

**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: Northwest Community Outpatient Surgery Center		
Street Address: 1455 East Golf Road, Suite 131		
City and Zip Code: Des Plaines, Illinois 60016		
County: Cook	Health Service Area: 007	Health Planning Area:

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

Exact Legal Name: NS-EE Holdings d/b/a NorthShore – Edward-Elmhurst Health
Street Address: 1301 Central Street
City and Zip Code: Evanston, Illinois 60201
Name of Registered Agent: Chris J. Mollet
Registered Agent Street Address: 801 South Washington Street
Registered Agent City and Zip Code: Naperville, Illinois 60540
Name of Chief Executive Officer: Gerald P. Gallagher
CEO Street Address: 1301 Central Street
CEO City and Zip Code: Evanston, Illinois 60201
CEO Telephone Number: 847-570-2000

Type of Ownership of Applicants

☒ Non-profit Corporation	☐ Partnership	
☐ For-profit Corporation	☐ Governmental	
☐ Limited Liability Company	☐ Sole Proprietorship	☐ Other
- o Corporations and limited liability companies must provide an Illinois certificate of good standing. - o Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner.		
APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.		

Primary Contact [Person to receive ALL correspondence or inquiries]

Name: Shivani Bautista
Title: System General Counsel
Company Name: NorthShore – Edward-Elmhurst Health
Address: 1301 Central Avenue, Evanston, Illinois 60201
Telephone Number: 847-570-2000
E-mail Address: sbautista@northshore.org
Fax Number:

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

Name: Kara Friedman and Anne Cooper
Title: Attorney
Company Name: Polsinelli PC
Address: 150 North Riverside Plaza, Suite 3000, Chicago, Illinois 60606
Telephone Number: 312-873-3639; 312-873-3606
E-mail Address: kfriedman@polsinelli.com; acooper@polsinelli.com
Fax Number:

Facility/Project Identification

Facility Name: Northwest Community Outpatient Surgery Center		
Street Address: 1455 East Golf Road, Suite 131		
City and Zip Code: Des Plaines, Illinois 60016		
County: Cook	Health Service Area: 007	Health Planning Area:

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

Exact Legal Name: Northwest Community Foot and Ankle Center LLC d/b/a Northwest Community Outpatient Surgery Center		
Street Address: 800 West Central Road		
City and Zip Code: Arlington Heights, Illinois 60005		
Name of Registered Agent: Stephen Scogna		
Registered Agent Street Address: 800 West Central Road		
Registered Agent City and Zip Code: Arlington Heights, Illinois 60005		
Name of Chief Executive Officer: Stephen Scogna, Manager		
CEO Street Address: 800 West Central Road		
CEO City and Zip Code: Arlington Heights, Illinois 60005		
CEO Telephone Number: 847-618-5007		

Type of Ownership of Applicants

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

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

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

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Primary Contact [Person to receive ALL correspondence or inquiries]

Name: Shivani Bautista
Title: General Counsel
Company Name: NorthShore – Edward-Elmhurst Health
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E-mail Address: kfriedman@polsinelli.com; acooper@polsinelli.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: Shivani Bautista
Title: System General Counsel
Company Name: NorthShore – Edward-Elmhurst Health
Address: 1301 Central Avenue, Evanston, Illinois 60201
Telephone Number: 847-570-2000
E-mail Address: sbautista@northshore.org
Fax Number:

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Designer Direct, Inc.
Address of Site Owner: 1455 Golf Road, Suite 200, Des Plaines, Illinois 60016
Street Address or Legal Description of the Site: 1455 E Golf Road, Suite 131, Des Plaines, Illinois 60016 Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statements, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease, or a lease.
APPEND DOCUMENTATION AS ATTACHMENT 2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Operating Identity/Licensee

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

Exact Legal Name: Northwest Community Foot and Ankle Center LLC d/b/a Northwest Community Outpatient Surgery Center			
Address: 1455 E Golf Road, Suite 131, Des Plaines, Illinois 60016			
☐	Non-profit Corporation	☐	Partnership
☐	For-profit Corporation	☐	Governmental
☒	Limited Liability Company	☐	Sole Proprietorship
		☐	Other
- o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. - o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner. - o Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.			
APPEND DOCUMENTATION AS ATTACHMENT 3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Organizational Relationships

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

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

Flood Plain Requirements

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2006-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements, please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at www.FEMA.gov or www.illinoisfloodmaps.org. **This map must be in a readable format.** In addition, please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2006-5 (<http://www.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.

NS-EE Holdings d/b/a NorthShore – Edward-Elmhurst Health and Northwest Community Foot and Ankle Center LLC d/b/a Northwest Community Outpatient Surgery Center (the “Applicants”) seek authority from the Illinois Health Facilities and Services Review Board (the “State Board”) to add general surgery, including interventional nephrology, to an existing ambulatory surgical treatment center (“ASTC”) located at 1455 East Golf Road, Des Plaines, Illinois 60016.

The existing ASTC has three operating rooms. No construction or other costs are necessary to add these surgical specialties.

This project does not propose to establish a new category of service or a new health care facility as defined by the Illinois Health Facilities Planning Act (the “Act”). Accordingly, this is a non-substantive project.

Project Costs and Sources of Funds – NOT APPLICABLE

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			
Contingencies			
Architectural/Engineering Fees			
Consulting and Other Fees			
Movable or Other Equipment (not in construction contracts)			
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment			
Other Costs to Be Capitalized			
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS			
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities			
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS			
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Related Project Costs

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

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

Project Status and Completion Schedules

For facilities in which prior permits have been issued please provide the permit numbers.
Indicate the stage of the project's architectural drawings: ☒ None or not applicable ☐ Preliminary ☐ Schematics ☐ Final Working
Anticipated project completion date (refer to Part 1130.140): <u>December 31, 2023</u>
Indicate the following with respect to project expenditures or to financial commitments (refer to Part 1130.140): ☐ Purchase orders, leases or contracts pertaining to the project have been executed. ☐ Financial commitment is contingent upon permit issuance. Provide a copy of the contingent "certification of financial commitment" document, highlighting any language related to CON Contingencies ☒ Financial Commitment will occur after permit issuance.
APPEND DOCUMENTATION AS ATTACHMENT 8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

State Agency Submittals [Section 1130.620(c)]

Are the following submittals up to date as applicable? ☒ Cancer Registry ☒ APORS ☒ All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted ☒ All reports regarding outstanding permits Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.
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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
REVIEWABLE							
Medical Surgical							
Intensive Care							
Diagnostic Radiology							
MRI							
Total Clinical							
NON-REVIEWABLE							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
TOTAL							

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

Facility Bed Capacity and Utilization - 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**.

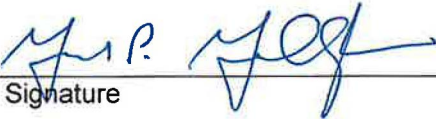
FACILITY NAME:		CITY:			
REPORTING PERIOD DATES:					
		From:	to:		
Category of Service	Authorized Beds	Admissions	Patient Days	Bed Changes	Proposed Beds
Medical/Surgical					
Obstetrics					
Pediatrics					
Intensive Care					
Comprehensive Physical Rehabilitation					
Acute/Chronic Mental Illness	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

CERTIFICATION

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

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

This Application is filed on the behalf of NS-EE Holdings d/b/a NorthShore – Edward-Elmhurst Health in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the fee required for this application is sent herewith or will be paid upon request.


Signature

Gerald P. Gallagher

Printed Name

President and Chief Executive Officer

Printed Title

Notarization:

Subscribed and sworn to before me
this 8th day of March 2023



Signature of Notary

Seal

*Insert the EXACT legal name of the applicant


Signature

Shivani Bautista

Printed Name

Assistant Corporate Secretary

Printed Title

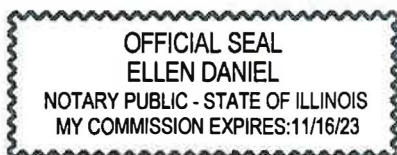
Notarization:

Subscribed and sworn to before me
this 8th day of March 2023



Signature of Notary

Seal



CERTIFICATION

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

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

This Application is filed on the behalf of Northwest Community Foot and Ankle Center, LLC d/b/a Northwest Community Outpatient Surgery Center in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the fee required for this application is sent herewith or will be paid upon request.

Signature

Stephen Scogna

Printed Name

Manager

Printed Title

Signature

Michael Hartke

Printed Name

Manager

Printed Title

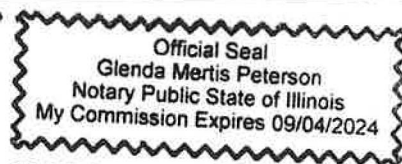
Notarization:

Subscribed and sworn to before me
this 6 day of MARCH, 2023

Signature of Notary

Seal

*Insert the EXACT legal name of the applicant

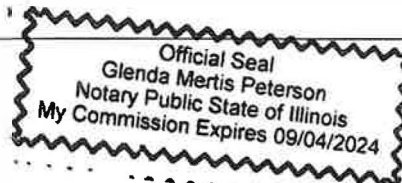


Notarization:

Subscribed and sworn to before me
this 6 day of MARCH, 2023

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	MEET 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.

SECTION V. SERVICE SPECIFIC REVIEW CRITERIA

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

G. Non-Hospital Based Ambulatory Surgery

Applicants proposing to establish, expand and/or modernize the Non-Hospital Based Ambulatory Surgery category of service must submit the following information.

ASTC Service
☐ Cardiovascular
☐ Colon and Rectal Surgery
☐ Dermatology
☐ General Dentistry
☒ General Surgery (including Interventional Nephrology)
☐ Gastroenterology
☐ Neurological Surgery
☐ Nuclear Medicine
☐ Obstetrics/Gynecology
☐ Ophthalmology
☐ Oral/Maxillofacial Surgery
☒ Orthopedic Surgery
☐ Otolaryngology
☒ Pain Management
☐ Physical Medicine and Rehabilitation
☐ Plastic Surgery
☒ Podiatric Surgery
☐ Radiology
☐ Thoracic Surgery
☐ Urology
☐ Other _____

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

APPLICABLE REVIEW CRITERIA	Establish New ASTC or Service	Expand Existing Service
1110.235(c)(2)(B) – Service to GSA Residents	X	X
1110.235(c)(3) – Service Demand – Establishment of an ASTC or Additional ASTC Service	X	

1110.235(c)(4) – Service Demand – Expansion of Existing ASTC Service		X
1110.235(c)(5) – Treatment Room Need Assessment	X	X
1110.235(c)(6) – Service Accessibility	X	
1110.235(c)(7)(A) – Unnecessary Duplication/Maldistribution	X	
1110.235(c)(7)(B) – Maldistribution	X	
1110.235(c)(7)(C) – Impact to Area Providers	X	
1110.235(c)(8) – Staffing	X	X
1110.235(c)(9) – Charge Commitment	X	X
1110.235(c)(10) – Assurances	X	X
APPEND DOCUMENTATION AS <u>ATTACHMENT 24</u>, 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]:

_____	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;
_____	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.
\$0	TOTAL FUNDS AVAILABLE
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.

	Historical 3 Years			Projected
Enter Historical and/or Projected Years:				
Current Ratio				
Net Margin Percentage				
Percent Debt to Total Capitalization				
Projected Debt Service Coverage				
Days Cash on Hand				
Cushion Ratio				

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

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 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
Net Patient Revenue			
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 I, Identification, General Information, and Certification
Applicants

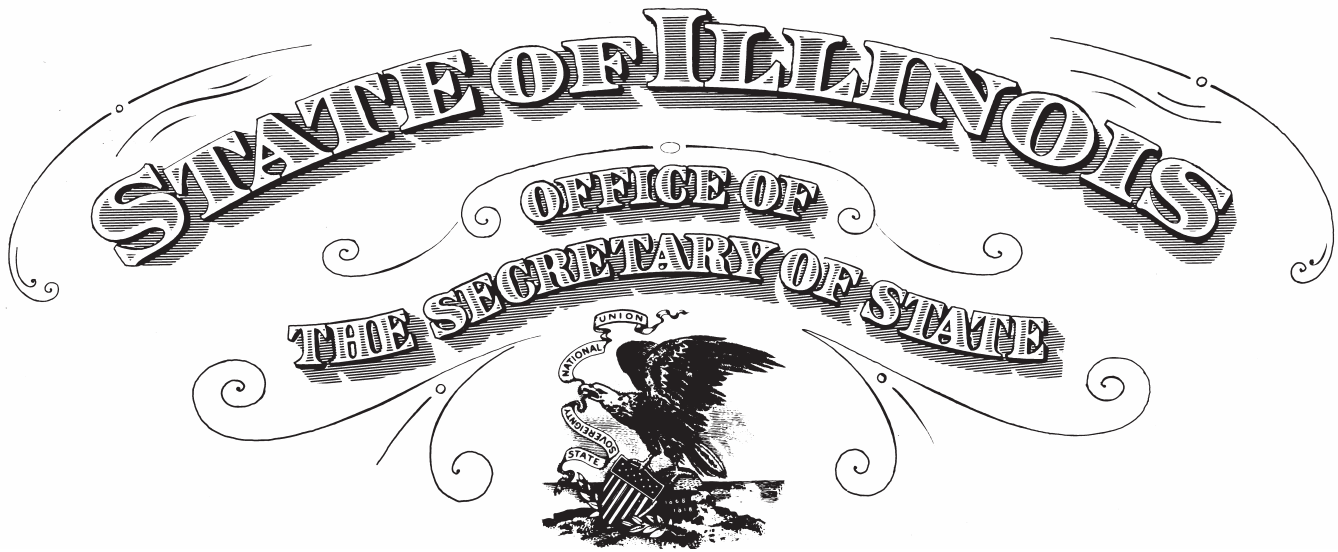
Certificates of Good Standing for NS-EE Holdings d/b/a NorthShore – Edward-Elmhurst Health and Northwest Community Foot and Ankle Center LLC d/b/a Northwest Community Outpatient Surgery Center (“NCOSC”) (collectively, the “Applicants”) are attached at Attachment – 1.

Northwest Community Foot and Ankle Center LLC is the operator/licensee of the ambulatory surgical treatment center. Northwest Community Outpatient Surgery Center is a trade name of Northwest Community Foot and Ankle Center LLC and is not separately organized.

As the entity with final control over the operator/licensee, NS-EE Holdings is named as an applicant for this certificate of need application.

File Number

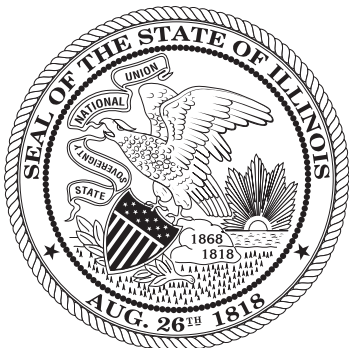
7305-903-8



To all to whom these Presents Shall Come, Greeting:

I, Alexi Giannoulas, 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

NS-EE HOLDINGS, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON SEPTEMBER 14, 2021, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 22ND day of MARCH A.D. 2023 .

Authentication #: 2308102716 verifiable until 03/22/2024

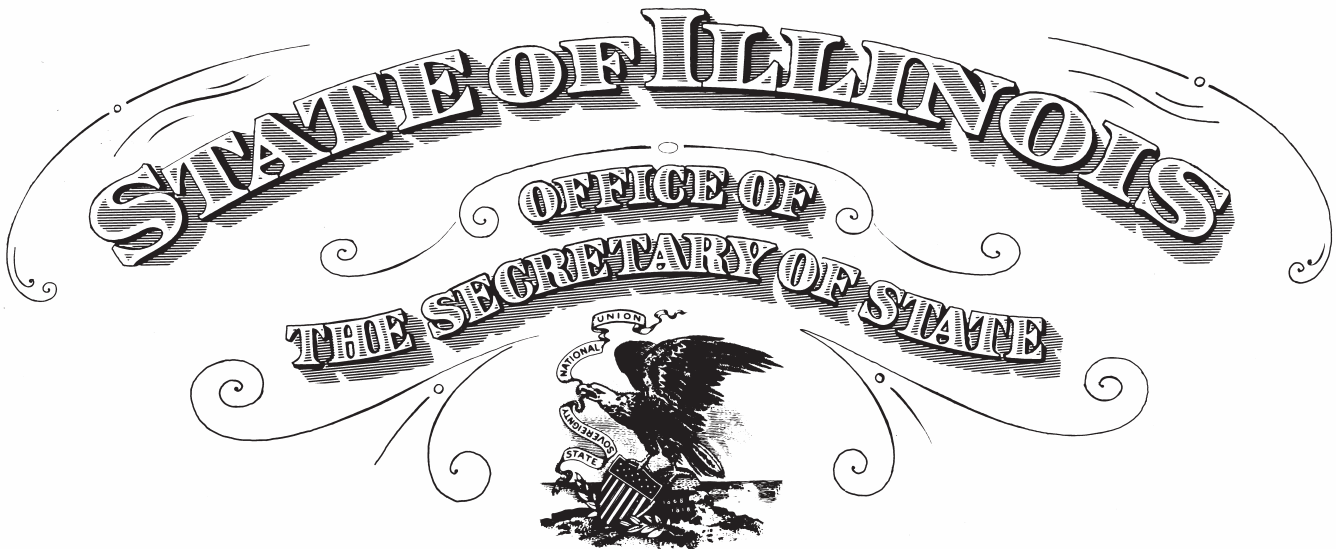
Authenticate at: <https://www.ilsos.gov>

Alexi Giannoulas

SECRETARY OF STATE

File Number

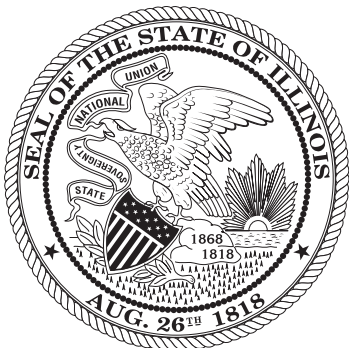
0583243-8



To all to whom these Presents Shall Come, Greeting:

I, Alexi Giannoulas, 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

NORTHWEST COMMUNITY FOOT AND ANKLE CENTER LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON JUNE 24, 2016, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.



In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 22ND day of MARCH A.D. 2023 .

Authentication #: 2308102914 verifiable until 03/22/2024

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

Alexi Giannoulas

SECRETARY OF STATE

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

The Medical Office Sublease Agreement between Designer Direct Inc. and NCOSC to lease the premises at 1455 East Golf Road, Des Plaines, Illinois is attached at Attachment – 2.

GOLF RIVER PROFESSIONAL BUILDING LEASE

THIS LEASE made this 22 day of July, 2003, between Golf-River Office Building (hereinafter referred to as "Landlord"), an Illinois General Partnership having its offices at 1455 Golf Road, Des Plaines, Illinois 60016, and FOOT + ANKLE SURGERY CENTER, LTD. (hereinafter referred to as "Tenant") with principal offices at 1455 GOLF ROAD, DES PLAINES, ILLINOIS 60016. This lease supercedes any and all prior agreements or representations made between the parties, whether written or oral.

ARTICLE 1 Premises

Section 1.01. Building. Landlord leases to Tenant and tenant hires from Landlord a space defined herein located within the building and site commonly known as the Golf River Professional Building at 1455 E. Golf Road, in the City of Des Plaines, County of Cook and State of Illinois, hereafter referred to as "Building," and legally defined as attached hereto and made a part hereof as Exhibit "A." Building plans are on file and available for inspection at the office of the Landlord.

Section 1.02. Demised Premises. Landlord leases to Tenant and Tenant hires from Landlord the Space known as Suite S-* and hereafter referred to as the "Demised Premises", including the right to use in common with others the public lobby, atrium, restrooms, entrances, stairways, elevator, parking, and other public portions of the Building. These Demised Premises shall consist of 10,315 rentable square feet, and have been or are to be constructed substantially in accordance with the Space Plans attached hereto and made a part hereof as "Exhibit C." Tenant's Demised Premises shall represent a prorata portion of the entire building of 17.342 percent. During the term of this Lease, Tenant agrees the Landlord shall have the right to modify the total number of rentable square feet of the Demised Premises; Tenant further agrees to pay all charges due under the Lease based on such modified square footage, regardless of whether such square footage has increased or decreased.

Section 1.03. Use. Tenant shall use and occupy the Demised Premises for AN AMBULATORY SURGICAL TREATMENT and no other purpose. Use of the space by the Tenant for any other purpose without express written notice to and consent by Landlord shall, at Landlord's option, be considered a Default of this lease.

ARTICLE 2 Lease Term

Section 2.01. Lease Term. To have and to hold the same unto Tenant for the term of 15 YEARS, 3 MONTHS commencing on OCTOBER 1, 2003, and ending on DECEMBER 31, 2018, yielding and paying the rents and additional rents hereinafter set forth, all on the covenants, conditions and agreements hereinbefore and hereinafter stated. Provided the Tenant is not in default under the Lease, the Tenant shall have the option to extend this Lease, with the same terms and conditions set forth herein, for 1 additional period of 5 years, by giving Landlord notice, in writing, no later than 9 months prior to lease expiration. SEE RIDER.

Section 2.02. Real Estate Brokers. Tenant represents that they have not entered into any agreement or incurred any obligation in connection with this lease which might result in the obligation of Landlord to pay a brokerage commission to any real estate broker or procuring party other than LEVIN ASSOCIATES ARCHITECTS. Tenant agrees to indemnify and hold harmless the Landlord from and against any and all claims or demands by any such party, including any and all expenses incurred in defending any such claim or demand.

ARTICLE 3 Rentals

Section 3.01. Base Rent. For a period of one (1) year (Base Rental Term) beginning on the commencement of the lease term or as otherwise provided, the Tenant shall pay to the Landlord at the address specified herein a net annual rental ("Base Rent") equal to TWO HUNDRED FORTY TWO THOUSAND FOUR HUNDRED TWO + 5000 (\$242,402.50) per annum, based on \$23.50 per square foot of rentable space. Said payments shall be payable on or before the first (1st) of every month in advance in the amount of \$20,200.21. Landlord acknowledges the receipt of \$20,200.21 from Tenant for the month(s) of OCTOBER, 2003. If necessary, rent shall be prorated for second month. At Landlord's option, Landlord may provide courtesy invoices to Tenant from time to time for rentals, pass-through expenses, work orders, or any other amounts due herein, however, the actual amounts due shall be pursuant to the terms set forth herein regardless of any errors or omissions in such invoicing. In the event that Tenant shall not have paid any item(s) of Base Rent and/or Additional Rent within ten (10) days of its due date, Landlord shall have the right to commence any type of collection activity necessary to secure the payment of such Base Rent and/or Additional Rent. Tenant shall be responsible for any and all expenses incurred by Landlord in the collection of such item(s) of Base Rent and/or Additional Rent, including but not limited to collection agency fees and expenses, attorneys fees and expenses, and court costs.

Section 3.02. Additional Rents. All costs, charges, and expenses which Tenant assumes, agrees or is obligated to Landlord pursuant to this Lease and the schedules annexed, shall be deemed Additional Rent, and, in the event of nonpayment, Landlord shall have all rights and remedies with respect thereto as is herein provided for in case of nonpayment of rent. Tenant covenants to pay Landlord the Base Rents, Adjusted Rents, and Additional Rents as in this Lease provided, when due without notice or demand, at the time and in the manner herein specified.

Section 3.03. Adjusted Rents. As promptly as practicable after the end of Base Rental Term of this Lease, and each year thereafter, the Landlord shall compute the adjustment, if any, in the cost of living for the preceding calendar period based upon the "Revised Consumer Price Index - Cities (100)" (the "Index"), published by the Bureau of Labor Statistics of the United States Department of Labor. The Index number indicated in the column for the City of Chicago, entitled "All Items", for month and year of the commencement of the first year of the lease term shall be the "Base Index Number" and the corresponding Index number for the month of commencement of each subsequent year shall be the "Current Index Number."

The Current Index Number shall be divided by the Base Index Number. From the quotient thereof, there shall be subtracted the integer of one (1), and the balance shall be the percentage of the adjustment in the cost of living. The percentage of adjustment multiplied by the annual Net Rental shall be the adjusted rental rate (Adjusted Rent) for each subsequent year. Landlord shall give the Tenant notice of any such adjustment, and the Landlord's computation shall be conclusive and binding, but shall not preclude any adjustment which may be required in the event of a published amendment of the index figures upon which the computation was based. There shall be no rent abatement or adjustment made during the pendency of any dispute between the parties as to any such computations.

Section 3.04. Utilities. All utilities (natural gas and electricity) shall be provided by Landlord for the use of the Tenant. The cost of Tenant's prorata share of utilities shall be invoiced monthly, with payment due with the rents herein described. In the event the Demised Premises are equipped with separate metering for electricity and natural gas, all costs of utilities shall be borne by Tenant and paid directly to the respective utility companies. *SEE RIDER.*

ARTICLE 4 Security Deposit

Section 4.01. Security Deposit. Landlord acknowledges the receipt of \$ 0 as deposited for security for the performance by the Tenant of the terms of this Lease. The Landlord may use, apply, or retain the whole or any part of the security to the extent required for the payment of any rents, additional rents, actual or estimated pass-throughs, or for any other sum which the Landlord may expend or incur by reason of the Tenant's default in any of the terms of this Lease, including, but not limited to, any damages or deficiency in the reletting of the Demised Premises, whether such damages or deficiency accrued before or after summary proceedings or other reentry by the Landlord.

Section 4.02. Return of Deposit. In the event that the Tenant has complied with all of the terms of this Lease, the security shall be returned to the tenant within thirty (30) days after the date fixed as the end of the lease and after delivery of possession of the Demised Premises to the Landlord. Said security amounts shall first be applied to satisfy any outstanding rentals or Tenant defaults, to repair damages to the Demised Premises (normal wear and tear excepted), or to satisfy additional rentals or pass-throughs due or estimated to become due.

Section 4.03. Transfer of Deposit. In the event of a sale or lease of the premises of which the Demised Premises forms a part, the Landlord shall have the right to transfer the security to the purchaser or lessee and the Landlord shall thereupon be released from all liability for the return of such security. The Tenant shall look solely to the new Landlord for the return of such security. The Tenant shall not assign or encumber the money deposited as security, and neither the Landlord nor its successors or assigns shall be bound by any such assignment or encumbrance. Landlord shall not have any obligation to pay interest upon any such security deposit.

Section 4.04. Move-In Security Deposit. Landlord acknowledges the receipt of \$ 0 as security for the process of moving Tenant's personal property, furniture, and fixtures into the Demised Premises. After the Tenant has substantially completed his taking occupancy of the Demised Premises, the Landlord shall inspect the public area paving, walkways, landscaping, stairs, doors, walls, floors, ceilings, entryways, elevator, and miscellaneous building appurtenances to determine if any unrepaired damage was caused by the Tenant or his Subcontractors, and if such damages exist, the Landlord shall proceed with the reasonable repair of same. Upon completion, the balance of the Move-In Security Deposit shall be refunded to the Tenant, less the cost of the repairs. If the cost to repair the Damages exceeds the Move-In Security Deposit, the balance shall be paid immediately by the Tenant to the Landlord upon demand.

ARTICLE 5 Real Estate Taxes

Section 5.01. Taxes. For purposes of this Section, "Taxes" shall mean the real estate taxes and assessments and special assessments imposed upon the Building and/or all land utilized for parking by the Building by any governmental bodies or authorities. If at any time during the term of this Lease, the methods of taxation prevailing at the commencement of the term hereof shall be altered so that in lieu of, or as an addition to, or as a substitute for the whole or any part of the taxes, assessments, levies, impositions or charges now levied, assessed, or imposed on the real estate and the improvements thereof, there shall be levied, assessed and imposed (a) a tax, assessment, levy or otherwise on the rents received therefrom, or (b) a license fee measured by the rent payable by Tenant to Landlord, or (c) any other such additional or substitute tax, then these additional assessments shall be deemed to be included within the term "Taxes" for the purpose hereof.

