to projects that involve hospital service areas under licensure of the Illinois Hospital Licensing Act for which standards are set pursuant to Appendix B of Part 1110 of the Illinois Health Facilities and Services Review Board rules. This building will consist of non-hospital affiliated physician offices and none of the spaces will be under a hospital license. Accordingly, these service areas are non-reviewable and this criterion is not applicable.

**Section IV, Project Scope, Utilization, and Unfinished/Shell Space**  
**Criterion 1110.120(b), Project Services Utilization**

The utilization criterion is only applicable to projects that involve hospital services under licensure of the Illinois Hospital Licensing Act for which standards are set pursuant to Appendix B of Part 1110 of the Illinois Health Facilities and Services Review Board rules. This building will consist of non-hospital affiliated physician offices and none of the spaces will be under a hospital license. Accordingly, all of the services are non-reviewable and this criterion is not applicable.

**Section IV, Project Scope, Utilization, and Unfinished/Shell Space**  
**Criterion 1110.120(d), Unfinished or Shell Space**

The Project will not include unfinished space designed to meet an anticipated future demand for service. Accordingly, this criterion is not applicable.

**Section VII, Service Specific Review Criteria**

The Project does not involve any of the following services. Therefore, the associated sections are not applicable.

- Medical/Surgical, Obstetric, Pediatric and Intensive Care
- Comprehensive Physical Rehabilitation
- Acute Mental Illness and Chronic Mental Illness
- Open Heart Surgery
- Cardiac Catheterization
- In-Center Hemodialysis
- Non-Hospital Based Ambulatory Surgery
- Selected Organ Transplantation
- Kidney Transplantation
- Subacute Care Hospital Model
- Community-Based Residential Rehabilitation Center
- Long Term Acute Care Hospital
- Clinical Service Areas Other than Categories of Service

**Section VI, Financial Feasibility**  
**Criterion 1120.120 Availability of Funds**

The Project will be funded through an operating lease for the building, equipment leases and cash on hand. The Leasehold Interest Overview of Terms between DMG and Shorewood Development Group for the building is attached at Attachment – 33A. A letter from Bank of America evidencing sufficient cash available for the Project is attached at Attachment – 33B.

**1325 Meacham Road, Schaumburg, Illinois**  
**Leasehold Interest Overview of Terms**

Shorewood Development Group, LLC, an Illinois limited liability company (“**Shorewood**”) is under contract to purchase the real property and improvements located at northeast corner of North Meacham Road and East Golf Road in Schaumburg, Illinois (the “**Shopping Center**”). DuPage Medical Group, Ltd., an Illinois professional corporation (“**DMG**”) plans to occupy a portion of the Shopping Center consisting of approximately 100,000 gross square feet (the “**Premises**”), subject to receipt of a certificate of need (“**CON**”) permit from the Illinois Health Facilities and Services Review Board, in order to provide health care services pursuant to a real estate leasing arrangement (the “**Lease**”).

In connection with DMG’s planned use and occupancy of the Premises, Shorewood will fund certain renovations to the Premises (the “**Work**”) through a monetary contribution to be used for hard and soft cost of such Work (the “**Contribution**”). As consideration for receipt of the Contribution, the tenant will have the following obligations under the Lease for the Premises as summarized below:

<b>Contribution</b>	Shorewood is providing a Contribution of \$226.50 per square foot of the Premises, which shall be used for the Work in the Premises.
<b>Lease Rent</b>	Initial Lease Rent = \$32.80 per square foot  subject to (a) adjustment, if applicable, based on remeasurement of the Premises; and 2% annual escalation;  <i>plus</i> tenant’s proportionate share (calculated based on the ratio of the square footage of the Premises to the square footage of the Shopping Center) of common area maintenance charges and real estate taxes.
<b>Initial Lease Term</b>	20 years
<b>Extension Option</b>	Three 5-year options
<b>Exclusive Use</b>	DMG and its affiliates, assignees, and/or tenants, will have the exclusive right to use the Premises for medical use as the primary use

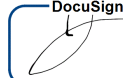
Accepted and agreed to this 11<sup>th</sup> day of May 2022

**[SIGNATURES APPEAR ON THE FOLLOWING PAGE]**



**DUPAGE MEDICAL GROUP, LTD.**

DocuSigned by:



C156B3CF490A4A2...  
Paul Merrick, M.D.  
Chairman  
5/11/2022

**SHOREWOOD DEVELOPMENT  
GROUP, LLC**



Louis Schriber III  
Founder/President



Feb 15, 2022

Illinois Health Facilities and Services Review Board  
525 W. Jefferson St, 2nd Floor  
Springfield, IL 62761

To Whom It May Concern:

Bank of America has an ongoing banking relationship with DuPage Medical Group, Ltd. and hereby affirms that as of February 15, 2022, DuPage Medical Group has accounts with cash balances in excess of \$8,000,000 which are immediately available for funding construction costs (not covered by a tenant improvement allowance), equipment purchases (not covered by capital leases for the equipment) and other capital expenditures associated with the renovation of the medical office building it intends to occupy at 1325 Meacham Road in Schaumburg, Illinois 60173.

