

 ORIGINAL

HEALTH FACILITIES AND SERVICES
REVIEW BOARD

APPLICATION FOR PERMIT

for

Change of Ownership

IGI Enterprises, LLC
Central Illinois Endoscopy Center, LLC

Peoria, Illinois

August, 2010

 *Central Illinois*
EndoscopyCenter

July 29, 2010

Mr. Dale Galassie, Acting Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Dear Mr. Galassie:

The appended application is for change of ownership of the Central Illinois Endoscopy Center, LLC (the Center) located in Peoria, Illinois.

On April 8, 2008 the Illinois Health Facilities and Services Review Board issued Permit #07-111 to the Center for the purpose of establishing a limited specialty, non-hospital based, Ambulatory Surgery Treatment Center (ASTC) in Peoria. The facility opened on July 27, 2009. Volume projections documented in the original application are being met and all reports required by State pertaining to the Center have been filed.

The Center is a joint venture between a corporate medical practice known as Illinois Gastroenterology Institute, SC (IGI) and The Methodist Medical Center of Illinois (Methodist), a not for profit Illinois corporation. IGI is owned equally by nine (9) board certified gastroenterologists. Currently, IGI owns 51% of the Center while Methodist owns the remaining 49%. In early 2010, the physicians of IGI formed a new Illinois limited liability company known as IGI Enterprises, LLC. This company was created to own investments made by "member" physicians outside of their corporate medical practice. The intent of this certificate of need application, therefore, is to transfer the 51% ownership in the Center from IGI to IGI Enterprises, LLC. Currently, IGI Enterprises LLC is equally owned by eight (8) of the nine (9) gastroenterologists noted above. As such, each member physician will own 12.5 % of the 51% interest in the Center. Methodist will continue to own the remaining 49%. Methodist officials fully support this change of ownership as evidenced by their letter of support, which is included in the application.

Transfer of majority ownership, as indicated above, will satisfy two important objectives. The first is vesting majority ownership of the Center to a company which is owned solely by board certified gastroenterologists who, by meeting stipulated criteria, are clearly committed to the short and long term provision of quality and affordable gastroenterology ambulatory surgery services in the designated service area. Second, successful completion of the transfer will lessen both legal and business risks currently assumed by

IGI as the majority owner of the Center. This transfer of ownership will be conducted in a manner that does not disrupt operations of the Center and does not impact Center patients, families or employees.

Actual transfer of the ownership interest will be conducted through execution of a purchase agreement between IGI and IGI Enterprises, LLC. The purchase agreement is attached to this application; it is signed, dated and clearly states that the transfer of ownership will not occur until the appended certificate of need application is approved by the Illinois Health Facilities and Services Review Board. Should the Board approve this transaction, the transfer of ownership shall occur on the fifth business day following approval.

This project is presented for the sole purpose of transferring majority ownership of the Center. There will be no changes to the Center's facility, location, services, access (including charity care policy) and quality as a direct result of the proposed transaction.

The proposed transaction carries no capital cost.

The current and proposed owners of the Center believe that this request for permit meets all requirements set forth by the Illinois Health Facilities and Services Review Board. Please contact David M. Underwood, IGI Practice Administrator at 309-672-4980 or Janet Scheuerman, Project Consultant at 219-464-3969 with questions, comments and requests for additional information.

Sincerely,



Maureen A. Lillich, M.D.
Board Member
Central Illinois Endoscopy Center, LLC



ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

CERTIFICATE OF NEED PERMIT

APPLICATION

MAY 2010 EDITION

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ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
 525 WEST JEFFERSON STREET, 2nd FLOOR
 SPRINGFIELD, ILLINOIS 62761
 (217) 782-3516

**INSTRUCTIONS
GENERAL**

- The Application must be completed for all proposed projects that are subject to the permit requirements of the Illinois Health Facilities Planning Act, including those involving establishment, expansion, modernization or discontinuation of a service or facility.
- The person(s) preparing the application for permit are advised to refer to the Planning Act, as well as the rules promulgated there under (77 Ill. Adm. Codes 1100, 1110, 1120 and 1130).
- **This Application does not supersede any of the above-cited rules and requirements that are currently in effect.**
- The application form is organized into several sections, involving information requirements that coincide with the Review Criteria in 77 Ill. Codes 1110 (Processing, Classification Policies and Review Criteria) and 1120 (Financial and Economic Feasibility).
- Questions concerning completion of this form may be directed to the Health Facilities and Services Review Board staff at (217)782-3516.
- Copies of this application form are available on the Health Facilities and Services Review Board Website www.hfsrb.illinois.gov

SPECIFIC

- Use this form, as written and formatted.
- Complete and submit **ONLY** those Sections along with the required attachments that are applicable to the type of project proposed.
- **ALL APPLICABLE CRITERIA** for each applicable section must be addressed. If a criterion is **NOT APPLICABLE** label as such and state the reason why.
- For all applications that time and distance are required for a criterion submit copies of all Map-Quest Printouts that indicate the distance and time from the proposed facility or location to the facilities identified.
- **ALL PAGES ARE TO BE NUMBERED CONSECUTIVELY BEGINNING WITH PAGE 1 OF THE APPLICATION FOR PERMIT. DO NOT INCLUDE INSTRUCTIONS AS PART OF THE APPLICATION AND OR NUMBERING.**
- Attachments for each Section should be appended after the last page of the application for permit.
- Begin each Attachment on a separate 8 1/2" x 11" sheet of paper and print or type the attachment identification in the lower right-hand corner of each attached page.
- For those criteria that require MapQuest printouts, physician referral letters and attachments, impact letters and documentation of receipt, include as appendices after that last attachment submitted with the application for permit. Label as Appendices 1, 2 etc.
- For all applications that require physician referrals the following must be provided: a summary of the total number of patients by zip code and a summary (number of patients by zip code) for each facility the physician referred patients in the past 12 or 24 months whichever is applicable.
- Information to be considered must be included with the applicable Section attachments. References to appended material not included within the appropriate Section will **NOT** be considered.
- The application must be signed by the authorized representative(s) of each applicant entity.
- Provide an original application and one copy both **unbound**. Label one copy original that contains the original signatures (on the application for permit).

Failure to follow these requirements WILL result in the application being declared incomplete. In addition, failure to provide certain required information (e.g., not providing a site for the proposed project or having an

invalid entity listed as the applicant) may result in the application being declared null and void. Applicants are advised to read Part 1130 with respect to completeness (113.620(d))

ADDITIONAL REQUIREMENTS

FLOOD PLAIN REQUIREMENTS

Before an application for permit involving construction will be deemed **COMPLETE** the applicant must **attest** that the project **is or is not in a flood plain**, and that the location of the proposed project complies with the Flood Plain Rule under Illinois Executive Order #2005-5.

HISTORIC PRESERVATION REQUIREMENTS

In accordance with the requirements of the Illinois Historic Resources Preservation Act (IHRP), the Health Facilities Planning Board is required to advise the Historic Preservation Agency of any projects that could affect historic resources. Specifically, the Preservation Act provides for a review by the IHRP Agency to determine if certain projects may impact upon historic resources. Such types of projects include:

1. Projects involving demolition of any structures; or
2. Construction of new buildings; or
3. Modernization of existing buildings.

The applicant must submit the following information to the Illinois Historic Preservation Agency so known or potential cultural resources within the project area can be identified and the project's effects on significant properties can be evaluated:

1. General project description and address;
2. Topographic or metropolitan map showing the general location of the project;
3. Photographs of any standing buildings/structure within the project area; and
4. Addresses for buildings/structures, if present.

The Historic Preservation Agency (HPA) will provide a determination letter concerning the applicability of the Preservation Act. Include the determination letter or comments from the HPA with the submission of the application for permit.

Information concerning the Historic Resources Preservation Act may be obtained by calling (217)782-4836 or writing Illinois Historic Preservation Agency Preservation Services Division, Old State Capitol, Springfield, Illinois 67201,

SAFETY NET IMPACT STATEMENT

SAFETY NET IMPACT STATEMENT that describes all of the following must be submitted for **ALL SUBSTANTIVE AND DISCONTINUATION PROJECTS**. **SEE SECTION XI** OF THE APPLICATION FOR PERMIT.

CHARITY CARE INFORMATION

CHARITY CARE INFORMATION must be provided for **ALL** projects. **SEE SECTION XII** OF THE APPLICATION FOR PERMIT.

FEE

An application processing fee (refer to Part 1130.620(f) for the determination of the fee) must be submitted with most applications. If a fee is applicable, and initial fee of \$2,500 MUST be submitted at the same time as submission of the application. **The application will not be declared complete and the review will not be initiated if the processing fee is not submitted.** HFSRB staff will inform applicants of the amount of the fee balance, if any, that must be submitted. **Payment may be by check or money order and must be made payable to the Illinois Department of Public Health.**

SUBMISSION OF APPLICATION

Submit an original and one copy of all Sections of the application, including all necessary attachments. **The original must contain original signatures in the certification portions of this form.** Submit all copies to:

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

**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:	Central Illinois Endoscopy Center, LLC - Change of Ownership				
Street Address:	1001 N. Main Street Suite 500B				
City and Zip Code:	Peoria	61606			
County:	Peoria	Health Service Area	2	Health Planning Area:	C-01

Applicant /Co-Applicant Identification

[Provide for each co-applicant [refer to Part 1130.220].

Exact Legal Name:	IGI Enterprises, LLC				
Address:	1001 N. Main Street, Suite 500A Peoria, IL 61600				
Name of Registered Agent:	John S. Elias				
Name of Chief Executive Officer:	Scott Y. Wu, M.D.				
CEO Address:	1001 N. Main Street, Suite 500A, Peoria, IL 61600				
Telephone Number:	309-692-4980				

Type of Ownership of Applicant/Co-Applicant

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

- 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.

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

The applicant and co-applicant are both limited liability companies. The Certificate of Good Standing has also been included for Illinois Gastroenterology Institute, S.C., the seller.

Primary Contact

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

Name:	David Underwood
Title:	Practice Administrator
Company Name:	Illinois Gastroenterology Institute, S.C.
Address:	1001 N. Main Street, Suite 500A, Peoria, IL 61606
Telephone Number:	309-672-4980
E-mail Address:	dave@visitgi.com
Fax Number:	309-671-2916

Additional Contact

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

Name:	Janet Scheuerman
Title:	Senior Consultant
Company Name:	PRISM Healthcare Consulting
Address:	1808 Woodmere Drive, Valparaiso, IN 46383
Telephone Number:	219-464-3969
E-mail Address:	jscheuerman@consultprism.com
Fax Number:	219-464-0027

**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:	Central Illinois Endoscopy Center, LLC – Change of Ownership				
Street Address:	1001 N. Main Street, Suite 500B				
City and Zip Code:	Peoria	61606			
County:	Peoria	Health Service Area	2	Health Planning Area:	C-01

Applicant /Co-Applicant Identification

[Provide for each co-applicant [refer to Part 1130.220].

Exact Legal Name:	Central Illinois Endoscopy Center, LLC				
Address:	1001 N. Main Street, Suite 500B, Peoria, IL 61606				
Name of Registered Agent:	John S. Elias				
Name of Chief Executive Officer:	Terry Baldwin, MD				
CEO Address:	1001 N. Main Street, Suite 500A, Peoria, IL 61606				
Telephone Number:	309-692-4980				

Type of Ownership of Applicant/Co-Applicant

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

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.

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The applicant and co-applicant are both limited liability companies. The Certificate of Good Standing has also been included for Illinois Gastroenterology Institute, S.C., the seller.

Primary Contact

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

Name:	David Underwood
Title:	Practice Administrator
Company Name:	Illinois Gastroenterology Institute, S.C.
Address:	1001 N. Main Street, Suite 500A, Peoria, IL 61606
Telephone Number:	309-672-4980
E-mail Address:	dave@visitgi.com
Fax Number:	309-671-2916

Additional Contact

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

Name:	Janet Scheuerman
Title:	Senior Consultant
Company Name:	PRISM Healthcare Consulting
Address:	1808 Woodmere Drive, Valparaiso, IN 46383
Telephone Number:	219-464-3969
E-mail Address:	jscheuerman@consultprism.com
Fax Number:	219-464-0027

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:	David Underwood
Title:	Practice Administrator
Company Name:	Illinois Gastroenterology Institute, S.C.
Address:	1001 N. Main Street, Suite 500A, Peoria, IL 61606
Telephone Number:	309-672-4980
E-mail Address:	dave@visitqi.com
Fax Number:	309-671-2916

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner:	University of Illinois College of Medicine Peoria
Address of Site Owner:	One Illini Drive, Peoria, IL 61606
Street Address or Legal Description of Site:	1001 N. Main Street, Peoria, IL 61606
Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statement, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease or a lease.	
APPEND DOCUMENTATION AS ATTACHMENT-2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

Operating Identity/Licensee

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

Exact Legal Name:	IGI Enterprises, LLC		
Address:	1001 N. Main Street, Suite 500A, Peoria, IL 61606		
<input type="checkbox"/>	Non-profit Corporation	<input type="checkbox"/>	Partnership
<input type="checkbox"/>	For-profit Corporation	<input type="checkbox"/>	Governmental
<input checked="" type="checkbox"/>	Limited Liability Company	<input type="checkbox"/>	Sole Proprietorship
		<input type="checkbox"/>	Other
<ul style="list-style-type: none"> 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 co-applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.

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

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:	David Underwood
Title:	Practice Administrator
Company Name:	Illinois Gastroenterology Institute, S.C.
Address:	1001 N. Main Street, Suite 500A, Peoria, IL 61606
Telephone Number:	309-672-4980
E-mail Address:	dave@visitqi.com
Fax Number:	309-671-2916

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner:	University of Illinois College of Medicine Peoria
Address of Site Owner:	One Illini Drive, Peoria, IL 61606
Street Address or Legal Description of Site:	1001 N. Main Street, Peoria, IL 61606
Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statement, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease or a lease.	
APPEND DOCUMENTATION AS ATTACHMENT-2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

Operating Identity/Licensee

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

Exact Legal Name:	IGI Enterprises, LLC		
Address:	1001 N. Main Street, Suite 500A, Peoria, IL 61606		
<input type="checkbox"/>	Non-profit Corporation	<input type="checkbox"/>	Partnership
<input type="checkbox"/>	For-profit Corporation	<input type="checkbox"/>	Governmental
<input checked="" type="checkbox"/>	Limited Liability Company	<input type="checkbox"/>	Sole Proprietorship
		<input type="checkbox"/>	Other
<ul style="list-style-type: none"> 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 co-applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.

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

Flood Plain Requirements **Not applicable. This project does not involve construction activities.**

[Refer to application instructions.]

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

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

Historic Resources Preservation Act Requirements **Not applicable. This project does not involve construction activities.**

[Refer to application instructions.]

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

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

DESCRIPTION OF PROJECT

1. Project Classification

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

Part 1110 Classification:

- Substantive
- Non-substantive

Part 1120 Applicability or Classification:
[Check one only.]

- Part 1120 Not Applicable
- Category A Project
- Category B Project
- DHS or DVA Project

2. Narrative Description

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

On April 8, 2008, the Illinois Health Facilities and Services Review Board issued Permit # 07-111 to Central Illinois Endoscopy Center, LLC (the Center), an Illinois corporation. The permit authorized the Center to establish a limited specialty non-hospital based ambulatory surgery/ambulatory surgery treatment center (ASTC). The Center is located at 1001 N. Main Street, Suite 500B, Peoria, Illinois 61606; it is located in Health Service Area 2 and Health Planning Area C-01 and opened on July 27, 2009.

At the time the permit was issued, Central Illinois Endoscopy Center, LLC was a joint venture with a physician group, Illinois Gastroenterology Institute S.C. having 51 percent ownership and The Methodist Medical Center of Illinois owning the remaining 49 percent.

In 2010, the physician owners of Illinois Gastroenterology Institute S.C. formed an Illinois limited liability company known as IGI Enterprises, LLC. The intent of the current certificate of need application is to transfer 51 percent ownership of Central Illinois Endoscopy Center, LLC from Illinois Gastroenterology Institute S.C. to IGI Enterprises, LLC. After the transfer of ownership, The Methodist Medical Center of Illinois will continue to own 49 percent and IGI Enterprises, LLC will own the remaining 51 percent of Central Illinois Endoscopy Center, LLC.

The transfer of ownership will occur through execution of an interest purchase agreement between Illinois Gastroenterology Institute, S.C. and IGI Enterprises, LLC on the fifth business day following this certificate of need approval by the Illinois Health Facilities and Services Review Board.

The project is solely for the above described change of ownership. The facility and its location as well as the scope of services, access, quality, and charity care policies will remain unchanged following the proposed transaction.

The proposed transaction has no capital cost.

In accordance with Section 1110.40, the project is classified as non substantive because it is a facility conversion (e.g. change of ownership, merger or consolidation).

Narrative Exhibit 1 is a letter from The Methodist Medical Center of Illinois supporting the proposed transaction.



June 28, 2010

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

Re: Letter of Support for IGI Ownership Transfer

Dear Board Members:

The Methodist Medical Center of Illinois is writing to express its support for the transfer of ownership interest in Central Illinois Endoscopy Center, LLC ("CIEC") from Illinois Gastroenterology Institute, S.C. ("IGI Institute") to IGI Enterprises, LLC ("IGI Enterprises").

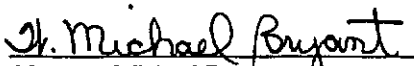
As you may know, CIEC was recently issued a permit from the Illinois Health Facilities and Service Review Board to own and operate an endoscopy center in the Illinois Medical Center on the University of Illinois College of Medicine campus in Peoria, Illinois. With this permit, the CIEC will be able to provide much needed healthcare services to the Peoria area and throughout Central Illinois.

IGI Institute currently owns a 51% membership interest in CIEC, which it would like to sell to IGI Enterprises. Methodist owns the remaining 49% interest in CIEC. Methodist fully supports this transfer of ownership interest from IGI Institute to IGI Enterprises, as it will help with the stability and long-term sustainability of CIEC and the services it provides to the community.

The Methodist Medical Center of Illinois urges the Board to approve CIEC's request for approval of the transfer ownership of CIEC from IGI Institute to IGI Enterprises. Please do not hesitate to contact the undersigned, should you like additional details or wish to discuss this matter.

Very truly yours,

The Methodist Medical Center of Illinois

By: 
Print Name: Michael Bryant
Title: President and CEO

Project Costs and Sources of Funds

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must equal.

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs			
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	\$0	\$0	\$0
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	\$0	\$0	\$0
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT A 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 \$ Not applicable; the proposed change of ownership does not involve start-up costs.

Project Status and Completion Schedules

Indicate the stage of the project's architectural drawings:

None or not applicable Preliminary
 Schematics Final Working

Anticipated project completion date (refer to Part 1130.140): **Project completion will occur on the fifth business day after project approval. If the application is approved on October 26, 2010, the agreement will be executed on November 2, 2010.**

Indicate the following with respect to project expenditures or to obligation (refer to Part 1130.140):

- Purchase orders, leases or contracts pertaining to the project have been executed.
 Project obligation is contingent upon permit issuance. Provide a copy of the contingent "certification of obligation" document, highlighting any language related to CON Contingencies
 Project obligation will occur after permit issuance.

APPEND DOCUMENTATION AS ATTACHMENT 8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

State Agency Submittals

Are the following submittals up to date as applicable:

- Cancer Registry - NA
 APORS - NA
 All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
 All reports regarding outstanding permits - NA

Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.