Section 5.02. Real Estate Tax Stop. Landlord shall be responsible to pay an amount for real estate taxes equal to calendar year 2003 (Tax Stop) with respect to the Demised Premises. Should the real estate taxes increase in any given Tax year (fiscal year for which taxes are levied by the governmental authority), Tenant shall be responsible for their prorata share of such increase over the amount per square foot which Landlord shall be responsible to pay.

Section 5.03. Payment. Upon Landlord receiving the actual real estate tax bills, Landlord shall calculate what amounts, if any, are due and payable from the Tenant as provided for herein. Landlord shall send to Tenant an itemized statement showing the calculations and amounts due, if any. Tenant shall thereupon pay such amount to Landlord along with Tenant's next regularly due monthly rental payment on the due date of said monthly rental payment.

Section 5.04. Escrow. On the first day of each month of each new lease year thereafter, together with each installment of monthly base rent, Tenant shall pay to Landlord an amount equal to one-twelfth of the Tenant's proportionate share in increase in real estate taxes. Such payment shall be deemed to be a deposit to be credited against the next successive billing of the Tenant's proportionate share of increased real estate taxes for the subsequent year. Such deposit shall not be deemed to be a security deposit, need not be segregated by Landlord, and may be commingled by Landlord with other receipts of rent. The obligation of the Tenant's proportionate share of the above mentioned increases shall survive the expiration or terminations of this lease.

ARTICLE 6 Common Area Maintenance

Section 6.01. Common Area Maintenance. For purposes of this Section, "Common Area Maintenance" (CAM) shall mean all expenses Landlord incurs for the maintenance of the Building and all site improvements and parking areas utilized by the Building, including replacement, if necessary, of all furniture, fixtures and equipment of the common areas, both interior and exterior, and including but not limited to maintenance, repair and replacements of walls, roofs, glazing, doors, driveways, parking lots, bathrooms and other plumbing fixtures, elevators, HVAC, electrical fixtures and equipment, finishes and shall also include payment for building management, insurance, maintenance personnel including janitorial services, at least three nights per week, inside the Demised Premises. *SEE RIDER.*

Section 6.02. Operating Expense Stop. Landlord shall be responsible to pay an amount for Common Area Maintenance equal to operating year 2003 (CAM Stop) with respect to the Demised Premises. Should the Common Area Maintenance expenses increase in any given year of the lease term, Tenant shall be responsible for their prorated share of such increase over the amount per square foot which Landlord shall be responsible to pay.

Section 6.03. Payment. Landlord shall calculate what amounts, if any, are due and payable from the Tenant as provided for herein. Landlord shall send to Tenant an itemized statement showing the calculations and amount due, if any. Tenant shall thereupon pay such amount to Landlord along with Tenant's next regularly due monthly rental payment on the due date of said monthly rental payment.

Section 6.04. Escrow. On the first day of each month thereafter, together with each installment of monthly base rent, Tenant shall pay to Landlord an amount equal to one-twelfth of the Tenant's Proportionate Share in increase in common area maintenance expenses. Such payment shall be deemed to be a deposit to be credited against the next successive billing of the Tenant's proportionate share of increased common area maintenance expenses for the subsequent year. Such deposit shall not be deemed to be a security deposit, need not be segregated by Landlord, and may be commingled by Landlord with other receipts of rent. The obligation of the Tenant's proportionate share of the above mentioned increases shall survive the expiration or terminations of this lease.

ARTICLE 7 Tenant Buildout

Section 7.01. Plans and Specification. In the event the Demised premises are to be altered or constructed for Tenant's intended use, and such alteration or construction requires additional design, working drawings or specifications, then as soon as practical after execution of this Lease, Landlord shall prepare, or cause to be prepared by Landlord's Architect, such Drawings and Specifications for use in constructing the Demised Premises. Such Drawings and Specifications shall be mutually agreed upon by Tenant and Landlord, and copies shall be maintained on file in the office of the Landlord for use by Tenant, Tenant's supplier's, and Landlord's contractors. *SEE RIDER.*

Section 7.02. Landlord Work. Landlord shall install and furnish in the Demised Premises all of the work, additional work and installations substantially in accordance with the Drawings and Specifications. Landlord and Tenant will each give full cooperation in having available at the job those persons who are necessary to provide direction and resolve problems arising out of job conditions. See page 3a.

Section 7.03. Tenant Improvement Allowance. Landlord shall allow to Tenant an amount which shall not exceed \$ 171,900 for construction costs of Tenant's Demised Premises and leasehold improvements. Should Tenant require or desire leasehold improvements which cost shall exceed said allowance, Tenant shall be responsible to pay Landlord any additional amount over the said construction allowance, with such amounts being considered additional rentals as defined herein. All such amounts due to Landlord shall be paid by Tenant to Landlord prior to Landlord commencing construction of Tenant's space, or at Tenant's request and Landlord's option, Landlord shall provide such additional funds, and such funds shall be repaid in monthly installments together with the rental payments called for hereinabove, plus 12% interest per annum over a term mutually agreed upon. Landlord, upon Tenant's request, shall exhibit to Tenant all bids from contractors to be used in the Tenant improvements. The collective sum of said bids shall not be for an amount exceeding 105% of any bona fide, qualified bids procured by Tenant for the same work. *SEE RIDER.*

Section 7.04. Possession, Substantial Completion. Tenant's taking possession of the Demised Premises shall be conclusive evidence, as against Tenant, that, at the time such possession was so taken, the work to be performed by Landlord was substantially completed. Within ten business days after taking such possession, a representative of Landlord and Tenant shall survey the Demised Premises for the purpose of determining those items, if any, of the work to be performed by either party remain to be completed, which shall be reduced to an itemized and agreed "Punch List." Both parties agree to complete the items for which they are responsible within a reasonable time thereafter.

Section 7.05. Tenant Access. Tenant, its agents, and its employees shall have access to the Demised Premises for the purpose of installing furniture, fixtures, equipment, and other items necessary for the commencement of the Tenant's operations provided that there shall be no interference with the completion of construction by Landlord or its agents or contractors. Landlord shall in no event be liable or responsible to Tenant for loss or damage to Tenant's property. Tenant shall assume all risk of loss to its personal property, furniture, fixtures, and/or equipment which Tenant chooses to install during Landlord's construction of the Demised Premises.

Section 7.06. Delay in Possession. If, for any reason, the Landlord cannot deliver possession of the Demised Premises to the Tenant at the commencement of the lease term, this Lease shall not be void or voidable, nor shall the Landlord be liable to the Tenant for Tenant for any loss or damage resulting therefrom, but there shall be an abatement of rent for the period between the commencement of the lease term and the time when the Landlord does deliver possession. The lease term shall not be extended as a result of any such delay in delivery of possession of the Demised Premises by Landlord.

Section 7.07. Tenant Caused Delay. If the occurrence of any construction delays shall be due to any act or omission of Tenant or its agents, employees or contractors, the Demised Premises shall be deemed ready for occupancy on the date when they would have been so ready but for such delay, and tenant shall commence paying rentals from that date. Such delay shall include (a) failing to provide requirements, authorizations, or approvals on a timely basis; (b) changes made by or on behalf of Tenant to Tenant's plans or Landlord's work; (c) postponement of any of Landlord's work at Tenant's request or because of Tenant's work required to be performed in advance of items of Landlord's work so postponed; (d) delay due to any interference with Landlord's work in the Demised Premises or in the Building by Tenant, its agents, servants or employees.

Section 7.08. Delay Expense. If as a result of any delays on the part of Tenant pursuant to the provisions contained herein, Landlord shall sustain any additional costs or damages, Tenant shall pay to Landlord, in addition to the rent payable, all such reasonable costs and damages that Landlord may sustain as a result thereof.

ARTICLE 8 Additional Tenant Alterations

Section 8.01. Additional Tenant Alterations. Tenant shall make no alterations, decorations, installations, additions, or improvements in or to the Demised Premises, or part thereof, including but not limited to; air-conditioning or cooling system, or other apparatus of other or like nature without Landlord's prior written consent and then only by architects, contractors or mechanics provided by Landlord, provided that Landlord shall exhibit to Tenant, upon request by Tenant, all bids for work in the trades which Tenant may require for its alterations. Further, Landlord covenants that the amount for each trade charged to Tenant for such additional Tenant alterations shall not be greater than 5% over any bona fide bid for such work which Tenant may procure.

Landlord agrees not unreasonably to withhold its consent to any nonstructural alterations, decorations, installations, additions or improvements proposed to be made by Tenant to adapt the Demised Premises for Tenant's business purposes, unless, however, any such alterations, decorations, installations, or improvements interfere with or affect Landlord's ability to provide services in the Demised Premises. All such work, alterations, decorations, installations, additions or improvements shall be done at Tenant's sole expense and at such times and in such manner as Landlord may from time to time designate and in full compliance with all laws, rules, regulations, and requirements of all governmental bureaus and bodies having jurisdiction thereof.

Section 8.02. Property of Landlord. All alterations, decorations, installations, additions, or improvements, other than communications equipment, quotation devices, or equipment leased by Tenant, shall, at the election of the Landlord, become the property of Landlord and shall remain upon and be surrendered with said Demised Premises as a part thereof at the end of the term or renewal term, or prior expiration thereof. In the event the Landlord shall elect otherwise, then such of the alterations, decorations, installations, additions or improvements made by Tenant upon the Demised Premises as the Landlord may select shall be removed by the Tenant and Tenant shall restore the premises to its original condition at Tenant's own cost and expense at or prior to the expiration of the lease term.

Section 8.03. Mechanics Liens. As a condition precedent to Landlord's consent to the making by Tenant of alterations, decorations, installations, additions, or improvements to the Demised Premises in addition to other requirements as provided in this Lease or elsewhere, Tenant agrees to obtain and deliver to Landlord written and conditional waivers of mechanics' liens upon the property of which the Demised Premises are a part for any and all work, labor and services to be performed and materials to be furnished in connection with such work in such form as shall be approved by Landlord, signed by all contractors, subcontractors, materialmen, laborers, and workmen to become involved in such work. Notwithstanding the foregoing, if any mechanic's lien is filed against the Demised Premises, or the Building for work claimed to have been done for, or materials claimed to have been furnished to Tenant, it shall be discharged by Tenant within ten days thereafter, at Tenant's expense, or by Tenant filing the bond required by law or payment or otherwise.

Section 8.04. Building Services. Landlord shall not be liable for any failure of any Building facilities or services including but not limited to the air-conditioning and ventilating equipment in the Demised Premises caused by alteration installations, and/or additions by Tenant and Tenant shall correct any such faulty installation. Upon Tenant's failure to correct same, Landlord may make such correction and charge Tenant for the cost thereof. Such sum due Landlord shall be deemed additional rent and shall be paid by Tenant promptly upon being billed therefor.

Section 8.05. Tenant's Records. Tenant shall keep full and accurate records of the cost of any alterations, installations and improvements in and to the Demised Premises made by Tenant and shall, if requested by Landlord, make the same available to Landlord for use in connection with any proceeding to review the Assessed Valuation of the Building or any proceedings to acquire the Land and Building for public or quasi public use.

Section 8.06. Tenant's Property. Any of Tenant's property, which shall remain in the Demised Premises following the expiration of the lease term, or any earlier termination or default of this Lease, at the option of Landlord, be deemed to have been abandoned and either may be retained by Landlord as its property or be disposed of at Tenant's expense, or at Landlord's option may be disposed of without accountability in such manner as Landlord may see fit. In the event of Tenant's failure to remove any of its property, if Landlord shall cause such property to be removed, then any damage caused by the removal thereof and any other damage to the Demised Premises caused by Landlord's removal of Tenant's property from the Demised Premises shall be repaired at Tenant's cost and expense and Tenant shall pay to Landlord upon demand all such costs and expenses. The provisions hereof shall survive the expiration or termination of this Lease.

Section 8.07. Tenant's Obligations on Alterations. In the event Tenant shall, with Landlord's consent, commence additional alterations to the Demised Premises, Tenant shall: (a) provide plans prepared by a licensed Architect in the State of Illinois to be reviewed and approved by Landlord's Architect, with all approval costs to be borne by Tenant; (b) submit said plans and pay for approvals by any and all governmental authorities having jurisdiction over such work; (c) obtain builder's

risk insurance for said work with Landlord named as additional insured; (d) commence and complete work with first class quality, and without interference to the normal operation of the building and the rights of other tenants, in strict conformance to said plans, and by contractors licensed, bonded, and insured, evidence of which shall be provided to Landlord prior to construction; (e) allow inspections by Landlord or Landlord's agents as to the quality and conformance of said work; the costs of such inspections to be 10% of the estimated cost of construction as determined by Landlord, to be borne by Tenant; (f) allow the Landlord to impose restrictions on said work to insure the strict conformance of the work to the terms and provisions contained herein; (g) obtain waivers of lien for all labor and materials provided; and (h) obtain certificates of occupancy upon completion of said work. Any deficiency in design or construction shall be the sole responsibility, and at the sole cost, of the Tenant. Title to all improvements, as constructed and installed by Tenant, shall immediately vest in Landlord, free of any and all liens or claims of Tenant or any other person.

ARTICLE 9 Surrender of Premises

Section 9.01. Surrender. Tenant shall deliver and surrender to Landlord possession of the Demised Premises upon expiration of this Lease, or its earlier termination, broom clean and in the same condition and repair as the same shall be at the commencement of the term of this Lease, or may have been put by Landlord during the continuance thereof, ordinary wear and tear excepted, and free of subtenancies, unless Section 13 is applicable.

Section 9.02. Tenant Improvements. Tenant shall remove all property of Tenant permitted under this Lease and all alterations, additions, and improvements as to which Landlord shall have made the election not to retain. Tenant shall repair any damage to the Demised Premises caused by such removal and restore the Demised Premises to the condition in which they were prior to the condition in which they were prior to the installation of the articles so removed. Any property not so removed at the expiration of the term hereof and as to which Landlord shall have not made said election to retain, shall be deemed to have abandoned by tenant and may be retained or disposed of by Landlord, as Landlord shall desire. Tenant's obligation to observe or perform this covenant shall survive the expiration or termination of this Lease.

Section 9.03. Delay. If the Demised Premises is not surrendered at such time, the Tenant shall make good to the Landlord all damage which the Landlord shall suffer by reason thereof, and shall indemnify the Landlord against all claims made by any succeeding tenant against the Landlord founded upon delay by the Landlord in delivering possession of the Demised Premises to such succeeding tenant, so far as such delay is occasioned by the failure of the Tenant to surrender the Demised Premises.

Section 9.04. Consent of Landlord. No agreement to accept a surrender of the Demised Premises shall be valid unless in writing signed by Landlord. The delivery of key to any employee of Landlord or of Landlord's agents shall not operate as a termination of the Lease or a surrender of the premises. No payment by Tenant or receipt by Landlord of a lesser amount than rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent, nor shall any endorsement or statement on any check nor any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or pursue any other remedy in this Lease provided.

Section 9.05. Holdover. If Tenant does not surrender the Demised Premises at the termination of this Lease, Landlord, at its option may hold Tenant over for another full lease term at a rental of 150% of the current rental. All other terms of the Lease remain the same.

ARTICLE 10 Building Signage & Identification

Section 10.01. Building Directory. Landlord shall provide, at Landlord's expense, directory signage at the primary building entry or entries. Landlord shall provide Tenant with one (1) directory listing describing the Tenant's primary business name and suite number on each such directory. At Tenant's request, changes to the original directory listing, subject to Landlord's approval, may be provided by Landlord at Tenant's expense.

Section 10.02. Suite Identification. Landlord shall provide, at Landlord's expense, a Tenant Identification sign at or near the primary suite entrance. Said signage shall contain the Tenant's primary business name and suite number. Changes to the original suite signage, subject to Landlord's approval, may be provided by Landlord at Tenant's expense. Landlord shall have the final approval as to the style, size and format of any such sign.

Section 10.03. Exterior Signage. The Tenant shall not be permitted to install signage on any portion of the exterior walls or glazing of the building. In the event Landlord elects to erect exterior building identification signage which provides for individual Tenant identification, such individual Tenant signage may be provided by Landlord at Tenant's expense. *SEE RIDER.*

ARTICLE 11 Insurance

Section 11.01. Landlord's Insurance. The Landlord shall keep the Building in which the Demised Premises is located insured against loss or damage by fire with extended coverage endorsement in an amount sufficient to prevent the Landlord from becoming a coinsurer under the terms of the applicable policies but, in any event, in an amount not less than 80% of the full insurable value as determined from time to time. The term "full insurable value" shall mean actual replacement cost (exclusive of the cost of excavation, foundations, and footings below the basement floor) without deduction for physical depreciation. Such insurance shall be issued by financially responsible insurers duly authorized to do business in this State.

Section 11.02. Tenant's Insurance. Tenant shall, at its own expense, during the term hereof, maintain and deliver to Landlord insurance for public liability and property damage, personal property, furniture, fixtures, fire, business

interruption, and such risk and hazard insurance as are insurable under present and future standard forms of extended coverage insurance policies with respect to the Demised Premises in conformance with standards set forth in Exhibit "C."

Both Landlord and Tenant shall be named as insured, with Illinois standard co-insurance clauses for not less than 80% of such actual cash value. Such policy or policies shall be in such form and amount with such insurance companies as shall be reasonably satisfactory to Landlord, with provision for at least ten days' notice to Landlord of cancellation. At least ten days before the expiration of any such policy Tenant shall supply Landlord with a substitute therefor with evidence of payment of the premiums therefor. Insurance proceeds in the event of a loss shall be delivered to Landlord or Mortgagee to be first applied to the costs of such restoration, repair, rebuilding, or alteration of the Demised Premises, with the balance of funds to be disbursed to the Tenant.

If such premiums shall not be so paid and/or policies therefor shall not be so delivered, then Landlord may procure and/or pay for the same, and the amounts so paid by Landlord, with interest thereon at the rate of 16% per annum from time of payment, shall be added to the installment of monthly rent becoming due on the first of the next succeeding month and shall be collected as an additional charge.

Section 11.03. Increased Insurance Risk. The parties acknowledge that the Demised Premises are a part of a larger Building and Tenant agrees that in the event insurance coverage maintained by Landlord on the Building is increased as a result of Tenant's occupancy, Tenant shall pay such increase upon demand.

Section 11.04. Waiver of Subrogation. Neither Landlord nor Tenant shall be liable to the other for any business interruption or any loss or damage to property or injury to or death of persons occurring in the Building (including the Demised Premises), whether or not caused by the negligence or other fault of Landlord or Tenant, or of their respective agents, employees, subtenants, licensees, or assignees. This release shall apply to the extent that such business interruption, loss, or damage to property or injury to or death of persons is covered by insurance, regardless of whether such insurance is payable to or protects Landlord or Tenant, or both.

Nothing herein shall be construed to impose any other or greater liability upon either Landlord or Tenant than would have existed in the absence of this provision. This release shall be in effect only so long as the applicable insurance policies contain a clause to the effect that this release shall not affect the right of the insured to recover under such policies. Such clauses shall be obtained by the parties whenever possible. The release in favor of Landlord contained herein, is in addition to, and not in substitution for, or in diminution of the hold harmless and indemnification provisions contained herein.

ARTICLE 12 Damage or Destruction

Section 12.01. General Provisions. If the Demised Premises or the Building containing it should be damaged or destroyed during the demised term by fire or other insurable casualty without the fault of Tenant, Landlord shall, subject to the time that elapses due to adjustment of fire insurance, repair and/or restore the same to substantially the condition it was in immediately prior to such damage or destruction, except as in this Article provided. Landlord's obligation under this Article shall in no event exceed the scope of the work required to be done by Landlord in the original and subsequent construction of the building. Landlord shall not be required to, but Tenant shall with due dispatch, replace or restore forthwith any trade fixtures, signs or other installations therefore installed by Tenant.

Section 12.02. No Rent Abatement. The Tenant's obligation to pay the basic rent and all other charges and to perform all other terms of this Lease shall not be affected by any such damage to or destruction of any portion of the building, or of the machinery, fixtures, and equipment used in the operation and maintenance thereof, unless the Demised Premises shall become untenable, and the cost of the repair to same and loss of rental income is covered by the Landlord's insurance policy, a copy of which shall be available for review at Landlord's office. Untenable, as used in this paragraph, shall mean space that cannot be used by the Tenant for the purposes for which the premises were leased for a period greater than 30 days.

Section 12.03. Tenant Default. Notwithstanding the foregoing provisions of this Article, any insurance moneys intended for payment to Tenant in the hands of the Landlord or such mortgagee shall not be required to be paid out if, at the time of the request for payment, the Tenant is in default in the performance of any term in this Lease. Said funds shall be first applied to cure any such defaults, with any balances being paid to Tenant.

Section 12.04. Termination by Landlord. If the work of repairing, replacing, or rebuilding shall not be commenced and completed within the period of time above specified, then the Landlord shall have the right to terminate this Lease, by giving to the Tenant at least 30 days written notice of such intention. If before the expiration of such 30 day period the work is not commenced and the other conditions hereof complied with, this Lease shall cease and expire and the insurance proceeds received and receivable shall belong to and be retained by the Landlord or any mortgagee to whom the same may be payable, as their interests may appear, without claim thereon by the Tenant.

Section 12.05. Termination by Either Party. If the building and improvements on the Demised Premises shall be damaged or destroyed as a result of a casualty or hazard against which the Tenant is required to carry insurance, and such damage renders demised premises untenable as defined heretofore, and if the same shall occur during the last year of the last renewal period of this Lease, then either party shall have the right to cancel this Lease by giving to the other five days written notice thereof within 30 days after the date of any such damage or destruction. If such right is exercised by either party, this Lease shall wholly cease and expire on the date specified in such notice. The Tenant shall not be obligated to rebuild, and the insurance proceeds received and receivable under any policy of insurance shall be retained by the Landlord or any mortgagee to whom the same may be payable, including all taxes, rents, and other charges through the ending date of the lease.

Section 12.06. Limitation. No damages, compensation, or claims shall be payable by Landlord for inconvenience, loss of business or annoyance arising from any repair or restoration of any portion of the Demised Premises or the Building.

ARTICLE 13 Assignment and Subletting

Section 13.01. Conditions, Requirements. Tenant will not by operation of law or otherwise, assign, mortgage or encumber this Lease, nor sublet or permit the Demised Premises or any part thereof to be used by others, without Landlord's prior written consent in each instance, which shall not be unreasonably withheld. The consent by Landlord to any assignment or subletting shall not in any manner be construed to relieve Tenant from obtaining Landlord's express written consent to any other conditions of this lease or further assignment or subletting. Tenant shall have the right to permit portions to be used by, or to sublet portions of the Demised Premises without profit to any wholly owned subsidiaries of Tenant or to any affiliates of Tenant (i.e., corporations at least 50% of whose stock is owned by Tenant). Tenant shall, in no event, be released from being personally bound by all of the terms, covenants, and conditions of this Lease. *SEE RIDER.*

Section 13.02. Listing Broker. With the express exceptions set forth in the preceding paragraph, if Tenant desires to assign or sublet all or any portion of the Demised Premises, Tenant agrees to notify Landlord of its desire to assign this Lease or sublet the Premises. Upon terms satisfactory to Tenant, Tenant shall submit to Landlord in writing the terms and conditions of the proposed assignment or subletting and any other information reasonably required by Landlord. Landlord shall list the proposed space with Landlord's brokers or, at Landlord's option, Tenant may list with Tenant's brokers, and Landlord's consent to any such proposed assignment or subletting shall not be unreasonably withheld provided it is upon the same or better lease terms than those contained herein. Landlord shall give Tenant notice as to giving or withholding such consent within 30 days after Tenant furnishes Landlord, in writing, in addition to the information set forth above, (a) the name of the proposed assignee or sublessee and (b) the nature and character of the business of the proposed assignee or sublessee.

Section 13.03. New Lease. In lieu of the subletting/assignment provisions contained herein, Landlord, at Landlord's option, may elect to enter into a new and separate Lease with the proposed sublessee and terminate this Lease with the Tenant. Tenant shall be responsible for all rentals through the date of commencement of the new Lease, pass-throughs due or estimated pass-throughs to become due through the date of commencement of the new Lease, and a non-refundable releasing fee equivalent to one month's rental, payable prior to the preparation of the new Lease.

Section 13.04. Additional Rentals. It is agreed that Tenant shall pay to Landlord, as additional rent and prior to the occupancy of the new tenant, the difference, if any, between the fixed minimum rent plus additional rent allocable to that part of the Demised Premises affected by such assignment or sublease pursuant to the provisions of this Lease, and the fixed minimum rent and additional rent payable by the assignee or Sublessee to Tenant.

Section 13.05. Rent Collection. If this Lease shall be assigned, or if the Demised Premises or any part thereof be sublet or occupied by any person or persons other than Tenant, Landlord may, after default by Tenant, collect rent from assignee, subtenant or occupant and apply the net amount collected to the rent herein reserved, but no such assignment, subletting, occupancy or collection of rent shall be deemed a waiver of the covenants in this Article, nor shall it be deemed acceptance of the assignee, subtenant or occupant as a tenant, or a release of Tenant from the full performance by Tenant of all the terms, conditions and covenants of this Lease, unless agreed to by both parties.

Section 13.06. Lease Obligations of SubLessee. Each permitted assignee or transferee shall assume and be deemed to have assumed this Lease and shall be and remain liable jointly and severally with Tenant for the payment of the rent, additional rent, and adjustments of rent, and for the due performance of all the terms, covenants, conditions, and agreements herein contained on Tenant's part to be performed for the term of this lease. No assignment shall be binding on Landlord unless such assignee or Tenant shall deliver to Landlord a duplicate original of the instrument of assignment which contains a covenant of assumption by the assignee of all of the obligations aforesaid and shall obtain from Landlord the aforesaid written consent prior thereto.

ARTICLE 14 Mortgage Subordination

Section 14.01. Subordination. This Lease is and shall be subject and subordinate to all mortgages which may now or hereafter affect the Land and/or Building and to all renewals, modifications, amendments, consolidations, replacements, or extensions thereof. This clause shall be self-operative and no further instrument of subordination shall be required by any Mortgagee. In confirmation of such subordination, Tenant without cost or charge to Landlord, shall execute promptly any certificate or instrument of subordination that Landlord may request. If Tenant fails upon reasonable request to execute such a certificate or instrument, Tenant hereby constitutes and appoints Landlord the Tenant's attorney-in-fact to execute any such certificate or certificates or any such instrument or instruments for and on behalf of Tenant.

Section 14.02. Mortgage Modification. If, in connection with obtaining temporary or permanent financing for the Land and/or Building, any such lender shall request reasonable modifications of this Lease as a condition to such financing, Tenant agrees that Tenant will not unreasonably withhold, delay or defer the execution of an agreement of modification of this Lease provided such modifications do not increase the financial obligations of Tenant hereunder or materially adversely affect the leasehold interest hereby created or Tenant's reasonable use and enjoyment of the Demised Premises. In the event of Tenant's refusal to execute and deliver, this Lease shall be canceled and terminated and upon such cancellation and termination neither party shall have any further right or obligation to the other arising out of the execution and delivery of this Lease.

Section 14.03. Nondisturbance of Tenant. Notwithstanding the provision of Section 25.01, the subordination of this Lease to any superior mortgage which may hereafter be made or to any renewal, modification, replacement or extension hereafter of any superior lease or any superior mortgage, or to any consolidation or spreader of any superior mortgage,

heretofore or hereafter made, is subject to the express conditions that, so long as this Lease is in full force and effect and Tenant shall not be in default of the terms and provisions of this Lease on Tenant's part to be performed beyond any applicable grace periods, then (a) the Tenant shall not be joined as a party defendant in any foreclosure action or proceeding which may be instituted by the holder of such superior mortgage; and (b) the Tenant shall not be evicted from the Demised Premises; and (c) the Tenant's leasehold estate under this Lease shall not be terminated or disturbed; and (d) any of Tenant's rights under this Lease shall not be affected in any way, by reason of any default under such superior mortgage.