Kind Regards,

A handwritten signature in cursive script that reads "Frances Dean".

**Frances Dean**  
Senior Vice President  
Global Commercial Bank  
Bank of America, N.A.  
110 N Wacker Drive  
Chicago, IL 60606

**WE ARE NOT YOUR MUNICIPAL ADVISOR OR FIDUCIARY.** BofA Securities, Inc and Bank of America, N.A. and its subsidiaries and affiliates are not acting as your "municipal advisor" within the meaning of Section 15B of the Securities Exchange Act of 1934, as amended (the "Act"), and do not owe a fiduciary duty to you pursuant to the Act with respect to the information and material contained in this communication. Any opinions, views, information and material contained herein is not intended to be, and should not be construed as, advice within the meaning of the Act.

Securities and Investment services provided by BofA Securities, Inc.

**Section VII, Financial Viability**  
**Criterion 1120.130 Financial Viability Waiver**

The financial viability criteria are only applicable to projects for hospitals, long term care facilities, end stage renal dialysis facilities and ambulatory surgical treatment centers which financial viability ratios are set pursuant to Appendix A of Part 1120 of the Illinois Health Facilities and Services Review Board rules. This building will consist of non-hospital affiliated physician offices and non-hospital based ambulatory care. Accordingly, this criterion is not applicable.

**Section X, Economic Feasibility Review Criteria**  
**Criterion 1120.140(a), Reasonableness of Financing Arrangements**

Attached at Attachment – 36A is a letter from Paul Merrick, M.D. of DuPage Medical Group, Ltd. attesting that the total estimated project costs will be funded project costs and related costs will be funded in part by borrowing because 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 1.5 times.

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

**Re: Reasonableness of Financing Arrangements**

Dear Chair Savage:

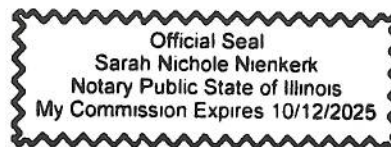
I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 and pursuant to 77 Ill. Admin. Code § 1120.140(a) that the total estimated project costs and related costs will be funded in part by borrowing because a portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 1.5 times.

This project also involves in part leasing a facility and equipment, and the expense incurred with leasing the facility and equipment is less costly than constructing a new facility or purchasing new equipment.

Sincerely,

Paul Merrick, M.D.  
 Chairman  
 DuPage Medical Group, Ltd.  
 Co-Chairman  
 DMG Practice Management Solutions LLC

Subscribed and sworn to me  
 This 25 day of January, 2022



Sarah Nichole Nienkerk  
 Notary Public

**Section X, Economic Feasibility Review Criteria**  
**Criterion 1120.140(b), Conditions of Debt Financing**

Attached at Attachment – 36A is a letter from Paul Merrick, M.D. of DuPage Medical Group, Ltd. attesting the expense of leasing the facility and equipment is less costly than constructing a new facility or purchasing new equipment.

**Section X, Economic Feasibility Review Criteria****Criterion 1120.140(c), Reasonableness of Project and Related Costs**

DMG proposes to modernize a former retail location into physician practice space. The State Board does not have any cost standards that do not have an inpatient component or fall within a category of service. Below is a list of the non-reviewable departments.

- Exam and treatment spaces
- Physician offices
- Staff workspaces and nurses' stations
- Reception, waiting and registration
- Storage and supplies
- Staff lounge and lockers
- Toilets
- Communication, IT, and electrical closets
- Entry and circulation
- Mechanical, plumbing, building support
- Administrative spaces and offices

**Section X, Economic Feasibility Review Criteria**  
**Criterion 1120.140(d), Projected Operating Costs**

This criterion is applicable to projects or portions thereof that involve hospital-related clinical departments or services, and the Project does not involve hospital services.



**Section X, Economic Feasibility Review Criteria**  
**Criterion 1120.140(e), Total Effect of Project on Capital Costs**

This criterion is applicable to projects or portions thereof that involve hospital-related clinical departments or services, and the Project does not involve hospital services.

**Section XI, Safety Net Impact Statement**

The Project is non-substantive. Accordingly, this criterion is not applicable.

**Section XII, Charity Care Information**

The Project is a non-substantive project for physician practice office space. Accordingly, this criterion is not applicable.

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

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