Cancer Registry and APORS are not required for a change of ownership of an ASTC. There are no delinquent reports regarding outstanding permits.

Cost Space Requirements **Not applicable. There is neither cost nor square footage associated with this project.**

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

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	\$0	0	0	0	0	0	0

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

Facility Bed Capacity and Utilization - Not applicable. Central Illinois Endoscopy Center does not have beds.

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


FACILITY NAME:		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 representative(s) of the applicant entity. The authorized representative(s) are:

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

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



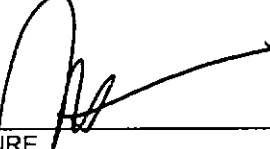
 SIGNATURE

Terry L. Boldwin, M.D.

 PRINTED NAME

Member

 PRINTED TITLE



 SIGNATURE

Scott Y. Wu, M.D.

 PRINTED NAME

Member

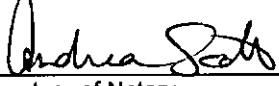
 PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 28 day of July

Notarization:
Subscribed and sworn to before me
this 28 day of July



 Signature of Notary



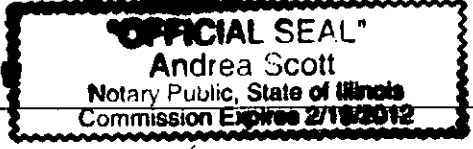
 Signature of Notary

Seal



*Insert EX-106 in space of Applicant

Seal



CERTIFICATION

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

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

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

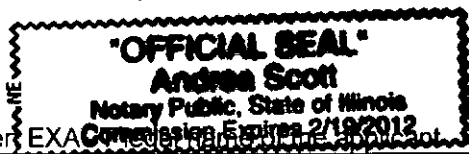
S. Duggan
SIGNATURE
ELI KUGA MD
PRINTED NAME
Board Member & Manager
PRINTED TITLE

Mausleh
SIGNATURE
MARVEEN ZILICH
PRINTED NAME
Board Member & Manager
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 28 day of July

Andrea Scott
Signature of Notary

Seal



*Insert EXAMINATION FEE HERE

Notarization:
Subscribed and sworn to before me
this 28 day of July

Andrea Scott
Signature of Notary

Seal



SECTION II. DISCONTINUATION

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

Criterion 1110.130 - Discontinuation

READ THE REVIEW CRITERION and provide the following information:

GENERAL INFORMATION REQUIREMENTS

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

REASONS FOR DISCONTINUATION

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

IMPACT ON ACCESS

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

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

Not applicable. This project does not include the discontinuation of any beds or services.

Attachment 10 is not required.

**SECTION III – BACKGROUND, PURPOSE OF THE PROJECT, AND ALTERNATIVES -
INFORMATION REQUIREMENTS**

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

Criterion 1110.230 – Background, Purpose of the Project, and Alternatives

READ THE REVIEW CRITERION and provide the following required information:

BACKGROUND OF APPLICANT

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant during the three years prior to the filing of the application.
3. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
4. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest the information has been previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

APPEND DOCUMENTATION AS ATTACHMENT-11, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 11.

PURPOSE OF PROJECT

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.
2. Define the planning area or market area, or other, per the applicant's definition.
3. Identify the existing problems or issues that need to be addressed, as applicable and appropriate for the project. [See 1110.230(b) for examples of documentation.]
4. Cite the sources of the information provided as documentation.
5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.
6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals **as appropriate.**

For projects involving modernization, describe the conditions being upgraded if any. For facility projects, include statements of age and condition and regulatory citations if any. For equipment being replaced, include repair and maintenance records.

NOTE: Information regarding the "Purpose of the Project" will be included in the State Agency Report.

APPEND DOCUMENTATION AS ATTACHMENT-12, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-6) MUST BE IDENTIFIED IN ATTACHMENT 12.

ALTERNATIVES

- 1) Identify **ALL** of the alternatives to the proposed project:

Alternative options **must** include:

- A) Proposing a project of greater or lesser scope and cost;
 - B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;
 - C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and
 - D) Provide the reasons why the chosen alternative was selected.
- 2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short term (within one to three years after project completion) and long term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**
- 3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

Not applicable. The proposed transaction will not compromise the high quality of care currently provided at the Central Illinois Endoscopy Center, LLC. There is no empirical evidence related to change of ownership.

APPEND DOCUMENTATION AS ATTACHMENT-13, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION IV - PROJECT SCOPE, UTILIZATION, AND UNFINISHED/SHELL SPACE

Criterion 1110.234 - Project Scope, Utilization, and Unfinished/Shell Space

READ THE REVIEW CRITERION and provide the following information:

SIZE OF PROJECT:

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive. **This must be a narrative.**
2. If the gross square footage exceeds the BGSF/DGSF standards in Appendix B, justify the discrepancy by documenting one of the following::
 - a. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies;
 - b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that results in a size exceeding the standards of Appendix B;
 - c. The project involves the conversion of existing space that results in excess square footage.

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

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

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

PROJECT SERVICES UTILIZATION:

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

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

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

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

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

UNFINISHED OR SHELL SPACE:

Provide the following information:

1. Total gross square footage 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 are available; and
 - b. Based upon the average annual percentage increase for that period, projections of future utilization of the area through the anticipated date when the shell space will be placed into operation.

APPEND DOCUMENTATION AS ATTACHMENT-16, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

ASSURANCES:

Submit the following:

1. Verification that the applicant will submit to HFSRB a CON application to develop and utilize the shell space, regardless of the capital thresholds in effect at the time or the categories of service involved.
2. The estimated date by which the subsequent CON application (to develop and utilize the subject shell space) will be submitted; and
3. The anticipated date when the shell space will be completed and placed into operation.

APPEND DOCUMENTATION AS ATTACHMENT-17, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Not applicable. The project does not include any space. Attachments 14 through 17 are not required.

SECTION V. - MASTER DESIGN AND RELATED PROJECTS

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

Criterion 1110.235(a) - System Impact of Master Design

Read the criterion and provide documentation that addresses the following:

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

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

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

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

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

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

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

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

Not applicable. The project is neither a master design application nor is it related to a master design permit. Attachment 18 is not required.

SECTION VI - MERGERS, CONSOLIDATIONS AND ACQUISITIONS/CHANGES OF OWNERSHIP

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

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

A. Criterion 1110.240(b), Impact Statement

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

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

B. Criterion 1110.240(c), Access

Read the criterion and provide the following:

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

C. Criterion 1110.240(d), Health Care System

Read the criterion and address the following:

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

D. Transaction Document

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

SECTION VII - SERVICE SPECIFIC REVIEW CRITERIA

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

A. Criterion 1110.530 - Medical/Surgical, Obstetric, Pediatric and Intensive Care

1. Applicants proposing to establish, expand and/or modernize Medical/Surgical, Obstetric, Pediatric and/or Intensive Care categories of service must submit the following information:
2. Indicate bed capacity changes by Service: Indicate # of beds changed by action(s):

Category of Service	# Existing Beds	# Proposed Beds
<input type="checkbox"/> Medical/Surgical		
<input type="checkbox"/> Obstetric		
<input type="checkbox"/> Pediatric		
<input type="checkbox"/> Intensive Care		

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

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize
1110.530(b)(1) - Planning Area Need - 77 Ill. Adm. Code 1100 (formula calculation)	X		
1110.530(b)(2) - Planning Area Need - Service to Planning Area Residents	X	X	
1110.530(b)(3) - Planning Area Need - Service Demand - Establishment of Category of Service	X		
1110.530(b)(4) - Planning Area Need - Service Demand - Expansion of Existing Category of Service		X	
1110.530(b)(5) - Planning Area Need - Service Accessibility	X		
1110.530(c)(1) - Unnecessary Duplication of Services	X		
1110.530(c)(2) - Maldistribution	X	X	
1110.530(c)(3) - Impact of Project on Other Area Providers	X		
1110.530(d)(1) - Deteriorated Facilities			X

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize
1110.530(d)(2) - Documentation			X
1110.530(d)(3) - Documentation Related to Cited Problems			X
1110.530(d)(4) - Occupancy			X
110.530(e) - Staffing Availability	X	X	
1110.530(f) - Performance Requirements	X	X	X
1110.530(g) - Assurances	X	X	X
APPEND DOCUMENTATION AS ATTACHMENT-20, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Not applicable. The project contains no reviewable categories of service. Attachments 20 through 38 are not applicable.

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

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

VIII. - 1120.120 - Availability of Funds

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

_____	a)	Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:
	1)	the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and
	2)	interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
_____	b)	Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
_____	c)	Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
_____	d)	Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including:
	1)	For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated;
	2)	For revenue bonds, proof of the feasibility of securing the specified amount and interest rate;
	3)	For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.;
	4)	For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment;
	5)	For any option to lease, a copy of the option, including all terms and conditions.
_____	e)	Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;
_____	f)	Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
_____	g)	All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
TOTAL FUNDS AVAILABLE		

APPEND DOCUMENTATION AS ATTACHMENT 39, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Part 1120 including Sections XII, IX, and X are not applicable. According to the Rules, all applications shall be subject to Part 1120 except those that are classified as emergency and those that have no estimated costs. The proposed change of ownership does not have any capital costs. Attachments 39 through 42 are not applicable.

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

See Section 1120.130 Financial Waiver for information to be provided

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

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

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

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

2. Variance

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

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

X. 1120.140 - Economic Feasibility

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

A. Reasonableness of Financing Arrangements

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

- 1) That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or
- 2) That the total estimated project costs and related costs will be funded in total or in part by borrowing because:
 - A) A portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or
 - B) Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

B. Conditions of Debt Financing

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

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

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

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

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE											
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 42 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

XI. Safety Net Impact Statement

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

1. The project's material impact, if any, on essential safety net services in the community, to the extent that it is feasible for an applicant to have such knowledge.
2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.
3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community, if reasonably known by the applicant.

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

1. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with an appropriate methodology specified by the Board.
2. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.
3. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service.

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

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

Medicaid (revenue)			
Inpatient			
Outpatient			
Total			

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

XII. Charity Care Information

Charity Care information MUST be furnished for ALL projects.

1. All applicants and co-applicants shall indicate the amount of charity care for the latest three audited fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.
2. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility under review.
3. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.

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

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

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

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

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

INDEX OF ATTACHMENTS		
ATTACHMENT NO.		PAGES
1	Applicant/Co-applicant Identification including Certificate of Good Standing	30 - 33
2	Site Ownership	34 - 38
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	39 - 42
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	43 - 44
5	Flood Plain Requirements	45
6	Historic Preservation Act Requirements	46
7	Project and Sources of Funds Itemization	47
8	Obligation Document if required	48
9	Cost Space Requirements	49
10	Discontinuation	NA
11	Background of the Applicant	50 - 54
12	Purpose of the Project	55 - 57
13	Alternatives to the Project	58 - 61
14	Size of the Project	NA
15	Project Service Utilization	NA
16	Unfinished or Shell Space	NA
17	Assurances for Unfinished/Shell Space	NA
18	Master Design Project	NA
19	Mergers, Consolidations and Acquisitions	62- 70
	Service Specific:	
20	Medical Surgical Pediatrics, Obstetrics, ICU	NA
21	Comprehensive Physical Rehabilitation	NA
22	Acute Mental Illness	NA
23	Neonatal Intensive Care	NA
24	Open Heart Surgery	NA
25	Cardiac Catheterization	NA
26	In-Center Hemodialysis	NA
27	Non-Hospital Based Ambulatory Surgery	NA
28	General Long Term Care	NA
29	Specialized Long Term Care	NA
30	Selected Organ Transplantation	NA
31	Kidney Transplantation	NA
32	Subacute Care Hospital Model	NA
33	Post Surgical Recovery Care Center	NA
34	Children's Community-Based Health Care Center	NA
35	Community-Based Residential Rehabilitation Center	NA
36	Long Term Acute Care Hospital	NA
37	Clinical Service Areas Other than Categories of Service	NA
38	Freestanding Emergency Center Medical Services	NA
	Financial and Economic Feasibility:	NA
39	Availability of Funds	NA
40	Financial Waiver	NA
41	Financial Viability	NA
42	Economic Feasibility	NA
43	Safety Net Impact Statement	71- 80
44	Charity Care Information	81 - 86
Appendix A	Operating Agreement	87- 156
Appendix B	Transaction Document	157 - 166

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Applicant /Co-Applicant Identification

[Provide for each co-applicant [refer to Part 1130.220].\]

Exact Legal Name:	IGI Enterprises, LLC
Address:	1001 N. Main Street, Suite 500A Peoria, IL 61600
Name of Registered Agent:	John S. Elias
Name of Chief Executive Officer:	Scott Y. Wu, M.D.
CEO Address:	1001 N. Main Street, Suite 500A, Peoria, IL 61600
Telephone Number:	309-692-4980

Exact Legal Name:	Central Illinois Endoscopy Center, LLC
Address:	1001 N. Main Street, Suite 500B, Peoria, IL 61606
Name of Registered Agent:	John S. Elias
Name of Chief Executive Officer:	Terry Baldwin, MD
CEO Address:	1001 N. Main Street, Peoria, IL 61606
Telephone Number:	309-692-4980

Attachment 1, Exhibits 1 and 2 are copies of the Certificates of Good Standing for IGI Enterprises, LLC and Central Illinois Endoscopy Center, LLC (the Center), the co-applicants on this permit application. Attachment 1, Exhibit 3 is a copy of the Certificate of Good Standing of Illinois Gastroenterology Institute, S.C., the seller. The seller is not a co-applicant.



To all to whom these Presents Shall Come, Greeting:

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

IGI ENTERPRISES, LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON JULY 23, 2009, 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.



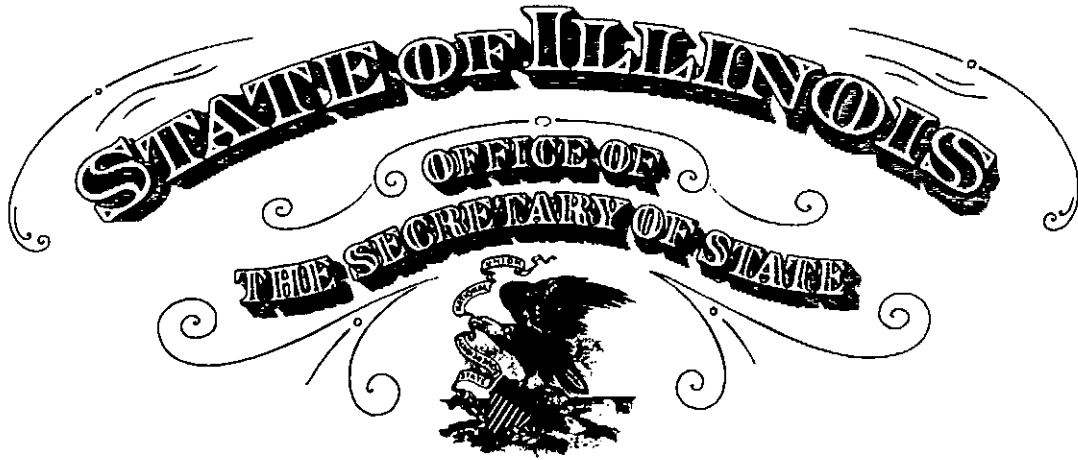
Authentication #: 1017301538

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

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 JUNE A.D. 2010 .

Jesse White

SECRETARY OF STATE



To all to whom these Presents Shall Come, Greeting:

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

CENTRAL ILLINOIS ENDOSCOPY CENTER, LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON JANUARY 16, 2007, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.



Authentication #: 1017301530
Authenticate at: <http://www.cyberdriveillinois.com>

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 JUNE A.D. 2010 .

Jesse White

SECRETARY OF STATE

File Number 5484-223-6



To all to whom these Presents Shall Come, Greeting:

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

ILLINOIS GASTROENTEROLOGY INSTITUTE, S.C., A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON OCTOBER 22, 1987, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS CORPORATION ACT OF THIS STATE RELATING TO THE PAYMENT OF FRANCHISE TAXES, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



Authentication #: 1013802384

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

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 18TH day of MAY A.D. 2010 .

Jesse White

SECRETARY OF STATE

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner:	University of Illinois College of Medicine Peoria
Address of Site Owner:	One Illini Drive, Peoria, IL 61606
Street Address or Legal Description of Site:	1001 N. Main Street, Peoria, IL 61606
Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statement, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease or a lease.	
APPEND DOCUMENTATION AS ATTACHMENT-2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

Attachment 2, Exhibit 1 is proof of control of the site. It is the current lease agreement between GI Realty, LLC and Central Illinois Endoscopy Center, LLC effective November 25, 2008. There will be no change in the lease agreement when the proposed change of ownership occurs.

**ILLINOIS MEDICAL CENTER
CONDOMINIUM UNIT LEASE**
[EndoLab]

THIS CONDOMINIUM UNIT LEASE AGREEMENT ("Lease") is made and entered into as of the 25th day of November, 2008 (the "Effective Date") by and between GI Realty, LLC, an Illinois limited liability company, ("Landlord") and Central Illinois Endoscopy Center, LLC, an Illinois limited liability company ("Tenant").

WHEREAS, the land underlying the medical office building being constructed along Main Street in Peoria, Illinois on the Peoria Campus of the University of Illinois Medical School, known as "Illinois Medical Center," (the "Office Building") is subject to a Ground Lease Agreement, dated as of December 8, 2005, as amended by a First Amendment to Ground Lease, dated as of June 5, 2006, by and between the Board of Trustees of the University of Illinois, as landlord, and the Peoria Physicians Collaborative, NFP (the "NFP"), as tenant, a memorandum of which was recorded on October 17, 2006 as Document No. 06-33949 at the Peoria County Recorder of Deeds (the "Ground Lease"); and

WHEREAS, the NFP assigned to the Illinois Medical Center Condominium Association (the "Association") its rights as tenant under the Ground Lease pursuant to an Assignment of Ground Lease, recorded July 10, 2008 as Document No. 08-20686 at the Peoria County Recorder of Deeds ("Assignment of Ground Lease"); and

WHEREAS, the Plat of Illinois Medical Center Condominiums, dated December 21, 2007 was recorded May 20, 2008 in Plat Book 11 on Page 96 as Document No. 08-15027 at the Peoria County Recorder of Deeds ("Condominium Plat"); and

WHEREAS, the NFP entered into a Declaration of Condominium Ownership and By-Laws, Easements, Restrictions and Covenants for Illinois Medical Center Condominium Association, dated June 1, 2008, as amended from time to time, recorded June 30, 2008 as Document No. 08-19482 at the Peoria County Recorder of Deeds (the "Declaration"); and

WHEREAS, Landlord is the sub-lessee of Unit No. 5A and Unit No. 5B consisting of approximately 6,282 square feet and 14,890 square feet, respectively, as set forth on the Condominium Plat, pursuant to Unit Subleases between the NFP, as sub-lessor, and Landlord, as sub-lessee, each dated July 10, 2008 and recorded July 10, 2008 as Document No. 08-20684 and Document No. 08-2068, respectively, at the Peoria County Recorder of Deeds (the "Unit Subleases"); and

WHEREAS, the NFP assigned its rights as sub-lessor under the Unit Subleases to the Association pursuant to an Assignment of Unit Subleases, dated July 10, 2008 and recorded July 10, 2008 as Document No. 08-20687 at the Peoria County Recorder of Deeds ("Assignment of Unit Sublease"); and

WHEREAS, Landlord desires to lease to Tenant and Tenant desires to lease from Landlord, all of Unit No. 5A and a portion of Unit No. 5B, all as depicted as the "Premises" on Exhibit A and Exhibit A-1 attached hereto and incorporated herein (the "Premises") in accordance with the provisions of this Lease;

WHEREAS, the balance of Unit No. 5B, identified on Exhibit A-1 as the "Suite" (the "Suite") and the "Rempade" ("Rempade"), is leased by Landlord to an affiliate of Landlord;

WHEREAS, the Premises currently consists of approximately 7,220 square feet. Included within the Suite is an approximate 290 square foot area, identified as the "Temporary Easement Area" on Exhibit A-1 ("Temporary Easement Area") which the parties desire to add to the Premises upon approval of the Illinois Health Facility Planning Board ("IHFPB").

act of Landlord or Tenant), free and clear of all liens, encumbrances or charges created or suffered by Tenant or any party claiming through Tenant. It is understood that this Section 1.6(f) does not effect Landlord's mortgage lender who has and shall continue to have a first mortgage on the Premises which includes the Build Out.