Section 14.04. Attornment. If the holder of a superior mortgage shall succeed to the rights of Landlord under this Lease, whether through possession or foreclosure action or delivery of a new lease or deed, then at the request of such party so succeeding to Landlord's rights (herein sometimes called successor landlord) and upon such successor landlord's written agreement to accept Tenant's attornment, Tenant shall attorn to and recognize such successor landlord as Tenant's landlord under this Lease, and shall promptly execute and deliver any instrument that such successor landlord may request to evidence such attornment. If Tenant fails upon reasonable request to execute such instrument, Tenant hereby irrevocably appoints Landlord as the attorney-in-fact of Tenant to execute and deliver such instrument on behalf of Tenant, should Tenant refuse, or fail to do so promptly after request.

Upon such attornment this Lease shall continue in full force and effect as, or if it were, a direct lease between the successor landlord and Tenant upon all of the terms, conditions and covenants as are set forth in this Lease and shall be applicable after such attornment except that the successor landlord shall not have any liability for refusal or failure to perform or complete Landlord's work or otherwise to prepare the Demised Premises for occupancy.

ARTICLE 15 Mortgage Estoppel

Section 15.01. Mortgage Protection. Either party shall, without charge, at any time and from time to time, within five (5) days after request by the other party, certify by written instrument, duly executed, acknowledged, and delivered, to any mortgagee, assignee or any mortgagee or purchaser, or any proposed mortgagee or assignee of any mortgagee or purchaser, or any person, firm, or corporation reasonably required by the requesting party, that (a) this Lease is unmodified and in full force and effect (or if there has been modification, that the same is in full force and effect as modified and stating the modifications); (b) whether or not there are then existing any set-offs or defenses against the enforcement of any of the agreements, terms, covenants, or conditions hereof upon the part of Tenant or Landlord to be performed or complied with (and, if so, specifying the same); and (c) the date, if any, to which the rental and other charges hereunder have been paid in advance; and (d) that prior to the date of the issuance of the certificate required hereby, to the best of the knowledge of the signer thereof, there has been no violation or breach which would constitute a default under this Lease.

Section 15.02. Estoppel. Tenant agrees that, upon written request of the holder of any note, mortgage, or trust deed secured by the Demised Premises, that Tenant will agree in writing that (a) no action taken by the holder of the note to enforce the mortgage (or trust deed) by reason of default thereunder shall terminate this Lease or invalidate or constitute a breach of any of the terms or conditions hereof, and (b) Tenant will attorn to the purchaser at any foreclosure sale or the grantee in any conveyance in lieu of foreclosure as Landlord of the Demised Premises, and (c) Tenant will, upon written request of such purchaser or grantee, execute such instruments as may be necessary or appropriate to evidence such attornment, provided that the holder of the note and mortgage (or trust deed) agrees that so long as Tenant shall not be in default under this Lease, Tenant's right to possession and enjoyment of the Demised Premises shall be and remain undisturbed and unaffected by the holder of the note and mortgage (or trust deed) or by any foreclosure proceedings thereunder.

ARTICLE 16 Landlord's Representation, Warranty, and Rights

Section 16.01. Landlord Authority. Landlord warrants and represents that it has full authority to execute this Lease for the term and conditions contained herein.

Section 16.02. Landlord Defined. The term "Landlord" wherever used in this Lease shall be limited to mean and include only the owner or owners at the time in question of the Building or the tenant under a ground or underlying lease affecting the Land and/or Building, to whom this Lease may be assigned, or an overlandlord if such overlandlord enters into possession, or a mortgagee in possession, so that in the event of any sale, assignment or transfer of the Landlord and/or Building, or of such ground or underlying lease, such owner, tenant under the ground or underlying lease or overlandlord or mortgagee in possession shall thereupon be released and discharged from all covenants, conditions and agreements of Landlord hereunder thereafter accruing; but such covenants, conditions and agreements shall be binding upon each new owner, tenant under the ground or underlying lease, overlandlord or mortgagee in possession for the time being of the Building, until sold, assigned, or transferred.

Section 16.03. Building Name. The Building will be known as "Golf-River Professional Building" but Landlord shall have the right from time to time to change such name or designation, without Tenant's consent. So long as Tenant shall occupy the Demised Premises, Landlord agrees that Landlord shall not designate, as the name by which the Building is commonly known, the name of any firm whose principal line of business shall be the same as or related to Tenant's business.

Section 16.04. General Rights. In addition to other rights set forth in this Lease, Landlord shall have the following rights exercisable without notice and without liability to Tenant for damage or injury to property, person or business, (all claims for damage being hereby released) and without effecting an eviction or disturbance of Tenant's use or possession or giving rise to any claim for set-offs or abatement of rent:

- A. To change the name or street address of the Building;
- B. To install and maintain signs on the exterior and interior of the Building;

- C. To designate all sources furnishing sign painting and lettering, ice, mineral or drinking water, beverages, foods, towels, vending machines, or toilet supplies used or consumed on the Premises and the Building;
- D. To have pass keys to the Demised Premises;
- E. To grant to anyone the exclusive right to conduct any business or render any service in the Building, provided such right shall not operate to exclude Tenant from the use expressly permitted by this Lease;
- F. To require all persons entering or leaving the building, during such hours as the Landlord may from time to time reasonably determine, to identify themselves to a watchman by registration or otherwise and to establish their right to enter or leave and to exclude or expel any peddler, solicitor, or beggar at any time from the Demised Premises or the Building;
- G. To close the Building at such reasonable times as Landlord may determine, subject however, to Tenant's right to admittance under such regulations as shall be prescribed from time to time by Landlord;
- H. To approve the weight, size, and location of safes and other heavy equipment and articles in and about the Demised Premises and the Building and to require all such items to be moved in and out of the Building and the Demised Premises only at such times and in such manner as Landlord shall direct and in all events at Tenant's sole risk and responsibility;
- I. To do or permit to be done any work in or about the Demised Premises or the Building or any adjacent or nearby building, land, street or alley;
- J. In the event that an excavation or any construction should be made for building or other purposes upon the site or land adjacent to the Building, or should be authorized to be made, Tenant shall, if necessary, afford to the person or persons causing or authorized to cause such excavation or construction or other purpose, license to enter upon the Demised Premises for the purpose of doing such work as shall reasonably be necessary to protect or preserve the wall or walls of the Building, or the Building, from injury or damage and to support them by proper foundations, pinning and/or underpinning, or otherwise.
- K. Landlord reserves the right to interrupt the supply of water, gas, electric and also sewer service and any other similar utility for the Demised Premises, when required by reason of accident or of repairs, alterations or improvements, until such repairs, alterations or improvements shall have been completed. Landlord shall not be liable in damages or otherwise for any failure to furnish or interruption of the services of water, gas, electricity or sewer.
- L. To cause the Demised Premises or entire building to be evacuated, if the Landlord determines or believes there exists a danger or potential danger to the building's occupants.

Section 16.05. Rights of Access. Landlord, and Landlord's agents, employees, or assigns, may exhibit the Demised Premises at all times to prospective Tenants, purchasers, mortgagees, brokers, and others for the purpose of inspecting, showing, reletting, or selling the building, demised premises, or related services. Landlord, and Landlord's agents, employees, contractors, or assigns, may enter the Demised Premises at all times to take measurements, make inspections, repair, alter, maintain, or improve the Demised Premises or adjacent suites or the Building as may be necessary or desirable for the operation, safety, protection, or preservation thereof. During the last 6 months of the term hereof, or if Tenant has vacated or abandoned said premises, Landlord may decorate, remodel, repair, alter, or otherwise prepare the Demised Premises for reoccupancy thereof.

Section 16.06. Right to Alter. Landlord may decorate, alter, repair, or improve the Demised Premises, Building and appurtenances at any time, and Landlord and its representatives for that purpose may enter on and about the Demised Premises and the Building with such material as Landlord may deem necessary, and may erect scaffolding and all other necessary structures on or about the Demised Premises and the Building and may close or temporarily suspend operations of entrances, doors, corridors, elevators, or other facilities.

Tenant waives any claim for damages including the loss of business resulting therefrom and agrees to pay Landlord for overtime and other expenses incurred if such work is done other than during ordinary business hours at Tenant's request. In the exercise of its rights under this subparagraph, the Landlord shall not in any event be liable for inconvenience, annoyance, disturbance, loss of business, other damage to the Tenant or the subtenants of the Tenant by reason of making such repairs or the performance of any such work on or in the Demised Premises, or on account of bringing materials, supplies, and equipment into or through the Demised Premises during the course of such work, and the obligations of the Tenant under this Lease shall not thereby be affected in any manner.

Section 16.07. Right to Substitute. If, during the term, the Landlord requires the Demised Premises for use in conjunction with space needed by another Tenant; or if Landlord requires the Demised Premises for its own use; or if Landlord requires the Demised Premises for rehabilitation, refurbishment, or modernization; then Landlord may, at any time during the term of the lease relocate Tenant to another space within the building (the New Space) provided the New Space contains substantially the same number of usable square feet, and is finished in substantially the same manner, with comparable quality materials and finishes.

The cost of removing Tenant's furnishings, movable equipment and fixtures from the original space and installing the same in the New Space shall be borne by the Landlord. Such relocation shall occur within thirty (30) days of notice to

Tenant of Landlord's election to exercise rights under this paragraph. The exercise of the rights reserved to Landlord under this paragraph shall neither effect nor impair the terms and conditions of this lease; except that this lease shall be deemed amended to the extent the term "Demised Premises" shall thereafter refer to the New Space.

Section 16.08. Security Interest. The Landlord shall have a security interest and first lien paramount to all others on every right and interest of the Tenant in and to this Lease, and on any building or improvement on or hereafter placed on the Demised Premises, and on any furnishings, equipment, fixtures, or other personal property of any kind belonging to the Tenant, or the equity of the Tenant therein, on the Demised Premises. The security interest and lien are granted for the purpose of securing the payment of rents, taxes, assessments, charges, liens, penalties, and damages to be paid by the Tenant, and for the purpose of securing the performance of all of the Tenant's obligations under this Lease. The security interest and lien shall be in addition to all rights of the Landlord given under statutes of this State, which are now or shall hereinafter be in effect.

Section 16.09. Cumulative Remedies. The rights and remedies given to Landlord by this Lease shall be deemed to be cumulative and no one of such rights and remedies shall be exclusive at law or in equity of the rights and remedies which Landlord might otherwise have by virtue of a default under this Lease, and the exercise of one such right or remedy by Landlord shall not impair Landlord's standing to exercise any other right or remedy.

ARTICLE 17 Landlord Obligations

Section 17.01. Building Services. So long as Tenant is not in default under any of the provisions of the Lease, Landlord, at its own cost and expense shall: (a) provide daily operatorless elevator service in Building, holidays excepted; (b) supply the Demised Premises with electricity for use in outletting and lighting; (c) supply the Demised Premises with cold water, when plumbing facilities are included within the suite; (d) provide heating and air conditioning equipment to the Demised Premises capable of maintaining reasonable temperatures in conformance with ASHRAE standards; and (e) arrange for the installation of all required utility meters for the Demised Premises.

Section 17.02. Landlord Maintenance. Provided Landlord shall give notice to the Tenant of the need thereof, Landlord shall at Landlord's own expense subject to the Common Area Maintenance Expense Stop above stated, make all structural repairs and maintain the exterior and public areas of the Demised Premises and the public areas of the Building in good order and repair and maintain in good condition and make all repairs to the structure in the Demised Premises.

ARTICLE 18 Tenant's Representation, Warranty, and Rights

Section 18.01. Tenant Authority. Tenant represents and warrants that it has full authority to execute this Lease for the term and conditions contained herein. In the event that Tenant under this Lease is a corporation, partnership, or other entity, by execution of this lease Tenant hereby warrants and attests that said corporation, partnership, or entity has agreed by a resolution of the Board of Directors of the corporation, or by a consensus of the partners or parties involved, authorizing the execution of this Lease, which shall hereafter be binding unto all such parties.

Section 18.02. Joint Obligation of Tenant. If there is more than one party tenant, the obligations of the Tenant shall be the joint and several obligations of each party, and, if the Tenant is a partnership or corporation or other entity, the obligations of the Tenant shall be the joint and several obligations of each of the partners or officers individually as well as the entity.

Section 18.03. Indemnification. In the event that the Landlord shall, without fault on the Landlord's part, be made a party to any litigation by or against the Tenant, then the Tenant shall pay all costs of such litigation, including management fees and reasonable attorney's fees incurred by or charges against the Landlord in enforcing the covenants, terms, and conditions of this Lease or in terminating this Lease by reason of the Tenant's default.

Section 18.04. Covenant of Quiet Enjoyment. Provided the Tenant has fully performed all of the terms and conditions of this lease, Landlord warrants that Tenant may peaceably and quietly have, hold and enjoy the Demised Premises, subject, nevertheless, to the terms and conditions of this Lease.

ARTICLE 19 Tenant Obligations

Section 19.01. Adverse Use. Tenant shall not suffer or permit the Demised Premises or any part thereof to be used in any manner, or anything to be done therein, or suffer or permit anything to be brought into or kept in the Demised Premises which would in any way (i) violate any law or requirement of public authorities, (ii) cause structural injury to the Building or any part thereof, (iii) interfere with the normal operations of the heating, air-conditioning, ventilating, plumbing or other mechanical or electrical systems of the Building or the elevators installed therein, (iv) constitute a public or private nuisance, (v) alter the appearance of the exterior of the Building or of any portion of the interior thereof other than the Demised Premises.

Section 19.02. Tenant Maintenance. Tenant shall keep and maintain in good order, condition and repair the Demised Premises and every part thereof, including, without limitation, the exterior and interior portions of all doors, door checks, windows, glass, glass block, cabinetry, plumbing and sewage facilities within the Demised Premises, fixtures, heating and air-conditioning maintenance, including exterior mechanical equipment, interior walls, floors and ceilings, lighting and bulb replacement, and fire extinguishers.

Said maintenance, repairs or replacement shall be done in a professional manner resulting in a good and workmanlike job. Tenant shall notify Landlord of the need of such maintenance, repair or replacement and Tenant shall request Landlord to effectuate said maintenance, repairs or replacements whereupon Landlord shall promptly do so, and

Landlord shall invoice Tenant for the amount of such repairs. Tenant shall thereupon make prompt remittance to Landlord within 30 days of submission of said invoice. If Tenant refuses or neglects to commence, allow, or complete repairs promptly and adequately, Landlord may, but shall not be required to do so, make or complete said repairs and Tenant shall pay the cost thereof to Landlord upon demand.

Section 19.03. Utilities. Tenant shall be responsible for the payment of any deposits or similar charges required to be paid in connection therewith and for the payment of any electric, natural gas, sewer or other utility assessment, charge or connection fee required to be paid after the Commencement Date of this Lease.

Section 19.04. Tenant Property. Tenant shall not place a load upon any floor of the Demised Premises which exceeds the load per square foot which such floor is then designed to carry and which is then allowed by law. Tenant shall not move any safe, heavy equipment or bulky matter in or out of the Building without Landlord's written consent, which consent Landlord agrees not unreasonably to withhold or delay. Tenant shall not store or place any materials whatsoever kind or nature or any obstructions in the lobby, passageways, stairs, on the sidewalks or parking areas, or in any public portions of the Building and site.

Section 19.05. Noise and Vibration. All business machines and equipment and all other mechanical equipment installed and used by Tenant in the Demised Premises shall be properly shielded and be so placed, equipped, installed, and maintained by Tenant at Tenant's own cost and expense in settings of cork, rubber, or spring-type vibration-eliminators or in such other manner as Landlord may reasonably direct so as to be sufficient to eliminate the transmission of noise, vibration or electrical, or other interference from the Demised Premises to any other area of the Building.

ARTICLE 20 Landlord's Exoneration

Section 20.01. Utilities. Landlord shall not be liable for any failure or interruption of services of water supply, gas, electric current, storm and sanitary waste outflow, or for any injury or damage to person or property caused by gasoline, oil, steam, gas, electricity, or other utilities.

Section 20.02. Acts of Nature. Landlord shall not be liable for any damages due to hurricane, tornado, flood, wind, or similar storms or disturbances or other acts of nature, or water, rain, or snow which may leak or flow from the street or any surface or subsurface area or from any part of the building or buildings, or for any interference with light or air.

Section 20.03. Personal Injury/Property Damage. The Landlord shall not be liable for any personal injury or property damage to the Tenant or to its officers, agents and employees, or to any other occupant of any part of the Demised Premises, if such injury or damage is caused by action of the elements or acts of negligence of occupants of adjacent properties, to the extent permitted by law. The Landlord shall not be liable, under any expressed or implied covenant of this Lease, for any damages to the Tenant beyond the loss of rent reserved by this Lease, occurring after any act or breach of covenant for which damages may be sought to be recovered against the Landlord.

Section 20.04. Title Defect. If the Tenant shall be ousted from the possession of the Demised Premises by reason of any defect in the title of the Landlord, the Tenant shall not be required to pay any rent under this Lease while it is so lawfully deprived of the possession of the premises and the Landlord shall not incur any liability by such ouster beyond the loss of rent while the Tenant is so deprived of the possession of the premises.

Section 20.05. Building Representations. Tenant acknowledges that neither Landlord, its employees or agents have made any representations with respect to the Building and the Demised Premises regarding conformance with applicable zoning and building regulations, or the location, availability, and/or adequacy of any utilities which may be required in the Tenant's use of the Demised Premises.

Section 20.06. Adjoining Property. The Landlord shall not be responsible or liable to the Tenant for any injury or damage resulting from acts or omissions of persons occupying property adjoining the Demised Premises or any part of the Building of which the Demised Premises is a part, or for any injury or damage resulting to the Tenant or its property from bursting, stoppage, or leaking of water, gas, sewers or steam pipes.

Section 20.07. Tenant's Property. All Tenant's personal property of every kind which may at any time be in the Demised Premises shall be at Tenant's sole risk, or at the risk of those claiming under Tenant, and Landlord shall not be liable for any damage to said property or loss suffered by the business or occupation of Tenant caused by water from any source whatsoever or from the bursting, overflowing or leaking of sewer or steam pipes or from the heating or plumbing fixtures or from electric wires or from gas or odors or cause in any other manner whatsoever.

Section 20.08. No Waiver. The failure of either party to seek redress for violation of, or to insist upon the strict performance of, any covenant or condition of this Lease, or of Landlord to enforce any of the Rules and Regulations set forth or hereafter adopted by Landlord, shall not prevent a subsequent act, which would have originally constituted a violation, from having all the force and effect of an original violation. The receipt by Landlord of rent or payment of rent by Tenant with knowledge of the breach of any covenant of this Lease shall not be deemed a waiver of such breach. No provision of this Lease shall be deemed to have been waived by either party, unless such waiver be in writing signed by such party.

No payment by Tenant or Receipt by Landlord of a lesser amount than monthly rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent or payments due, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or payments due, or pursue any other remedy in this Lease provided.

Section 20.09. Indemnification of Landlord. The Tenant shall indemnify the Landlord against all liabilities, expenses, and losses incurred by the Landlord as a result of (a) failure by the Tenant to perform any covenant required to be performed by the Tenant hereunder; (b) any accident, injury, or damage which shall happen on or under the adjoining streets, sidewalks, curbs, or vaults, or resulting from the condition, maintenance, or operation of the adjoining streets, sidewalks, curbs or vaults; (c) failure to comply with any requirements of any governmental authority; and (d) any mechanic's lien or security agreement, filed against the Demised Premises, any equipment therein, or any materials used in the construction or alteration of any building or improvement thereon.

Section 20.10. Indemnification of Tenant. The Landlord shall indemnify the Tenant against all liabilities, expenses, and losses incurred by the Tenant as a result of negligence by Landlord and Landlord's agents, employees, contractors, and suppliers.

ARTICLE 21 Bankruptcy

Section 21.01. Bankruptcy or Insolvency. If at any time prior to or after the date herein fixed as the Commencement Date of this lease term, there shall be filed by or against Tenant in any Court pursuant to any statute either of the United States or of any State a petition in bankruptcy or insolvency or for reorganization or for the appointment of a receiver or trustee of all or a portion of Tenant's property, or if Tenant makes an assignment for the benefit of creditors, or petitions for or enters into any such arrangement, at Landlord's option this Lease shall ipso facto be canceled and terminated, at which time Tenant shall quit and surrender the Demised Premises, and neither Tenant nor any person claiming through or under Tenant or by virtue of any statute or of any order of any court shall be entitled to possession of the Demised Premises.

Section 21.02. Landlord's Damages. Landlord, in addition to the other rights and remedies contained herein, may retain as liquidated damages any rent, security deposit or moneys received from Tenant or others on behalf of Tenant. It is stipulated and agreed that in the event of the termination of this Lease pursuant to the Bankruptcy actions described herein, Landlord shall be entitled to recover from Tenant as and for liquidated damages an amount equal to the rent reserved hereunder for the unexpired portion of the lease term, as well as any and all additional rents, pass-through expenses due and becoming due, and any and all costs of collection, including property management and legal fees and expenses.

ARTICLE 22 Default Provisions

Section 22.01. Tenant Default. If Tenant defaults in fulfilling any of the covenants of this Lease requiring the payment of fixed minimum rent or additional rent, or in complying with any of the other terms, conditions or provisions of this Lease, or if Tenant ceases to conduct its business in the Demised Premises or leaves same substantially vacant, or in the case of the nonpayment of fixed minimum rent or additional rent which continues for ten days after Landlord serves a written notice upon Tenant specifying such default; if Tenant defaults in any one or more of the events referred to above, then upon Landlord serving a written 10 day's notice upon Tenant specifying the nature of said default and upon the expiration of the said 10 days, if Tenant shall have failed to comply with or remedy such default, or if the said default or omission complained of shall be of such a nature that the same cannot be completely cured or remedied within said 10 day period, and if Tenant shall not have diligently commenced curing such default within such 10 day period, and shall not thereafter with reasonable diligence and in good faith proceed to remedy or cure such default, then Landlord may serve a written 10 day notice of cancellation of this Lease upon Tenant, and upon the expiration of said 10 days, this Lease and the term hereunder shall end and expire as fully and completely as if the date of expiration of such 10 day period were the day herein definitely fixed for the end and expiration of this Lease and the term thereof and Tenant shall then quit and surrender the Demised Premises to Landlord but Tenant shall remain liable as hereinafter provided.

Section 22.02. Landlord Remedy. If the 10 day notice of cancellation provided for herein shall have been given, and the term shall expire as aforesaid, or if Tenant shall make default after ten days' notice in the payment of the fixed minimum rent reserved herein or any item of additional rent herein mentioned or any part of either or in making any other payment herein provided, or if any execution or attachment shall be issued against Tenant or any Tenant's property whereupon the Demised Premises shall be taken or occupied by someone other than Tenant, then and in any of such events Landlord may without notice, re-enter the Demised Premises either by force or otherwise, and dispossess Tenant by summary proceedings or otherwise, and the legal representative of Tenant or other occupant of the Demised Premises and remove their effects and hold the Demised Premises as if this Lease had not been made, but Tenant shall remain liable hereunder as hereinafter provided, and Tenant hereby waives the service of notice of intention to re-enter or to institute legal proceedings to that end.

Section 22.03. Rent Delinquency. In case of any such default, re-entry, expiration and/or dispossession summary proceedings or otherwise, then the fixed minimum rent and additional rent shall become due thereupon and be paid up to the time of such re-entry, dispossession and/or expiration, together with such expenses as Landlord may incur for legal expenses, reasonable attorneys' fees, brokerage, and/or putting the Demised Premises in good order, or for preparing the same for re-rental. Landlord may re-let the Demised Premises or any part or parts thereof, either in the name of Landlord or otherwise, for a term or terms, which may at Landlord's option be less than or exceed the period which would otherwise have constituted the balance of the term of this Lease and may grant concessions or free rent. In addition, Tenant or the legal representatives of Tenant shall also pay Landlord as liquidated damages for the failure of Tenant to observe and perform said Tenant's covenants herein contained, any deficiency between the rents and additional rents hereby reserved and/or covenanted to be paid and the net amount, if any, of the rents collected or to be collected on account of the Lease or leases of the Demised Premises for each month of the period which would otherwise have constituted the balance of the term of this Lease.

Section 22.04. Reletting of Premises. The failure or refusal of Landlord to re-let the Demised Premises or any part or parts thereof shall not release or affect Tenant's liability for damages. In computing such damages there shall be added to the said deficiency such expenses as Landlord may incur in connection with re-letting, such as additional property management fees, legal expenses, reasonable attorneys' fees, brokerage fees, and costs for keeping the Demised Premises in

good order or for preparing the same for re-letting. Any such damages shall be immediately due and payable by Tenant and any suit brought to collect the amount of the deficiency shall not prejudice in any way the rights of Landlord to collect the deficiency for any other amounts due hereunder, subject to offsets received by Landlord as a result of Landlord's attempts to mitigate damages.

Section 22.05. Alteration of Premises. Landlord, at Landlord's option, may make such alterations, repairs, replacements and/or decorations in the Demised Premises as Landlord in Landlord's sole judgement considers advisable and necessary for the purpose of re-letting the Demised Premises, the cost of which shall be the responsibility of the Tenant; and making of such alterations and/or decorations shall not operate or be construed to release tenant from liability hereunder as aforesaid. Landlord shall in no event be liable in any way whatsoever for failure to re-let the Demised Premises, or in the event that the Demised Premises are re-let, for failure to collect the rent thereof under such re-letting. Any such action may be an action for the full amounts of all rents and damages suffered or to be suffered by Landlord.

Section 22.06. Tenant Breach. In the event of a breach or threatened breach by Tenant of any of the covenants or provisions hereof, Landlord shall have the right of injunction and the right to invoke any remedy allowed at law or in equity as if reentry, summary proceedings and other remedies were not herein provided for. The foregoing remedies and rights of Landlord are cumulative. Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of Tenant being evicted or dispossessed for any cause, or in the event of Landlord obtaining possession of the Demised Premises, by reason of the violation by Tenant of any of the covenants and conditions of this Lease, or otherwise.

Section 22.07. Late Charge. Landlord reserves the right to require Tenant to pay as an additional charge hereunder interest at the rate of 5% per late payment on all payments of rent and additional charges which are made more than ten (10) days after the due date. In the event Tenant fails or refuses to pay rent or any additional charge hereunder and Landlord institutes suit for the collection of same, Tenant agrees to reimburse Landlord for all reasonable expenses incurred by Landlord in connection therewith including but not limited to management fees and attorney's fees incurred by Landlord.

Section 22.08. Security Interest. The Landlord shall have a security interest and first lien paramount to all others on every right and interest of the Tenant in and to this Lease, and on any building or improvement on or hereafter placed on the Demised Premises, and on any furnishings, equipment, fixtures, or other personal property of any kind belonging to the Tenant, or the equity of the Tenant therein, on the Demised Premises. The security interest and lien are granted for the purpose of securing the payment of rents, taxes, assessments, charges, liens, penalties, and damages to be paid by the Tenant, and for the purpose of securing the performance of all of the Tenant's obligations under this Lease. The security interest and lien shall be in addition to all rights of the Landlord given under statutes of this State, which are now or shall hereinafter be in effect.

Section 22.09. No Waiver. No failure by the Landlord to insist upon the strict performance of any term or condition of this Lease or to exercise any right or remedy available on a breach thereof, and no acceptance of full or partial rent during the continuance of any such breach shall constitute a waiver of any such breach or of any such term or condition. No term or condition of this Lease required to be performed by the Tenant, and no breach thereof shall be waived, altered, or modified, except by a written instrument executed by the Landlord. No waiver of any breach shall affect or alter any term or condition in this Lease, and each such term or condition shall continue in full force and effect with respect to any other then existing or subsequent breach thereof.

Section 22.10. Landlord's Right/Tenant Obligation. If Tenant shall default in the observance or performance of any term or covenant on its part to be observed or performed under or by virtue of any of the terms or provisions in any Article or this Lease, Landlord, without being under obligation to do so and without thereby waiving such default, may remedy such default for the account and at the expense of Tenant. If in connection therewith Landlord makes any expenditures or incurs any obligations for the payment of money or instituting, prosecuting or defending any action or proceedings commenced before or during the term of this Lease or after the expiration or termination of the term of this Lease, including but not limited to legal expenses and attorneys' fees, such sums paid or obligation incurred with legal interest and costs shall be paid to Landlord by Tenant on demand, and if not paid, Landlord, at Landlord's option, in addition to any other remedy, may deem the same to be additional rent.

Section 22.11. Landlord's Right to Accelerate. Notwithstanding anything to the contrary contained in this article, or anywhere in this Lease, in the event that Landlord exercises its right to terminate this Lease, Tenant shall immediately surrender the Demised Premises to Landlord and pay to Landlord the sum of (a) all Rent accrued hereunder through the date of termination, and, upon Landlord's determination thereof, and (b) an amount equal to (i) the total Rent that Tenant would have been required to pay for the remainder of the Lease Term discounted to present value at the prime rate then in effect, minus (ii) the then present fair rental value of the Demised Premises for the remainder of the Lease Term, similarly discounted, after deducting all anticipated Costs of Reletting (as hereinafter defined). Landlord's determination of such amount shall be conclusive and binding on Tenant, and shall be deemed to have been made in good faith. For purposes of this Lease, the term "Costs of Reletting" shall mean all costs and expenses incurred by Landlord in connection with the reletting of the Demised Premises, including without limitation, Rent loss during the period the Premises are vacant prior to reletting, the cost of cleaning, renovation, repairs, decoration and alteration of the Demised Premises for a new tenant or tenants, advertisement, marketing, brokerage, property management and legal fees, including attorneys' fees and other legal expenses, the cost of protecting or caring for the Demised Premises while vacant, the cost of removing and storing any property located on or in the Demised Premises, and any other out-of-pocket expenses incurred by Landlord including, but not limited to tenant inducements such as the cost of moving the new tenant or tenants and the cost of assuming any portion of the existing lease(s) of the new tenant(s).

ARTICLE 23 Rules and Regulations

Section 23.01. Rules and Regulations. Tenant, its servants, employees, agents, visitors, and licensees shall observe faithfully and comply strictly with the rules and regulations set forth in Exhibit "B" attached hereto and made a part hereof. Landlord shall have the right from time to time during the term of this Lease to make reasonable changes in and additions to the rules thus set forth provided such changes and additions are applicable to all other office tenants in the Building.

Section 23.02. Enforcement. Any failure by Landlord to enforce any rules and regulations now or hereafter in effect, either against Tenant or any other tenant in the Building, shall not constitute a breach hereunder or waiver of any such rules and regulations, but any rule or regulation not generally enforced against other tenants in the building will not be discriminatorily enforced against Tenant.

ARTICLE 24 Requirements of Public Authorities

Section 24.01. Tenant Compliance. Tenant shall, at Tenant's expense, comply with all laws, orders, ordinances and regulations of federal, state, county and municipal authorities and with any direction made pursuant to law of any public officer or officers which shall, with respect to the occupancy, use or manner of use of the Demised Premises or to any abatement of nuisance caused by Tenant, impose any violation, order or duty upon Landlord or Tenant arising from Tenant's occupancy, use, or manner of use of the Demised Premises or any installations made therein by or at Tenant's request, or required by reason of a breach of any of Tenant's covenants or agreements hereunder.

Section 24.02. Landlord Compliance. Except as aforesaid, Landlord shall, at its expense, comply with or cause to be complied with, all laws, orders, ordinances, and regulations of federal, state, county and municipal authorities and any direction made pursuant to law or any public officer or officers which shall, with respect to the public portions of the Building, or which affect Tenant's access to the Demised Premises, impose any violation, order or duty upon Landlord or Tenant. Landlord may at its expense contest the validity of any such law, ordinance, rule, order or regulation.

Section 24.03. Notice of Violations. If Tenant receives notice of any violation of law, ordinance, rule, order, or regulation applicable to the Demised Premises, it shall give prompt notice thereof to Landlord. If Landlord receives notice of any violation of any such law, order, ordinance, or regulation applicable to the Demised Premises or services, access or other appurtenances to the Demised Premises, especially, but not limited to, any creating an obligation of Tenant under Section 11.01, it shall give prompt notice thereof to Tenant.

ARTICLE 25 Eminent Domain

Section 25.01. Total Condemnation. If the whole of the Demised Premises shall be taken under the power of eminent domain or by deed in lieu of such taking, then the term of this Lease shall cease as of the day possession shall be taken, with all rentals and pass-throughs due under this lease paid by Tenant through the date of condemnation possession.

Section 25.02. Minimal Condemnation. If less than 10% of the land area, whether or not improved, and/or less than 20% of the building area not including the Tenant's Demised Premises, is taken under the power of eminent domain, or by deed in lieu of such taking, there shall be no condemnation right granted Tenant under this Lease.

Section 25.03. Partial Condemnation. In the event more than ten (10%) percent or more of the land area of the Building is taken under the power of eminent domain, or by deed in lieu of such taking, the Landlord shall have the right to terminate this Lease by giving Tenant written notice of termination within sixty (60) days after the taking of possession by such public authority.

Section 25.04. Condemnation Damages. All damages awarded for such taking under the power of eminent domain or by deed in lieu of such taking, whether for the whole or a part of the Premises, shall be the property of Landlord, whether such damages shall be awarded as compensation for diminution in value of the property or to the fee of the property; provided, however, that Landlord shall not be entitled to any separate award made to Tenant for loss of business, depreciation to and cost of removal of stock and fixtures or to other separate awards payable to Tenant.

Section 25.05. Peripheral Taking Exclusion. Any sale, grant, dedication or taking of peripheral or perimeter parts or portions of the parking area for road widening or road improvements purposes or for the installation of utilities shall not be deemed a condemnation or taking within the meaning of this Article and Tenant shall not, in any such event, be entitled to compensation, diminution, or abatement of any rent or other charges.

ARTICLE 26 Miscellaneous Provisions

Section 26.01. Index & Captions. The index preceding this Lease and the captions of Articles in this Lease are inserted only as a matter of convenience and for reference and they in no way define, limit or describe the scope of this Lease or of the intent of any provision thereof.

Section 26.02. Gender. Any word contained in the text of this Lease shall be read as the singular or the plural and as the masculine, feminine or neuter gender as may be applicable in the particular context. In construing this Lease, feminine or neuter pronouns shall be substituted for those masculine in form and vice versa, and plural terms shall be substituted for singular and vice versa in any place in which the context so requires.

Section 26.03. Entire Agreement. This Lease with Exhibits annexed hereto contains the entire agreement between Landlord and Tenant and any executory agreement hereafter made between Landlord and Tenant shall be ineffective to change, modify, waive, release, discharge, terminate or effect an abandonment of this Lease, in whole or in part, unless such

executory agreement is in writing and signed by the party against whom enforcement of the change, modification, waiver, release, discharge, termination, or the effecting of the abandonment is sought.

Section 26.04. Multiple Lease Copies. This Lease may be executed in one or more counterparts, each of which shall be an original, and all of which shall constitute one and the same instrument.

Section 26.05. Written Notices. Any notice, request, demand, or communication permitted or required to be given by the terms and provisions of this Lease, or by any law or governmental regulation, either by Landlord to Tenant or by Tenant to Landlord, shall be in writing.

Section 26.06. Memorandum of Lease. This Lease shall not be recorded. Landlord and Tenant shall, at the option of Tenant, execute and deliver a memorandum of this Lease in proper form for the purpose of recording, but said memorandum of this Lease shall not in any circumstances be deemed to modify or change any of the provisions of this Lease, the provisions of which shall in all instances prevail.

Section 26.07. Applicable Law. The Landlord and Tenant agree that this Lease shall be governed by, construed and enforced in accordance with the laws of the State of Illinois. The parties hereby agree that jurisdiction venue over any disputes over the terms, covenants and conditions contained herein shall be within the Circuit Court of Cook County, Illinois, Second (2nd) Municipal District.

Section 26.08. Waiver of Jury Trial. In any action or proceeding brought by Landlord to enforce Landlord's rights under this lease, or to enforce Tenant's obligation's hereunder, Tenant shall, and hereby does, waive trial by jury. In any action or proceeding brought by Landlord to enforce Tenant's obligation to pay rent or additional rent, Tenant shall not assert any counterclaim against Landlord in such action or proceeding.

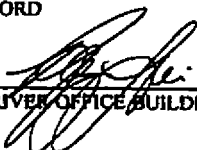
Section 26.09. Severability. If any term or provision of this Lease shall, to any extent be invalid or unenforceable, the remainder of this Lease shall not be affected thereby and the balance of the terms and provisions of this Lease shall be valid and enforceable to the fullest extent either hereunder or as permitted by law.

Section 26.10. Binding Effect on Assigns. The covenants, conditions, and agreements contained in this Lease shall bind and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and, except as otherwise provided herein, their assigns.

SEE RIDER.

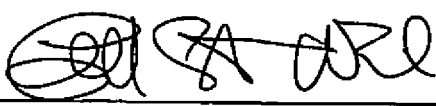
IN WITNESS WHEREOF Landlord and tenant have respectively signed and sealed this Lease as of the day and year first above written.

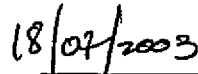
LANDLORD


GOLF/RIVER OFFICE BUILDING

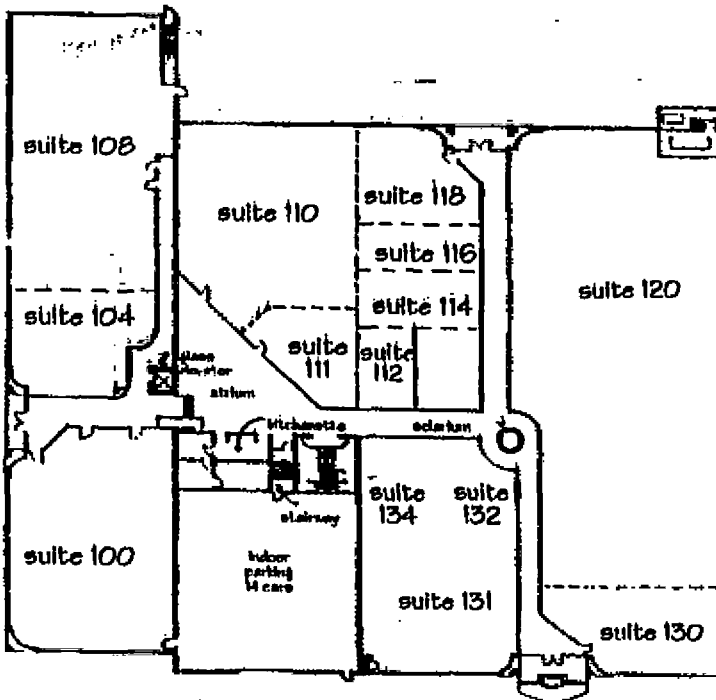

Date

TENANT

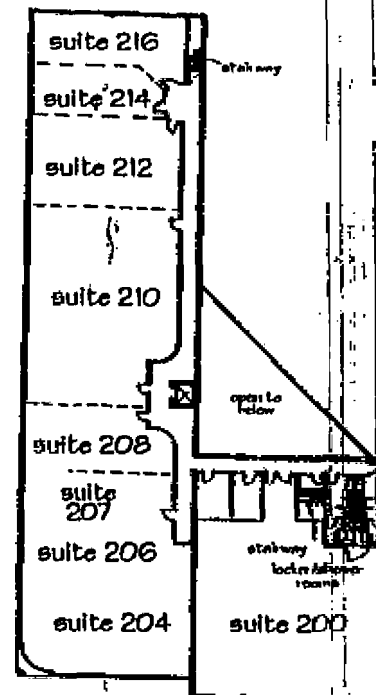

PRESIDENT & CEO


Date

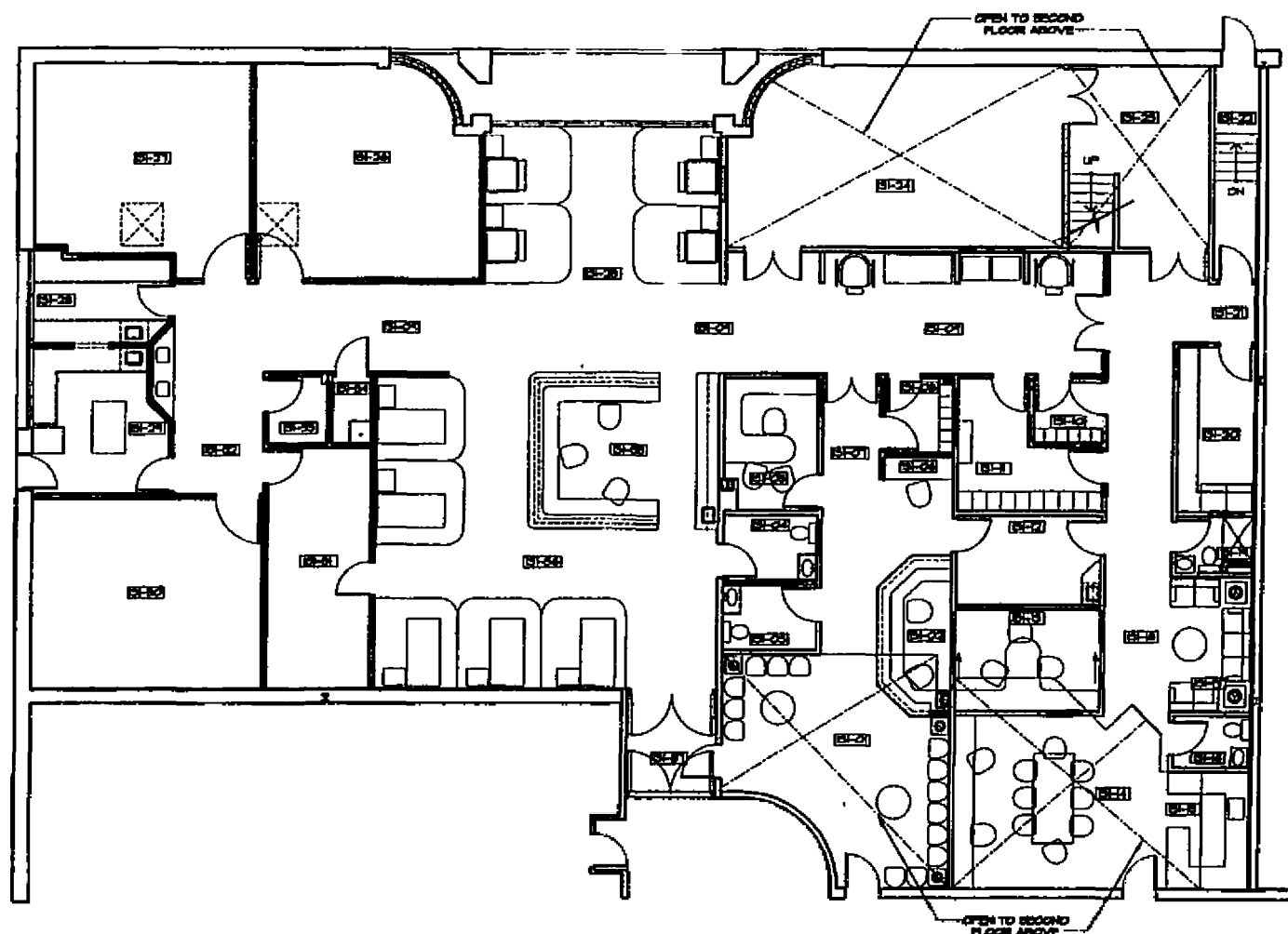
Golf River



first floor



second floor



RM. #	ROOM NAMES
13-01	WAITING
13-02	RECEPTION
13-03	TOILET
13-04	TOILET
13-05	CONSULTATION ROOM
13-06	NURSE'S WORK AREA
13-07	5' WIDE CORRIDOR
13-08	PATIENT GOWNING
13-09	8' WIDE STERILE CORRIDOR
13-10	NURSE'S GOWNING
13-11	DOCTOR'S GOWNING
13-12	EXAMINATION ROOM
13-13	ADMINISTRATIVE MANAGER'S OFFICE
13-14	DOCTOR'S LOUNGE
13-15	FOOD & BEVERAGE BAR
13-16	TOILET
13-17	DOCTOR'S LOUNGE
13-18	5'-10" WIDE CORRIDOR
13-19	TOILET
13-20	LAUNDRY
13-21	HALL
13-22	EXIT CORRIDOR
13-23	STAIRWELL
13-24	EQUIPMENT STORAGE
13-25	RECOVERY 1
13-26	PROCEDURE 1
13-27	PROCEDURE 2
13-28	SOILED WORKROOM
13-29	CLEAN/ STERILE WORKROOM
13-30	PROCEDURE 3
13-31	PROCEDURE/ RECOVERY STORAGE
13-32	8' WIDE STERILE CORRIDOR
13-33	GAS/ ANAESTHESIA STORAGE
13-34	JANITOR'S CLOSET
13-35	NURSE'S STATION
13-36	RECOVERY 2
13-37	EXIT CHAMBER

1

New First Floor Plan : Weil ASTC Suite 131

Scale 1/8" = 1'-0"



GOLF RIVER PROFESSIONAL BUILDING LEASE

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ARTICLE 2	Lease Term.....	1
ARTICLE 3	Rentals.....	1
ARTICLE 4	Security Deposit.....	2
ARTICLE 5	Real Estate Taxes.....	2
ARTICLE 6	Common Area Maintenance.....	3
ARTICLE 7	Tenant Buildout.....	3
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ARTICLE 9	Surrender of Premises.....	5
ARTICLE 10	Building Signage & Identification.....	5
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	EXHIBIT "B" Building Rules and Regulations.....	
	EXHIBIT "C" Insurance.....	
	EXHIBIT "D" Building Plan.....	
	EXHIBIT "E" Defined Premises Plan.....	
	EXHIBIT "F" Guaranty (if applicable).....	
	EXHIBIT "G" Rider to Lease.....	

EXHIBIT "A" Legal Description

PARCEL 1:

Lot 1 in River-Golf Resubdivision of Lot 1 (except the South 75 Feet and except the West 400 Feet thereof at right angles measurement) in Redeker's Garden Addition to Des Plaines, being a Subdivision of Lots 6 and 7 (except the South 4 Acres thereof) in Redeker Estates Subdivision of parts of Sections 8, 9, 16 and 17, Township 41 North, Range 12, East of the Third Principal Meridian, according to the Plat of said River Golf Subdivision registered in the office of the Registrar of Titles of Cook County, Illinois, on April 3, 1963, as Document Number 2084343, excepting from said Lot 1 in River-Golf Resubdivision, that part lying Easterly of a line described as follows: Beginning at a point lying in the Northerly line of Lot 1, said point being 55 Feet Westerly of the Northeasterly corner of said Lot 1: Thence Southeasterly along a straight line for a distance of 62.49 Feet to a point lying in a line which is 18 Feet Southwesterly of (as measured at right angle) and parallel with the Easterly line of said Lot 1: Thence Southeasterly along said previously described parallel line for a distance of 130.60 Feet more or less to a point of termination lying in the Southerly line of said Lot 1 of River-Golf Resubdivision, all in Cook County, Illinois.

PARCEL 2:

The East 250.0 Feet of the West 400.0 Feet of Lot 1 in Redeker's Garden Addition to Des Plaines, being a Subdivision of Lots 6 and 7 (except the South 4.0 Acres thereof) in Redeker's Estate Subdivision of parts Sections 8, 9, 16 and 17, in Township 41, Range 12, East of the Third Principal Meridian, in Cook County, Illinois.

PARCEL 3:

The South 140.0 feet of the North 245.0 feet of the West 150.0 feet, as measured from the East Line of Mary Street and said Line extended, of Lot 1 in Redeker's Garden Addition to Des Plaines, being a subdivision of Lot 6 and Lot 7, except the South 4 acres thereof, in Redeker's Estate Subdivision of parts of Sections 8, 9, 16 and 17, Township 41 North, Range 12 East of the Third Principal Meridian, in Cook County, Illinois.

EXHIBIT "B" Rules and Regulations (as of 12/14/01)

1. The rights of tenants in the entrances, corridors and elevators of the Building are limited to ingress from the tenant's premises for the tenants and their employees, licensees, and invitees, and no tenant shall use, or permit the use of, the entrances, corridors, or elevators for any other purpose.
2. No tenant shall invite to the tenant's premises, or permit the visit of, persons in such numbers or under such conditions as to interfere with the use and enjoyment of any of the entrances, corridors, elevators, parking lots, and other facilities of the Building by other tenants.
3. Fire exits and stairways are for emergency use only, and they shall not be used for any other purposes by the tenants, their employees, licensees or invitees. No tenant shall encumber or obstruct, or permit the encumbrance or obstruction of any of the sidewalks, entrances, corridors, elevators, fire exits, or stairways of the Building.
4. The Landlord reserves the right to control and operate the public portions of the Building and the public facilities, as well as facilities, furnished for the common use of the tenants. In such manner as it deems best for the benefit of the tenants generally.
5. The cost of repairing any damage to the public portions of the Building or the public facilities or to any facilities used in common with other tenants, caused by a tenant or the employees, licensees, or invitees of the tenant, shall be paid by such tenant.
6. No tenant shall obtain or accept for use in its premises food or beverage vending machines, general construction, general cleaning, floor polishing, carpet cleaning, lighting maintenance, or other similar services from any persons not authorized by the Landlord in writing to furnish such services. Such services shall be furnished only at such hours, in such places within the tenants' premises and under such regulations as may be fixed by the Landlord.
7. No awnings, decorations, devices, or other projections over or around windows and doors, shall be installed by any tenant, and only such window blinds as are supplied or approved by the Landlord shall be used in a tenant's premises.
8. Hand trucks shall not be used in any space, or in the public halls of the Building, either by the tenant or their vendors or agents in the delivery or receipt of merchandise, except those equipped with rubber tires and side guards.
9. All entrance doors in each tenant's premises shall be left locked when the tenant's premises are not in use. Entrance doors shall not be left open at any time.
10. No noise, including the playing of any musical instruments, radio, or television, which, in the judgment of the Landlord, might disturb other tenants in the Building shall be made or permitted by any tenant, and no cooking shall be done in the tenant's premises, except as expressly approved by the Landlord.
11. Nothing shall be done or permitted in any tenant's premises, and nothing shall be brought into or kept in any tenant's premises, which would impair or interfere with any of the building services or the proper and economic heating, cleaning or other servicing of the Building or the premises, or the use or enjoyment by any tenant of any other premises, nor shall there be installed by any tenant any HVAC, electrical, microwave, computer, TV systems, or other equipment of any kind which might cause any such impairment or interference.
12. Tenant shall not permit any cooking or food odors emanating within the Demised Premises to seep into other portions of the Building.
13. No acids, vapors, or other materials shall be discharged or permitted to be discharged into the waste lines, vents, or flues of the Building which may cause damage to them or provide a nuisance to other visitors or tenants.
14. The water and wash closets and other plumbing fixtures in or serving any tenant's premises shall not be used for any purpose other than the purpose for which they were designed or constructed, and no sanitary napkins, paper towels, soopings, rubbish, rags, acids, or other foreign substances shall be deposited therein. All damages resulting from any misuse of the fixtures shall be borne by the tenant who, or whose servants, employees, agents, visitors, or licensees, shall have caused the same.
15. No signs, advertisement, notice or other lettering shall be exhibited, inscribed, painted, or affixed by any tenant on any part of the outside or inside the premises or the Building without the prior written consent of Landlord. In the event of the violation of the foregoing by any tenant, Landlord may remove the same without any liability, and may charge the expense incurred by such removal to the tenant or tenants violating this rule.
16. Interior signs and lettering on doors and elevators shall be inscribed, painted, or affixed for each tenant by Landlord at the expense of Landlord, and shall be of a size, color and style acceptable to Landlord. Landlord shall have the right to prohibit any advertising by any tenant which impairs the reputation or image of the Building. Upon written notice from Landlord, Tenant shall refrain from or discontinue such advertising.
17. No additional locks, bolts, and alarms of any kind shall be placed upon any of the doors or windows in any tenant's premises and no lock on any door therein shall be changed or altered in any respect. Duplicate keys for a tenant's premises and toilet rooms shall be procured only from the Landlord, which may make a reasonable charge therefor. Upon the termination of a tenant's lease, all keys of the tenant's premises and toilet rooms shall be delivered to the Landlord.

18. No tenant shall mark, paint, drill into, or in any way deface any part of the Building or the premises demised to such tenant. No boring, cutting or stringing of wires shall be permitted, except with the prior written consent of Landlord, and as Landlord may direct. No tenant shall install any floor or wall finishes in the premise demised unless approved by Landlord.
19. The requirements of tenants will be attended to only upon application at the office of the building. Employees of Landlord shall not perform any work or do anything outside of the regular duties, unless under special instructions from the office of the Landlord.
20. The tenant's employees shall not loiter around the hallways, stairways, elevators, front, roof, or any other part of the building used in common by the occupants thereof.
21. If the premises demised to any tenant become infested with vermin, such tenant, at its sole costs and expense, shall cause its premises to be exterminated, from time to time, to the satisfaction of Landlord, and shall employ such exterminators therefor as shall be approved by Landlord.
22. No cars shall be left in the garage or parking lots overnight without notification to the Landlord. Building parking shall be for the express use of the building tenant's and their visitors.
23. The Landlord reserves the right to tow, without notice, cars which appear abandoned, are blocking building entryways and drives, are left overnight without notice, or are otherwise improperly parked. The Landlord is not responsible for vandalism, theft, or damage to cars caused by building visitors or their cars.
24. Building services provided for tenants by the Landlord or its agents shall be invoiced monthly, due and payable immediately, subject to the "Additional Rent" provisions contained in the building lease. Failure by Landlord to provide timely invoicing shall not alter the Tenant's obligation for payment hereunder.
25. The building hours are from 7:00 AM to 8:00 PM Monday through Friday, from 7:00 AM to 6:00 PM Saturday, and from 9:00 AM to 2:00 PM Sunday. Said hours may be modified by Landlord from time to time, and without notice to Tenant. Upon request, tenants shall be provided passkeys for 24-hour access to the building and their suites. Said keys shall not be duplicated, and remain the property of the building.

EXHIBIT "C" TENANT INSURANCE REQUIREMENTS

1. **Policies.** Policies must (a) be endorsed to be primary, with all Landlord's policies being excess, secondary and noncontributing; and (b) contain provision for 30 days' prior written notice by insurance carrier to Landlord required for cancellation, nonrenewal, or substantial modification.
2. **Limits, Deductibles and Retentions.** Any aggregate limit which is reduced below 75% of the limit required by this Agreement because of losses paid must be reinstated by Tenant
3. **Forms.** If the forms of policies, endorsements, certificates, or evidence of insurance required by this Exhibit are superseded or discontinued, Landlord will have the right to require other equivalent or superior forms. Any policy or endorsement form other than a form specified in this Exhibit must be approved in advance by Landlord.
4. **Certificates.** Evidence of insurance must be submitted to Landlord prior to Tenant occupying space, and yearly upon Tenant renewal. Such evidence shall specify the additional insured status and/or waivers of subrogation, state the amounts of all deductibles and self-insured retentions, set forth notice requirements for cancellation, material change, or non-renewal of insurance; and be accompanied by copies of all required endorsements.