ARTICLE 2: TERM

2.1 Term. The initial term of this Lease shall commence on the earlier of (a) the date Landlord satisfies the Delivery of Possession Requirements (defined in Section 2.3) or (b) the date Tenant accepts its first patient at the Premises (the "Commencement Date") and ends on the last day of the 120th complete calendar month after the Commencement Date (the "Initial Term"), unless sooner terminated (or extended) as provided herein. Within thirty (30) days following the determination of the Commencement Date, as provided in this section or otherwise in this Lease, Tenant and Landlord shall execute, acknowledge and deliver, each to the other, a written statement specifying the actual Commencement Date and the Initial Term. As used in this Lease, the term "Lease Year" shall mean (i) if the Commencement Date is the first day of a calendar month, the twelve (12) month period commencing on the Commencement Date or (ii) if the Commencement Date is not the first day of a calendar month, the period commencing on the Commencement Date and ending on the last day of the twelfth (12th) full calendar month of the Term; and, in either case, each succeeding twelve (12) month period thereafter which falls in whole or in part during the Term.

2.2 Renewal. Provided Tenant is not in default hereunder, this Lease shall automatically renew for successive terms of five (5) years (each a "Renewal Term"), unless either Landlord or Tenant notifies the other in writing of its desire to terminate this Lease no later than two (2) years prior to the end of the Initial Term or any subsequent Renewal Term. If neither Landlord nor Tenant timely provides such written notice to the other, the Lease will be deemed renewed for the next Renewal Term.

The Initial Term and each Renewal Term are hereinafter referred to as the "Term".

2.3 Delivery of Possession Requirements. In order for Landlord to be deemed to have delivered the Premises to Tenant, all of the following conditions precedent shall have been satisfied or waived in writing by Tenant (collectively, the "Delivery of Possession Requirements"): (i) physical possession of the Premises has been delivered to Tenant with Landlord's Work substantially complete as defined below; (ii) Landlord has delivered to Tenant (x) a non disturbance agreement from Landlord's lender conforming to Article 16 hereof and (y) a non disturbance agreement from the Association as landlord under the Unit Subleases in form and content reasonably acceptable to Tenant and the Association; and (iii) City of Peoria and Illinois Department of Public Health ("IDPH") shall have issued certificates of occupancy (or comparable written approvals of use or occupancy) with respect to Premises.

2.3.1 Substantial Completion. "Substantially complete and/or substantial completion" in connection with the Build Out shall mean that the Build Out has been completed except for such incomplete items as would not materially interfere with the use of the Premises for its intended uses, as described in this Lease. By way of illustration and not of limitation, substantially complete and/or substantial completion shall mean that the structure has been completed; permanently enclosed; all floor coverings and finishes have been installed; the mechanical, electrical, plumbing and life safety systems have been completely installed and are fully functioning, with a commissioning report confirming that they are fully functioning; all utilities have been permanently hooked up, permanently and separately metered (to the extent set forth in the Plans and Specifications) or submetered, as the case may be, and

to Landlord for the Premises at the same rate imposed upon Tenant for such period of time. Landlord agrees that it shall execute any agreements with Tenant's lender(s) that are consistent with the terms of this Section.

19.15 Representations. Each party represents and warrants to the other that (i) it is duly organized, validly existing and in good standing under the laws of the state of its organization and is qualified to do business in the state in which the Premises is located, (ii) it has full power, capacity, authority and legal right to execute and deliver this Lease and to perform all of its obligations hereunder and the persons executing this Lease on its behalf have the full right and authority to execute this lease on its behalf, (iii) it has obtained all necessary approvals to enter into this Lease and (iv) this Lease is a legal, valid and binding obligation of it, enforceable in accordance with its terms.

EXECUTED as of the day and year first above written.

LANDLORD:

GI Realty, LLC
By: Illinois Gastroenterology Institute
(f/k/a Gastroenterology Ltd), its Manager

By: [Signature]

Print Name: Scott Wu, MD

Title: President

TENANT:

Central Illinois Endoscopy Center, LLC

By: [Signature]

Print Name: Maureen Lillich

Title: President

808-1065.48

EXHIBITS:

- Exhibit A - Legal Description/Plat
- Exhibit A-1 - Premises Site Plan
- Exhibit B - Reimbursement of Build Out Cost
- Exhibit B-1 - Promissory Note

EXHIBIT A

Premises

All of Unit 5A in Illinois Medical Center Condominium and a portion of Unit 5B in Illinois Medical Center Condominium Plat recorded on May 20, 2008 in Plat Book 11 on Page 96 as Document No. 08-15027 at the Peoria County Recorder of Deeds.

*A plat of the Fifth Floor in the Office Building is attached as part of this Exhibit A.

*The entirety of the Premises, including the portion of Unit 5B, is depicted on the attached Exhibit A-1.

*In accordance with Section 1.5 of the Lease, Landlord will replat the Fifth Floor in the Office Building so that the entire Premises shall be included in on condominium unit.

Exhibit A
1 of 2

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Operating Identity/Licensee

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

Exact Legal Name:	IGI Enterprises, LLC		
Address:	1001 N. Main Street, Suite 500A, Peoria, IL 60616		
<input type="checkbox"/>	Non-profit Corporation	<input type="checkbox"/>	Partnership
<input type="checkbox"/>	For-profit Corporation	<input type="checkbox"/>	Governmental
<input checked="" type="checkbox"/>	Limited Liability Company	<input type="checkbox"/>	Sole Proprietorship
		<input type="checkbox"/>	Other

- 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.

Attachment 3, Exhibits 1 and 2 are copies of the Certificates of Good Standing of IGI Enterprises, LLC and Central Illinois Endoscopy Center, LLC (the Center), the co-applicants on this permit application. Attachment 3, Exhibit 3, is a copy of the Certificate of Good Standing of Illinois Gastroenterology Institute, S.C., the seller. The seller is not a co-applicant.

At the time the proposed transaction is completed, The Methodist Medical Center of Illinois will continue to own 49 percent of Central Illinois Endoscopy Center, LLC; the remaining 51 percent of the Center will be owned by the eight physician members of IGI Enterprises, LLC. Each will own 12.5 percent of the 51 percent of IGI Enterprises, LLC. The physician members of IGI Enterprises, LLC include Terry L. Baldwin, MD, Kenneth Camacho, MD, Noor A. Khaiser, MD, Eliathamby Kuganeswaren, MD, Maureen A Lillich, MD, Donald E. Penn, Jr. MD, Michael R. Treanor, MD, and Scott Y. Wu. MD.



To all to whom these Presents Shall Come, Greeting:

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

IGI ENTERPRISES, LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON JULY 23, 2009, 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 JUNE A.D. 2010 .

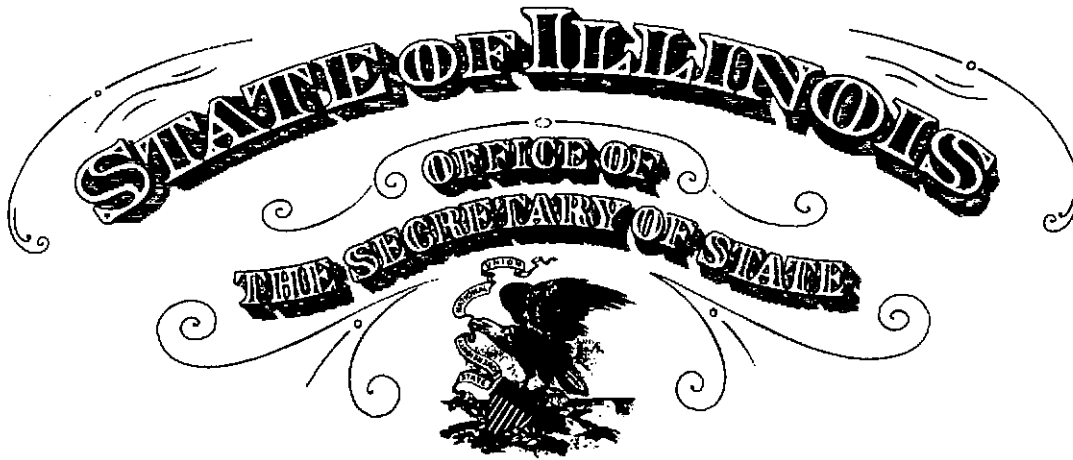


Authentication #: 1017301538

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

Jesse White

SECRETARY OF STATE



To all to whom these Presents Shall Come, Greeting:

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

CENTRAL ILLINOIS ENDOSCOPY CENTER, LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON JANUARY 16, 2007, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.



Authentication #: 1017301530
Authenticate at: <http://www.cyberdriveillinois.com>

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 JUNE A.D. 2010 .

Jesse White

SECRETARY OF STATE



To all to whom these Presents Shall Come, Greeting:

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

ILLINOIS GASTROENTEROLOGY INSTITUTE, S.C., A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON OCTOBER 22, 1987, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS CORPORATION ACT OF THIS STATE RELATING TO THE PAYMENT OF FRANCHISE TAXES, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



Authentication #: 1013802384

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

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 18TH day of MAY A.D. 2010 .

Jesse White

SECRETARY OF STATE

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Organizational Relationships

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

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

Attachment 4, Exhibit 1 is a comparison of the current and proposed organizational structures of Central Illinois Endoscopy Center, LLC.

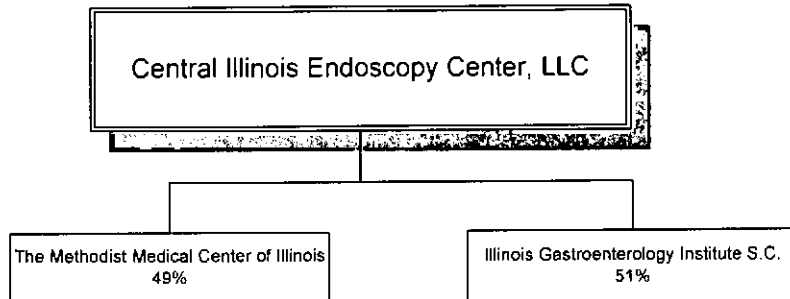
IGI Enterprises, LLC, the buyer and Central Illinois Endoscopy Center, LLC (the licensee) are the co-applicants on this project.

The Methodist Medical Center of Illinois is not a co-applicant because:

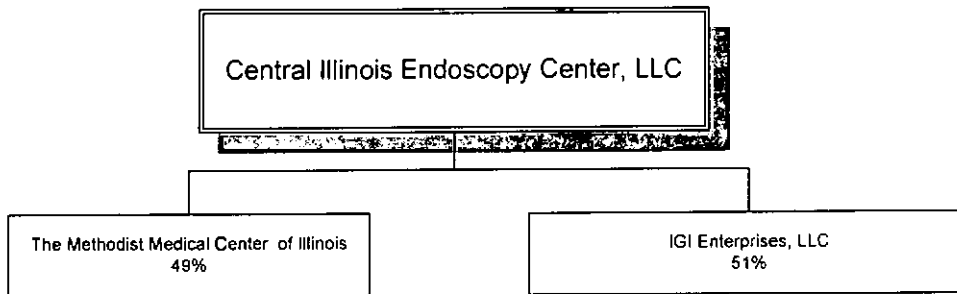
- The Methodist Medical Center of Illinois is not the licensee of Central Illinois Endoscopy Center, LLC.
- The Methodist Medical Center of Illinois does not control the license
- The Methodist Medical Center of Illinois is not responsible for debt on the project, and
- The Methodist Medical Center of Illinois neither controls the capital assets of Central Illinois Endoscopy Center nor is involved in the provision of care.

Central Illinois Endoscopy Center, LLC has operated the Center since its opening without any adverse incidents. The operating agreement is attached as Appendix A.

Current Ownership Structure



Proposed Ownership Structure



SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Flood Plain Requirements **Not applicable. This project does not involve construction activities.**

[Refer to application instructions.]

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

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

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Historic Resources Preservation Act Requirements **Not applicable. This project does not involve construction activities.**

[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.

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Project Costs and Sources of Funds

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must equal.

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs			
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	\$0	\$0	\$0
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	\$0	\$0	\$0

NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Since there is no project cost, there is no itemization of each line item.

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Project Status and Completion Schedules

Indicate the stage of the project's architectural drawings:

- None or not applicable Preliminary
 Schematics Final Working

Anticipated project completion date (refer to Part 1130.140): **Project completion will occur on the fifth business day after project approval. If the application is approved on October 26, 2010, the agreement will be executed on November 2, 2010.**

Indicate the following with respect to project expenditures or to obligation (refer to Part 1130.140):

- Purchase orders, leases or contracts pertaining to the project have been executed.
Project obligation is contingent upon permit issuance. Provide a copy of the contingent
"certification of obligation" document, highlighting any language related to CON
Contingencies
 Project obligation will occur after permit issuance.

APPEND DOCUMENTATION AS ATTACHMENT-8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Cost Space Requirements **Not applicable. There is neither cost nor square footage associated with this project.**

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

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	\$0	0	0	0	0	0	0

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

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

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

Criterion 1110.230 – Background, Purpose of the Project, and Alternatives

READ THE REVIEW CRITERION and provide the following required information:

BACKGROUND OF APPLICANT

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant during the three years prior to the filing of the application.
3. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
4. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest the information has been previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

APPEND DOCUMENTATION AS ATTACHMENT-11, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 11.

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

IGI Enterprises, LLC, one of the applicants, does not own or operate any facilities at the present time. Upon approval of this application, IGI Enterprises, LLC will own 51 percent of Central Illinois Endoscopy Center, LLC (Center).

Central Illinois Endoscopy Center, LLC, the other applicant, operates only one facility, the Central Illinois Endoscopy Center LLC.

The current Central Illinois Endoscopy Center, LLC Illinois State License is included as Attachment 11, Exhibit 1. An accrediting award letter from the Accreditation Association for Ambulatory Health Care, Inc. is included as Attachment 11, Exhibit 2.

State of Illinois License Number

1984046

Accreditation Association for Ambulatory Care Certification Number

14C0001140

- 2. A certification listing of any adverse action taken against any facility owned or operated by the applicant during the three years prior to the filing of this application.**

The applicants, Central Illinois Endoscopy Center, LLC and IGI Enterprises, LLC certify that no adverse action has been taken against Central Illinois Endoscopy Center, the only facility owned or operated by the applicants, during the three years prior to the filing of the application.

- 3. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. Failure to provide such authorization shall constitute the abandonment or withdrawal of the application without any further action by HFSRB.**

The applicants, Central Illinois Endoscopy Center, LLC and IGI Enterprises, LLC, authorize HFSRB and DPH to access 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.

- 4. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest the information has been previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.**

Not applicable. This is the only application that Central Illinois Endoscopy Center, LLC and IGI Enterprises, LLC have submitted in 2010.



State of Illinois 1984046
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

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

DAMON T. ARNOLD, M.D.
DIRECTOR
Issued under the authority of
 The State of Illinois
 Department of Public Health

EXPIRATION DATE	CATEGORY	TO NUMBER
06/16/11	BGBD	7003139
FULL LICENSE		
AMBUL SURGICAL TREAT CNTR		
EFFECTIVE: 06/17/10		

BUSINESS ADDRESS

CENTRAL ILLINOIS ENDOSCOPY CENTER, LLC
1001 MAIN STREET
SUITE 500B
PEORIA

The face of this license has a colored background. Printed by Authority of the State of Illinois • 4/07 •
IL 61606

← DISPLAY THIS PART IN A CONSPICUOUS PLACE

REMOVE THIS CARD TO CARRY AS AN IDENTIFICATION →

State of Illinois 1984046
Department of Public Health
 LICENSE, PERMIT, CERTIFICATION, REGISTRATION
CENTRAL ILLINOIS ENDOSCOPY CENTER,

EXPIRATION DATE	CATEGORY	TO NUMBER
06/16/11	BGBD	7003139

FULL LICENSE
AMBUL SURGICAL TREAT CNTR
EFFECTIVE: 06/17/10

05/15/10
 CENTRAL ILLINOIS ENDOSCOPY CENTER
 1001 MAIN STREET
 1001 MAIN STREET, SUITE 500B
 PEORIA
 FEE RECEIPT NO. 70234



ACCREDITATION ASSOCIATION
for AMBULATORY HEALTH CARE, INC.

February 19, 2010

Organization #:	86339	Accreditation Starts:	January 12, 2010
		Accreditation Expires:	January 13, 2013
Organization:	Central Illinois Endoscopy Center, LLC		
Address:	1001 Main Street, Suite 500B		
City, State, Zip:	Peoria, IL 61606		
Decision Recipient:	Stu Patty	Survey Chair:	Frank E. Miller, MD, MBA
Survey Contact:	Stu Patty-	Survey Team Member:	Carol G. Mitchell, RN
Special cc:	CMS CO - Baltimore		
	CMS RO V- Chicago		
CMS Certification Number (CCN):	14C0001140	Type of Survey:	Re-survey/Medicare Deemed Status
Survey Dates:	January 11-12, 2010	Correction Method:	Document Review Self-Attestation
		Correction Timeframe:	January-2010 to February-2010

It is a pleasure to inform you that the Accreditation Association for Ambulatory Health Care, Inc. (AAAHC) Accreditation Committee has awarded Central Illinois Endoscopy Center, LLC, a three-year term of accreditation.

As an ambulatory surgery center (ASC) that had an AAAHC accreditation survey with the Medicare deemed status option, your ASC has demonstrated its compliance with the AAAHC standards. The Centers for Medicare and Medicaid Services (CMS) requires that ASCs remain in full compliance with the Medicare Conditions for Coverage (CfC) to be eligible for Medicare deemed status. Your ASC was found in compliance with all CfCs; however, standard level deficiencies were identified. In accordance with CMS requirements, your ASC has submitted an approved Plan of Correction (POC), effective February 8, 2010. Your ASC must submit evidence that the corrective actions were completed. CMS will be notified of the date that the approved POC was received. AAAHC considers your ASC to be in Medicare Deemed Status, however, CMS has the authority to determine your continued participation in Medicare Deemed Status.

Granting accreditation reflects confidence, based on evidence from this recent survey that you meet, and will continue to demonstrate throughout the accreditation term, the attributes of an accreditable organization as reflected in the standards found in the *Accreditation Handbook for Ambulatory Health Care*. The dedication and effort necessary for an organization to be accredited is substantial and the compliance with those standards implies a commitment to continual self-evaluation and continuous improvement.