SPECIFIC COVERAGE REQUIREMENTS

INSURANCE	COVERAGES	OTHER REQUIREMENTS
Worker's Compensation (If carried by Tenant)	Statutory Limits (if state has no statutory limit, \$1,000,000)	1. Waiver of subrogation in favor of the Landlord. 2. No "alternative" forms of coverage will be permitted.
Employer's Liability	\$500,000 each accident for bodily injury by accident \$500,000 each employee for bodily injury by disease	1. Waiver of subrogation in favor of the Landlord.
Commercial General Liability (Occurrence Basis)	\$1,000,000 per occurrence \$2,000,000 general aggregate	1. Landlord will be named as "additional insured". 2. Separation of insured language will not be modified. 3. Waiver of subrogation in favor of Landlord. 4. Aggregate limit per location endorsement. 5. Deletion of exclusions for liability assumed under contract. 6. No modification which would make Tenant's policy excess over or contributory with Landlord's liability insurance.
Commercial Business Automobile Liability	\$1,000,000	1. Landlord will be named as "additional insured". 2. Waiver of subrogation in favor of Landlord. 3. Aggregate limit per location endorsement
Umbrella Liability Insurance (Occurrence Basis)	\$5,000,000 per occurrence \$5,000,000 aggregate	1. Written on an umbrella basis above the coverage referenced above. 2. The Landlord will be named as additional insured. 3. Waiver of subrogation in favor of the Owner Parties. 4. Aggregate limit per location endorsement.
Causes of Loss-Special Form (formerly known as "all risk") Property Insurance	100% replacement cost.	1. Name Landlord as "insured as its interest may appear" 2. Contain only standard printed exclusions. 3. Waiver of subrogation in favor of Landlord. 4. Ordinance or law coverage endorsement.

EXHIBIT G**RIDER TO LEASE BETWEEN GOLF-RIVER OFFICE BUILDING
(LANDLORD) AND FOOT AND ANKLE SURGERY CENTER, LTD. (TENANT)**

Section 2.01. Lease Term. Rental payments for suites 128, 130, and 134 shall commence upon October 1, 2003. Rental payments for suites 128, 130, and the hallway between suites 130 and 131 shall commence upon the date of substantial completion of the Tenant's Improvements for suites 128, 130 and the hallway which are to be completed by Landlord, however, in no event later than January 1, 2004. Landlord and Tenant shall have a one-time right to terminate this Lease on December 31, 2013; to effect such termination, the party requesting to terminate must notify the other party at least eighteen (18) months prior to December 31, 2013. In the event that Tenant terminates this Lease under this provision, Tenant shall pay Landlord the unamortized build-out expenses, amortized at 6.75% per year.

Section 3.04 Utilities. All gas and electricity in the Premises for HVAC, lighting, receptacles, and other incidental uses is separately metered and controlled by Tenant, and billed directly to Tenant by utility companies for their exact consumption.

Section 6.01 Common Area Maintenance. Tenant shall be provided 6 night per week janitorial service in their suite.

Section 7.01 Plans and Specifications. The architectural design, working drawings, and engineering shall be performed by the Landlord's architect at the rate of 8% of the total cost of construction, plus additional work as requested by Tenant. Tenant may, at Tenant's expense, employ other architects or engineers to consult with Landlord's architect, design, or procure specialty permits on behalf of the Tenant. Landlord's architect shall cooperate fully with Tenant's architect, including following recommended design options wherever practical, producing the working drawings and specifications under the Tenant's architect's name for submission to state agencies, or joint venturing said work. Should Tenant's architect's work result in a savings in fee work from Landlord's architect, such savings shall be credited to the Tenant.

Section 7.03 Tenant Improvements. Upon execution of this Lease, Tenant shall provide Landlord with a \$20,000 non-refundable architectural deposit for preliminary design and State of Illinois submissions.

Upon execution of this Lease, completion of the architectural drawings, and receipt of building permits, construction shall commence on suites 131, 132, and 134. Upon execution of this Lease, completion of the architectural drawings, receipt of building permits, and the relocation of the existing tenant in suite 130, construction shall commence on suites 128, 130, and the hallway between suites 130 and 131. This Lease is contingent upon Landlord's ability to relocate the existing tenant in suite 130.

Landlord's build-out allowance shall include Landlord-provided space planning and architecture, engineering, construction, wiring, HVAC, plumbing, cabling, painting, carpeting, miscellaneous repairs, construction management, and/or telecommunications

costs. Tenant shall have the right to apply any unused portion of the improvement allowance toward rental credit, fixtures, and equipment, and/or moving costs.

Landlord represents that, to the best of its knowledge, this building is in conformance with existing State of Illinois building codes, and the building would not require extensive retrofit work to receive approvals for this surgicenter. In the event that the State would require extensive building retrofit (not interior space build-out), the Tenant shall pay up to \$100,000 and the Landlord shall pay any and all additional expenses in excess of \$100,000. Such required improvements must be mandated by the State before Landlord shall be obligated to make such additional improvements.

All build-out work shall be permitted, bid, scheduled, and supervised by the Landlord's construction manager at the rate of fifteen percent (15%) of the cost of construction. Total subcontractor's costs shall not exceed five percent (5%) over any qualified Tenant-procured bids.

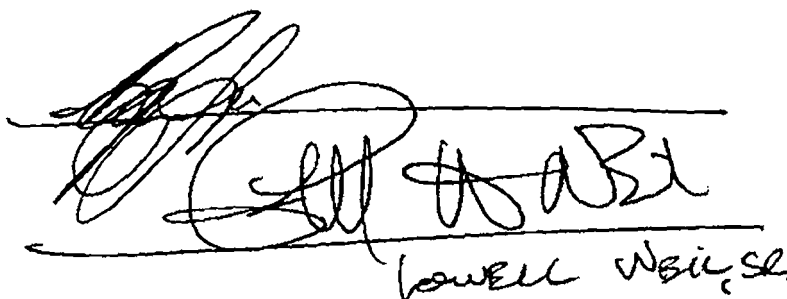
Landlord shall refurbish and/or improve the general maintenance of the building, including the floor coverings in the common areas, the atrium furnishings, and the exterior building identity signage.

Article 10 Signage The existing interior directory and exterior identification signage shall remain in place, with additional interior directional signage added. Additionally, to the extent permitted by local zoning laws of Des Plaines, Tenant shall have the right to place building signage, at their sole cost and expense, for both initial installation and ongoing maintenance, within any Golf-River window, at a size no greater than 50% of the window size. The design and location of such signage shall be subject to Landlord's approval, which shall not be unreasonably withheld, and subject to the City of Des Plaines zoning ordinance and approvals.

Section 13.01 Assignment and Subletting. Tenant shall have the right to assign this Lease or sublease its space. Any assignment of this Lease or sublease of the space shall be subject to Landlord's consent, which shall not be unreasonably withheld, conditioned, or delayed.

Article 27 Building Access Tenant shall have 24 hour per day, 7 day per week, 365 days per year keyed access to the building.

Article 28 Right of First Refusal Tenant shall have the right of first refusal on all contiguous space on the first floor of the building.


Lowell Weir, Sr.

7/24/03
08/18/03

- Natural Gas for generator: \$89.40/month
- Base Rent CPI annual adjustment – October of each year; typically billed with December rent.

C. **Total Rent Payment.** NCFAC's obligation to pay Total Rent is independent of any other covenant in this Lease.

D. **Total Monthly Rent.** The Total Monthly Rent shall be due and payable in advance on or before the first day of each calendar month during the Term, without demand, notice, set-off or deduction, provided that The Monthly Rent for any fractional calendar month shall be prorated.

2. **THE SUBLEASED SPACE.** NCFAC hereby leases to Weil the Subleased Space for the purpose of Billing and Collections and related activities.

A. **Term:** Commencement Date through September 30, 2019.

B. **Rent for the Subleased Space.** Weil's obligation to pay rent to NCFAC for the Subleased Space shall begin on the Commencement Date as follows.

- Square Feet: 2,033 rentable square feet
- Monthly base rent for Subleased Space: \$4,938.50
- 2017 Estimated Tax Payment per month for Subleased Space: \$588.94
- 2017 Operating Expense Monthly Payment for Subleased Space: \$367.49
- Natural Gas for generator: \$89.40/month
- Base Rent CPI annual adjustment – October of each year; typically billed with December rent.

C. **Total Monthly Rent.** The Total Monthly Rent shall be due and payable in advance on or before the first day of each calendar month during the Term, without demand, notice, set-off or deduction, provided that The Monthly Rent for any fractional calendar month shall be prorated.

D. **Month to Month.** All parties agree to accepting a month to month rental fee for the Subleased Space of \$4,938.50 for the area identified as Billing and Collections, occupying 2,033 square feet.

WEIL AND NCFAC ACKNOWLEDGE THAT THE TERMS OF THIS AGREEMENT HAVE BEEN NEGOTIATED AT ARMS' LENGTH, THAT THE RENT CONSTITUTES FAIR VALUE AND THE RENT IS NOT BASED ON, RELECTIVE OF, OR CONNECTED IN ANY WAY TO THE VOLUME OF VALUE OF PROVIDER'S REFERRALS TO EITHER ENTITY OR AN AFFILIATED ENTITY.

3. **Common Areas.** NCFAC shall have the right to use those common areas of the Medical Office Building and parking.

4. **Termination.** This lease shall be in effect for beginning on the Effective Date. Either Party may terminate this Agreement without cause upon the giving of Thirty (30) days notice.

5. **Assignment and Subletting by NCFAC.** NCFAC shall not assign this Agreement or the license or lease contained herein, or any interest therein, or sublet the Leased Premises, or any portion thereof, without the prior written consent of Weil, which consent shall not be unreasonably withheld. Notwithstanding any assignment of this Lease, or the subletting of the Leased Premises, or any portion thereof, NCFAC shall continue to be liable for the performance of terms, conditions and covenants of this Lease, including but not limited to the payment of rent.

6. **Care and Use of Leased Premises.** NCFAC shall keep the Leased Premises in good and safe condition. NCFAC shall observe and abide by all rules and regulations provided by Weil governing the use and occupancy of the Subleased Spaces and shall inform its patients and visitors that they are required to abide by all such rules and regulations. NCFAC shall not use or permit use in the Subleased Spaces that will invalidate Weil's policy of insurance, or creates a nuisance or disturb other occupants of the Medical Office Building. NCFAC shall peacefully surrender the Subleased Space and the upon termination of this Agreement in as good a condition as received, ordinary wear and tear and damage by fire or other casualty excepted. Weil shall have the right to enter on the Leased Premises as necessary to perform maintenance or repair on NCFACs behalf. Weil may charge such sums as are necessary to accomplish any needed repairs or maintenance to NCFAC as additional rent hereunder.

7. **Professional Liability.** Each party shall be responsible for ensuring that it and its employees and direct contractors maintain minimum levels of insurance relative to their professional activities consistent with the community standards of the relevant professionals within which they practice. Neither party to this Agreement shall be liable for any negligent or wrongful act chargeable to the other party, and this Agreement shall not be construed as seeking to either enlarge or diminish any obligation or duty owed by one party against the other or against third parties.

7. **Insurance.** Weil shall provide property and casualty insurance on the Subleased Space referenced herein. All personal property brought to the Subleased Space by NCFAC or its employees, patients or invitees shall be at the risk of NCFAC and Weil shall not be liable for any loss or damage thereto.

8. **Damage by Fire or Other Elements.** If the Building shall, during the Term of this Lease, be destroyed by fire or other casualty, this Lease shall end and terminate as of the date of such destruction.

9. **Non-Waiver.** The failure of Weil in one or more instances to insist upon strict performance or observance of one or more of the covenants or conditions hereunder shall not be construed as a relinquishment or waiver for the future of such covenant or condition or of the right to enforce the same. The receipt by Weil of rent or of any other payment required to be made by NCFAC or any part thereof, shall not be a waiver of any other rents or payments then due, nor shall such receipt, though with knowledge of the breach of any covenant or condition, operate as or be deemed to be a waiver or such breach.

10. **Service on Notice.** Any notices or consents required to be given by or on behalf of either party upon the other shall be in writing, and shall be given by hand delivery or certified mail to such addresses as may be specified from time to time in writing delivered by one party to the other.

11. **Holding Over.** If NCFAC shall for any reason hold over at the expiration of the Term, or any extension hereof, such holding over shall not create a new Term and NCFAC shall be a NCFAC at will subject to eviction at any time by Weil without notice. The rental rate in the event of such a holdover shall be equal to 150% of the Monthly Rent in effect at the expiration of the Term, or any extension hereof.

12. **Entire Agreement.** This Lease contains the entire agreement of the parties and no representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein shall be of any force or effect. No failure of Weil to exercise any power granted to it under this Lease or to insist upon strict compliance by NCFAC of any obligation hereunder, and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of Weil's right to demand exact compliance with the terms hereof.

13. **Governing Law.** The validity of this Lease, the interpretation of the rights and duties of the parties hereunder and the construction of the terms hereof shall be governed in accordance with the laws of the State of Illinois except to the extent that any additional agreement entered into pursuant to this Lease by both parties may otherwise specifically provide.

14. **Captions.** The captions inserted in this Lease are for convenience only and in no way define, limit or otherwise describe the scope or intent of this lease, or any provision hereof, or in any way affect the interpretation of this Lease.

15. **Estoppel Certificate.** NCFAC agrees from time to time within ten (10) days after request of Weil, to deliver to Weil or Weil's designee, an estoppel certificate stating that this Lease is in full force and effect, the date to which rent has been paid, the unexpired Term of this Lease and such other matters pertaining to this Lease as may be reasonably requested by Weil. It is understood and agreed that NCFAC's obligation to furnish such estoppel certificates in a timely fashion is a material inducement for Weil's execution of this Lease. Should NCFAC fail to execute such estoppel certificate within the above time period, NCFAC hereby appoints Weil as its attorney-in-fact with the power to execute such estoppel certificates on behalf of NCFAC and NCFAC's failure to respond shall conclusively establish that Weil is not in default under the terms of this Lease and that this Lease is in full force and effect.

16. **Amendment or Modification.** This Lease may not be altered, changed, modified or amended except by an instrument in writing signed by both parties hereto.

17. **Survival.** All obligations of NCFAC hereunder not fully performed as of the expiration or earlier termination of the Term of this Lease shall survive the expiration or earlier termination of the Term hereof, including, without limitation, all indemnities, all payment obligations and all obligations concerning the condition of the Leased Premises. Upon the expiration or earlier termination of the Term hereof, and prior to NCFAC vacating the Leased Premises, NCFAC shall pay to Weil any amount reasonably estimated by Weil as necessary to put the Leased

Premises, including without limitation all heating and air conditioning systems and equipment therein, in good condition and repair. Any security deposit held by Weil shall be credited against the amount payable by NCFAC under this Section 31.

18. **Severability.** If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws effective during the Term of this Lease, then it is the intention of the parties hereto that the remainder of this Lease shall not be affected thereby, and it is also the intention of the parties of this Lease that in lieu of each clause or provision of this Lease that is illegal, invalid or unenforceable, there be added as a part of this Lease a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provisions as may be possible and be legal, valid and enforceable.

19. **Good Faith Negotiations.** After six (6) months following Execution of this Agreement, NCFAC agrees to enter into good faith discussions with Landlord regarding negotiation of a new lease for the Subleased Premises.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the day and year first above written.

Weil

By: 
 Lowell Weil, Sr. DPM
 Its: CEO

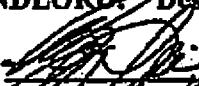
NCFAC:

By: 
 Stephen Scorsan
 Its: Chairman

ACCEPTED AND CONSENTED TO:

as of this 13th day of July, 2017 by LANDLORD.

LANDLORD: Designer Direct, Inc., an Illinois limited partnership

By: 
 Name: KERRY LEVIN
 Title: PRESIDENT

**LEASE AMENDMENT
FOR SUITES 128, 130, 131, 132 AND 134**

This Lease Amendment made this 25 day of March, 2004, between Golf-River Office Building ("Landlord"), an Illinois General Partnership having its offices at 1455 Golf Road, Des Plaines, Illinois, 60016, and Foot & Ankle Surgery Center, Ltd. ("Tenant"), with principal offices at 1455 Golf Road, Des Plaines, Illinois, 60016. The provisions of this Lease Amendment shall modify the Lease entered into between Golf-River Office Building, as Landlord, and Foot & Ankle Surgery Center, Ltd, as Tenant on July 22, 2003. In the event of a conflict between the terms of this Lease Amendment and any terms of the Lease or any Exhibit attached thereto, or any riders attached to the Lease, specifically including the General Rider and Exhibit G to the Lease, the terms of this Lease Amendment shall control; provided, however, except as the General Rider may be amended by this Lease Amendment, the General Rider shall continue to control in the event of a conflict between the General Rider and any term of the Lease, including any exhibits or riders attached thereto. Unless otherwise defined herein, the capitalized terms used in this Lease Amendment shall have the same meaning given to them in the Lease.

Landlord and Tenant agree that the Lease shall be amended as follows:

- 1 The number of rentable square feet in line 4 of Section 1.02 shall be changed from 10,315 to 8,465. Landlord represents, warrants, and certifies that as of the date of this Lease Amendment, (a) 8,465 is the true and accurate rentable square footage of the Demised Premises; and (b) 16.82% is the true and accurate loss factor. Landlord hereby grants Tenant the right to have the rentable square footage re-measured by an outside reputable third party with substantial experience in measuring and calculating these figures.
2. The building percentage which the Demised Premises occupy in line 6 of Section 1.02 shall be changed from 19.459% to 15.969%. "Tenant's Proportionate Share" as referenced in the Lease and this Lease Amendment shall be defined as 15.969%.
3. The lease term of 15 years, 3 months set forth in Section 2.01, line 1 shall be changed to 16 years. The lease term end date of December 31, 2018 set forth in line 2 of Section 2.01 shall be changed to September 30, 2019. There shall be no increase in the Base Rent during the last nine months of the lease term.
4. The references to December 31, 2013 in lines 6 and 8 of Exhibit G, Section 2.01, regarding Landlord's and Tenant's one-time right to terminate this Lease shall be changed to December 31, 2014.
5. The net annual rental ("Base Rent") which Tenant shall pay to Landlord in line 3 of Section 3.01 shall be changed from Two Hundred Forty-Two Thousand Four

Hundred and Two Dollars and Fifty Cents (\$242,402.50) to One Hundred Ninety-Eight Thousand Nine Hundred Twenty-Seven Dollars and Fifty Cents (\$198,927.50).

6. The monthly amount of Rent which Tenant shall pay in line 5 of Section 3.01 shall be changed from \$20,200.21 to \$16,577.29.
7. Section 3.01 of the Lease shall be further amended as follows: Commencing upon October 1, 2003, the Commencement Date of the Lease, Tenant shall continue to pay the current monthly Rent that it has been paying prior to October 1, 2003 for Suites 128, 131, and 134 (\$2,614 for Suite 128, \$9988.72 for Suite 131, and \$3,315.21 for Suite 134). The Rent for each suite referenced above shall remain in effect, until such time as Suites 128, 130 and the hallway between Suites 130 and 131 are substantially complete (as hereinafter defined in paragraph 11) or October 1, 2004, whichever is earlier. Upon the date which is the earlier of i) October 1, 2004 or ii) the date of substantial completion of Suites 128, 130, and the hallway, Tenant shall commence paying Landlord \$16,577.29 per month for the entire space comprised of Suites 128, 130, 131, 132, 134, and the hallway between Suites 130 and 131. In the event that Suites 128, 130 and the hallway are substantially complete prior to October 1, 2004, and such substantial completion date occurs on any day other than the first day of a month, the amount of Base Rent that Tenant owes Landlord for that month shall be prorated based upon the number of days in that month.
8. The amount of Tenant Improvement Allowance in line 2 of Section 7.03 and in line 4 of paragraph 7C iii of the General Rider shall be changed from \$171,900 to \$141,069.66.
9. The following language set forth in Exhibit G, Section 2.01 of the Lease shall be deleted in its entirety: "Rental payments for suites 131, 132, and 134 shall commence upon October 1, 2003. Rental payments for suites 128, 130 and the hallway between suites 130 and 131 shall commence upon the date of substantial completion of the Tenant's Improvements for suites 128, 130, and the hallway which are to be completed by Landlord, however, in no event later than January 1, 2004."
10. The following language set forth in the General Rider to the Lease shall be deleted in its entirety: "Initial occupancy of the Demised Premises and Rent and any Additional Rent shall commence upon substantial completion of the work pursuant to the Drawings and Specifications. The Demised Premises shall be deemed "substantially complete" when they are ready for Tenant's occupancy if only minor or insubstantial details of construction, fixturing, decoration or mechanical adjustments remain to be done in the Demised Premises or any part thereof. Whether or not the Demised Premises are ready for occupancy shall be determined by Landlord and the appropriate governmental authority, which shall evidence same by authorizing

Tenant's occupancy thereof, which authorization may be in the form of oral or written permission to occupy which if in the form of written permission, may be in the form of a temporary or permanent certificate of occupancy."

11. Substantial Completion of the Demised Premises shall be defined as the date upon which the last final inspection of the Demised Premises by the City of Des Plaines building inspectors is approved. The following final inspections are required by the City of Des Plaines Building Department: plumbing, electrical, mechanical, building, and fire. Substantial Completion of the Demised Premises shall specifically exclude the following: any and all interior Tenant build-out, including but not limited to, the relocation of cabinetry from Tenant's existing space, the purchase and installation of an emergency generator, the installation of custom painting and any wall coverings, the purchase and/or installation of all office equipment, including but not limited to photocopiers, computers, computer network, video, audio and TV components, the purchase and/or installation of any and all office and medical furnishings, including but not limited to desks, tables, seating, exam tables, medical equipment and medical fixtures.

In the event that Tenant's existing cabinetry can be removed from Tenant's existing suites 131, 132, and 134 without disrupting Tenant's business, Landlord shall use best efforts to have such cabinetry installed in the new suites 128, 130, 131, 132, and 134 prior to the date of substantial completion; Landlord shall have at least fifteen (15) business days prior to the date of substantial completion to get such existing cabinetry installed. Similarly, in the event that Tenant's new TV components can be ordered by Landlord or Tenant, such that those items are in stock and available at least five (5) business days prior to the date of substantial completion, Landlord shall use best efforts to have such items installed on or before the date of substantial completion.

12. Paragraphs 7A (Approval of Drawings and Specifications) and 7B (Approval of Bids) of the General Rider shall be deleted from the Lease entirely. Instead, the following paragraphs shall be inserted:

Landlord shall provide to Tenant for its review and approval the Architectural Drawings and Specifications, the Project Budget, Sworn Statements, and a schedule of calendar completion dates for the construction of the Demised Premises as such items (and any updates) are deemed necessary by Landlord or Tenant. Tenant shall provide its approval or disapproval to such items within two (2) business days. Tenant's approval to such items shall not be unreasonably withheld. In the event that Tenant does not provide Landlord with written notice of its disapproval to such Drawings and Specifications, the Project Budget, the Sworn Statements, or the schedule of calendar completion dates for the construction of the Demised Premises within two (2) business days, the approval for the particular item being sought shall be deemed to have been given by Tenant. Landlord shall cause the work to be

performed in a good and workmanlike manner, in accordance with the Drawings and Specifications.

In an effort to expedite the construction process, Landlord and Tenant shall each appoint two (2) project representatives to coordinate all aspects of the building of the Demised Premises. Tenant's representatives shall be Dr. Lowell Weil, Sr. and John Moroney; Landlord's representatives shall be Rene Martens and Mark Patent. Both Landlord's representative and Tenant's representative shall be available to meet and make decisions on a daily basis. Both parties agree to use best efforts to facilitate the construction of the Demised Premises.

Landlord and Tenant further agree that Landlord shall have the right to recommend and substitute construction materials, methods, and finishes with similar materials, methods, and finishes at any stage of the construction process in an effort to adhere to established construction schedules, provided that such substitutions do not materially alter the intended appearance or function of the original specifications

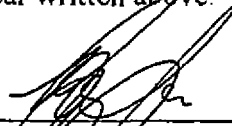
Additionally, Landlord and Tenant agree that Landlord may employ any construction sequencing, materials, or methodology he deems, in his best judgment, to be reasonable for the construction of the work herein. Provided, however, that in the event of a material change to the construction of the suite, Landlord shall notify Tenant prior to making such change. Tenant shall hold Landlord harmless for the results of any decisions made by Landlord, except for any decisions or acts which were grossly negligent or willfully inconsistent with any state, county, federal or local laws, ordinances or specifications. Any amount payable to Landlord, pursuant to the preceding sentence (except for decisions or acts of gross negligence or willful misconduct) shall not exceed the actual cost which Tenant would otherwise have to have paid, had Landlord's work at the time of the build-out not been deficient, and Landlord shall pay the excess.

13. Paragraph 22 of the General Rider to the Lease shall be deleted in its entirety. Instead thereof, the following paragraph shall be inserted:

The lease by and between Golf River Office Building, as Landlord, and Weil Podiatry Services, Ltd, as Tenant, dated February 16, 1993, and the lease by and between Golf River Office Building, as Landlord, and Foot and Ankle Surgical Center, as Tenant, dated February 16, 1993 (hereinafter referred to as the "Old Leases") shall end and automatically terminate on the earlier of i) October 1, 2004, or ii) the date of substantial completion of Suites 128, 130, and the hallway between Suites 130 and 131. From that date forward, Suites 128, 130, 131, 132, and 134 shall be governed by the Lease executed by and between Landlord and Tenant on July 22, 2003. Upon the termination of the Old Leases, Landlord shall return the guaranty to Tenant which was executed in 1993.

14. The words "engage in the approval process described in Sub-Paragraph 7(A) above to" which appear in lines 2 and 3 of paragraph 7C. iv. of the General Rider shall be deleted. In place of the deleted language, the following words shall be inserted "shall use best efforts during a two business day approval period to"
15. The following language shall be added to the end of the fourth full paragraph of Section 7.03 of Exhibit G: "Landlord has the right to negotiate with the State regarding any building requirements mandated by the State to reduce those requirements. Landlord and Tenant shall cooperate in any such efforts to reduce such State requirements."
16. The following words in the fifth line of paragraph 5 of the General Rider shall be deleted "a fully occupied Building using." The following new sentence shall be added: "Tenant shall never be obligated to pay more than Tenant's Proportionate Share of any Common Area Maintenance actual expenses (after taking into account the 2003 CAM Stop and the exclusions to CAM). Landlord and other tenants (as the case may be) shall be fully liable for all Common Area Maintenance actual expenses in excess of Tenant's Proportionate Share, and no such amounts shall ever be passed on to Tenant and become the responsibility of the Tenant." The term "actual expenses" shall mean the full amount invoiced to Landlord or its agents for services, products, or other items which directly relate to the Golf River Office Building in its entirety.
17. The following words in the second and third lines of paragraph 1 of the General Rider shall be deleted "and those common areas for which Tenant is not responsible to maintain or pay Rent or Additional Rent under the Lease." Instead of the deleted language, the following sentence shall be inserted "Tenant shall not be responsible to maintain any of the common areas depicted on Exhibit E, other than by its payment of common area maintenance expenses to Landlord. Other than Tenant's payments of common area maintenance expenses, Tenant shall not be required to pay any Rent or Additional Rent on the common areas."
18. Paragraph 2 of the General Rider shall be deleted in its entirety. Instead, the following language shall be inserted "The Demised Premises are depicted on Exhibit E attached hereto. Tenant, its patients and other invitees are hereby granted the right to access and use all bathrooms, exits, hallways, and the elevator located within the Building."

Landlord and Tenant have respectively signed and sealed this Lease Amendment as, of the day and year written above.



Golf River Office Building (Landlord)

4/5/04

Date



Foot & Ankle Surgery Center, Ltd (Tenant)

03/25/2004

Date

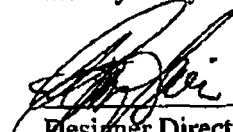
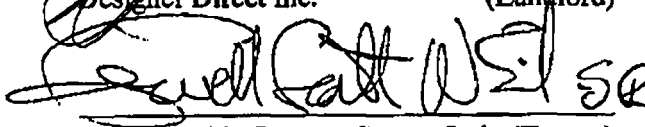
SECOND LEASE AMENDMENT FOR SUITES 128, 130, 131, 132 AND 134

This Second Lease Amendment made this 16 day of May, 2017, between Designer Direct Inc. (Successor "Landlord") to the Golf-River Office Building, an Illinois General Partnership; and Foot & Ankle Surgery Center, Ltd. ("Tenant"), both parties with principal offices at 1455 Golf Road, Des Plaines, Illinois, 60016. The provisions of this Second Lease Amendment shall modify the Lease entered into on July 22, 2003 and the Lease Amendment dated March 24, 2004 between Golf-River Office Building, as Landlord, and Foot & Ankle Surgery Center, Ltd, as Tenant. In the event of a conflict between the terms of this Second Lease Amendment and any terms of the Lease Amendment, Lease or any Exhibit attached thereto, or any riders attached to the Lease, specifically including the General Rider and Exhibit G to the Lease, the terms of the Second Lease Amendment shall control. Unless otherwise defined herein, the capitalized terms used in this Second Lease Amendment shall have the same meaning given to them in the Lease.