Members of your organization should take time to review the enclosed Survey Report:

- Any standard marked "PC" (Partially Compliant) or "NC" (Non-Compliant) must be corrected promptly. Subsequent surveys by the AAAHC will seek evidence that deficiencies from this survey were addressed without delay.
- The Summary Table provides an overview of compliance for each chapter applicable to the organization. Emphasis for attention should be given to chapters marked "PC" (Partially Compliant) or "NC" (Non-Compliant).
- As a guide to the ongoing process of self-evaluation, periodically review the Survey Report to ensure the organization's ongoing compliance with the standards throughout the term of accreditation.

AAAHC policies and procedures and standards are revised on an annual basis, such revisions become effective March 1 each year. Accredited organizations are required to maintain their operations in compliance with the current AAAHC standards and policies. Therefore, the organization is encouraged to visit the AAAHC website, www.aaahc.org, for information pertaining to any revisions to AAAHC policies and procedures and standards.

Improving Health Care Quality Through Accreditation

5550 Old Orchard Road, SUITE 200
Skokie, Illinois 60077

TEL (847) 853 6060
FAX (847) 853 9028

www.aaahc.org
info@aaahc.org

Organization #: 86339 Accreditation Expires: January 13, 2013
Organization: Central Illinois Endoscopy Center, LLC
February 19, 2010
Page 2

We hope the survey has been beneficial to your organization in identifying its strengths and opportunities to improve. AAAHC trusts that you will continue to find the accreditation experience meaningful, not only from the benefit of having carefully reviewed your own operation, but also from the recognition brought forth by your participation in this survey process.

If you have any questions or comments about any portion of the accreditation process, please contact the AAAHC Accreditation Services department at (847) 853-6060.



ACCREDITATION ASSOCIATION
for AMBULATORY HEALTH CARE, INC.

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

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

Criterion 1110.230 - Project Purpose, Background and Alternatives

READ THE REVIEW CRITERION and provide the following required information:

PURPOSE OF PROJECT

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.
2. Define the planning area or market area, or other, per the applicant's definition.
3. Identify the existing problems or issues that need to be addressed, as applicable and appropriate for the project. [See 1110.230(b) for examples of documentation.]
4. Cite the sources of the information provided as documentation.
5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.
6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals as appropriate.

For projects involving modernization, describe the conditions being upgraded if any. For facility projects, include statements of age and condition and regulatory citations if any. For equipment being replaced, include repair and maintenance records.

NOTE: Information regarding the "Purpose of the Project" will be included in the State Agency 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.

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.**

The change of ownership proposed in the application will not alter the services currently provided by the Central Illinois Endoscopy Center, LLC (Center). There will be no increases in charges for services attributable to the change in ownership. Access to care for residents of Health Service Area 2 will not be negatively impacted as the new holder of the majority interest in the Center (IGI Enterprises, LLC) is owned by eight of the nine physician shareholders of the current majority owner. In addition, the change in ownership will have no effect on current employees, physicians and others who provide services for, or on behalf of, the Center.

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

Central Illinois Endoscopy Center, LLC will continue to serve the residents of Peoria County along with the twelve other counties comprising Illinois Health Service Area 2.

3. Identify the existing problems or issues that need to be addressed, as applicable and appropriate for the project. (See 1110.230(b) for examples of documentation.)

Management of Illinois Gastroenterology Institute, S.C., with the assistance of legal counsel, recently identified several legal and business related risks/problems associated with medical corporation ownership of a limited liability organization such as Central Illinois Endoscopy Center, LLC (Center). Chief among these risks/problems are concerns over negative Stark Law consequences and unfavorable federal income tax ramifications. Transferring ownership in the Center from the medical corporation to the limited liability company, IGI Enterprises, LLC, substantially reduces the risks and uncertainties while assuring that the investment return from Center activities is a function of true ownership (i.e. funds flow directly to the physician owners) and not on the basis of a compensation formula used by the medical corporation.

4. Cite the sources of information provided as documentation.

Information for this application was drawn from Permit #07-011, operating agreements of the applicant and co-applicant, and legal documents relevant to the change of ownership.

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

As noted above, the transfer of ownership from a medical practice corporation to a limited liability company significantly reduces risks of legal problems and poor business practices. The assurance of an improved investment environment enhances the willingness of physicians to invest their time and energy on improving the quality and value of the Central Illinois Endoscopy Center, LLC. Ownership in IGI Enterprises, LLC, the proposed majority owner of the Center, will be restricted to physicians who are employed by and shareholders of the medical corporation (Illinois Gastroenterology Institute S.C.), members of GI Realty, LLC, a limited liability company that serves as landlord of the space occupied by the Center and willing to execute personal guarantees for financing and other issues that the Center may encounter in

the future. These restrictions, along with the proactive environment associated with a limited liability organization structure, assure the community and region that the majority ownership in the Center is fully committed to their well being and to the practice of high quality, affordable gastroenterology medicine.

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

The primary goal of the applicants is to successfully transfer ownership of the majority interest in Central Illinois Endoscopy Center, LLC (the Center) to a more appropriate organization without sacrificing any commitments made by the Center to the residents of Illinois Health Services Area 2. This goal will be accomplished through the formation of IGI Enterprises LLC, a limited liability company owned solely by the same physicians who participated in the creation of the Center. Under more appropriate business conditions afforded by a limited liability company, these physicians have committed to operating the Center as a limited specialty ambulatory surgery center, maintaining competitive charges for services rendered, increasing access to those who need high quality gastroenterology services, and supporting a generous charity care policy afforded to the needy residents of the Health Service Area. The objectives of offering competitive prices and a generous charity policy have already been met. Access to the Center has steadily increased since its opening in July 2009 and will increase even further in October 2010 when the approved third procedure room becomes available for morning and afternoon use.

Transfer of ownership, the primary goal of the co-applicants, will occur on the fifth business day following approval by the Health Facilities and Services Review Board. If approval occurs at the October Illinois Health Facilities Planning Board, transfer of ownership will occur on November 2, 2010.

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

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

Criterion 1110.230 – Background, Purpose of the Project, and Alternatives

READ THE REVIEW CRITERION and provide the following required information:

ALTERNATIVES

- 1) Identify **ALL** of the alternatives to the proposed project:

Alternative options **must** include:

- A) Proposing a project of greater or lesser scope and cost;
 - B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;
 - C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and
 - D) Provide the reasons why the chosen alternative was selected.
- 2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short term (within one to three years after project completion) and long term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**
 - 3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

APPEND DOCUMENTATION AS ATTACHMENT-13, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

- 1) Identify **ALL** of the alternatives to the proposed project:

Alternative options **must** include:

- A) Proposing a project of greater or lesser scope and cost;
- B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;
- C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and
- D) Provide the reasons why the chosen alternative was selected.

The applicants identified three alternatives to the proposed project:

Alternative 1 – Do Nothing

Alternative 2 – Sell/Transfer the majority interest in the Central Illinois Endoscopy Center, LLC (Center) to another party

Alternative 3 – Develop a limited liability company (IGI Enterprises, LLC) and transfer ownership from Illinois Gastroenterology Institute, S.C. to the new limited liability company.

- 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.**

Alternative 1 – Do Nothing

The option to “do nothing” was rejected for the following reasons.

Discussions among Center leadership and their legal and business counsel determined that leaving the majority ownership interest of the Center with Illinois Gastroenterology Institute S.C. is likely to jeopardize the willingness of existing physicians to provide services to the Center and may cause them to leave Peoria for locations where they could be owners of a limited liability company. Many opportunities currently exist in the United States and beyond for qualified gastroenterologists. Successful mitigation of the legal and business risks inherent in the current ownership structure will reduce the desire of the physicians to leave the community. Stability within the physician limited liability company will provide short-term security to the Center while providing a solid foundation for recruitment of needed physicians to the community.

Although the State Agency typically does not consider “do nothing” alternatives, the Center has provided this information because it is so relevant to the proposed change of ownership.

Alternative 2 – Sell/ Transfer the majority interest in the Central Illinois Endoscopy Center, LLC (Center) to another party.

The option to sell the majority interest in the Center to another party was rejected for the following reasons:

1. Eight of the nine physician shareholders of Illinois Gastroenterology Institute S.C. have agreed to hold equal ownership interest in IGI Enterprises, LLC. These physicians originated the concept of a specialty gastroenterology ambulatory surgery center in this market and provided personal funds to capitalize the Center. They take great pride in the Center and do not wish to potentially harm the Center, its employees, and the minority owner.
2. Sale to a local owner would be extremely complicated due to limitations set forth in the Center's Operating Agreement. Sale to an out-of-area buyer would require extensive due diligence on behalf of both the majority and minority owners which is likely to be time consuming and expensive. In a challenging economic environment, scarce resources are better spent on patient care matters.

Alternative 3 – Develop a limited liability company (IGI Enterprises, LLC) and transfer ownership from Illinois Gastroenterology Institute, S.C. to the new limited liability company.

Alternative 3 is the option of choice for the following reasons.

The proposed change of ownership will reduce the legal and business risks inherent in the current S.C. structure. Under the proposed limited liability structure, the physicians will be more likely to be willing to provide services at the Center and to stay in Peoria. The increased stability inherent in the physician limited liability company will provide short-term security to the Center.

The proposed change of ownership will provide solid foundation for recruitment of needed physicians to the community.

3. **The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.**

Not applicable. The proposed transaction will not compromise the high quality of care currently provided at the Central Illinois Endoscopy Center, LLC. There is no empirical evidence related to change of ownership.

SECTION VI - MERGERS, CONSOLIDATIONS AND ACQUISITIONS/CHANGES OF OWNERSHIP

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

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

A. Criterion 1110.240(b), Impact Statement

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

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

B. Criterion 1110.240(c), Access

Read the criterion and provide the following:

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

C. Criterion 1110.240(d), Health Care System

Read the criterion and address the following:

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

D. Transaction Document

See Appendix B for the transaction document which is signed and dated and contains the appropriate contingency language.

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

A. Criterion 1110.240(b), Impact Statement

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

1. Any change in the number of beds or services currently offered.

Central Illinois Endoscopy Center, LLC (the Center) offers neither beds nor categories of service other than non-hospital based ambulatory surgery. As the result of the proposed change of ownership, there will be no change in the number of beds or services currently offered.

2. Who the operating entity will be.

Central Illinois Endoscopy Center, LLC (Center) will continue to be the operating entity. IGI Enterprises, LLC will serve only as the majority owner (51 percent) of the Center. No changes in the day to day operations of the Center will be made as a result of the ownership transfer. The operating agreement is included as Appendix A.

3. The reason for the transaction.

The primary purposes of the proposed transaction are to lessen legal and business risks assumed by the Center's current majority owner, Illinois Gastroenterology Institute S.C. (an Illinois medical corporation) and to vest ownership in a limited liability company owned solely by physicians clearly committed to the short- and long-term provision of quality and affordable gastroenterology ambulatory surgery services. The proposed transaction allows the limited liability company to assume 51 percent interest in the Center from the medical corporation without any disruption to the Center, its employees and patients. The remaining 49 percent ownership will continue to be held by The Methodist Medical Center of Illinois, an Illinois not-for-profit corporation.

4. Any anticipated additions or reductions in employees now and for the two years following completion of the transaction.

Central Illinois Endoscopy Center, LLC opened in July 2009. The Center is in a start-up mode and volume has been steadily increasing since the opening. The Center's management anticipates that additional employees may be hired as volume continues to increase. There

are no anticipated reductions in the number of employees either now or for the 2 years following completion of the transaction.

5. A cost benefit analysis of the proposed transaction.

There is no capital cost associated with the project. Three alternatives are described in Attachment 13. A cost benefit analysis of each alternative is provided below.

	Cost Benefit Analysis Construction Cost	Project Cost
Do Nothing	\$0	\$0
Transfer Majority Interest to Another Party	\$0	\$0
Revised the Ownership	\$0	\$0

B. Criterion 1110.240(c) Access

Read the criterion and provide the following

1. The current admission policies for the facilities involved in the proposed transaction.

There will be no change in the admission policies at Central Illinois Endoscopy Center, LLC as the result of the proposed transaction.

2. The proposed admission policy for the facilities.

Attachment 19, Exhibit 1 is a copy of the admission criteria for the Central Illinois Endoscopy Center, LLC. The admission policies will not change as a result of the change of ownership. The current admission policies and the proposed admission policies will continue to be the same after the transaction is complete.

3. A letter from the CEO certifying that the admission policies of the facilities involved will not become more restrictive.

Attachment 19, Exhibit 2 is a letter from the CEO of Central Illinois Endoscopy Center certifying that the admission policies of the Center will not become more restrictive.

C. Criterion 1110.240(d)

Read the criterion and provide the following:

1. Explain the impact of the proposed transaction will be on the other area providers.

The proposed impact will have no impact on other area providers. The transaction involves changing the ownership from 49 percent The Methodist Medical Center of Illinois and 51 percent Illinois Gastroenterology Institute S.C. to 49 percent The Methodist Medical Center of Illinois and 51 percent IGI Enterprises, LLC. Physician owners of IGI Enterprises, LLC are required to be employees and shareholders of Illinois Gastroenterology Institute S.C. Neither access, nor cost, nor quality will be negatively impacted as the result of the transaction being implemented.

2. List all of the facilities within the applicant's health care system and provide the following for each facility/

- a. the location (town and street)**
- b. the number of beds**
- c. a list of services; and**
- d. the utilization figures for each of those services for the last 12 month period.**

Not applicable. The applicants, Central Illinois Endoscopy Center, LLC and IGI Enterprises, LLC are not part of a health care system.

3. Provide copies of all present and proposed referral agreements for facilities involved in the transaction.

The current and proposed owners of the Central Illinois Endoscopy Center, LLC have and will continue to have a referral agreement with The Methodist Medical Center of Illinois. The transfer agreement is included as Attachment 19, Exhibit 3.

4. Provide time and distance information for the proposed referrals within the system.

Not applicable. The applicants are not part of a system.

5. Explain the organization policy regarding the use of the care system providers over area providers.

Not applicable. The applicants are not part of a system.

6. Explain how the duplication of services within the care system will be resolved.

Not applicable. The applicants are not part of a system.

7. Indicate what services the proposed project will make available to the community that are not available now.

The proposed project is for the change of ownership of Central Illinois Endoscopy Center, LLC. There will be no change in services to the community as a result of this transaction.

D. Transaction Document

The signed and dated transaction document containing the appropriate contingency language is included as Appendix B.

SUBJECT: ELIGIBILITY CRITERIA	REFERENCE 900.2
CENTRAL ILLINOIS ENDOSCOPY CENTER	PAGE: 1 OF: 2
APPROVED BY:	EFFECTIVE:
	REVISED:

PURPOSE:

To establish the eligibility criteria for patients receiving care in the facility and identify procedures that are restricted at the Endoscopy Center.

POLICY:

- All of the following criteria must be met for patients to receive care in the facility:
 - The physical condition of the patient, as determined by the primary physician, must be such that inpatient hospitalization from the procedure is not anticipated.
 - Lab tests ordered must be performed by an accredited laboratory.
 - Facility sponsored ambulatory care meets the same standards of quality that apply to the inpatient care provided by a hospital.
 - Procedures are performed only at the designated hours when appropriate resources are available.
 - All physicians requesting ambulatory care services for their patients, must be members of the facility medical staff.
 - Patients and families receive information about the purposed care during the admission process

Restricted conditions

- Pregnant patients
- Patients with anticipated intolerance to standard sedatives
- Patients with increased risk of airway obstruction because of anatomic variants or Mallimpatti Score of 4.
- ERCP/EUS procedures
- ASA Score IV, V
- Gastrostomy Tube changes due to requirement for fluoroscopy to check proper placement

- Morbidly obese patients defined as >350 pounds or BMI >40
- Patients over 90 years of age
- Patients with acute food bolus impaction
- Paracentesis
- Patients under the age of 18 years of age
- Patients with KNOWN Methicillin-Resistance Staph Aureus (MRSA)
- Patients with suspected TB

All members of the healthcare team involved in care for outpatients are responsible for assuming that the eligibility criteria are met.



ILLINOIS GASTROENTEROLOGY INSTITUTE

Illinois Medical Center
1001 Main Street, Suite 500A
Peoria, IL 61606

Ph: (309) 672-4980
Fax: (309) 671-2930

July 22, 2010

Mr. Dale Galassie, Chair
Health Facilities and Services Review Board
525 West Jefferson Street, Second Floor
Springfield, IL 62761

Re: Admission Policies – Central Illinois Endoscopy Center, LLC

Dear Mr. Galassie:

The purpose of this letter is to certify that the admission policies of Central Illinois Endoscopy Center, LLC will not become more restrictive should the Board approve our proposed change of ownership. If the project is approved, the current majority owner, Illinois Gastroenterology Institute (an Illinois medical corporation) will transfer its 51% interest in Central Illinois Endoscopy Center, LLC to IGI Enterprises, LLC. The transfer will not impact the 49% ownership interest currently held by The Methodist Medical Center of Illinois (an Illinois corporation).

Please do not hesitate to contact me or our Administrator with questions or comments.

Sincerely,

Terry L. Baldwin, M.D.
President
Illinois Gastroenterology Institute, S.C.

Terry L. Baldwin, M.D.
Kermit B. Camacho, M.D.
Wasim Ellahi, M.D.
Noor A. Khaizer, M.D.

Eli Kuga, M.D., FRCP, FACP, FACG, AGAF
Maureen A. Lillich, M.D., FACP
Donald E. Penn, Jr., M.D., FACP

Michael R. Treanor, M.D., FACP, AGAF, FACG
Scott Y. Wu, M.D., FACC, AGAF
Bryan Cunniff, MSN, APN, CNP

TRANSFER AGREEMENT
between
METHODIST MEDICAL CENTER OF ILLINOIS
and
CENTRAL ILLINOIS ENDOSCOPY CENTER

This agreement entered and effective on this 23 day of October, 2008, between Central Illinois Endoscopy Center (hereafter referred to as "Endoscopy Center") and the Methodist Medical Center of Illinois, an Illinois not-for-profit Corporation, (hereafter referred to as "Medical Center").

In the interest of good patient care, the Medical Center and the Endoscopy Center express a mutual understanding and agreement concerning the transfer of patients between institutions when the needs of a patient have made the transfer medically appropriate:

1. When a patient's need for transfer from one of the above institutions to the other has been determined by the patient's physician, the institution to which transfer is to be made agrees to admit the patient as promptly as possible, providing customary admission requirements are met.
2. The transferring institution will send with each patient at the time of transfer, or in the case of an emergency, as promptly as possible, the completed transfer and referral forms mutually agreed upon to provide the medical and administrative information necessary to determine the appropriateness of the placement and to enable continuing care to the patient. The transfer and referral forms will include such information as current medical findings, diagnosis, rehabilitation potential, a brief summary of the course of treatment followed in the transferring institution, nursing and dietary information, ambulation status, and pertinent administrative and social information.
3. The transferring institution will be responsible for the transfer of other appropriate disposition of personal effects, particularly money and valuables, and information related to these items.
4. The transferring institution will be responsible for effecting the transfer of the patient, including arranging for appropriate and safe transportation and care of the patient during the transfer.
5. The initial term of this Agreement is one year, commencing on the date the Agreement is signed. Thereafter, this Agreement will automatically renew for successive one-year terms. After the initial term, at option of either party, may also terminate this Agreement for any or no reason upon a 60 days written notice.

Signed:

**CENTRAL ILLINOIS ENDOSCOPY
CENTER**

By: *[Signature]*

Title: Board Member

**METHODIST MEDICAL CENTER OF
ILLINOIS**

By: *[Signature]*

Title: SVP Business Development

XI. Safety Net Impact Statement

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

1. The project's material impact, if any, on essential safety net services in the community, to the extent that it is feasible for an applicant to have such knowledge.
2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.
3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community, if reasonably known by the applicant.

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

1. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with an appropriate methodology specified by the Board.
2. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.
3. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service.

The Change of Ownership of Central Illinois Endoscopy Center, LLC is a non substantive project. It is not for the discontinuation of a facility or a service.

Central Illinois Endoscopy Center, LLC is voluntarily submitting the following table required in Section XI Safety Net Impact Statement.

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

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	FY 2007	FY 2008	FY2009 Partial Year 5 mo
Inpatient	NA	NA	NA (outpatient only)
Outpatient	NA	NA	5
Total	-	-	5
Charity (cost In dollars)			
Inpatient	NA	NA	NA
Outpatient	NA	NA	\$3,820
Total	-	-	\$3,820
MEDICAID			
Medicaid (# of patients)	FY 2007	FY 2008	FY2009 Partial Year 5 mo
Inpatient	NA	NA	NA
Outpatient	NA	NA	0
Total			0
Medicaid (revenue)			
Inpatient	NA	NA	NA
Outpatient	NA	NA	0
Total	NA	NA	0

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

Additional Information

Central Illinois Endoscopy Center, LLC (the Center) opened on July 27, 2009. The Center now participates in both Medicare and Medicaid. Attachment 43, Exhibit 1 is a letter from CMS documenting participation in Medicare. Attachment 43, Exhibit 2 is the Provider Information Sheet submitted by the State of Illinois Healthcare and Family Services to the Center. This document indicates that the Center was approved to provide services to Illinois Medicaid beneficiaries effective January 1, 2010.

Community Service

The Center's current owners, Illinois Gastroenterology Institute, S.C. and The Methodist Medical Center of Illinois, adopted a very generous charity care policy to complement the Center's participation in Medicare and Medicaid programs. The Center has also been proactive in contract negotiations with local and regional managed care companies. As such, the owners have ensured that access to the Center is available to the vast majority of Health Service Area 2 residents.

In addition to enhancing access, the physicians of Illinois Gastroenterology Institute, S.C. and IGI Enterprises, LLC, along with the assistance of Center personnel, offer a number of free educational services to the community. These services are generally presented in the form of informational bulletins, awareness classes and representation at local health fairs.

Examples of the bulletins (see Attachment 43, Exhibit 3) include:

- Understanding Diverticulosis and Diverticulitis
- Understanding Colonoscopy and Polyps
- Colon Cancer Screening

Other community service activities include:

- Monthly presentations made by an IGI physician devoted to:
 - Colon Cancer Screening Process
 - Colorectal Cancer Prevention Measures
- Participation in health fairs such as Prime Times (Seniors) Expo and Peoria Women's Lifestyle Show. At these events, Center personnel distribute information and personally answer questions related to gastroenterology matters

- Participation in National Cancer Awareness Month with weekly information booths and newspaper advertisements related to the importance of colon cancer screening exams

The proposed change of ownership will not have any negative impact on the community service initiatives of the Center and its physicians.

Midwestern Consortium
Division of Survey and Certification

CMS

CENTERS for MEDICARE & MEDICAID SERVICES

National Provider Identifier (NPI): 1790924306
CMS Certification Number (CCN): 14C0001140

September 11, 2009
(Via Certified Mail)

Stuart Patty
Administrator
Central Illinois Endoscopy Center LLC
1001 Main St, Suite 500B
Peoria, IL 61606

Dear Mr. Patty:

The Centers for Medicare & Medicaid Services has accepted your request for approval as a supplier of ambulatory surgical services under the Medicare program (Title XVIII of the Social Security Act) based on accreditation by the Accreditation Association for Ambulatory Health Care, Inc. (AAAHC). Your effective date of coverage is July 24, 2009. A copy of the completed agreement is enclosed for your records.

Your National Provider Identifier (NPI) is your primary identifier for all health insurance billing. The NPI should be entered on all forms and correspondence relating to the Medicare program. In addition, you have been assigned the CMS Certification Number (CCN) shown above; please provide it when contacting this office, when contacting the Illinois Department of Public Health (IDPH), or any time it is requested. WPS Health Insurance has been authorized to process your Medicare claims.

When you make general inquiries to your fiscal intermediary (FI) and/or Medicare Administrative Contractor (MAC), you will be prompted to give either your provider transaction access number (PTAN) or CCN. These identification numbers are used as authentication elements when inquiring about beneficiary and claim specific information. When prompted for your PTAN, give your CCN.

If you are dissatisfied with the effective date of Medicare participation indicated above, you may request that the determination of the effective date be reconsidered. The request must be submitted in writing to this office within 60 days of the date you receive this notice. The request for reconsideration must state the issues or the findings of fact with which you disagree and the reasons for disagreement.

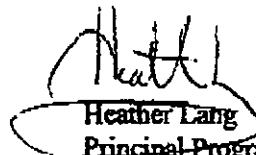
233 North Michigan Avenue
Suite 600
Chicago, Illinois 60601-5519

Richard Bolling Federal Building
601 East 12th Street, Room 235
Kansas City, Missouri 64106-2808

Page 2
Stuart Patty

We welcome your participation and look forward to working with you in the administration of the Medicare program. You should report to the IDPH any changes in staffing, services or organization which might affect your certification status. If you have any questions, please contact Stephanie Curtis at (312) 353-2908.

Sincerely,



Heather Lang
Principal Program Representative
Non-Long Term Care Certification
& Enforcement Branch

Enclosure

cc: Illinois Department of Public Health
Illinois Department of Healthcare and Family Services
WPS Health Insurance
Illinois Foundation for Quality Health Care
Accreditation Association for Ambulatory Health Care, Inc.

STATE OF ILLINOIS
HEALTHCARE AND FAMILY SERVICES
PROVIDER INFORMATION SHEET

MEICAID SYSTEM (MMIS)
PROVIDER SUBSYSTEM
REPORT ID: A274IKD1
SEQUENCE: PROVIDER TYPE
PROVIDER NAME

RUN DATE: 11/10/10
RUN TIME: 11:16:41
MAINT DATE: 11/10/10
PAGE: 1

PROVIDER KEY: 208243285001
PROVIDER NAME AND ADDRESS: PROVIDER TYPE: 046 - ANB SURG CTR
CENTRAL IL ENDOSCOPY CTR LLC ORGANIZATION TYPE: 03 - CORPORATION
1001 MAIN ST STE 500B ENROLLMENT STATUS: B - ACTV NOCST BEGIN 01/01/10 END ACTIVE
PEORIA IL 61606-2037 EXCEPTION INDICATOR - NO EXCEPT BEGIN END
PROVIDER GENDER: CERTIFIC/LICENSE NUM - 007008139 ENDING 06/16/11
COUNTY 080-PEORIA
TELEPHONE NUMBER: (309) 495-1144 LAST TRANSACTION ADD AS-DF 04/13/10
D.E.A.#:
RE-ENROLLMENT INDICATOR: N DATE: 01/01/2010

HEALTHY KIDS/HEALTHY MOMS INFORMATION: ELIG / /
ELIG
BEG DATE 01/01/10
C05 ELIGIBILITY CATEGORY OF SERVICE
024 OUTPATIENT SERVICES (GENERAL)
BEG DATE 01/01/10
TERMIN REAS:

PAYEE CODE 1
PAYEE NAME: CENTRAL ILLINOIS ENDOSCOPY CEN 1001 MAIN ST STE 500B
DBA:
PAYEE CITY STATE PAYEE TO NUMBER
PEORIA IL 61606 208243285-61606-01
TIN #: 01

*** NPI NUMBERS REGISTERED FOR THIS HFS PROVIDER ARE:
1790924308

***** PLEASE NOTE: *****
ORIGINAL SIGNATURE OF PROVIDER REQUIRED WHEN SUBMITTING CHANGES VIA THIS FORM: DATE X
ATTENTION: PROVIDERS SHOULD REFER TO THE DEPARTMENT'S WEB SITE AT <http://www.hfs.illinois.gov/>



Central Illinois EndoscopyCenter

Understanding Diverticulosis and Diverticulitis

Small pouches may form in you colon (large intestine) wall. This condition is called **diverticulosis**. If the pouches become inflamed, a more serious problem called **diverticulitis** has developed. Aging may contribute to colon problems. What you eat makes the real difference in the health of your colon.

Managing your condition

You and your doctor can discuss how to control your diverticular condition. Diet changes or medications may be enough to bring relief. In severe cases, surgery may be needed. Either way, the better you understand your body and your condition, the more you'll be able to benefit from treatment and be able to avoid colon problems in the future.

If you have diverticulosis

- The two main keys to controlling diverticulosis are fiber (roughage) and liquid
- Fiber absorbs water as it travels through your colon, helping your stool stay soft and move smoothly.
- Serious cases of diverticulosis may require stool softeners or antispasmodic medications for pain.

If you have diverticulitis

- If your diverticulitis symptoms are mild, your doctor may begin treatment with a temporary liquid diet and oral antibiotics
- If your symptoms are relieved, you may be given a high-fiber diet



Central Illinois Endoscopy Center

UNDERSTANDING COLONOSCOPY AND POLYPS

What is a colonoscopy?

Colonoscopy enables your doctor to examine the lining of your colon (large intestine) for abnormalities by inserting a flexible tube as thick as your finger into your anus and slowly advancing it into the rectum and colon.

What preparations are required?

Your doctor will tell you what dietary restrictions to follow and what cleansing routine to use. In general, the preparation consists of either consuming a large volume of a special cleansing solution or clear liquids and special oral laxatives. The colon must be completely clean for the procedure to be accurate and complete. So be sure to follow your doctor's instructions carefully.

What happens during a colonoscopy?

A colonoscopy is well-tolerated and rarely causes much discomfort. You might feel pressure, bloating or cramping during the procedure. Your doctor might give you a sedative to help you relax and better tolerate the discomfort. You will lie on your side or back while your doctor slowly advances a colonoscope through your large intestine to examine the lining. The doctor will examine the lining again as he or she slowly withdraws the colonoscope. The procedure itself usually takes 15 to 60 minutes, although you should plan on 2-3 hours for preparation, procedure and recovery.

What is a polyp?

Polyps are benign growths involving the lining of the bowel. They can occur in several locations in the gastrointestinal tract but are most common in the colon. They vary in size from less than a quarter of an inch to several inches in diameter. They look like small bumps growing from the lining of the bowel. They can sometimes grow on a stalk and look like a mushroom.



Central Illinois Endoscopy Center

How common are colon polyps? What causes them?

Polyps are very common in adults. While quite rare in 20 year olds, it's estimated that the average 60 year old without special risk factors for polyps has a 25 percent chance of having a polyp. We don't know what causes polyps. Some experts believe a high-fat, low-fiber diet can be a predisposition to polyp formation. There may be a genetic risk to develop polyps as well.

Are there different types of polyps?

There are two common types of polyps: hyperplastic and adenoma. The hyperplastic polyp is not at risk for cancer and is not significant. The adenoma, however, is thought to be the precursor for almost all colon cancers. A biopsy (or small piece of tissue removed) is the only way to differentiate between hyperplastic and adenomatous polyps. It's impossible to tell which adenomatous polyps will become a cancer, but larger ones are more likely to become cancers and some of the largest ones (larger than 1 inch) can already contain small areas of cancer.

What happens after a colonoscopy?

Your physician will explain the results of the examination to you. You will probably have to wait for the results of any biopsies performed. If you were given sedatives during the procedure, someone must drive you home and stay with you. Even if you feel alert after the procedure, your judgment and reflexes could be impaired for the rest of the day. You might have some cramping or bloating because of the air introduced into the colon during the examination. This should disappear quickly when you pass gas. You should be able to eat after your procedure, but your doctor might restrict your diet and activities, especially after a polypectomy.

What are the possible complications of colonoscopy?

Colonoscopy and polypectomy are generally safe procedures. One possible complication is perforation, or tear through the bowel wall that could require surgery. Bleeding might occur at the site of the biopsy or polypectomy, but it's usually minor. Bleeding can stop on its own or be controlled through the colonoscope; it rarely requires follow-up treatment. Some patients might have a reaction to the sedatives.

Colon Cancer Screening

Eli Kuga, MD, FRCP, FACP, FACG

Colon cancer is the third most common cancer and the second most common cause of cancer death in this country. 140,000 new cases are diagnosed each year and approximately 55,000 people die from this disease each year. Six percent of Americans will develop colorectal cancer within their lifetime. Both men and women are equally affected. Colon cancer is preventable and curable when detected early. Colon cancer begins as a polyp and slowly grows over a period of five to 15 years before it becomes a cancerous lesion. The aim of screening is to identify and remove precancerous polyps before they become cancerous. The screening is performed in people who have no symptoms.

Who is at risk for colorectal cancer? You are at average risk for colorectal cancer if you are aged 50 or older and have no other risk factors. Ninety percent of colorectal cancers are seen in people over the age of 50. You are at increased risk for colon cancer if you have: 1) A family history of colorectal cancer or precancerous polyp in the first degree relatives such as parents, brothers, sisters, and children; 2) Have a personal history of colorectal cancer or precancerous polyps; 3) Have a personal history of inflammatory bowel disease such as ulcerative colitis or Crohn's disease.

Early stages of colorectal cancer frequently do not cause any symptoms and screening is the only way to find polyps. If a polyp is removed, it cannot develop into cancer. Symptoms of colorectal cancer include rectal bleeding, change in bowel habits, discomfort or urge to move bowels when there is no need, abdominal pain, weight loss without dieting, and constant fatigue as a result of slow bleeding and a low blood count. If you have any of these symptoms, you need to see your physician.

There are several screening tests, but the *most effective screening test is colonoscopy*. It allows us to look directly at the entire colon and identify any suspicious growth. Complete colonoscopy is the only test that allows biopsy and removal of the polyp at the very same time when it is first identified. No follow-up test is needed. A colonoscopy is performed as an outpatient procedure. Sedation is given for the procedure; therefore, almost everyone is comfortable during the procedure. The difficult part of the test for the patient is drinking a laxative the night prior to the procedure. Colonoscopy is recommended every ten years in average risk individuals. *While colonoscopy is the most effective and most comfortable screening test*, a number of alternative tests are available.

Fecal occult blood testing. This test does not require any bowel prep and involves examining a small stool sample for hidden blood not visible to the naked eye. This test on its own is only about 30% effective in detecting early cancer and tends to identify cancers at more advanced stages. It detects only a small fraction of even the largest polyps. Dietary restriction is required for three days prior to the test. This test should be performed every year in order to be effective. If the test is positive, patient will need a complete colonoscopy.

Flexible sigmoidoscopy. A sigmoidoscope is a shorter scope which examines the lower 1/3 of the colon. Patient has to take a mild laxative. The disadvantages of the test include that it leaves 2/3 of the colon unexamined and can cause discomfort because sedation is not generally used. If a precancerous polyp is found, a complete colonoscopy is needed to look for polyps in the rest of the colon. This test is recommended every five years.

Barium x-ray. A rectal tube is inserted into the rectum and barium and air are pumped into the colon. Sedation is not given. Patient has to take a mild laxative. If an abnormality is found, patient needs a complete colonoscopy to biopsy or remove that lesion. Studies showed that only 50% of larger polyps are detected by this test.

Virtual colonoscopy. This is a CAT scan (x-ray test) of the colon to look for polyps or tumors. Patient first has to undergo a complete bowel cleansing, then the rectal tube is inserted and the colon is distended with air. Virtual colonoscopy is a diagnosis only test. If a polyp or any abnormality is found, patient needs a complete colonoscopy to remove them. Sedation is not given, therefore generally causes more discomfort than colonoscopy. At present this is not one of the recommended screening tests and Medicare and private insurers do not cover this test.

Fecal DNA testing. This test is considered as an experimental test for screening. A stool sample is collected at home and mailed to a central laboratory and the laboratory checks for abnormal DNA shed from the surface of the colon cancer and polyps. This test is better than stool blood test, but much more expensive and is not as effective as colonoscopy for finding colon cancer or polyps. If negative, it is performed every three to five years.

The colorectal cancer screening rate still remains low in this country. A survey showed nearly 50% of Americans age 50 or older have not been screened for colorectal cancer. Medicare pays for a screening colonoscopy, fecal occult blood testing, flexible sigmoidoscopy, and air contrast barium enema. An Illinois state law requires all insurance companies to pay for a screening colonoscopy. Everyone over the age of 50 should have a screening colonoscopy, which is the most effective screening test. Nonetheless, any form of screening is better than no screening. If you are interested in having a screening colonoscopy or need any additional information, please call (309) 672-4980.

XII. Charity Care Information

Charity Care information **MUST** be furnished for **ALL** projects.

1. All applicants and co-applicants shall indicate the amount of charity care for the latest three **audited** fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.
2. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility under review.
3. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.

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

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

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

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

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 charity care to net patient revenue.

Central Illinois Endoscopy Center LLC began operation on July 27, 2009. At the time of filing, the Center was in operation for 5 months in 2009 and for 6 months in 2010. Available requested data is reported below. At the time of filing this application, data for 2010 was not yet available.

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.

Not applicable. The applicants do not own or operate any other facilities.

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

Not applicable. The applicant is an existing facility.

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

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

CHARITY CARE			
	FY 2007	FY 2008	FY2009 Partial Year 5 mo
Net Patient Revenue	NA	NA	\$1,785,517
Amount of Charity Care (charges)	NA	NA	\$22,000
Cost of Charity Care	NA	NA	\$3,820

Attachment 44, Exhibit 1 is a copy of the Central Illinois Endoscopy Center, LLC (the Center) charity care policy. This charity care policy was reviewed and approved by both owners of the Center on November 25, 2008. IGI Enterprises, LLC will support and honor this same charity care policy.

CENTRAL ILLINOIS ENDOSCOPY CENTER, LLC

CHARITY CARE POLICY

- I. **Definitions.** Except as otherwise defined herein, capitalized terms as used in this Charity Care Policy (the "Policy") shall have the meanings set forth in Section VI.
- II. **Persons and Situations Applicable.** This Policy applies to individuals who may seek, or are offered Charity Care by Central Illinois Endoscopy Center, LLC (the "Company").
- III. **Disclosure of the Policy.** The Company shall advertise this Policy in different ways, including, but not limited to, in the following ways:
 - (A) **Posters.** The Company shall advertise the availability of Charity Care on poster-sized signage located in patient admission and waiting room areas. A toll-free phone number will be included.
 - (B) **Brochures.** The Company shall make available brochures outlining the Charity Care program, application process and toll-free telephone number at the patient registration desk and in the waiting room.
- IV. **Policy Statement.** The policy of the Company is to provide Charity Care on a non-discriminatory basis to persons in need based on federal poverty guidelines, enhanced by 100%. The Charity Care provided by the Company shall not serve to displace the separate charity care obligations of Methodist Medical Center of Illinois.
- V. **Procedure.**
 - (A) **Nondiscrimination.** Individuals who may seek, or are offered, Charity Care shall be objectively and fairly evaluated for eligibility, regardless of race, ethnic background, national origin, creed, or personal, political or sexual orientation.
 - (B) **Guidelines for Determining Eligibility.**
 1. If household income level is below 100% of the current Federal Poverty Guidelines, charity will be applied to the full balance owing on all non-elective Health Care Services provided to the individual.
 2. If household income level is equal to 100%, but less than 200%, of the current Federal Poverty Guidelines, charity will be applied to the balance owing on all non-elective Health Care Services provided to the individual as follows:

% of Federal Poverty Guideline	% of Services qualifying for Charity
100%	100%
110%	90%
120%	80%
130%	70%
140%	60%
150%	50%
160%	40%
170%	30%
180%	20%
190%	10%
200%	5%

3. Sections V (B)1 and V (B)2 above are merely guidelines to determine eligibility for Charity Care. The Board of Managers of the Company may waive these guidelines at any time. The Board of Managers also reserves the right to approve or deny an application for Charity Care based on its reasonable assessment of the applicable facts and circumstances. Non-cooperation of the individual and/or family, filing of false or misleading information or intentional withholding of pertinent information will preclude eligibility for Charity Care. Only citizens of the United States and those with Work Visas will be considered for Charity Care.