Whereas, Tenant desires to add back the square footage of the second floor area that was previous removed via the March 24, 2004 Lease Amendment to this Lease; Landlord and Tenant agree that the Lease shall be amended as follows:

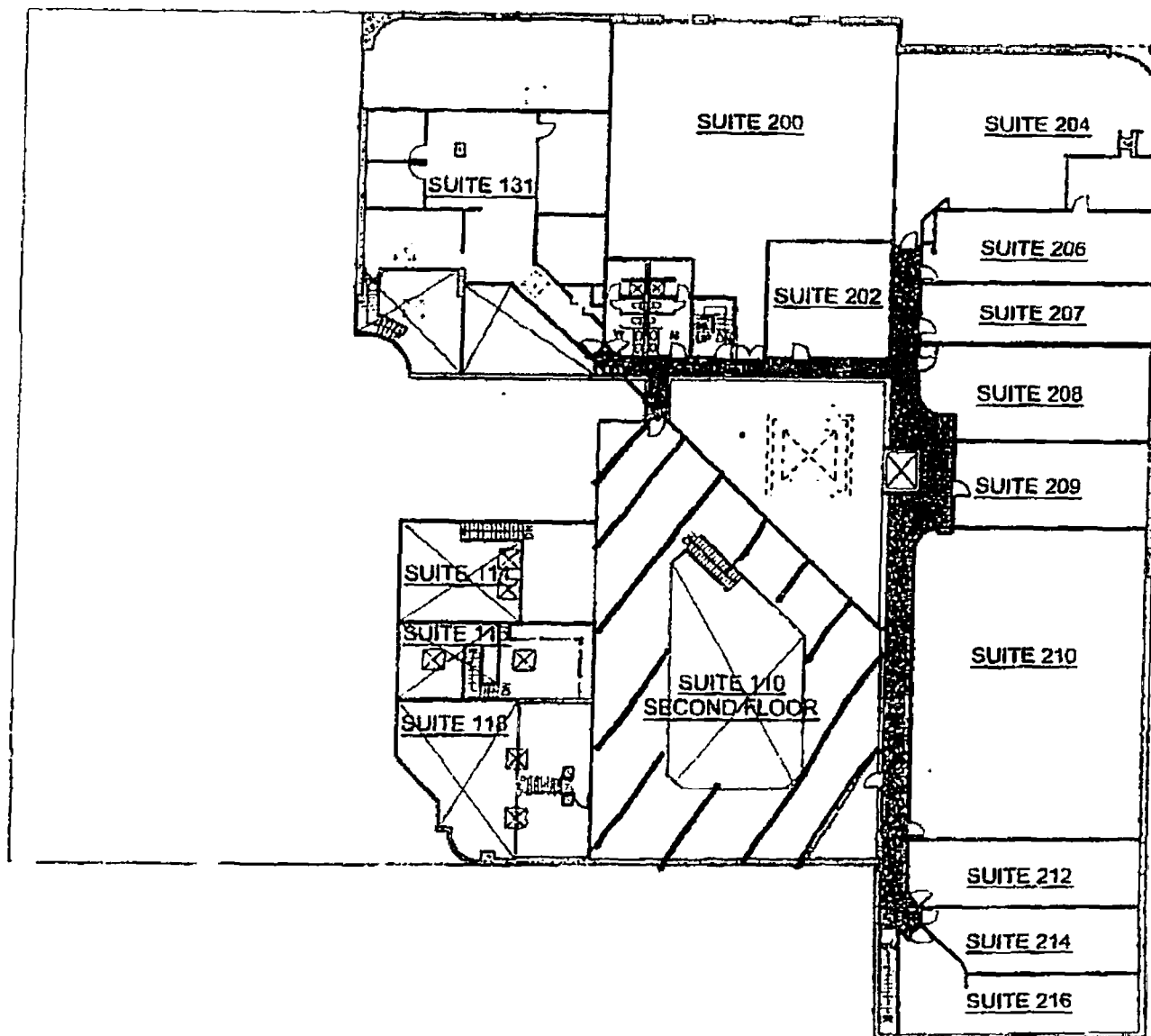
1. The revisions specified below shall take effect on June 1, 2017
2. The number of rentable square feet in line 4 of Section 1.02 shall be increased by 2,033 square feet and changed from 8,465 to 10,498. Refer to the attached Floor Plan – Exhibits 'A' & 'A-1'
3. The building percentage which the Demised Premises occupy in line 6 of Section 1.02 shall be changed from 15.969% to 19.804%
4. Going forward all Base and Additional Rentals shall be adjusted accordingly.
5. All other terms and conditions remain unchanged.

Landlord and Tenant have respectively signed and sealed this Second Lease Amendment as of the day and year written above.


 Designer Direct Inc. (Landlord)

 Foot & Ankle Surgery Center, Ltd (Tenant)

5/16/2017
 Date
05/16/2017
 Date

Exhibit 'A-1'



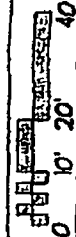
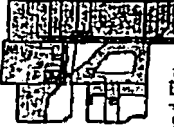
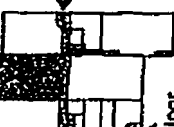
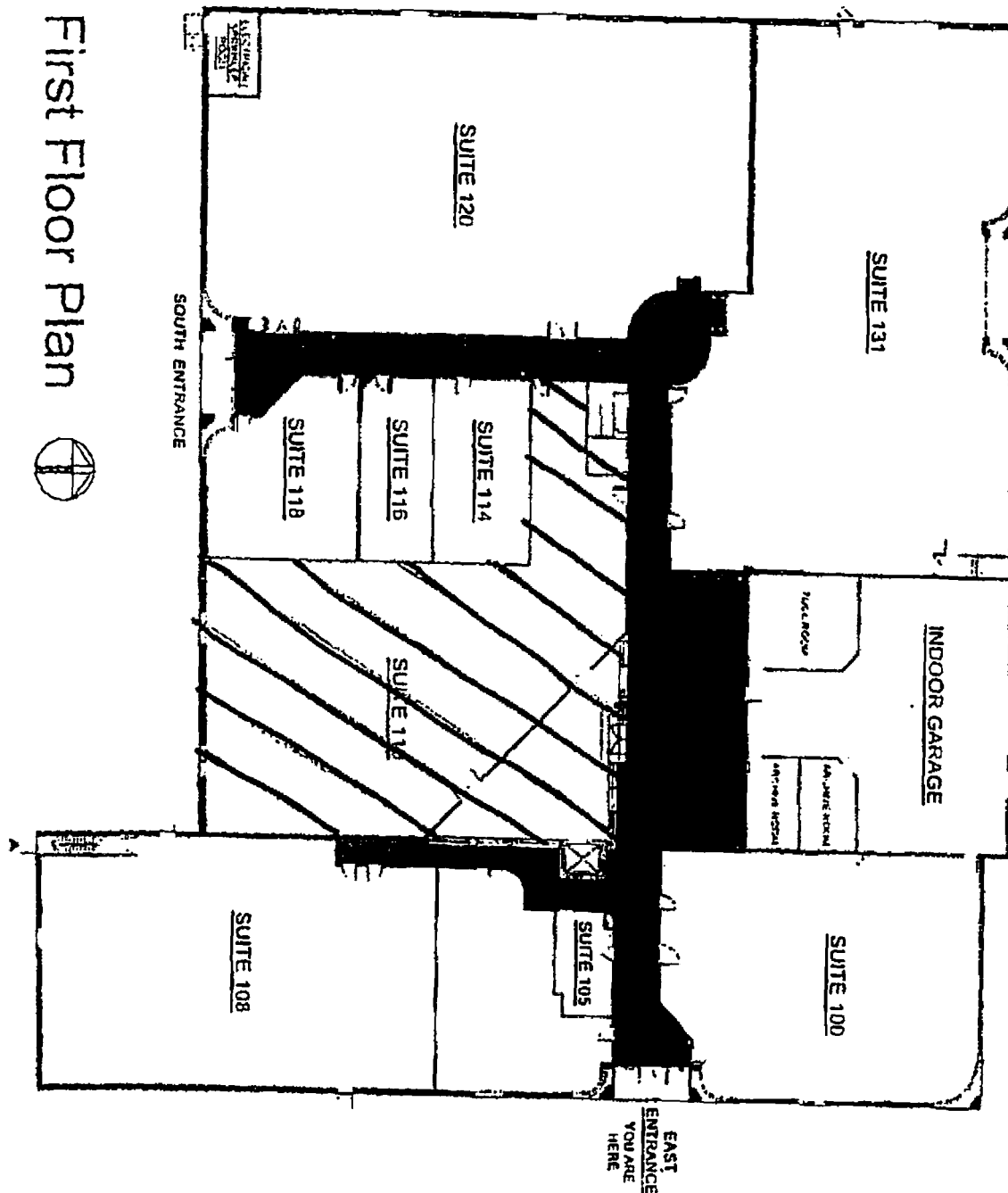
Second Floor Plan 	Scale : 1/32" = 1'-0" 	 Second Floor  First Floor	Second Floor Plan Golf River Building 1455 Golf Road, Des Plaines, IL 60016	architects architects 1455 golf road, des plaines, IL 60016, 847-237-1121
			Attachment - 2	

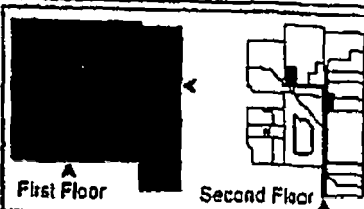
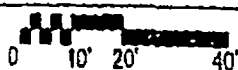
Exhibit 'A'

First Floor Plan



First Floor Plan

Scale : 1/32" = 1'-0"



First Floor Plan
Golf River Building

1455 Golf Road, Des Plaines, IL 60016

architects
levin associates
1455 golf road des plaines, IL 60016, 847-297-1121

**THIRD LEASE AMENDMENT
FOR SUITES 128 130, 131, 132 AND 134**

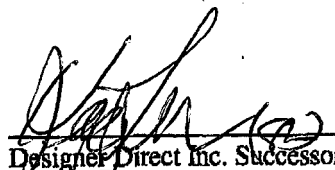
This Lease Amendment made this 3rd day of FEBRUARY, 2018, to the lease dated July 22, 2003, between Golf-River Office Building (Designer Direct Inc. (Successor Landlord) ("Landlord"), and Foot & Ankle Surgery Center, Ltd. ("Tenant"), both with principal offices at 1455 Golf Road, Des Plaines, Illinois, 60016. In the event of a conflict between the terms of this Lease Amendment and any terms of the Lease or any Exhibit attached thereto, or any riders attached to the Lease, specifically including the General Rider and Exhibit G to the Lease, the terms of this Lease Amendment shall control. Landlord and Tenant agree to amend the Lease as follows:

Exterior Wall Signage

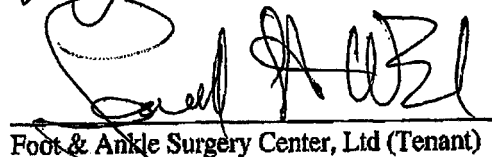
1. Pursuant to Paragraph 13 of the General Rider to the Lease, Tenant desires to have an illuminated box signage installed on the exterior northface of the northeast corner of the Golf River Building. Refer to the attached plan. Tenant shall assume all financial responsibility for permitting, fabrication & installation of the sign, bringing power to the sign and all ongoing maintenance costs associated with said signage, as well as all costs for removal of the signage and patching & painting the building façade at the conclusion of the lease term.
2. Tenant has notified Landlord that the sign will be powered by (2) 60 watt transformers. Tenant shall pay an additional sum of \$10.00 per month as compensation for the electrical consumption of the signage upon completion of installation.
3. The sign and transformers were installed on January 26, 2018; The additional sum for the sign will become effective as of February 1, 2018.

Unless otherwise defined herein, the terms used in this Lease Amendment shall have the same meaning given to them in the Lease. Unless specifically modified herein, all other terms and conditions of the original Lease, Riders, and Amendments shall remain in full force and effect.

Landlord and Tenant have respectively signed and sealed this Third Lease Amendment as of the day and year written below.


Designer Direct Inc. Successor (Landlord)

2/3/2018
Date


Foot & Ankle Surgery Center, Ltd (Tenant)

02/03/18
Date

**FOURTH LEASE AMENDMENT
FOR SUITES 128,130,131,132 and 134**

This Fourth Lease Amendment is made and entered into as of the 10th day of April, 2019, by and between Designer Direct Inc. (Lessor) and NORTHWEST COMMUNITY HEALTHCARE, an Illinois not-for-profit corporation (Lessee). Each Designer Direct Inc. and Northwest Community Healthcare are individually a "Party" and collectively the "Parties". In the event of a conflict between the terms of this Fourth Lease Amendment and any other of the lease documents and amendments referenced heretofore, the terms of this Fourth Lease Amendment shall govern.

WHEREAS, Foot and Ankle Surgery Center (Weil) entered into that certain Golf River Professional Building Lease on July 22, 2003, subsequently amended, most recently by the Third Lease Amendment executed on February 3, 2018 ("Lease") for Suites 128, 130, 131, 132, and 134 at the building commonly known as 1455 E. Golf Road, Des Plaines, IL 60016 ("Leased Premises"); from Designer Direct Inc. a Successor Lessor to the Golf-River Office Building.

WHEREAS, Weil and Northwest Community Foot and Ankle Center, LLC (NCFAC) entered into a joint venture transaction, effective July 14, 2017 and

WHEREAS, Weil subsequently subleased the Leased Premises to the joint venture (NCFAC) via the Medical Office Sublease Agreement dated July 14, 2017 and

WHEREAS, The Weil Lease and the Weil/NCFAC sublease expire on September 30, 2019 and

WHEREAS, Northwest Community Healthcare (NCH) desires extend the term of the (Weil Lease) and continue the operation of an ambulatory surgery center and related activities and

WHEREAS, Northwest Community Healthcare (NCH) desires to assume the (Weil's) lease obligations and comply with all terms and conditions of the Lease and

WHEREAS, Designer Direct Inc. (Lessor) and Northwest Community Healthcare (Lessee) have agreed to amend the 'Lease' to reflect the mutually agreed terms and conditions.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements of the Parties and the mutual benefits to be gained by the performance thereof and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties do covenant and agree as follows:

A. LEASE TERMS:

1.) **Lessee:** The Lessee shall be changed from Foot and Ankle Surgery Center to Northwest Community Healthcare, an Illinois not-for-profit corporation with principal office at 800 W. Central Road, Arlington Heights, IL. 60005

2.) **Section 2.01 Lease Term:** The Lease Term shall be changed to two (2) years: commencing on October 1, 2019 and continuing through September 30, 2021. Lessee shall have option to

extend this lease, with the same terms and conditions set forth herein, for (1) additional period of (5) years, by giving the Lessor notice, in writing, no earlier later than (9) months and not later than (6) months prior to the lease expiration.

4.) **Section 2.02 Real Estate Brokers:** The Real Estate Brokers shall be amended as follows: Levin Associates represents the Lessor and Avison Young represent the Lessee.

5.) **Section 3.01 Base Rent:** The Base Rent for the Lease Premises shall begin on the commencement date and continue through September 30, 2021. The Base Rent shall be adjusted to \$33.50 per rentable square foot, times 10,498 square feet: \$ 351,683 per annum; \$29,306.92 per month.

6.) **Section 3.02 Additional Rents:** In addition to the Base Rent and Adjusted Rents, Lessee shall pay (\$89.49) per month for the gas usage for the Emergency Generator and (\$10.00) per month for the LED exterior wall sign on the Northside of the building located at the Northeast corner of the building.

7.) **Section 3.03 Adjusted Rents:** shall be replaced with a 3% Base Rent adjustment on the annual anniversary of the Lease commencement date.

8.) **Section 5.02 Real Estate Tax Stop :** The Real Estate Tax Stop shall be changed from the calendar year 2003 to the calendar 2017.

9.) **Section 6.02 Operating Expense Stop:** The Operating Expense Stop shall be changed from the calendar year 2003 to the calendar year 2018.

10.) **Article 13 Assignment and Subletting:** Northwest Community Healthcare (NCH) shall have the right to assign this Agreement or Lease herein, or any interest therein, or sublet the Lease Premises, or any portion thereof, to Northwest Community Foot and Ankle Center, LLC (NCFAC). Notwithstanding any assignment of this Agreement or Lease, or the subletting of the Leased Premises, or any portion thereof, (NCH) shall continue to be liable for the performance of the terms, conditions and covenants of this Lease, including but not limited to the payment of rent.

11.) **Exhibit F – Personal Guaranty:** Lessee has submitted financials and evidence of a Moody's Credit Rating of A2. As long as the Lessee maintains a Moody's A2 credit rating Lessor shall waive the Personal Guaranty requirement. However, in the event Lessee's credit rating dips below the A2 rating Lessee shall provide Lessor with (2) months rental as a security deposit.

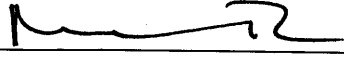
Unless specifically modified herein, all other terms and conditions of the Lease, Riders and Amendments shall remain in full force and effect.

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the day and year first above written.

LESSOR:
DESIGNER DIRECT INC.

LESSEE:
NORTHWEST COMMUNITY
HEALTHCARE, an Illinois not-for-profit
corporation

By: <u></u>	By: <u></u>
Name: <u>PRESIDENT</u>	Name: <u>Michael Hartke</u>
Title: <u>KERRY LEVIN</u>	Title: <u>COWIE-P</u>

**FIFTH LEASE AMENDMENT
FOR SUITES 128, 130, 131, 132 AND 134**

This Fifth Lease Amendment is made and entered into as of the 18th day of JANUARY, 2021, by and between Designer Direct Inc. (Lessor) and NORTHWEST COMMUNITY HEALTHCARE, an Illinois not-for-profit corporation (Lessee). Each Designer Direct Inc. and Northwest Community Healthcare are individually a "Party" and collectively the "Parties".

In the event of a conflict between the terms of this Fifth Lease Amendment and any terms of the First, Second, Third, or Fourth Lease Amendments, Lease or any Exhibit attached thereto, or any riders attached to the Lease, specifically including the General Rider and Exhibit G to the Lease, the terms of the Fifth Lease Amendment shall control.

Whereas, the current lease for Suite 131 expires on September 30, 2021 and whereas, Designer Direct Inc. (Lessor) and Northwest Community Healthcare (Lessee) desire to extend the lease term for an additional period of two (2) years; Designer Direct Inc. (Lessor) and Northwest Community Healthcare (Lessee) agree that the Lease shall be amended as follows:

1. **Section 2.01 Lease Term:** The Lease Term shall be extended for two (2) years: commencing on October 1, 2021 and continuing through September 30, 2023.
2. **Section 2.02 Real Estate Brokers:** The Real Estate Brokers shall be amended as follows: No brokers are involved in the negotiation of this extension. If brokers are utilized, they shall be compensated by their respective parties.
3. **Section 3.01 Base Rent:** The current Base Rent for period 10/1/2020 through 9/30/2021 is \$34.51 per sq. ft.; \$362,286 per annum; \$30,190 per month. The Base Rent shall be adjusted 3% per annum on the anniversary dates of the lease (10/1/2021 and 2022) unless Lessee has improved their premises pursuant to paragraph 4 hereafter, or Lessor has failed to improve the property pursuant to paragraph 4 hereafter, in which case the adjustment shall be abated for this two year term.
4. **Section 37.03 Tenant Improvement Allowance:** Lessee represents and warrants that, prior to the commencement of this extension, they shall provide capital improvements to include decoration, flooring, and ceiling treatment upgrades at their sole cost and expense", pursuant to the terms contained in the base lease. Lessor represents and warrants that, prior to the commencement of this extension, they shall improve the common areas of the building, at their sole cost and expense, to include new digital exterior signage, new digital interior directory signage, enhanced interior hallway directional signage, and exterior perimeter fencing.

Unless specifically modified herein, all other terms and conditions of the Lease, Riders and Amendments shall remain in full force and effect.

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

LESSOR:
DESIGNER DIRECT INC.

LESSEE:
NORTHWEST COMMUNITY HEALTHCARE,
an Illinois not-for-profit corporation

By: [Signature]
Name: KERRY LEVIN
Title: PRESIDENT

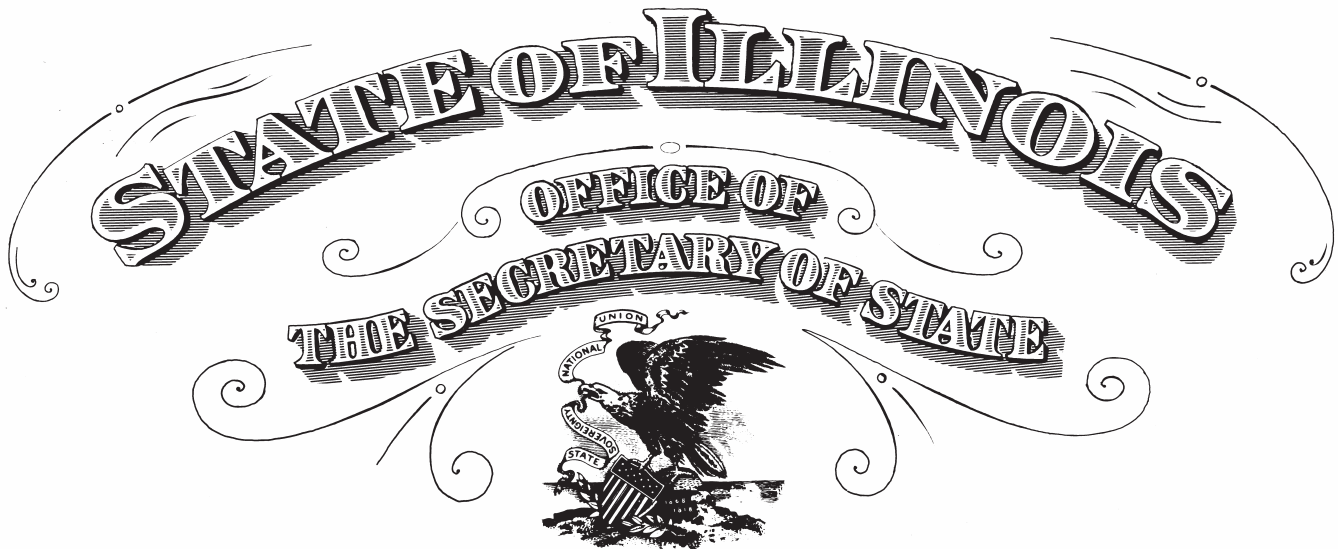
By: [Signature]
Name: Michael H. R.
Title: COO / C.P.

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

The Illinois Certificate of Good Standing for Northwest Community Foot and Ankle Center LLC is attached at Attachment – 3.

File Number

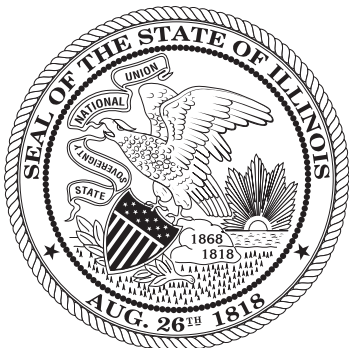
0583243-8



To all to whom these Presents Shall Come, Greeting:

I, Alexi Giannoulas, 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

NORTHWEST COMMUNITY FOOT AND ANKLE CENTER LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON JUNE 24, 2016, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.



In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 22ND day of MARCH A.D. 2023 .

Authentication #: 2308102914 verifiable until 03/22/2024

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

Alexi Giannoulas

SECRETARY OF STATE

Section I, Identification, General Information, and Certification

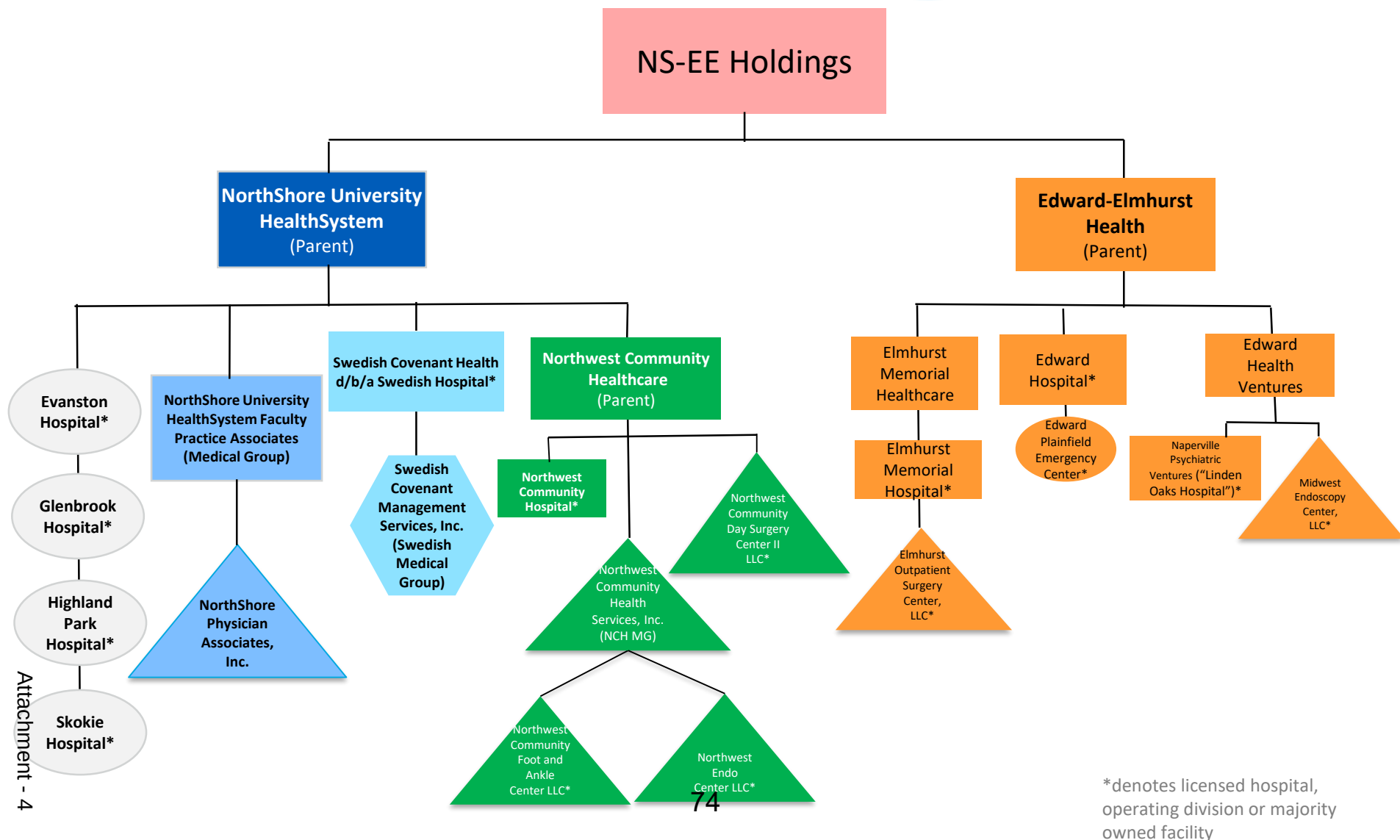
Organizational Relationships

The organizational chart of NCOSC is attached at Attachment - 4.

NorthShore - Edward-Elmhurst Health

Corporate Organizational Chart

#23-022



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

The proposed project is for the addition of general surgery, including interventional nephrology, to an existing ASTC. There will be no construction or modernization associated with the proposed project. Accordingly, this criterion is not applicable.

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

The proposed project is for the addition of general surgery, including interventional nephrology, to an existing ASTC. There will be no construction or modernization associated with the proposed project. Accordingly, this criterion is not applicable.