(C) Procedure for Determining Eligibility. The Company will follow the procedures set forth below to determine eligibility for Charity Care:

1. At the time of admission or registration, or where feasible, prior to entry into the health care environment, patient responsible parties who request Charity Care will be presented with a Financial Assistance Form.
2. The patient or responsible party may request a Finance Assistance Form and guidelines for Charity Care at any time, i.e. prior to or at

the time of admission/registration, upon receipt of final bill or first statement and at any point during the collection process.

3. Following receipt of a completed Financial Assistance Form, the Business Office Manager or his/her designee will interview the patient/responsible party to determine the need and eligibility for Charity Care.
4. The Company will determine eligibility for Charity Care:
 - (a) Upon completion of all information on the Financial Assistance Form; and
 - (b) Upon receipt of information verifying the accuracy of information documented on the Financial Assistance Form, i.e., copies of the current year's tax return, W-2 form or patient's social security summary benefits form.

(D) Delegation of Authority and Responsibility. The Company will delegate authority and responsibility to process and determine eligibility for Charity Care to the individuals within the Company identified below. The individuals to whom responsibility and authority are delegated shall be responsible for complete adherence to this Policy and to the collection and retention of records confirming their obtaining of all required information.

1. \$0 to \$2,000- Business Office Manager.
2. \$2,001 to \$20,000- Manager.
3. \$20,000+- President/Secretary Treasurer

(E) Notification of Determination. Notification of determination will be made to the patient/responsible party within forty-eight (48) hours of determination. Such determination shall be made in writing to the patient or responsible party.

(F) Supplementation and Modification of the Policy. This Policy shall be interpreted and, as necessary amended, by the Members of the Company to protect the interests of the Company and to comply with applicable law.

VI. Definitions.

"Charity Care" shall mean Health Care Services rendered due to the absence of sufficient financial resources to cover the costs of such Health Care Services without catastrophic affect upon the individual family in the absence of catastrophic health care coverage, and to those without third party insurance which precludes the ability of the individual to pay for such Health Care Services. Charges and services precluded from

consideration for Charity Care include private room, outpatient pharmaceuticals, elective procedures, services considered not medically necessary, services that could have been safely performed in another facility free of charge but were knowingly refused by the patient, services that could have been paid for by the Illinois Medicaid program but the patient failed to provide the information requested to enroll in Medicaid, procedures not covered by third party insurance despite being medically necessary due to the patient's failure to follow insurance payor guidelines and procedures (such as patient's failure to submit documentation for pre-certification or authorization) and any services not covered under Medicare and/or Medicaid within the State of Illinois, including supplies and equipment for home use as well as dental services.

"Health Care Services" shall mean non-elective, medically necessary endoscopy procedures provided by the Company to its patients.

This Policy has been reviewed and approved by the Members as of Nov. 25, 2008:

THE METHODIST MEDICAL CENTER OF
ILLINOIS

By: Dr. Michael Bryant
Name: W. Michael Bryant
Its: President & CEO

ILLINOIS GASTROENTEROLOGY
INSTITUTE, S.C.

By: [Signature]
Name: Scott Wu, M.D.
Its: President

Appendix A
Operating Agreement

OPERATING AGREEMENT

OF

CENTRAL ILLINOIS ENDOSCOPY CENTER, LLC.
an Illinois limited liability company

between

ILLINOIS GASTROENTEROLOGY INSTITUTE, S.C.
an Illinois professional corporation

and

THE METHODIST MEDICAL CENTER OF ILLINOIS
an Illinois not-for-profit corporation

Dated: November 25, 2008

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**OPERATING AGREEMENT
OF
CENTRAL ILLINOIS ENDOSCOPY CENTER, LLC.**

This **OPERATING AGREEMENT** (this "**Agreement**") of **CENTRAL ILLINOIS ENDOSCOPY CENTER, LLC.** (the "**Company**") is made and entered into on November 25, 2008 (the "**Execution Date**"), by and between **ILLINOIS GASTROENTEROLOGY INSTITUTE, S.C.**, an Illinois professional corporation ("**IGI**"), and **THE METHODIST MEDICAL CENTER OF ILLINOIS**, an Illinois not-for-profit corporation ("**MMCI**") (each, a "**Member**," and collectively, the "**Members**").

RECITALS

WHEREAS, the Members have established the Company as a limited liability company organized under and pursuant to the Illinois Limited Liability Company Act to own and operate a free-standing, single specialty, ambulatory surgery center to be located in a medical office building known as the "Illinois Medical Center" on the Peoria, Illinois, campus of the University of Illinois Medical School for the primary purpose of ensuring the availability and accessibility of ambulatory surgery services in the specialty of gastroenterology in a cost-effective and patient-friendly setting in Peoria, Illinois;

WHEREAS, the Members have determined that the Company will promote community health and fulfill a community need in furtherance of MMCI's charitable purposes because, among other reasons, the proposed ambulatory surgery center will expand the availability and accessibility of cost-effective ambulatory surgery services and related health care services in the specialty of gastroenterology to residents of Peoria, Illinois, and the surrounding areas, including the poor and indigent, will result in the more effective use of scarce health care manpower and will encourage further improvement in the quality of ambulatory surgery services; and

WHEREAS, the Members have entered into this Agreement in order to set forth the terms and conditions of their relationship, including those relating to the structure, governance, operation and management of the Company.

NOW, THEREFORE, for and in consideration of the foregoing Recitals, which form a part of this Agreement, the material terms, conditions and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Members, intending to be legally bound, hereby agree as follows:

ARTICLE 1

DEFINITIONS AND RULES OF INTERPRETATION

1.1 Defined Terms. Terms used in this Agreement which are not defined in a section of this Agreement have the meanings specified in Schedule 1.

1.2 Rules of Interpretation. References to Articles and Sections shall be to Articles and Sections of this Agreement unless otherwise specified, and all section references shall include all subsections subsidiary to the referenced section. Article and Section headings herein have been inserted for convenience of reference only, are not a part of this Agreement and shall not be used in interpreting this Agreement. Unless the context of this Agreement otherwise requires, (1) words using the singular or plural number also include the plural or singular number, respectively, (2) this Agreement includes all schedules attached hereto, all of which are incorporated herein by this reference, (3) the terms "hereof," "herein," "hereby" and derivative or similar words refer to the entire Agreement, (4) the masculine gender shall include the feminine and neuter, (5) references to Persons shall include natural persons, corporations, partnerships, limited liability companies, unincorporated associations and similar entities and bodies, (6) any reference to a law, an agreement or a document shall be deemed to also refer to any amendment, supplement or replacement thereof, and (7) whenever this Agreement refers to a number of days, the number shall refer to calendar days. This Agreement, to the extent that it is inconsistent with any other instrument or understanding between or among the parties governing the business and affairs of the Company, shall supersede such instrument or understanding to the fullest extent permitted by law.

ARTICLE 2

ORGANIZATIONAL AND OPERATIONAL MATTERS

2.1 Formation. The Company is a limited liability company, organized under and pursuant to, and in accordance with, the requirements of the Act.

2.2 Name. The Company shall operate and conduct its business and affairs under the name "Central Illinois Endoscopy Center, LLC" or such other name as the Members may from time to time adopt. The Board of Managers may adopt, and from time to time change, one or more assumed or fictitious names for the Company. The Board of Managers shall approve all uses of the legal, and assumed or fictitious, names of the Company, except for uses in the ordinary course of business. If a Member ceases to be a member of the Company, the remaining Member shall promptly change the legal, and assumed and fictitious, names of the Company, if necessary, so as not to be the same as or similar to any name associated with the Member that is no longer a member of the Company.

2.3 Principal Place of Business. For purposes of the Act, the principal place of business of the Company shall be as set forth in the Articles of Organization. The Members may change the Company's principal place of business from time to time by amending the Articles of Organization.

2.4 Registered Office and Agent. For purposes of the Act, the registered office and the registered agent of the Company shall be as set forth in the Articles of Organization. The Members may change the Company's registered office and registered agent of the Company from time to time by amending the Articles of Organization.

2.5 Business. The Company shall own the business and assets of the Center (including the improvements the Company makes to the space in which the Center will be

located), shall operate the Center as a going concern and shall otherwise engage in any lawful act for which limited liability companies may be organized under the Act that is necessary, desirable or incidental thereto and consistent with the terms of this Agreement.

2.6 Purpose. The Company shall promote and improve the health, welfare and well-being of the patient public in furtherance of charitable purposes by expanding the availability and accessibility of cost-effective high quality ambulatory surgery services and related health care services in the specialty of gastroenterology to a broad section of the community, including the poor and indigent. In the event that there is a conflict between the achievement of the purpose set forth herein and the ability of the Company to operate profitably, the Company shall pursue the purpose set forth herein as its paramount goal.

2.7 Powers. The Company shall have all powers necessary and/or desirable to carry out the business and purpose of the Company, to the extent the same may be legally exercised by limited liability companies under the Act.

2.8 Governing Principles.

(a) The Members and the Managers, jointly and separately, shall take all actions reasonably necessary that are within their respective authority and control to cause the Company to be and to remain in compliance with the terms and conditions of this Agreement applicable to each and both of them.

(b) The Members and the Managers, jointly and separately, shall take all actions reasonably necessary that are within their respective authority and control to cause the Company to conduct its business and operations in compliance with the charitable purposes of MMCI within the meaning of Section 501(c)(3) of the Code by promoting health for a broad section of the community, including the poor and indigent. However, neither the Members nor the Managers shall use as justification or support the governing principle embodied in this Section 2.8(b) to in any manner (1) amend this Agreement other than as otherwise provided, permitted or authorized herein; (2) interfere with the exercise of business judgment by the Board of Managers on behalf of the Company with respect to the quality of operations and reputation of the Center and compliance by the Company and the Center with current and future laws and regulations, provided and so long as the actions of the Company and/or the Center are consistent with the terms of this Agreement; (3) authorize payment of any sort to MMCI other than as provided, permitted or authorized under this Agreement or any of the other agreements entered into pursuant hereto; (4) grant to the detriment of the Company a competitive business advantage to MMCI or an Affiliate thereof; (5) change the respective Membership Interests or Percentage Interests of the Members, other than as provided, permitted or authorized hereunder, or (6) other than as otherwise permitted herein, take any other action that would specifically change the allocation of Net Profits and Net Losses as provided in this Agreement.

(c) The Members and the Managers, jointly and separately, shall take all actions reasonably necessary that are within their respective authority and control to cause the Company to conduct its business and operations in such a manner as (1) to not endanger or lose the federal tax exemption of MMCI under Section 501(c)(3) of the Code and (2) to minimize

MMCI's share of the Company's income and gain from being treated as unrelated business income under Section 512 of the Code.

(d) The Members and the Managers, jointly and separately, shall take all actions reasonably necessary that are within their respective authority and control to cause the Company to conduct its business and operations in a manner to ensure that the Company is treated as a partnership for federal income tax purposes.

(e) The Members and the Managers, jointly and separately, shall take all actions reasonably necessary that are within their respective authority and control to cause the Company to conduct its business and operations in compliance with the Corporate Compliance Plan, the Conflicts of Interest Policy and the Charity Care Policy of the Company.

(f) The Members and the Managers, jointly and separately, shall take all actions reasonably necessary that are within their respective authority and control to cause the Company to conduct its business and operations in a manner that promotes the health and well-being of the community and enhances the quality, availability, accessibility, convenience and access of ambulatory surgery services in the specialty of gastroenterology.

(g) A Member or a Manager shall not be deemed to be in breach of the duty of loyalty or other fiduciary duty it or he may owe to the Company, if it or he decides to not take an action which is inconsistent with the exempt purposes of MMCI or if it or he decides to take an action which furthers MMCI's exempt purposes over the profit-making motives of the Company, notwithstanding that such decision is not or may not be in the best interest of the Company.

2.9 Governing Plans and Policies.

(a) On the Execution Date, the Members shall adopt, and the Members and the Managers shall thereafter cause the Company to abide by and adhere to (1) the Corporate Compliance Plan attached to this Agreement at Exhibit A, as the same may be amended from time to time (the "**Corporate Compliance Plan**"); (2) the Conflicts of Interest Policy attached to this Agreement at Exhibit B, as the same may be amended from time to time (the "**Conflicts of Interest Policy**"); and (3) the Charity Care Policy attached to this Agreement at Exhibit C, as the same may be amended from time to time (the "**Charity Care Policy**").

(b) The Members shall monitor, and, if necessary, amend in accordance with the terms of this Agreement the Corporate Compliance Plan and the Conflicts of Interest Policy to ensure that they at all times comply with the standards articulated by the IRS for Section 501(c)(3) tax-exempt health care organizations.

(c) The Members shall monitor, and, if necessary, amend in accordance with the terms of this Agreement the Charity Care Policy to ensure that it at all times is consistent in scope, content and operation with the provisions of the charity care policy of MMCI applicable to the delivery of ambulatory surgery services, except that the multiples of the federal poverty level used to determine therein whether a patient qualifies for full or partial charity care may (to the extent permitted by law) be as low as one-half of the level prescribed by MMCI in its charity care policy for the same discount. Further, the Members, at the request of MMCI, shall amend the Charity Care Policy to comply with changes in the requirements of statutes, rules and

regulations, and agency interpretations applicable to Section 501(c)(3) tax-exempt health care organizations, but only to the extent necessary to ensure continued compliance with such requirements.

2.10 Implementation Documents.

(a) On the Execution Date, the Board of Managers shall approve, and, once executed by the other party thereto, shall cause the Company to sign and thereafter abide by and comply with (1) the Condominium Unit Lease by and between GI Realty, LLC, an Illinois limited liability company ("GI Realty"), and the Company, in substantially the form attached hereto at Exhibit D, as the same may be amended from time to time (the "ASC Lease"), pursuant to which GI Realty, as landlord, will lease to the Company, as tenant, the space in the Illinois Medical Center in which the Center will be located; (2) the Management Services Agreement by and between MMCI and the Company, in substantially the form attached hereto at Exhibit E, as the same may be amended from time to time (the "Management Agreement"), pursuant to which MMCI will provide to the Company specific and identified start-up and limited ongoing management services for and on behalf of the Center; and (3) the Medical Director Agreement by and between IGI and the Company, in substantially the form attached hereto at Exhibit F, as the same may be amended from time to time (the "Medical Director Agreement"), pursuant to which IGI will assign to the Center an IGI employed physician to provide specified medical director services for and on behalf of the Center.

(b) On the Execution Date, the Board of Managers shall approve, but neither the Company nor the other party thereto shall execute, (1) the Employee Lease Agreement by and between MMCI and the Company, in substantially the form attached hereto at Exhibit G, as the same may be amended from time to time (the "MMCI Employee Lease Agreement"), pursuant to which (if and when signed) MMCI will lease to the Company certain non-physician personnel required to operate the Center; and (2) the Employee Lease Agreement by and between IGI and the Company, in substantially the form attached hereto at Exhibit H, as the same may be amended from time to time (the "IGI Employee Lease Agreement"), pursuant to which (if and when signed) IGI will lease to the Company certain non-physician personnel required to operate the Center. Thereafter, if and when the Board of Managers decides the Company needs to lease non-physician personnel from either MMCI or IGI (or both), it shall cause the Company to sign, and the Member that is the other party thereto shall sign, the MMCI Employee Lease Agreement and/or the IGI Employee Lease Agreement, as applicable.

2.11 Compliance with Law. The Company shall conduct its business and affairs in compliance with all laws applicable to the Company and to the Members, including, without limitation, (1) the Medicare and Medicaid Patient and Program Protection Act of 1987, 42 U.S.C. 1320a-7b and (2) federal and state antitrust laws.

2.12 Governmental Requirements. The Company shall obtain and continuously maintain all licenses, permits, authorizations and approvals necessary to enable and entitle the Company to engage in its business and to conduct its operations, including, but not limited to, all provider numbers necessary to permit it to bill and collect facility fees for and on behalf of the Company. Unless otherwise required by law, all such licenses, permits, authorizations, approvals and numbers shall be issued in the name of and be the property of the Company.

2.13 Third Party Payors.

(a) The Company and the IGI employed physicians performing procedures in the procedure rooms of the Center shall participate as providers in the Medicare and Medicaid programs (the "Programs"), and shall accept the payment amounts (and any co-pay or deductible amounts) provided for under the Programs as payment in full for services rendered to Center patients by such Programs.

(b) The Company shall use commercially reasonable best efforts to participate in each contract that Methodist First Choice is a party to in which the services covered include the delivery of ambulatory surgery services, provided that the Board of Managers may elect not to participate in any programs that it deems, through the exercise of its reasonable business judgment and on the basis of objective information (to the extent available), to provide payment amounts or rates that are not market competitive and it notifies Methodist First Choice of its determination in accordance with the requirements of the contract between Methodist First Choice and the Company.

(c) MMCI shall not identify in any contract between it and Methodist First Choice, or between it and any third party payor health plan, any free-standing ASC located in Peoria, Tazewell or Woodford county as a participating provider for the delivery of the gastroenterology services that are, at the time of the execution of such contract, provided in the Center, other than the Center itself, the Endoscopy Center of MMCI and any ASC in which MMCI or an Affiliate of MMCI may hold an ownership, investment or financial interest pursuant to and in accordance with Section 17.3(d) or (e). Without limiting or expanding the meaning of the foregoing sentence, MMCI shall not identify as participating providers for the delivery of gastroenterology services (other than the occasional procedure such that in any twelve (12) consecutive calendar month period, no more than five percent (5%) of the total number of procedures performed therein are gastroenterology procedures) Peoria Day Surgery Center, Orthopedic Institute of Illinois, Soderstrom Skin Institute and any other ASC constructed and opened after the Execution Date in Peoria, Tazewell or Woodford county (other than an ASC in which MMCI or an Affiliate of MMCI may hold an ownership, investment or financial interest pursuant to and in accordance with Section 17.3(d) or (e).

2.14 Title to Assets. The Company shall hold in its name title to all assets acquired by it. The President and/or the Secretary-Treasurer shall execute, file and receive all documents as may be necessary to reflect the Company's ownership of Company assets in such public offices as may be required.

2.15 Compensation. The Company shall not pay the Member Representatives, the Managers or the Officers compensation for their services as such. The Board of Managers, by resolution, may authorize the Company to reimburse them the reasonable and necessary expenses they incur in performing their duties and responsibilities under this Agreement.

2.16 Activities of Representatives, Managers and Officers. Each Member Representative, Manager and Officer shall devote so much time to the business of the Company as he, acting as a reasonably prudent person, deems reasonably necessary for the proper performance of his duties and responsibilities under this Agreement.

2.17 No State Law Partnership. The Company shall not be a partnership, limited partnership, or joint venture, and neither Member shall be a partner or joint venturer of the other Member, for any purposes other than federal and state tax purposes. However, the Company shall comply with and conform to the Code and to the rules, regulations and opinions of the IRS so as to be treated as a pass through entity such as a partnership for income tax purposes and treatment.

2.18 Service Marks. The Company shall not make any use of the names, trademarks, service marks, logos, or symbols of a Member without the Member's prior written consent, which consent the Member may revoke at any time upon thirty (30) days' prior written notice to the Company. If a Member grants its written consent (the "**Consenting Member**"), the Company agrees that (1) the Company will not use the names, trademarks, service marks, logos, or symbols of the Consenting Member (a) in any manner which would disparage it or bring it into disrepute and (b) without accompanying marks indicating that the names, trademarks, service marks, logos, or symbols of the Consenting Member are registered or common law trade or service marks of the Consenting Member; (2) the Company will not adopt or utilize any names, trademarks, service marks, logos, or symbols which may be confusingly similar to the names, trademarks, service marks, logos, or symbols of the Consenting Member which are the subject of the written consent; and (3) upon the expiration or termination of the term of the written consent, which in no case shall be longer than the term of this Agreement, the Company shall (a) promptly discontinue all further use of the names, trademarks, service marks, logos or symbols of the Consenting Member unless a separate written agreement, expressly authorizing continued use of the same, is entered into by the Company and the Consenting Member and (b) promptly dispose of, by delivery to the Consenting Member, or by destruction, at the option of the Consenting Member, all materials, advertising, promotional materials, signs, labels and all other written materials bearing the names, trademarks, service marks, logos or symbols of the Consenting Member which are then in the possession or subject to the control of the Company. Each Member shall retain sole and exclusive ownership of its names, trademarks, service marks, logos and symbols, and any and all uses of the same by the Company shall inure to the exclusive benefit of the Member.

2.19 Term. The Company commenced as a limited liability company upon the issuance of the certificate of organization for the Company by the Secretary of State of Illinois and shall continue in perpetuity until terminated and dissolved as provided in Article 15, unless perpetuity prevents the IRS from treating the Company as a partnership for federal income tax purposes, in which event the Members shall amend the Articles of Organization and this Agreement to amend the term of the Company for the maximum period allowed by law.

2.20 Manager-Managed Company. The Company shall be a "Manager-managed Company" as that term is defined in the Act.

2.21 Limitation of Liability. No Person who is a Member, Member Representative, Manager, Officer, employee or agent of the Company or who or which holds any one or more of such capacities shall be personally liable under any judgment, decree or order of a court, or in any other manner, for any contract, debt, obligation, or liability of the Company (whether arising in contract, tort, or otherwise) or for the acts or omissions of any other Member, Member Representative, Manager, Officer, employee or agent (whether arising in contract, tort or

otherwise) solely by reason of being or acting as a Member, Member Representative, Manager, Officer, employee or agent of the Company or in any one or more of such capacities.

2.22 Superceder. The provisions of this Agreement shall control in the event of a conflict between the Act, the Articles of Organization and this Agreement, unless any such provision is expressly prohibited by the Act or the Articles of Organization, in which case the Act or the Articles of Organization, as the case may be, shall control.

2.23 Recruitment. Subject to, and consistent with, the requirements of law, MMCI and IGI will collaborate in the recruitment of additional gastroenterologists who specialize in adult gastroenterology as necessary to meet community need, as demonstrated through the type of independent third party data typically used by tax-exempt hospitals in community need assessments, for the following Illinois counties: Peoria, Tazewell, Fulton, Marshall, Stark and Woodford. The Members, at the election of either, shall jointly conduct or cause to be conducted a community need assessment, the cost of which they shall share equally. To the extent community need for additional gastroenterologist(s) who specialize in adult gastroenterology is demonstrated within this six-county area, IGI (and not MMCI, an MMCI Affiliate or any independent third party in collaboration with MMCI) shall have the first option to recruit such needed specialists. IGI, if at all, shall exercise its first option by giving MMCI written notice of its decision to exercise the same within thirty (30) days after the date on which the Members receive the data demonstrating community need. If IGI declines to exercise its first option or if IGI is unable to successfully recruit within a reasonable period of time (not to exceed 180 days from the date it exercises its first option), MMCI will then have the ability to directly recruit or to collaborate with a third party in recruiting such additional specialists to the six-county area.

ARTICLE 3

MEMBERS AND INTERESTS

3.1 Members and Interests.

(a) The Members are the Persons executing this Agreement on the Execution Date. Each Member holds a Membership Interest in the Company, with the rights, duties and obligations set forth in the Act and this Agreement.

(b) Schedule 2 sets forth the name, address and Percentage Interest of each Member. The Members shall amend Schedule 2 from time to time as may be necessary to reflect the transfer or redemption of Membership Interests, the admission of new, additional or substitute Members, or any failure by a Member to pay any additional Capital Contribution that may be approved by the Members.

3.2 Representations and Warranties.

(a) Each Member hereby represents and warrants to the Company and to each other that (1) if it is a corporation, it is duly incorporated, validly existing and in good standing under the laws of the state of its incorporation and is duly qualified and in good standing as a foreign corporation in the jurisdiction of its principal place of business if not incorporated therein; (2) if it is a limited liability company, it is duly organized, validly existing and, if

applicable, in good standing under the laws of the state of its organization and is duly qualified and, if applicable, in good standing as a foreign limited liability company in the jurisdiction of its principal place of business if not organized therein; (3) if it is a partnership, trust or other entity, it is duly formed, validly existing and, if applicable, in good standing under the laws of the state of its formation and, if required by law, is duly qualified to do business and, if applicable, in good standing in the jurisdiction of its principal place of business if not formed therein, and the representations and warranties in clause (1), (2), or (3), as applicable, are true and correct with respect to each partner, other than limited partners, trustees or other member thereof; (4) it has full corporate, limited liability company, partnership, trust or other applicable power and authority to execute and agree to this Agreement and to perform its obligations hereunder and all necessary actions by the board of directors, shareholders, managers, members, partners, trustees, beneficiaries, or other Persons necessary for the due authorization, execution, delivery and performance of this Agreement by it have been duly taken; (5) it has duly executed and delivered this Agreement; (6) its authorization, execution, delivery and performance of this Agreement and its obligations hereunder do not conflict with or are not in breach of any other material agreement or arrangement to which it is a party or by which it is bound; (7) it is aware that the Membership Interests have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or any applicable state securities laws, and that the Company has no obligation or current intention to register the Membership Interests thereunder; (8) it is aware that the Company is issuing the Membership Interests in reliance on exemptions from registration under the Securities Act and applicable state securities laws and that the Membership Interests may not be resold without registration thereunder or pursuant to an exemption therefrom; and (9) it is an "accredited investor" as defined in Rule 501 promulgated under the Securities Act and is purchasing the Membership Interest solely for investment purposes and not with a view to resale.

(b) The Members acknowledge and agree that the Company's business and operations are subject to various state and federal laws regulating relationships between and among sources of referrals for health care goods and services, including the relationship established between the Members and the Company pursuant to this Agreement. These laws include 42 U.S.C. § 1320a-7(b) (the "Fraud and Abuse Statute"), 42 U.S.C. § 1395 nn (the "Stark Law"), 740 I.L.C.S. § 92/et seq. (the "Insurance Claims Fraud Prevention Act") and 305 ILCS 5/8A-16 (the "Anti-Kickback Statute"). It is the intent of the Members that the Company operate in a manner consistent with the foregoing statutes. Accordingly, each Member represents and warrants to the Company and to the other Member that (1) it has not entered into this Agreement, and has not provided or been provided remuneration, with the intent to induce the referral of Medicare, Medicaid or other third party payor items or services to any other Person, including a Member, the Company or any Affiliate of a Member; (2) no Person has requested information from it regarding its ability to refer Medicare, Medicaid or other third party payor items or services; (3) no Member has lent money to it for the purpose of permitting investment herein; and (4) it has not been encouraged to invest in the Company based on its ability to direct referrals to the Company, the Members, their Affiliates or other entities. Each Member covenants and agrees that it will comply with the Stark Law and will endeavor in good faith to comply with the Insurance Claims Fraud Prevention Act, the Anti-Kickback Statute and the Fraud and Abuse Statute and the safe harbors thereunder.

3.3 Member Representatives. Each Member shall appoint one individual to represent it in all matters and to vote its Membership Interest (the "Member Representative"). Each Member may also select an alternate to serve in the Member Representative's stead if for any reason the Member Representative is unable to fulfill his duties. The Member Representative or his alternate shall attend all Member meetings. Each Member Representative and his alternate shall serve at the pleasure of the Member that appointed them and may be removed, with or without cause, only by the appointing Member. "Member Representative", as used herein, shall include the alternate of the Member Representative.

3.4 Term of Member Representative. Each Member Representative shall serve until his removal, resignation or death. The term of a Member Representative shall automatically and immediately end when and if the Member that appointed him ceases to be a member of the Company.

3.5 Removal and Resignation. The Member that appoints a Member Representative alone shall have the right to remove him at any time, with or without cause. However, without limiting the generality of the foregoing, a Member shall remove a Member Representative that it appoints if the Member Representative is excluded, disbarred or suspended from participating in any federal or state health care program. A Member Representative may resign at any time by giving his written resignation to the President or Secretary-Treasurer. The resignation shall be effective without acceptance when it is actually received by the President or Secretary-Treasurer unless a later effective time is specified in the resignation.

3.6 Vacancies. The Member that appoints a Member Representative alone shall have the right to fill a vacancy in the office of the Member Representative it appointed. The Member shall promptly, and in any case within five (5) days after the occurrence of the vacancy, fill the vacancy. During such five (5) day period, the Members, in their capacity as Members, shall take no action. The individual appointed to fill a vacancy shall serve until removed by the Member that appointed him or until his death or resignation.

3.7 Authority of Members.

(a) The Members alone shall have the sole and exclusive authority to take the actions set forth below in this Section 3.7(a) and no other actions unless otherwise required by law or expressly authorized by this Agreement. The Members shall take the actions set forth below only if the Members approve the action by the affirmative vote of the Member Representatives representing in the aggregate one hundred percent (100%) of the Percentage Interests:

- (1) Adopt, amend, repeal and/or restate the Articles of Organization.
- (2) Adopt, amend, repeal and/or restate this Agreement.
- (3) Adopt, amend, repeal and/or restate the Corporate Compliance Plan.

(4) Adopt, amend, repeal and/or restate the Conflicts of Interest Policy.

(5) Adopt, amend, repeal and/or restate the Charity Care Policy.

(6) Call for additional Capital Contributions from each Member.

The Company shall not, directly or indirectly, undertake any of the actions set forth in this Section 3.7(a) unless the Members approve the actions as provided herein. If and when the Members approve an action as provided herein, the Members, the Board of Managers and the Officers, as appropriate, shall take all actions reasonably necessary to effect the approved action.

(b) No Member, in its individual capacity as a Member, shall have the authority or power to act for or on behalf of the Company, to do any act that would bind the Company, or to incur any expenditure on behalf of the Company except as expressly provided in this Agreement or in a separate agreement signed by the Members. Notwithstanding any contrary provision of this Agreement, any Member that takes an unauthorized action and binds the Company in violation of this Article shall be solely responsible for any loss and expense incurred by the Company or the other Member as a result of the unauthorized action and shall indemnify and hold the Company and the other Member harmless with respect to the loss or expense.

(c) This Section 3.7 supersedes any authority granted to the Members pursuant to Section 15.1 of the Act.

3.8 Nature of Interest. The Membership Interest of each Member shall be personal property for all purposes. No Member and no successor, representative or assign of a Member, shall have any right, title or interest in or to the property of the Company.

3.9 Member Withdrawal. Between the Execution Date and the tenth (10th) anniversary of the Execution Date, neither Member may voluntarily withdraw or resign as a member of the Company without the prior written consent of the other Member. If a Member withdraws or resigns with the consent of the other Member, the terms of the withdrawal or resignation shall be as agreed to by the Members. After the tenth (10th) anniversary of the Execution Date, either Member may withdraw or resign by giving the Company and the other Member one hundred and twenty (120) days' prior written notice of its intent to withdraw, in which event either (1) the Company and the other Member shall each have the option to purchase the withdrawing Member's Membership Interest, as more fully described in Article 14 or (2) if the Company and the other Member elect not to exercise their respective option, the Company shall be dissolved and its affairs wound up, as more fully described in Article 15.

3.10 Member Transactions. Nothing in this Agreement shall be construed to prohibit the Company from entering into contracts and agreements with a Member or an Affiliate of a Member, provided that payments for products or services or repayments of loans provided or

rendered by the Member or an Affiliate of the Member are on terms generally no less favorable to the Company than those that could be obtained from independent third parties.

3.11 Covenant Against Liens. Other than as provided in Section 8.6, no Member shall cause or permit any lien or encumbrance of any kind whatsoever, whether created by the act of the Member, operation of law or otherwise, to attach to or be placed on its Membership Interest.

3.12 Independent Activities. Except as otherwise provided in Article 17, the Members may invest in or possess an interest in other business ventures including ventures whose operations are competitive with those of the Company.

3.13 Tax Exemption. The Members shall not knowingly take, or cause the Company to take, any action that would jeopardize the tax-exempt status of MMCI or its Affiliates.

ARTICLE 4

BOARD OF MANAGERS

4.1 General Powers and Duties. The Company shall be a "Manager managed Company" as that term is defined in the Act; and the Board of Managers shall serve as the "governing body" of the Company for purposes of applicable law. Except for the powers expressly retained by the Members in this Agreement, the Board of Managers shall exercise the powers of the Company, shall conduct the business and affairs of the Company, and shall manage the property of the Company. Without limiting the generality of the foregoing, the Board of Managers shall have the power and authority to act for and to bind the Company, and, subject to obtaining any necessary approvals hereunder, to execute and deliver contracts, instruments, filings, notices, certificates and other documents of whatsoever nature on behalf of the Company.

4.2 Composition of the Board of Managers. The Board of Managers shall be composed of five (5) individuals (the "Managers"). The Member holding a Percentage Interest equal to fifty-one percent (51%) or more (the "Majority Member") shall (if and for so long as it holds the same) appoint three (3) of the five (5) Managers (the "Majority Member Managers"); conversely, the Member holding a Percentage Interest equal to forty-nine percent (49%) or less (the "Minority Member") shall (if and for so long as it holds the same) appoint two (2) of the five (5) Managers (the "Minority Member Managers").

4.3 Term of Managers. Each Manager shall serve until his removal, resignation or death. The term of a Manager shall automatically and immediately end when and if the Member that appointed him ceases to be a Member of the Company.

4.4 Removal and Resignation. The Member that appoints a Manager alone shall have the right to remove him at any time, with or without cause. However, without limiting the generality of the foregoing, a Member shall remove a Manager that it appoints if the Manager is excluded, disbarred or suspended from participating in any federal or state health care program. A Manager may resign at any time by giving his written resignation to the President or Secretary-Treasurer. His resignation shall be effective without acceptance when it is actually

received by the President or Secretary-Treasurer unless a later effective time is specified in the resignation.

4.5 Vacancies. The Member that appoints a Manager alone shall have the right to fill a vacancy in the office of the Manager it appointed. The Member shall promptly, and in any case within five (5) days after the occurrence of a vacancy, fill the vacancy. During such five (5) day period, the Board of Managers shall take no action.

4.6 Act of the Board of Managers.

(a) Except as otherwise provided in Section 3.7(a) and this Section 4.6, the Board of Managers may take action at a meeting of the Board of Managers duly called and held if it approves the action by the affirmative vote of (i) three (3) out of five (5) Managers if all five (5) Managers are entitled to vote under the Conflicts of Interest Policy; (ii) three (3) out of five (5) Managers if only three (3) Managers are entitled to vote under the Conflicts of Interest Policy, irrespective of whether the three (3) Managers who are entitled to vote are appointed by the same Member; or (iii) two (2) out of five (5) Managers if only two (2) Managers are entitled to vote under the Conflicts of Interest Policy, irrespective of whether the two (2) Managers who are entitled to vote are appointed by the same Member. Except as otherwise provided in Section 2.8, each Manager shall act in the best interest of the Company when acting in his capacity as a Manager even if such action is not in the best interests of the Member that appointed him.

(b) Provided however, notwithstanding anything to the contrary in Section 4.6(a), the Board of Managers may take the actions listed or described in this Section 4.6(b) only if the Board of Managers, at a meeting of the Board duly called and held, approves the action by the affirmative vote of four (4) Managers entitled to vote under the Conflicts of Interest Policy:

(1) Merge the Company with or consolidate the Company into another entity.

(2) Dissolve, liquidate or reorganize the Company.

(3) Sell, assign or otherwise transfer all or substantially all of the Company's assets in one or more related transactions.

(4) Admit additional Persons as Members, and/or create and issue additional Membership Interests.

(5) Incur Debt on behalf of the Company if the principal amount of the total Debt of the Company, including the Debt to be incurred, exceeds Two Million Five Hundred Thousand Dollars (\$2,500,000) at the time of the incurrence of the new Debt.

(6) Approve the annual and long-term operating and capital budgets of the Company, and any changes to the operating budget initially approved by the Board of Managers for the then applicable Fiscal Year if the changes (together with any previously approved changes) would result in a change in the operating

*All Items
listed Require
(4) Yes
To Pass*

budget in excess of ten percent (10 %) when compared to the operating budget initially approved by the Board of Managers for the Fiscal Year or any changes to the capital budget initially approved by the Board of Managers for the then applicable Fiscal Year if the changes (together with any previously approved changes) would result in a change in the capital budget in excess of ten percent (10%) when compared to the capital budget initially approved by the Board of Managers for the Fiscal Year.

(7) Distribute to the Members any of the Company's cash, including Distributable Cash, other than the annual distribution of Distributable Cash pursuant to Section 10.1.

(8) Except as otherwise provided herein, enter into, amend, renew or terminate any contract, agreement or lease between the Company and a third party (including a Member or an Affiliate of a Member (other than a contract or agreement involving the purchase of goods or services entered into the ordinary course of business consistent with past practice and customs and having a value of less than Five Thousand Dollars (\$5,000)).

(9) Acquire, dispose of, expand or relocate the health care facilities of the Company.

(10) Cause the Company to file for, or seek protection under, federal and/or state Bankruptcy laws.

(11) Mortgage, pledge, grant a security interest in or otherwise encumber all or substantially all of the assets of the Company.

(12) Engage or retain for or on behalf of the Company an auditing firm or a law firm.

(13) Arbitrate, compromise, sue, defend, abandon or otherwise settle an uninsured claim or dispute between the Company and a third party (other than a Member or an Affiliate of a Member).

(14) Modify, deviate from, or cease to use GAAP (and the accrual method of accounting) in preparing and maintaining the books, records and accounts of the Company, in determining all items of Company income, expense, gain, loss, deduction and credit, and in preparing all financial statements of the Company.

(15) Appoint and remove the Officers and assistant officers of the Company, and assign to them duties and

*CIEC ?
Unlike I&I,
utilizes accrual
based acctg.*

responsibilities in addition to the duties and responsibilities assigned to them in this Agreement.

(16) Adopt, amend, repeal and/or restate the Bylaws, rules and regulations, and policies and procedures, of the Center and of the Medical Staff of the Center.

(17) Approve the types of services to be offered at the Center, and any changes thereto, including expansion, modification, contraction and elimination.

(18) Appoint, terminate, evaluate, determine the salary and benefits of and establish the duties and responsibilities of the Executive Director.

(19) Take the actions or make the decisions described as being taken or made by the Board of Managers in Sections 8.3(b), 8.4, 11.4(a) and 11.4(c) and in the definition of "Carrying Value."