Section I, Identification, General Information
Project Costs and Sources of Funds

The proposed project is for the addition of general surgery, including interventional nephrology, to an existing ASTC. There will be no costs associated with this project. Accordingly, this criterion is not applicable.

Active Certificate of Need Permits

NS-EE Holdings has four active CON permits:

NorthShore University HealthSystem, Skokie Hospital (Proj. No. 20-008)

- CON permit approved April 7, 2020
- Financial commitment occurred on June 17, 2020
- Project completion anticipated on December 15, 2023

NorthShore University HealthSystem, Glenbrook Hospital (Proj. No. 21-016)

- CON permit approved September 14, 2021
- Financial commitment occurred on May 27, 2022.
- Project completion is anticipated on December 31, 2024

Northwest Community Hospital Outpatient Care Center (Proj. No. 22-010)

- CON permit approved May 20, 2022
- Financial commitment will occur before the required commitment date.
- Project completion is anticipated on March 31, 2024

Northwest Community Hospital Cancer Center (Proj. No. 21-018)

- CON permit approved July 2, 2022
- Financial commitment will occur before the required commitment date.
- Project completion is anticipated on March 31, 2025

Cost Space Requirements

The proposed project is for the addition of general surgery, including interventional nephrology, to an existing ASTC. There will be no construction or modernization associated with the proposed project. Accordingly, this criterion is not applicable.

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

Background of the Applicant

1. A list of health care facilities owned or operated by NS-EE Holdings and Northwest Community Foot and Ankle Center LLC 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 and/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 information submitted, including, but not limited to: official records of IDPH or other State agencies is attached at Attachment – 11C.

NS-EE Holdings d/b/a NorthShore – Edward-Elmhurst Health			
Name	Address	License No.	Accreditation Identification No
NorthShore Evanston Hospital	2650 Ridge Avenue Evanston, Illinois 60201	0000646	7343
NorthShore Glenbrook Hospital	2100 Pfingsten Road Glenview, Illinois 60225	0003483	7343
NorthShore Highland Park Hospital	777 Park Avenue West Highland Park, Illinois 60035	0005066	7343
NorthShore Skokie Hospital	9600 Gross Point Road Skokie, Illinois 60076	0005587	7343
Swedish Covenant Health d/b/a Swedish Hospital	5145 North California Avenue Chicago, Illinois	0002717	7343
Northwest Community Hospital	800 West Central Road Arlington Heights, Illinois 60005	0001701	4656
Edward Hospital	801 South Washington Street Naperville, Illinois 60540	0003905	7394
Elmhurst Memorial Hospital	155 East Brush Hill Road Elmhurst, Illinois 60126	000575(1)	7341
Naperville Psychiatric Ventures d/b/a Linden Oaks Hospital	852 South West Street Naperville, Illinois 60540	0005058	4973
Edward Plainfield Emergency Center	24600 West 127 th Street Plainfield, Illinois 60585	22003	257710
Northwest Community Day Surgery Center II	675 West Kirchhoff Road Arlington Heights, Illinois 60005	7001209	558537
Northwest Endo Center	1415 South Arlington Heights Road Arlington Heights, Illinois 60005	7003210	117454
Northwest Community Foot and Ankle Center	1455 East Golf Road Des Plaines, Illinois 60016	7003213	120139

NS-EE Holdings d/b/a NorthShore – Edward-Elmhurst Health Health Care Facilities with 5% or Greater Ownership		
Name	Address	License
Ravine Way Surgery Center	2350 Ravine Way #500 Glenview, Illinois 60025	7003080
River North Same Day Surgery Center	1 East Street #300 Chicago, Illinois 60611	7002090
Elmhurst Outpatient Surgery Center	1200 South York Road, Suite 1400 Elmhurst, Illinois 60126	7002330
Midwest Endoscopy	3811 Highland Avenue Downers Grove, Illinois 60515	7001076
DMG Surgical Center	2725 Technology Drive Lombard, Illinois 60148	7003023

NS-EE Holdings d/b/a NorthShore – Edward-Elmhurst Health Health Care Facilities with 5% or Greater Ownership		
Name	Address	License
Plainfield Surgery Center	24600 West 127 th Street, Building C Plainfield, Illinois 60585	7003135
Salt Creek Surgery Center	530 North Cass Avenue Westmont, Illinois 60559	7003189



Illinois Department of HF 125764
PUBLIC HEALTH

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

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

#23-022

Amaal V.E. Tokars

Issued under the authority of
the Illinois Department of
Public Health

Acting Director

EXPIRATION DATE	CATEGORY	I.D. NUMBER
7/13/2023		7003213

Ambulatory Surgery Treatment Center

Effective: 07/14/2022

Northwest Community Foot and Ankle Center, LLC
1455 Golf Rd
Des Plaines, IL 60016

The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. #19-483-001 10M 9/18

—→
DISPLAY THIS PART IN A
CONSPICUOUS PLACE

Exp. Date 7/13/2023

Lic Number 7003213

Date Printed 6/13/2022

Northwest Community Foot and Ankle
1455 Golf Rd
Des Plaines, IL 60016-1250

FEE RECEIPT NO.

March 8, 2023

Ms. Debra Savage
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761

RE: Adverse Action and Access to Documents

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 NS-EE Holdings d/b/a NorthShore – Edward-Elmhurst Health 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,

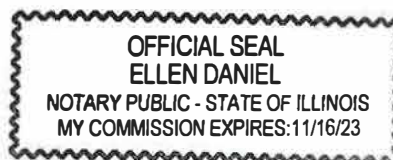


Gerald P. Gallagher
President and Chief Executive Officer
NS-EEH Holdings d/b/a
NorthShore-Edward-Elmhurst Health

Subscribed and sworn to me
This 8th day of March, 2023



Notary Public



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

Re: Adverse Action and Access to Documents

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 Northwest Community Hospital 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,

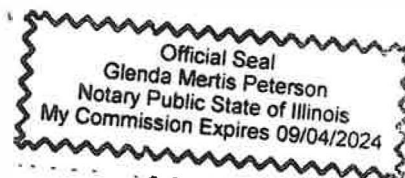


Michael Hartke
 Manager
 Northwest Community Foot and Ankle Center, LLC d/b/a
 Northwest Community Outpatient Surgery Center

Subscribed and sworn to me
 This 6 day of March, 2023



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. The Applicants seek authority from the State Board to add general surgery, including interventional nephrology, to its existing surgery center. It will improve utilization at NCOSC, which has capacity, with an associated reduction at Northwest Community Hospital to allow it to operate closer to the State Board standard. The transfer of cases, which historically were performed at the hospital to NCOSC will also improve access to interventional nephrology services to end-stage renal dialysis (“ESRD”) patients within the Applicants’ geographic service area, which includes Medically Underserved Areas and Medically Underserved Populations, closer to where they reside. Additionally, it will result in significant savings for payors, including government payors, and patients, who are increasingly responsible for a higher percentage of payment for their care.

The primary purpose of this project is to increase utilization at NCOSC through the transfer of cases from Northwest Community Hospital. NCOSC, which is currently approved for orthopedics, pain management and podiatry, has averaged 750 surgical hours over the past three years, which is below the State Board’s standard for ASTCs with 3 operating rooms. At the same time Northwest Community Hospital operated at 22,457 surgical hours in 2021, which is sufficient to justify 15 operating rooms. To improve utilization at NCOSC while at the same time lowering utilization at Northwest Community Hospital to operate closer to the State Board standard, the Applicants propose to transfer cases, which historically were performed at the hospital to NCOSC.

The addition of general surgery, including interventional nephrology, at NCOSC will improve access to this service to ESRD patients within Applicants’ geographic service area. Not only has the Health Resources & Services Administration (“HRSA”) designated Des Plaines as a Medically underserved area, but over two-thirds of the residents of the geographic service area reside in either a Medically Underserved Area or are part of a Medically Underserved Population. See Attachment – 12A. Further, Northwest Community Hospital identified access to care as a top priority in its 2021 Community Health Needs Assessment (“CHNA”). The CHNA showed that NCH’s service area, which incorporates most of the NCOSC service area, has a higher uninsured rate for both adults and children than in the state, as well as higher percentage of individuals with limited English proficiency, which often makes accessing health care difficult. NCOSC is centrally located in the geographic service area. NCOSC and the physicians who will perform procedures at the surgery center will provide better care coordination and will offer the broader resources available through the Northwest Community care system, which will improve access to care to these underserved patients closer to where they live, which is a key priority.¹

This project will provide a lower cost setting close to home, meets many of the objectives of population health management and assists patients by providing lower copayments. These procedures have been performed in a hospital that is operating in excess of the optimal target utilization of 1500 hours per operating room.

2. NCOSC serves patients in Des Plaines and surrounding areas within 10 miles of NCOSC. A map of the market area of NCOSC is attached at Attachment – 12B. The distance from NCOSC to the geographic service area borders are as follows:
 - East: 10 miles to Evanston
 - Southeast: 10 miles to Sauganash (Chicago)
 - South: 10 miles to Northlake
 - Southwest: 10 miles to Medinah

¹ Northwest Community Hospital, 2021 Community Health Needs Assessment 23 (Jun. 30, 2021) available at <https://www.nch.org/wp-content/uploads/2021-CHNA-2.pdf> (last visited Feb. 28, 2023).

- West: 10 miles to Hoffman Estates
 - Northwest: 10 miles to Barrington Woods
 - North: 10 miles to Lincolnshire
 - Northeast: 10 miles to Glencoe
3. The addition of general surgery, including interventional nephrology, will improve utilization at NCOSC, which has capacity, while at the same time lowering utilization at Northwest Community Hospital to operate closer to the State Board standard. The transfer of cases, which historically were performed at the hospital to NCOSC will also improve access to this service to ESRD patients within the Applicants' geographic service area, which includes Medically Underserved Areas and Medically Underserved Populations, closer to where they reside. Additionally, it will result in significant savings for payors, including government payors, and patients, who are increasingly responsible for a higher percentage of payment for their care.
 4. Sources

Health Resources & Services Administration, Department of Health and Human Services, HRSA Map Tool available at <https://data.hrsa.gov/maps/map-tool/> (last visited Jan. 27, 2022).

Northwest Community Hospital, 2021 Community Health Needs Assessment 23 (Jun. 30, 2021) available at <https://www.nch.org/wp-content/uploads/2021-CHNA-2.pdf> (last visited Feb. 28, 2023).
 5. The goal of this project is to improve access to interventional nephrology services to ESRD patients residing in the NCOSC geographic service area and to increase utilization at NCOSC, which has capacity, while lowering utilization at Northwest Community Hospital, so it operates closer to the State Board standard.



Find Shortage Areas by Address

Enter an address to determine whether it is located in a shortage area: HPSA Geographic, HPSA Geographic High Needs, or Population Group HPSA or an MUA/P.

Note: This search will not identify facility HPSAs. To find these HPSAs, use the [HPSA Find \(/tools/shortage-area/hpsa-find\)](/tools/shortage-area/hpsa-find) tool.

[Start Over](#)[Print](#)

HPSA Data as of 01/05/2022

MUA Data as of 01/05/2022

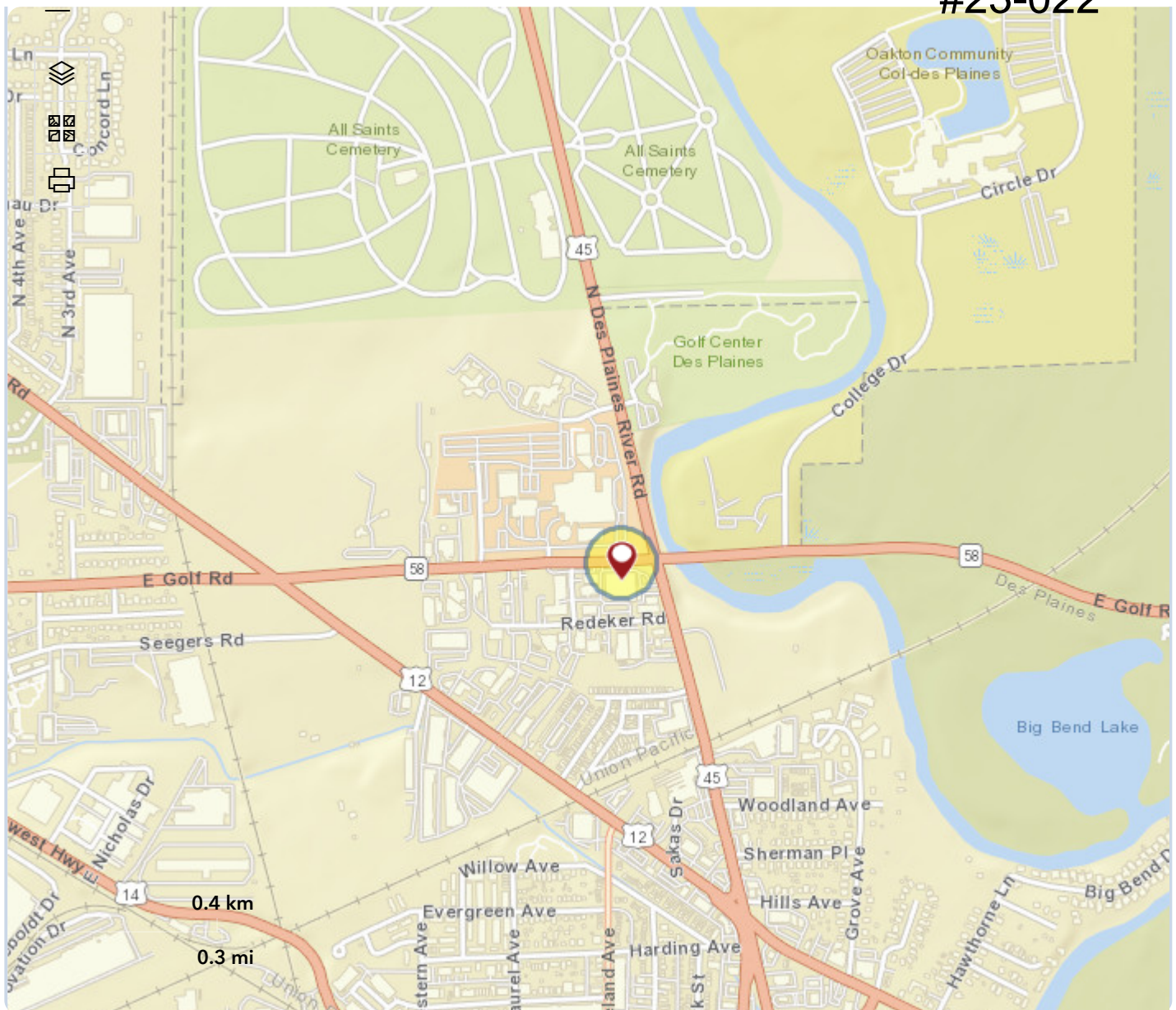
Address

1455 east golf road, des plaines, IL, 60016

Standardized address

1455 E Golf Rd, Des Plaines, Illinois, 60016





Note: The address you entered is geocoded and then compared against the HPSA and MUA/P data in data.HRSA.gov. Due to geoprocessing limitations, the designation cannot be guaranteed to be 100% accurate and does not constitute an official determination.

[+] More about this address

In a Dental Health HPSA: ✖ No

In a Mental Health HPSA: ✖ No

In a Primary Care HPSA: ✖ No



In a MUA/P: ✓ Yes**Service Area Name:** Des Plaines Service Area**ID:** 07304**Designation Type:** Medically Underserved Area**Designation Date:** 02/28/2003**Last Update Date:** 02/28/2003

Related Content

Related Tools



Shortage Areas Batch Processing

(<https://data.hrsa.gov/tools/shortage-area/batch-processing>)

About HRSA

HRSA programs provide health care to people who are geographically isolated, economically or medically vulnerable. This includes people living with HIV/AIDS, pregnant women, mothers and their families, and those otherwise unable to access high quality health care. HRSA also supports access to health care in rural areas, the training of health professionals, the distribution of providers to areas where they are needed most, and improvements in health care delivery. Learn more about HRSA »

(<https://www.hrsa.gov>)

About Us (<https://data.hrsa.gov/about>)

About the Data (<https://data.hrsa.gov/data/about>)

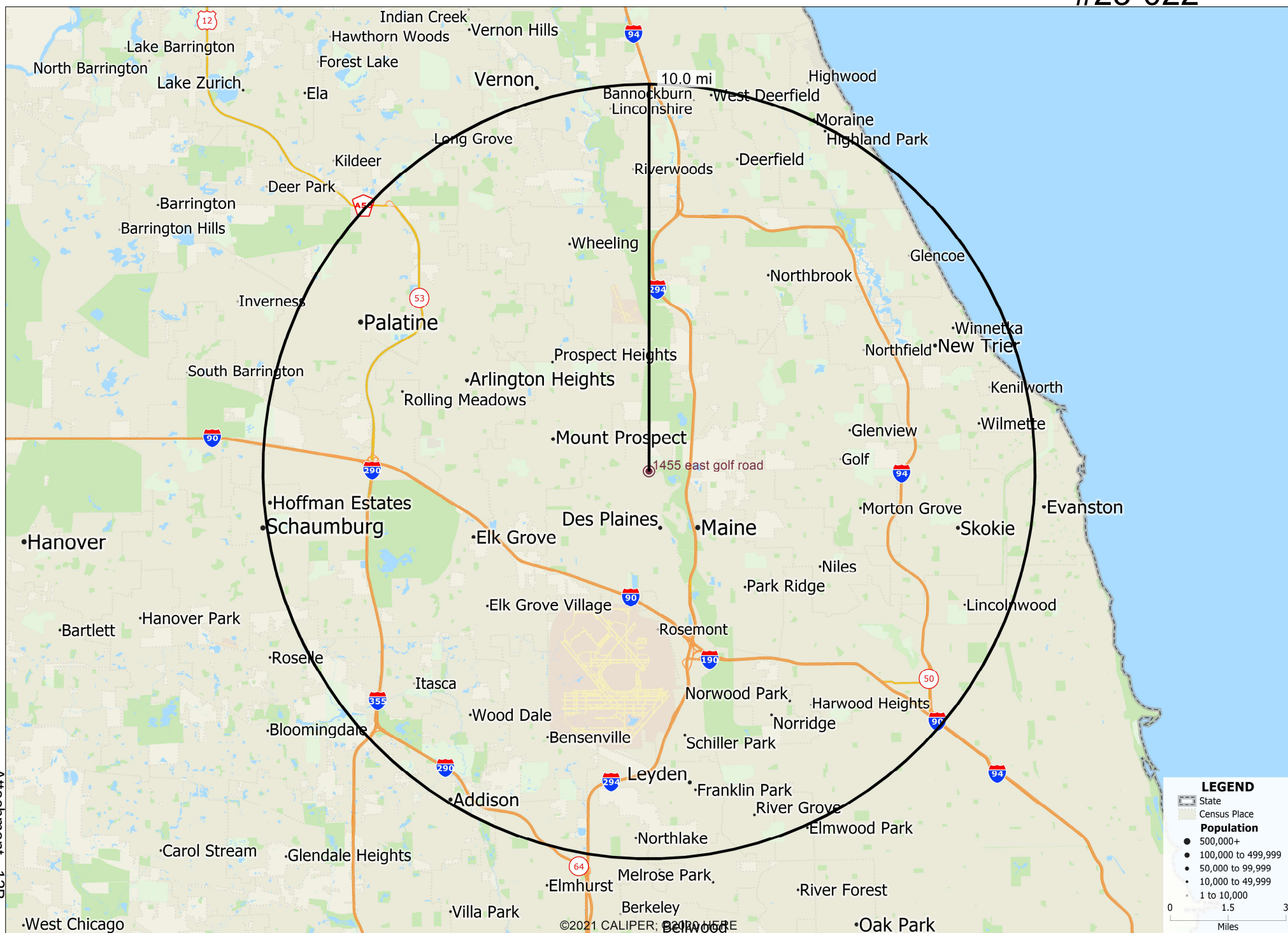
A to Z Index (<https://data.hrsa.gov/a-to-z>)

Site Map (<https://data.hrsa.gov/site-map>)

What's New (<https://data.hrsa.gov/whats-new>)







Section III, Project Purpose, Background and Alternatives – Information Request
Criterion 1110.110(d) Project Purpose, Background and Alternatives

Alternatives

The Applicants explored several options prior to determining to add general surgery, including interventional nephrology, to their existing ASTC. The options considered are as follows:

1. Do Nothing;
2. Utilize Existing Facilities
3. Add General Surgery, Including Interventional Nephrology, to the Existing ASTC

After exploring these options, which are discussed more fully below, the Applicants decided to add general surgery, including interventional nephrology. A review of each option considered follows.

Do Nothing

The first option considered was to maintain the status quo, whereby the Applicants would continue to only perform orthopedic, pain management and podiatric procedures at NCOSC. The primary purpose of this project is to improve access to interventional nephrology in Des Plaines and the immediately surrounding areas, to ESRD patients within NCOSC's geographic service area and to increase utilization at NCOSC, which currently has a significant amount of surgical capacity. The option to maintain the status quo would not address these goals as it would require physicians to refer patients to the main NCH hospital surgical program, which is more distant and higher cost. As the addition of interventional nephrology at NCOSC will improve access to high quality surgical procedures to ESRD patients in a lower cost setting, the option to do nothing was rejected.

There is no capital cost to this alternative.

Utilize Existing Facilities

The Applicants considered that their physicians might utilize other health care facilities to perform their surgeries, but the benefits of care coordination will be lost if these patients do not remain within the Northwest Community care system, and this was not a meaningful option. The only other surgical program considered was the NCH hospital program which is in the care system; however, this is a better location for this service as discussed in other sections of this application.

Due to infeasibility of using other providers and the fact NCOSC has capacity, this alternative was rejected.

There is no capital cost to this alternative.

Add General Surgery, Including Interventional Nephrology and Vascular Surgery to the Existing ASTC

As more fully discussed above, Northwest Community Hospital's operating rooms are over utilized and NCOSC has capacity to add more procedures. To increase utilization at the surgery center, the Applicants propose to transfer surgical cases from Northwest Community Hospital to NCOSC. This will lower utilization at Northwest Community Hospital to a more optimal level while at the same time increasing utilization at NCOSC closer to the State Board standard in a lower cost setting. Further, it will improve access to interventional nephrology services to ESRD patients in the NCOSC geographic service area, which is medically underserved. NCOSC is centrally located to provide these services. Along with the physicians who will perform procedures at the surgery center, NCOSC will provide better care coordination and will offer the broader resources available through the Northwest Community care

system, which will improve access to care to these underserved patients closer to where they live, which is a key priority.²

There is no capital cost to this alternative.

² Northwest Community Hospital, 2021 Community Health Needs Assessment 23 (Jun. 30, 2021) *available at* <https://www.nch.org/wp-content/uploads/2021-CHNA-2.pdf> (last visited Feb. 28, 2023).

Section IV, Project Scope, Utilization, and Unfinished/Shell Space
Criterion 1110.120 – Size of the Project

The proposed project is for the addition of general surgery, including interventional nephrology, to an existing ASTC. There will be no construction or modernization associated with the proposed project. Accordingly, this criterion is not applicable.

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

The ASTC's annual utilization shall improve or be closer to the State Board's utilization standard. Importantly, NCOSC is not adding capacity to the planning area, but is trying to increase utilization at its existing ASTC to be closer to the State Board standard by adding cases. The Applicant performed 380 cases (or 467 surgical hours) in 2022. The Applicants anticipate transferring 50 surgery cases, historically performed at Northwest Community Hospital and Northwest Community Day Surgery Center, to NCOSC within the first year after project completion. As shown in Table 1110.120(b), NCOSC estimates 546 surgical hours in the first year after project completion.

Surgical Specialty	Projected Cases at NCOSC	Average Case Time (Including Prep and Clean Up)	Projected Case time at NCOSC
General/Interventional Nephrology	50	1.33	67
Pain Management	3	.67	2
Orthopedics	10	1.2	12
Podiatry	400	1.2	465
Total	463		546

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

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

Section IV, Project Scope, Utilization, and Unfinished Shell Space
Criterion 1110.120(e) Assurances

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

Section V, Service Specific Review Criteria**Non-Hospital Based Ambulatory Surgery****Criterion 1110.235(c)(2)(B) Service to Geographic Service Area Residents**

1. Attached at Attachment – 24A is a map outlining the NCOSC geographic service area. As set forth in Criterion 1110.235(c)(2)(B), the ASTC serves patients residing in and around Des Plaines. Accordingly, the primary geographic service area consists of those areas within a 10-mile radius of NCOSC.
2. Pursuant to 1110.510(d) of the State Board's rules, the normal travel radius should be based upon the location of the applicant facility. NCOSC is located in Des Plaines, and therefore the intended geographic service area is a radius of 10 miles from NCOSC. A list of all zip codes located in whole or in part, within a 10-mile radius of NCOSC as well as the 2019 U.S. Census estimates for each zip code is provided in Table 1110.235(c)(2)(B)(i).

Table 1110.235(c)(2)(B)(i) GSA Population by Zip Code		
Zip Code	City	Population
60004	Arlington Heights	50,639
60005	Arlington Heights	30,079
60007	Elk Grove Village	33,161
60008	Rolling Meadows	21,663
60015	Deerfield	27,529
60016	Des Plaines	59,291
60018	Des Plaines	30,037
60022	Glencoe	8,471
60025	Glenview	40,935
60026	Glenview	14,021
60029	Golf	476
60035	Highland Park	29,636
60043	Kenilworth	2,460
60053	Morton Grove	23,089
60056	Mount Prospect	54,524
60062	Northbrook	40,686
60068	Park Ridge	37,433
60070	Prospect Heights	15,908
60074	Palatine	39,217
60076	Skokie	31,788
60077	Skokie	27,626
60089	Buffalo Grove	41,014
60090	Wheeling	38,553
60091	Wilmette	27,165
60093	Winnetka	19,409
60106	Bensenville	20,341
60131	Franklin Park	17,834

Table 1110.235(c)(2)(B)(i) GSA Population by Zip Code		
Zip Code	City	Population
60143	Itasca	11,222
60164	Melrose Park	21,228
60169	Hoffman Estates	33,373
60171	River Grove	10,076
60173	Schaumburg	12,610
60176	Schiller Park	11,621
60191	Wood Dale	14,021
60203	Evanston	4,397
60630	Chicago	56,433
60631	Chicago	29,529
60634	Chicago	75,082
60646	Chicago	28,569
60656	Chicago	28,218
60706	Harwood Heights	23,114
60712	Lincolnwood	12,434
60714	Niles	29,520
Total		1,184,432

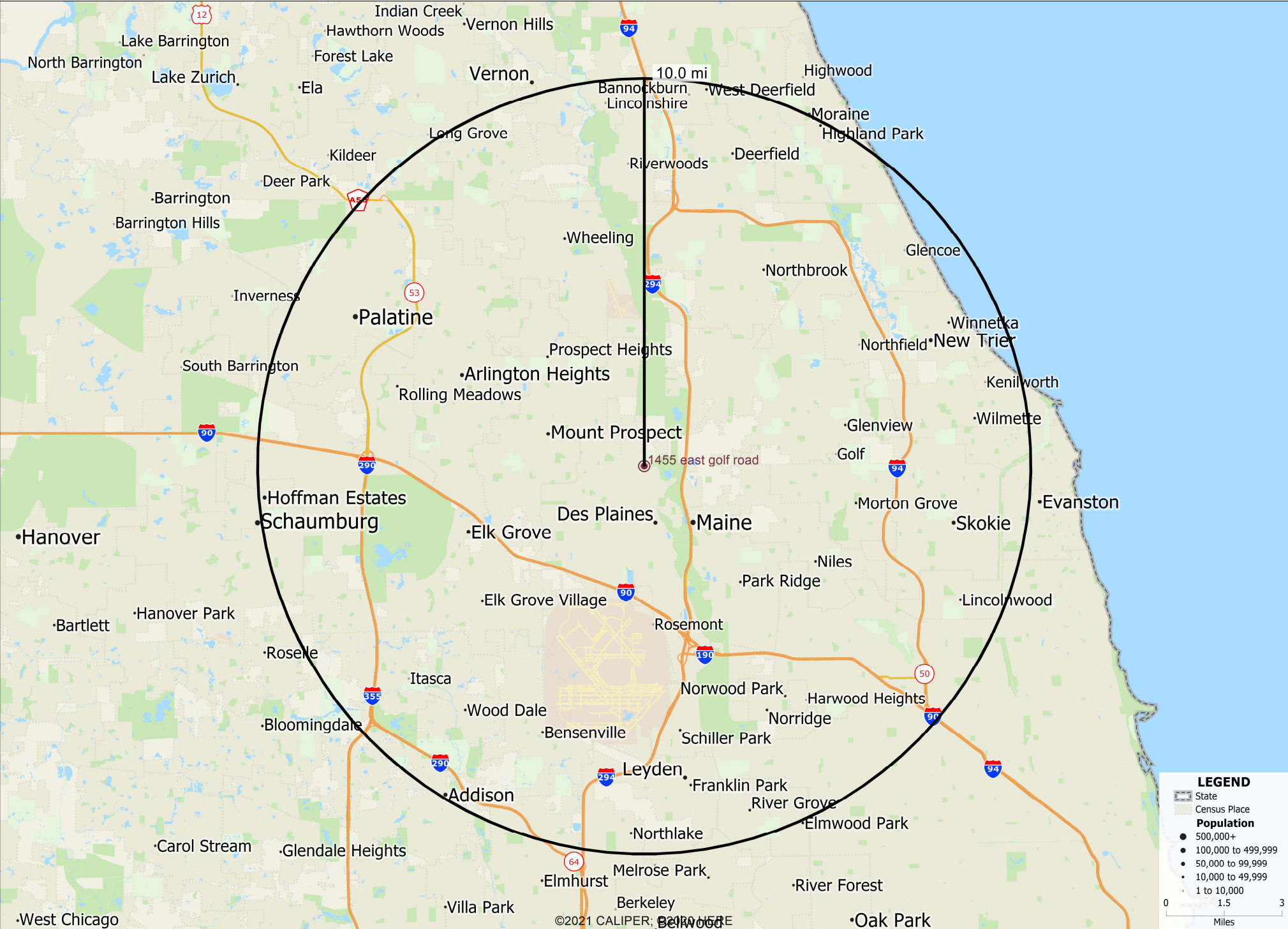
United States Census Bureau, American Community Survey, 2019 5-Year Estimate Data Profiles available at <https://data.census.gov/cedsci/table?q=United%20States&g=0100000US&tid=ACSDP1Y2018.DP05> (last visited Dec. 31, 2021).

- Table 1110.235(c)(2)(B)(i) lists the patient origin by zip code for all patients treated by the referring physicians. As documented in in Table 1110.235(c)(2)(B)(i) below 334 (or 68%) percent of cases were from patients residing in the GSA.

Table 1110.235(c)(2)(B)(i) Patients by Zip Code		
Zip Code	City	Cases
60004	Arlington Heights	25
60005	Arlington Heights	17
60007	Elk Grove Village	7
60008	Rolling Meadows	24
60010	Barrington	5
60012	Crystal Lake	2
60014	Crystal Lake	2
60015	Deerfield	1
60016	Des Plaines	44
60018	Des Plaines	36
60020	Fox Lake	1

Table 1110.235(c)(2)(B)(i) Patients by Zip Code		
Zip Code	City	Cases
60025	Glenview	9
60026	Glenview	6
60030	Grayslake	8
60031	Gurnee	1
60033	Harvard	1
60034	Hebron	2
60035	Highland Park	1
60042	Island Lake	3
60045	Lake Forest	2
60047	Lake Zurich	8
60048	Libertyville	4
60050	McHenry	7
60051	McHenry	1
60053	Morton Grove	4
60056	Mount Prospect	28
60060	Mundelein	10
60061	Vernon Hills	4
60062	Northbrook	16
60064	North Chicago	3
60067	Palatine	17
60068	Park Ridge	2
60070	Prospect Heights	15
60073	Round Lake	4
60074	Palatine	23
60081	Spring Grove	1
60085	Waukegan	2
60089	Buffalo Grove	20
60090	Wheeling	30
60097	Wonder Lake	1
60098	Woodstock	1
60099	Zion	1
60102	Algonquin	6
60103	Bartlett	1
60107	Streamwood	8
60110	Carpentersville	3
60123	Elgin	7
60126	Elmhurst	1
60133	Hanover Park	4
60136	Gilberts	1
60142	Huntley	1

Table 1110.235(c)(2)(B)(i) Patients by Zip Code		
Zip Code	City	Cases
60143	Itasca	1
60156	Lake in the Hills	2
60169	Hoffman Estates	12
60172	Roselle	3
60173	Schaumburg	12
60177	South Elgin	1
60192	Hoffman Estates	4
60193	Schaumburg	6
60194	Schaumburg	6
60195	Schaumburg	3
60618	Chicago	1
60631	Chicago	2
60712	Lincolnwood	1
60714	Niles	4
95035	Milpitas, CA	1
Total		490



Section V, Service Specific Review Criteria
Non-Hospital Based Ambulatory Surgery
Criterion 1110.235(c)(5) Treatment Room Need Assessment

1. Pursuant to Section 1100.640(c) of the State Board's rules, ASTCs should operate 1,500 surgical hours per year (including setup and cleanup time). NCOSC currently has three operating rooms with a total capacity of 4,500 surgical hours. In 2022, 380 surgical procedures (or 467 surgical hours) were performed at NCOSC. Based on historical utilization and the referral letters, NCOSC projects that 463 cases (or 546 surgical hours) will be referred to NCOSC.
2. Table 1110.235(c)(5) provides the average surgical hours (including prep and clean up) for the additional surgical specialties.

Table 1110.235(c)(5)			
Surgical Specialty	Projected Cases at NCOSC	Average Case Time (Including Prep and Clean Up)	Projected Case time at NCOSC
General/Interventional Nephrology	50	1.33	67
Pain Management	3	0.67	2
Orthopedics	10	1.2	12
Podiatry	400	1.2	465
Total	463		546

Section V, Service Specific Review Criteria
Non-Hospital Based Ambulatory Surgery
Criterion 1110.235(c)(6) Service Accessibility

The Applicants seek to add general surgery, including interventional nephrology, to its existing ASTC, which has capacity. The additional of this surgical specialty at NCOSC will improve access to this service to ESRD patients within the Applicants' geographic service area. Not only has HRSA designated Des Plaines as a Medically Underserved Area, but over two-thirds of the residents of the geographic service area reside in either a Medically Underserved Area or are a Medically Underserved Population. Further, Northwest Community Hospital identified access to care as a top priority in its 2021 CHNA. The CHNA showed that NCH's service area, which incorporates most of the NCOSC service area, has a higher uninsured rate for both adults and children than in the state, as well as higher percentage of individuals with limited English proficiency, which often makes accessing health care difficult. NCOSC is centrally located in the geographic service area. NCOSC and the physicians who will perform procedures at the surgery center will provide better care coordination and will offer the broader resources available through the Northwest Community care system, which will improve access to care to these underserved patients closer to where they live, which is a key priority.³

Providing a lower cost setting close to home meets many of the objectives of population health management and assists patients by providing lower copayments. The procedures proposed to be performed at NCOSC have been performed in a hospital that is operating in excess of the optimal target utilization of 1500 hours per operating room.

³ Northwest Community Hospital, 2021 Community Health Needs Assessment 23 (Jun. 30, 2021) available at <https://www.nch.org/wp-content/uploads/2021-CHNA-2.pdf> (last visited Feb. 28, 2023).

Section V, Service Specific Review Criteria
Non-Hospital Based Ambulatory Surgery
Criterion 1110.235(c)(7) Unnecessary Duplication/Maldistribution

NCOSC will remain at its current location, 1455 East Golf Road, Des Plaines, Illinois. ***Importantly, the addition surgical specialties will not add capacity at NCOSC.*** While required, this review criterion is not relevant. The Applicants propose the transfer of surgical cases from its highly utilized hospital to its ASTC, which has capacity.

1. Unnecessary Duplication of Services

- a. A map of NCOSC's market area is attached at Attachment – 24A. A list of all zip codes located in, whole or in part, within a 10-mile radius as well as the 2019 U.S. Census estimate figures for each zip code is provided in Table 1110.235(c)(7)(A)(i).

Table 1110.235(c)(2)(B)(i) GSA Population by Zip Code		
Zip Code	City	Population
60004	Arlington Heights	50,639
60005	Arlington Heights	30,079
60007	Elk Grove Village	33,161
60008	Rolling Meadows	21,663
60015	Deerfield	27,529
60016	Des Plaines	59,291
60018	Des Plaines	30,037
60022	Glencoe	8,471
60025	Glenview	40,935
60026	Glenview	14,021
60029	Golf	476
60035	Highland Park	29,636
60043	Kenilworth	2,460
60053	Morton Grove	23,089
60056	Mount Prospect	54,524
60062	Northbrook	40,686
60068	Park Ridge	37,433
60070	Prospect Heights	15,908
60074	Palatine	39,217
60076	Skokie	31,788
60077	Skokie	27,626
60089	Buffalo Grove	41,014
60090	Wheeling	38,553
60091	Wilmette	27,165
60093	Winnetka	19,409
60106	Bensenville	20,341
60131	Franklin Park	17,834

Table 1110.235(c)(2)(B)(i) GSA Population by Zip Code		
Zip Code	City	Population
60143	Itasca	11,222
60164	Melrose Park	21,228
60169	Hoffman Estates	33,373
60171	River Grove	10,076
60173	Schaumburg	12,610
60176	Schiller Park	11,621
60191	Wood Dale	14,021
60203	Evanston	4,397
60630	Chicago	56,433
60631	Chicago	29,529
60634	Chicago	75,082
60646	Chicago	28,569
60656	Chicago	28,218
60706	Harwood Heights	23,114
60712	Lincolnwood	12,434
60714	Niles	29,520
Total		1,184,432

United States Census Bureau, American Community Survey, 2019 5-Year Estimate Data Profiles available at <https://data.census.gov/cedsci/table?q=United%20States&g=0100000US&tid=ACSDP1Y2018.DP05> (last visited Dec. 31, 2021).

- b. A listing of all existing and approved hospitals and ASTCs located within NCOSC's geographic service area are provided in Table 1110.235(c)(7)(A)(ii).

Table 1110.235(c)(7)(A)(ii) Facilities within Northwest Community Outpatient Surgery Center Geographic Service Area			
Facility	Address	City	Straight-Line Distance (Miles)
Des Plaines Endoscopy Center	150 River Road	Des Plaines	0.22
North Suburban Pain and Spine Center	9700 Golf Rd	Des Plaines	1.20
Golf Surgical Center	8901 Golf Road	Des Plaines	2.13
Lutheran General Hospital	1775 Dempster Street	Park Ridge	2.30
NorthShore Glenbrook Hospital	2100 Pfingsten Road	Glenview	2.97
Uropartners Surgery Center	2750 S River Rd	Des Plaines	3.73
Illinois Sports Medicine & Orthopedic Surgery Center	9000 Waukegan Rd	Morton Grove	4.67

Table 1110.235(c)(7)(A)(ii) Facilities within Northwest Community Outpatient Surgery Center Geographic Service Area			
Facility	Address	City	Straight-Line Distance (Miles)
The Glen Endoscopy Center, LLC	2551 Compass Road	Glenview	4.69
Northwest Endo Center	1415 S Arlington Heights Road	Arlington Heights	4.71
Ravine Way Surgery Center	2350 Ravine Way	Glenview	4.98
Illinois Hand & Upper Extremity Center	515 West Algonquin Road	Arlington Heights	5.12
Northwest Community Hospital	800 W Central Road	Arlington Heights	5.30
Northwest Community Day Surgery Center	675 W Kirchhoff Rd	Arlington Heights	5.35
Northwest Surgicare	1100 W Central Rd	Arlington Heights	5.54
Lurie Children's Surgery Center In Northbrook	1121 Techny Road	Northbrook	5.84
Presence Resurrection Medical Center	7435 W Talcott Ave	Chicago	5.98
Associated Surgical Center	129 W Rand Rd	Arlington Heights	6.46
Alexian Brothers Medical Center	800 W Biesterfield Rd	Elk Grove Village	7.38
Ophthalmology Surgery Center of Illinois	1300 Arlington Heights Road	Itasca	7.41
NorthShore Skokie Hospital	9600 Gross Point Rd	Skokie	7.66
Innovia Surgery Center	203 E Irving Park Rd	Wood Dale	7.69
North Shore Surgical Center	3725 W Touhy Ave	Lincolnwood	9.06
Belmont/Harlem Surgery Center	3101 N Harlem Ave	Chicago	9.17
Community First Medical Center	5645 W Addison St	Chicago	9.71
Six Corners Same Day Surgery, LLC	4211 N Cicero Ave	Chicago	9.90

2. Maldistribution of Services

Expansion of services at NCOSC will not result in a maldistribution of services. A maldistribution exists when an identified area has an excess supply of surgical/treatment rooms characterized by such factors as, but not limited to: (1) ratio of surgical/treatment rooms to population exceeds 1.5 times the State average; (2) historical utilization of existing surgical/treatment rooms is below the State Board's utilization standard; or (3) insufficient population to provide the volume or caseload necessary to utilize the services proposed by the project at or above utilization standards.

a. Ratio of Surgical/Treatment Rooms to Population

As shown in Table 1110.235(c)(7)(B)(i), the ratio of surgical/treatment rooms to population is 82% of the State Average.

Table 1110.235(c)(7)(B)(i)				
Ration of Surgical/Treatment Rooms to Population				
	Population	Surgical/Treatment Rooms	Rooms to Population	Standard Met
Geographic Service Area	1,184,432	199	1:5,952	Yes
State	12,671,469	2,604	1:4,866	

b. Historical Utilization of Existing Health Care Providers

Providing a lower cost setting close to home meets many of the objectives of population health management and assists patients by providing lower copayments. Many of the proposed procedures to be performed at NCOSC have historically been performed in a hospital that is operating in excess of the optimal target utilization of 1500 hours per operating room.

c. Sufficient Population to Provide Necessary Volume or Caseload

As discussed throughout this application, primary purpose of this project is to increase utilization at NCOSC through the transfer of surgical cases from Northwest Community Hospital and Northwest Community Day Surgery Center. NCOSC has averaged 515 surgical hours over the past three years (2020-2022), which is below the State Board's standard for ASTCs with 3 operating rooms. At the same time Northwest Community Hospital operated at 22,457 surgical hours in 2021, which is sufficient to justify 15 operating rooms. To improve utilization at NCOSC while at the same time lowering utilization at Northwest Community Hospital to operate closer to the State Board standard, the Applicants propose to transfer cases from the hospital to NCOSC.

3. Impact on Other Health Care Facilities

As noted above, the Applicants propose to transfer cases from Northwest Community Hospital, which is highly utilized, to NCOSC. The transfer of these case will not lower utilization at Northwest Community Hospital below the State standard of 1,500 surgical hours per operating room.

Section V, Service Specific Review Criteria
Non-Hospital Based Ambulatory Surgery
Criterion 1110.235(c)(8) Staffing

NCOSC is staffed in accordance with all IDPH and Medicare staffing requirements.

Section V, Service Specific Review Criteria
Non-Hospital Based Ambulatory Surgery
Criterion 1110.235(c)(9) Charge Commitment

1. A list of general surgery procedures to be performed at NCOSC with the proposed charge is provided in Table 1110.235(c)(9).

Table 1110.235(c)(9)		
CPT Code	Description	Charge
36561	Under Insertion of Central Venous Access Device	\$9,343
36901	Under Dialysis Circuit Procedures	\$16,696
36902	Under Dialysis Circuit Procedures	\$24,430
36905	Under Dialysis Circuit Procedures	\$12,192
36906	Under Dialysis Circuit Procedures	\$21,793
37609	Under Ligation Procedures for Arteries and Veins	\$5,981
44970	Under Laparoscopic Procedures on the Appendix	\$9,126
46020	Under Incision Procedures on the Anus	\$6,851
46080	Under Incision Procedures on the Anus	\$4,603
46255	Under Incision Procedures on the Anus	\$5,514
46260	Under Incision Procedures on the Anus	\$8,103
46270	Under Incision Procedures on the Anus	\$6,306
49505	Under Hernia Open Procedures	\$7,184
49560	Under Hernia Open Procedures	\$6,433
49585	Under Hernia Open Procedures	\$7,269
49587	Under Hernia Open Procedures	\$11,335
49650	Under Hernia Laparoscopic Procedures	\$9,737
49651	Under Hernia Laparoscopic Procedures	\$8,543
50590	Under Lithotripsy and Ablation Procedures on the Kidney	\$8,329

Table 1110.235(c)(9) above is a non-exhaustive list of procedures by primary CPT code that will be typically performed within the new surgical specialties. Each line shows anticipated maximum charges for two years for a surgical case with a primary CPT code shown.

2. A letter from Michael Hartke, Manager, Northwest Community Outpatient Surgery Center, committing to maintain the charges listed in Table 1110.235(c)(9) is attached at Attachment – 24G.

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

Re: Charge Commitment

Dear Chair Savage:

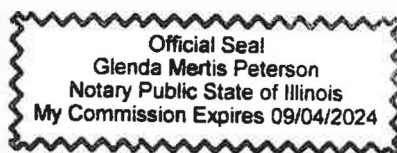
Pursuant to 77 Ill. Admin Code §1110.235(c)(9)(B), I hereby commit that the charge schedule included in the certification of need application, which is a non-exhaustive list of the procedures typically performed within the new surgical specialties, will not be increased, at a minimum, for the first two years after the addition of surgical specialties at Northwest Community Outpatient Surgery Center, unless a permit is first obtained pursuant to 77 Ill. Admin. Code §1130.310(a).

Sincerely,



Michael Hartke
Manager
Northwest Community Foot and Ankle Center, LLC d/b/a
Northwest Community Outpatient Surgery Center

Subscribed and sworn to me
This 6 day of March, 2023


Notary Public

Section V, Service Specific Review Criteria
Non-Hospital Based Ambulatory Surgery
Criterion 1110.235(c)(10) Assurances

Attached at Attachment – 24H is a letter from Michael Hartke, Manager, Northwest Community Outpatient Surgery Center certifying that a peer review program exists or will be implemented for ASTC services.

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

Re: Peer Review Program

Dear Chair Savage:

Pursuant to 77 Ill. Admin Code §1110.235(c)(10), I hereby certify that a peer review program exists or will be implemented that evaluates whether patient outcomes are consistent with quality standards established by professional organizations for the ASTC services, and if outcomes do not meet or exceed those standards, that a quality improvement plan will be initiated.

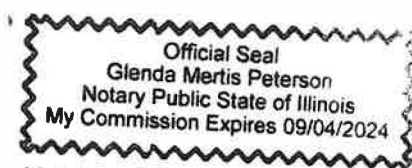
I further certify that by the second year of operation after project completion, the annual utilization of operating rooms will meet or exceed the utilization standard specified in 77 Ill. Admin. Code §1100.

Sincerely,



Michael Hartke
Manager
Northwest Community Foot and Ankle Center, LLC d/b/a
Northwest Community Outpatient Surgery Center

Subscribed and sworn to me
This 6 day of March, 2023


Notary Public

Section VII, Financial Feasibility
Criterion 1120.120 Availability of Funds

The project will not have any project costs. Accordingly, this criterion is not applicable.

Section VII, Financial Feasibility
Criterion 1120.130 Financial Viability

The project will not have any project costs. Accordingly, this criterion is not applicable.

Section VIII, Economic Feasibility

Section 1120.140(a), Reasonableness of Financing Arrangements

The project will not have any project costs. Accordingly, this criterion is not applicable.

Section VIII, Economic Feasibility

Section 1120.140(b), Conditions of Debt Financing

The project will not have any project costs. Accordingly, this criterion is not applicable.

Section VIII, Economic Feasibility

Section 1120.140(c), Reasonableness of Project Costs

The project will not have any project costs. Accordingly, this criterion is not applicable.

Section VIII, Economic Feasibility
Section 1120.140(d), Projected Operating Costs

Operating Expenses	\$988,156
Surgical Cases	546
Operating Expense per Treatment	\$1,809.81

Section VIII, Economic Feasibility**Section 1120.140(d), Total Effect of Project on Capital Costs**

Capital Cost	\$0
Surgical Cases	546
Capital Cost per Treatment	\$0

Section IX, Safety Net Impact Statement

The proposed project is non-substantive as it involves the addition general surgery, including interventional nephrology, to an existing ASTC. Accordingly, this criterion is not applicable.

Section X, Charity Care Information

The table below provides charity care information for the most recent three years for Northwest Community Outpatient Surgery Center.

NORTHWEST COMMUNITY OUTPATIENT SURGERY CENTER CHARITY CARE			
	2019	2020	2021
Net Patient Revenue	\$2,092,396	\$1,278,396	\$1,334,947
Amount of Charity Care (charges)	\$7,460	\$0	\$0
Cost of Charity Care	\$2,601	\$0	\$246

Appendix I – Referral Letters

Attached as Appendix 1 are referral letters from NCH Medical Group and Dr. Amitabha Mitra, projecting 50 surgical cases will be referred to NCOSC after project completion.



Susan Nelson, MD
 Vice President, Physician Operations
 snelson@medicalgroup.com
 847-618-5002 direct
 847-618-5009 fax
 Northwest Community Healthcare
 Medical Group
 800 W. Central Road
 Arlington Heights, IL 60005 USA

March 14, 2023

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

Dear Ms. Savage:

I am the Executive Vice-President of Physician Operations for Northwest Community Health Services, Inc. d/b/a NCH Medical Group which is affiliated with Northwest Community Hospital (the "Hospital and Northwest Community Foot and Ankle Center, LLC d/b/a Northwest Community Outpatient Surgery Center (the "Des Plaines ASC"). Our medical group employs 191 physicians and 48 mid-level providers including a large number of surgical specialists who provide outpatient surgical care at the Hospital. I am writing to provide documentation of the planned transfer of General Surgery/Interventional Nephrology cases from the Hospital to our Des Plaines ASC.

Changes in clinical practice and health care technology have expanded the provision of procedures in ambulatory surgery centers. Further, with increased focused on value-based care, ambulatory surgery centers can provide a lower cost alternative to hospital outpatient departments which provides more flexibility for the delivery of higher acuity care that we provide at the Hospital. This is a particular priority given the spike in COVID-19 cases requiring hospitalization that we continue to see as the virus becomes endemic in our community. The ability of the general surgeons and interventional nephrologists to join the medical staff at the Des Plaines ASC will allow our patients to receive high quality care at lower cost and with greater convenience than at a hospital outpatient department.

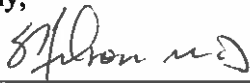
Over the past twelve months (from January 1, 2022 to December 31, 2022) - for the zip codes listed on Exhibit 1, Dr. Barnett performed a total of 95 outpatient surgical procedures at the Hospital. With the addition of these types of surgeries at the Des Plaines ASC, we expect the referral patterns of the cases to be as noted below.

We have checked our records and confirmed that the referrals planned to be sent to the Des Plaines ASC in the future as described in this letter have not been used to support another pending or approved certificate of need application.

The information in this letter is true and correct to the best of my knowledge.

I support the addition of general surgery/interventional nephrology at the Des Plaines ASC.

Sincerely,

A handwritten signature in cursive script, appearing to read "Susan Nelson M.D.", written over a horizontal line.

Susan Nelson, M.D.
Executive Vice-President of Physician Operation
Northwest Community Health Services, Inc.
3040 W Salt Creek Lane
Arlington Heights, IL 60005

Exhibit 1**Referrals by Patient Zip Code**

Zip Code	City	Cases
60004	Arlington Heights	5
60005	Arlington Heights	1
60007	Elk Grove Village	1
60008	Rolling Hills Meadows	2
60010	Barrington	1
60012	Crystal Lake	1
60014	Crystal Lake	2
60016	Des Plaines	2
60018	Des Plaines	5
60020	Fox Lake	1
60033	Harvard	1
60034	Hebron	2
60042	Island Lake	2
60047	Lake Zurich	2
60050	McHenry	7
60051	McHenry	1
60056	Mount Prospect	3
60062	Northbrook	1
60064	North Chicago	1
60067	Palatine	4
60070	Prospect Heights	1
60073	Round Lake	3
60074	Palatine	5
60081	Spring Grove	1
60089	Buffalo Grove	6
60090	Wheeling	7
60097	Wonder Lake	1
60098	Woodstock	1
60102	Algonquin	5
60107	Streamwood	2
60110	Carpentersville	1
60123	Hanover Park	1
60126	Elgin	1
60142	Huntley	1
60143	Itasca	1
60156	Lake in the Hills	2
60169	Hoffman Estates	1

Zip Code	City	Cases
60173	Schaumburg	1
60177	South Elgin	1
60192	Hoffman Estates	2
60193	Schaumburg	2
60195	Schaumburg	1
60618	Chicago	1
60631	Chicago	2
Total		95

Exhibit 2

Physician Name	Hospital / Licensed ASTC	Number of cases (1/1/22 – 12/31/22)	Projected Referrals to Northwest Community Outpatient Surgery Center (Des Plaines ASC) after Project Completion
GENERAL SURGERY/ INTERVENTIONAL NEPHROLOGY			
Sean P. Barnett, M.D.	Northwest Community Hospital	95	10

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

Dear Ms Savage:

I am interventional nephrologist. I am writing in support of the addition of general surgery, including interventional nephrology, to Northwest Community Outpatient Surgery Center. Changes in clinical practice and health care technology have expanded the provision of procedures in ambulatory surgery centers. Further, with increased focused on value-based care, ambulatory surgery centers provide a lower cost alternative to traditional hospital outpatient departments. The addition of general surgery, including interventional nephrology, at Northwest Community Outpatient Surgery Center will allow my patients to receive high quality care at lower cost and with greater convenience than at a hospital outpatient department.

Over the past twelve months (from January 1, 2022 to December 31, 2022), for the zip codes listed on Exhibit 1, I performed a total of 395 outpatient surgical procedures at Northwest Community Day Surgery Center. With the addition of general surgery, including interventional nephrology at Northwest Community Outpatient Surgery Center, I expect to refer my cases as noted below. Of the total cases, 78% percent will reside within the proposed geographic service area of Northwest Community Outpatient Surgery Center.

Hospital / Licensed ASTC	Hospital and Licensed ASTC (number of cases) Most recent 12 months	Projected Referrals to Northwest Community Outpatient Surgery Center after Project Completion
Northwest Community Day Surgery Center	395	40

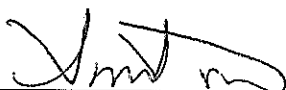
Ms. Debra Savage
Page 2

These referrals have not been used to support another pending or approved certificate of need application.

The information in this letter is true and correct to the best of my knowledge.

I support the addition of general surgery, including interventional nephrology, at Northwest Community Outpatient Surgery Center.

Sincerely,

A handwritten signature in black ink, appearing to read 'Amitabha Mitra', is written over a horizontal line.

Amitabha Mitra, M.D.
Nephrologist
Associates in Nephrology
121 South Wilke Road, Suite 111
Arlington Heights, Illinois 60005

Exhibit 1

Zip Code	Number of Cases
60004	20
60005	16
60007	6
60008	22
60010	4
60012	1
60015	1
60016	42
60018	31
60025	9
60026	6
60030	8
60031	1
60035	1
60042	1
60045	2
60047	6
60048	4
60053	4
60056	25
60060	10
60061	4
60062	15
60064	2
60067	13
60068	2
60070	14
60073	1
60074	18
60085	2
60089	14
60090	23
60099	1
60102	1
60103	1
60107	6
60110	2
60123	6
60133	4
60136	1
60169	11

Zip Code	Number of Cases
60172	3
60173	11
60192	2
60193	4
60194	6
60195	2
60712	1
60714	4
95035	1
Total	395

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

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