(c) Provided further, however, notwithstanding anything to the contrary in Section 4.6(a), MMCI, in the name of and on behalf of the Company, may unilaterally take the actions listed in this Section 4.6(c), if the Managers appointed by MMCI, at a meeting of the Board of Managers, duly called and held, unanimously approve the action: (1) terminate the ASC Lease on the grounds set forth therein or otherwise enforce the Company's rights thereunder; (2) terminate the Medical Director Agreement "for cause" (as defined therein) or otherwise enforce the Company's rights thereunder; or (3) terminate the IGI Employee Lease Agreement "for cause" (as defined therein) or otherwise enforce the Company's rights thereunder.

(d) Provided further, however, notwithstanding anything to the contrary in Section 4.6(a), IGI, in the name of and on behalf of the Company, may unilaterally take the actions listed in this Section 4.6(d), if the Managers appointed by IGI, at a meeting of the Board of Managers, duly called and held, unanimously approve the action: (1) terminate the Management Agreement "for cause" (as defined therein) or otherwise enforce the Company's rights thereunder; or (2) terminate the MMCI Employee Lease Agreement "for cause" (as defined therein) or otherwise enforce the Company's rights thereunder.

4.7 Opposition to Action of Board of Managers. If the Managers appointed by either Member unanimously oppose any action of the Board of Managers as contrary to or inconsistent with the exempt purposes of MMCI, the Managers may give written notice of their opposition to the Board of Managers, particularly describing the nature of their opposition and proposing an alternate action (if any) that they desire the Board of Managers to take in lieu of such action. Upon delivery of the written notice, the Company shall not take any further action to implement the opposed action until and unless the Members submit the matter for resolution in accordance with the process identified in Article 18.

ARTICLE 5

MEETINGS OF THE MEMBERS AND BOARD OF MANAGERS

5.1 Meetings.

(a) The Members shall hold an annual meeting on the date, and at the time and place in Peoria, Illinois, determined by the President, to review the prior year's operations, to discuss operations for the coming year, and to take up such other matters as may be properly raised at the meeting. The Members may hold special meetings for any purpose or purposes on the date, and at the time and place in Peoria, Illinois, determined by the President at the call of the President or either Member.

(b) The Board of Managers shall hold an annual meeting on the date, and at the time and place in Peoria, Illinois, determined by the President. The Board of Managers shall hold regular meetings at least quarterly, on the date, and at the time and place in Peoria, Illinois, determined by the President. The Board of Managers may hold special meetings for any purpose or purposes on the date, and at the time and place in Peoria, Illinois, determined by the President at the call of the President or any two (2) Managers.

5.2 **Notice of Meetings.** Unless otherwise required by law or provided by this Agreement, the President shall give written notice of each meeting of the Members and each meeting of the Board of Managers, stating the date, time and place and, in the case of a special meeting, the purpose or purposes of the meeting, not less than ten (10) days and not more than fifty (50) days prior to the meeting to each Member Representative or Manager (as applicable) entitled to vote at such meeting. The business transacted at a special meeting shall be limited to the purpose or purposes stated in the notice of such meeting. The notice required hereunder may be given: (1) by hand delivery to the residence or usual place of business of the intended recipient, (2) by mail, postage prepaid, and addressed to the intended recipient at his address as it appears in the records of the Company, or (3) by facsimile or electronic mail transmission to the intended recipient's usual place of business. If mailed, the notice shall be deemed to be delivered two (2) days following the date deposited in the United States mail properly addressed, with postage therein prepaid. If notice is given by facsimile or electronic mail transmission, the notice shall be deemed given upon confirmation of receipt.

5.3 **Waiver of Notice.** A Member Representative or a Manager may waive notice of the date, time, place and purpose or purposes of a meeting. A waiver of notice by a Member Representative or Manager entitled to notice is effective, whether given before or after the meeting, if such notice is given in writing. If a written waiver is given, the President shall place the written waiver in the records of the Company. Attendance by a Member Representative or a Manager at a meeting shall be a waiver of notice of that meeting, except where the Member Representative or the Manager objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened or objects before a vote on an item of business because the item may not lawfully be considered at that meeting and does not participate in the consideration of the item at the meeting. The President shall note the objection in the minutes of the meeting.

5.4 Adjournments. The Member Representatives (by the affirmative vote of the Member Representatives representing in the aggregate at least eighty percent (80%) of the Percentage Interests) or the Managers (by the affirmative vote of at least four (4) Managers) may adjourn any meeting from time to time to another date, time and place. If a meeting is so adjourned, no notice of the adjourned meeting need be given if the date, time and place at which the meeting will be reconvened are announced at the time of adjournment.

5.5 Electronic Communication. A Member Representative or a Manager may participate in a meeting by any means of communication through which the Member Representative or Manager, and the other Member Representative or other Managers so participating and all Member Representatives or Managers physically present at the meeting may simultaneously hear each other during the meeting. A Member Representative or Manager participating in a meeting by this means shall be deemed to be present in person at the meeting and the minutes may reflect such.

5.6 Action Without A Meeting.

(a) The Member Representatives may take any action required or permitted to be taken at a meeting of the Members without a meeting by action by written consent if (1) one or more written instruments evidencing a waiver of acting at a meeting are signed by the Member Representative of each Member entitled to vote on such matter and (2) one or more written consents approving such action are signed by the Member Representative of each Member which owns a Membership Interest with voting power equal to the voting power that would be required to take the same action at a meeting of the Members at which all Membership Interests are represented. Action taken under this Section shall be effective when the last Member Representative required herein to sign the waiver and the written consent, signs the waiver and the written consent, unless a different effective time is provided in the instrument evidencing the written consent itself. The record date for determining the Members entitled to take action without a meeting is the date the first Member Representative signs the written consent provided herein for such corresponding action.

(b) The Managers may take any action required or permitted to be taken at a meeting of the Board of Managers without a meeting by action by written consent if (1) one or more written instruments evidencing a waiver of acting at a meeting are signed by all the Managers entitled to vote on such matter and (2) one or more written consents approving such action are signed by at least the number of Managers entitled to vote on such matter that would be required to take the same action at a meeting of the Board of Managers. Action taken under this Section shall be effective when the last Manager required herein to sign the waiver and the written consent, signs the waiver and the written consent, unless a different effective time is provided in the instrument evidencing the written consent itself. The record date for determining the Managers entitled to take action without a meeting is the date the first Manager signs the written consent provided herein for such corresponding action.

5.7 Quorum.

(a) The attendance of the Member Representative of each Member shall constitute a quorum for the transaction of business at a meeting of the Members, unless there has

been no quorum at the three (3) preceding duly called meetings of the Members due to the absence of the Member Representative of the same Member, in which case the Member Representative of that Member shall not be required for a quorum.

in fully -
5 Managers
or Board

(b) The attendance of at least four (4) Managers shall constitute a quorum for the transaction of business at a meeting of the Board of Managers, unless there has been no quorum at the three (3) preceding duly called meetings of the Board of Managers due to the absence of the Managers of the same Member, in which case the Managers of that Member shall not be required for a quorum.

ARTICLE 6

OFFICERS AND EXECUTIVE MANAGEMENT

6.1 Number and Designation of Officers. The Officers of the Company shall be a President and a Secretary-Treasurer. The Board of Managers may appoint such other assistant officers as it deems necessary for the operation and management of the Company, with such powers, rights, duties and responsibilities as it may specify. The offices of President and Secretary-Treasurer shall each alternate on an annual basis between an IGI appointed Manager and a MMCI appointed Manager. The first President shall be an IGI appointed Manager and the first Secretary-Treasurer shall be a MMCI appointed Manager.

6.2 Officer Appointment. The Board of Managers shall appoint the President and Secretary-Treasurer at the first meeting of the Board of Managers after the Execution Date, at each annual meeting of the Board of Managers thereafter, or at a special meeting of the Board of Managers called for the purpose of filling a vacancy in the office of President or Secretary-Treasurer.

6.3 Term. The President and Secretary-Treasurer shall each hold office for a term of one year ending on the date of the next annual meeting of the Board of Managers, or until his earlier removal, resignation or death.

6.4 Removal and Resignation.

(a) The Board of Managers may remove the President or Secretary-Treasurer from office, with or without cause, at any time.

(b) The President or Secretary-Treasurer may resign at any time by giving his written resignation to the other. His resignation shall be effective without acceptance when it is actually received by the President or Secretary-Treasurer, as the case may be, unless a later effective time is specified in the resignation.

6.5 Vacancies. The Board of Managers may fill a vacancy in either Officer position because of death, resignation, removal or any other cause in accordance with Section 6.2 for the unexpired portion of the Officer's term.

6.6 Duties of President. The President shall serve as chair of, and shall fix the place, time and date of, shall give written notice of, shall preside at and conduct, and shall cause

minutes to be kept of, all meetings of, the Board of Managers and, in general, shall perform all duties as from time to time may be assigned to him by this Agreement or by the Board of Managers. The President shall have the power, authority and right to take the actions expressly delegated to him in this Agreement without obtaining the consent or approval of the Members or the Board of Managers.

6.7 Duties of Secretary-Treasurer. In the absence of the President or in the event of his inability or refusal to act, the Secretary-Treasurer shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions placed upon the President. The Secretary-Treasurer shall perform all other duties as from time to time may be assigned to him by this Agreement or by the Board of Managers.

6.8 Attorney-in-Fact. Each Member hereby constitutes and appoints each of the President and the Secretary-Treasurer as its true and lawful representative and attorney-in-fact, in its name, place and stead, to make, execute and file (as appropriate) (1) contracts, agreements and leases between the Company and a third party (including a Member or an Affiliate of a Member) that the Board of Managers approves in accordance with the terms of this Agreement and (2) instruments, documents and certificates that the Company is required to execute and/or file by law.

6.9 Executive Management.

(a) The Company shall have an Executive Director, who shall have the duties and responsibilities approved by the Board of Managers. The Executive Director shall not be an Officer, as that term is used in this Agreement.

(b) The Board of Managers shall appoint the Executive Director from nominations submitted to it by the Members.

(c) The Executive Director may resign at any time by giving his written resignation to the President or Secretary-Treasurer. His resignation shall be effective without acceptance when it is actually received by the President or Secretary-Treasurer unless a later effective time is specified in the resignation.

ARTICLE 7

COMMITTEES

7.1 Committees of the Board of Managers. The Board of Managers may establish standing and special committees as it may deem appropriate. Except as otherwise provided in this Article, standing and special committees shall serve only in an advisory capacity to the Board of Managers and shall have no legal authority to act for the Company, but shall report their findings and recommendations to the Board of Managers. Except as otherwise provided in this Article, the Board of Managers may determine the manner of conducting committee business, whether at a meeting or otherwise, and the number of committee members required to take specified types of action.

7.2 Committee Appointments. The Board of Managers shall appoint the members and the chair of each committee. The chair of a committee shall be a member of the committee of which he is chair. Committees shall meet as frequently as may be necessary or appropriate to fulfill their assigned duties. Committee chairs shall preside at, and shall fix the place, time and date of, committee meetings. Special committee meetings may be called by or at the request of the President, the chair of the committee, or any two (2) Managers, upon proper notice of the same to the members of such committee. The Board of Managers may remove any member of a committee, with or without cause.

7.3 General Provisions. The chair of each committee shall keep or cause to be kept the minutes and records of the meetings of the committee of which he is chair. The chair of each committee shall in the case of a special meeting of the committee give notice of the meeting to the members of the committee at least forty-eight (48) hours in advance in person or by telephone, facsimile, overnight mail or electronic mail transmission or telegram, or at least five (5) days in advance by mail. A committee may at its first meeting schedule regular meetings to be held during the ensuing year. A list of regularly scheduled meetings of any committee shall be sent to all committee members not present at the meeting at which such regular meetings were scheduled, and no further notice of those meetings shall be required. At a committee meeting, a quorum shall be a majority of the total number of members of the committee. When a quorum is present, the vote of a majority of the committee members present and voting may decide any question brought before the meeting, unless a different vote is required by the rules of the committee. A committee may adopt rules and regulations concerning the conduct of its affairs as it may determine to be desirable and which are not inconsistent with this Agreement.

7.4 Physician Quality Committee.

(initially -
11 members
will come
from IGI)

(a) The Board of Managers shall establish and appoint a Physician Quality Committee. Membership on the Physician Quality Committee shall be in compliance with the rules and regulations for ambulatory surgery centers issued by the Illinois Department of Public Health (the "Rules and Regulations"). Unless inconsistent with the Rules and Regulations, the Physician Quality Committee shall consist of not less than three (3) physicians who are members in good standing on the Medical Staff of the Center, and may include at least one (1) physician who is neither a shareholder nor an employee of IGI if and when the Medical Staff of the Center includes physicians who are not shareholders or employees of IGI. The members of the Physician Quality Committee may, but need not, be Managers. The Medical Director referenced in Section 2.10 shall serve as the Chairperson of the Physician Quality Committee and shall be counted in determining the size and composition of the Physician Quality Committee.

(b) The Physician Quality Committee shall have the duties and responsibilities of the Consulting Committee as specified in the Rules and Regulations. Without limiting the generality of the foregoing, but subject to the terms and conditions of this Agreement and the ultimate authority and approval of the Board of Managers, the Physician Quality Committee shall approve all surgical procedures to be performed in the Center; shall review the development and content of the written policies and procedures of the Medical Staff of the Center, the procedures for granting privileges within the Center, and the quality of the surgical procedures performed at the Center; shall act as a tissue committee and review at least quarterly pathological reports from procedures performed by each physician on the Medical Staff of the

Center; shall act as a credentials committee and shall grant specific surgical practice privileges; and shall establish standards for professional work in the Center and standards of competency for physicians on the Medical Staff of the Center designed to achieve and maintain high standards of professional practice and the delivery of the highest quality medical services. The Physician Quality Committee, in its sole discretion, may recommend to the Board of Managers that the Board appoint or retain a special consultant to review and to audit the policies and procedures of the Medical Staff and provide the Company with a Performance and Quality Improvement Plan.

(c) The Physician Quality Committee shall meet not less than quarterly and shall document all meetings with written minutes.

(d) A majority of the members of the Physician Quality Committee shall be required for a quorum and the affirmative vote of a majority of the members of the Physician Quality Committee shall be required for the Physician Quality Committee to take action. A member of the Physician Quality Committee may participate in a meeting by any means of communication through which the member and the other members of the Physician Quality Committee may simultaneously hear each other during the meeting. Each member of the Physician Quality Committee shall be entitled to vote on each matter before the Committee (unless he or she is prohibited from voting pursuant to the Conflict of Interest Policy), and such votes shall be non-cumulative. Each member of the Physician Quality Committee shall exercise his responsibility and duties to the Company with the highest level of fiduciary duty of care and loyalty to the Company and will take all actions and cast all votes in good faith consistent with such duties.

(e) The Board of Managers may remove a member of the Physician Quality Committee, with or without cause. A member of the Physician Quality Committee may resign at any time by giving his written resignation to the President or Secretary-Treasurer. His resignation shall be effective without acceptance when it is actually received by the President or Secretary-Treasurer unless a later effective time is specified in the resignation.

ARTICLE 8

CAPITALIZATION

8.1 Initial Capital Contribution. Not later than sixty (60) days after the Execution Date, on a date mutually agreed to by the Members, each Member shall contribute cash to the Company in the amount set forth opposite the Member's name on Schedule 2 under the column entitled "Initial Capital Contribution", in return for which the Company shall issue to the Member the number of Membership Interests set forth opposite the Member's name on Schedule 2.

8.2 Additional Capital Contributions.

(a) The Members alone shall have the sole and exclusive authority to request the Members to make additional Capital Contributions to the Company. The Members shall exercise their authority by giving written notice to the Members, stating the total amount of the additional Capital Contribution required, the reason for the additional Capital Contribution, each

Member's proportionate share of the total additional Capital Contribution required, the method and form of payment, the bank account into which the Capital Contribution is to be deposited or wired, and the date on which the additional Capital Contribution is due and owing, which date may be no earlier than thirty (30) days following the date on which the Members gives the written call notice.

(b) A Member's share of the total additional Capital Contribution shall be equal to the product obtained by multiplying the Member's Percentage Interest times the total amount of the additional Capital Contribution required.

(c) A Member (the "Delinquent Member") shall be deemed to be in material breach of this Agreement if it fails to make to the Company its pro rata share of the additional Capital Contribution in the form, in the amount, and by the date specified in the written notice of the Members.

(d) The Company, by the action of the non-Delinquent Member, may exercise, on written notice to the Delinquent Member, one or more of the following remedies:

(1) The Company may purchase, or permit the non-Delinquent Member to purchase, all, but not less than all, of the Delinquent Member's Membership Interest, pursuant to and in accordance with Article 14.

(2) The Company may permit the non-Delinquent Member to pay the unpaid amount of the Delinquent Member's Capital Contribution (the "Unpaid Contribution"), in which event the Delinquent Member's Percentage Interest shall be reduced and the non-Delinquent Member's Percentage Interest shall be increased, such that each Member's Percentage Interest is equal to a fraction, the numerator of which is that Member's total Capital Contribution and the denominator of which is the total Capital Contributions of all Members.

(3) The Company may take such action (including court proceedings) as it deems appropriate to obtain payment by the Delinquent Member of the portion of the Delinquent Member's Capital Contribution that is in default, together with interest therein at the Default Interest Rate from the date that the Capital Contribution was due until the date that it is made, all at the cost and expense of the Delinquent Member.

(4) The Company may exercise any other remedies specified in this Agreement (including the remedy specified in Section 14.1) or available at law or in equity.

8.3 Capital Accounts.

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(a) The Company shall maintain a Capital Account for each Member in accordance with Treasury Regulation § 1.704-1(b)(2)(iv). The Company shall credit each Member's Capital Account with (1) the Carrying Value of assets such Member contributed to the Company and the amount of cash such Member contributed to the Company, (2) such Member's share of Net Profit and any items in the nature of income or gain that are specifically allocated to such Member and (3) the amount of any Company liabilities assumed by such Member or which are secured by any property distributed to such Member; and shall debit each Member's Capital Account with (1) such Member's share of Net Losses and any items in the nature of losses or expenses that are specifically allocated to such Member, (2) any distributions to such Member and (3) liabilities of such Member assumed by the Company or which are secured by any property contributed by such Member; provided, however, each such Member's Capital Account shall be adjusted by such Member's share of income, gain, deduction or loss described in Treasury Regulation § 1.704-1(b)(2)(iv)(g).

(b) Upon the approval of the Board of Managers, the Company shall modify the manner in which the Members' Capital Accounts are maintained in order to comply with Treasury Regulation § 1.704-1(b) if such modification does not have, and is thereafter not likely to have, a material effect on the amounts distributable under this Agreement.

8.4 Election under Section 754. In the case of a distribution of property made in the manner provided in Code § 734, or in the case of a transfer of any interest in the Company permitted by this Agreement made in the manner provided in Code § 743, upon the approval of the Board of Managers, the Company shall file an election under Code § 754 in accordance with the procedures set forth in the applicable Treasury Regulations.

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8.5 Financing. The Company may need to obtain loans to finance certain construction and equipment requirements of the Center. If nonrecourse financing is unavailable or insufficient, and lenders instruct the Company that the guarantees of the Members are necessary to obtain the required debt financing, the Members shall guarantee the debt of the Center, with MMCI guaranteeing an amount of the debt financing equal to its Percentage Interest and IGI (or if the lender so requires, the physician shareholders of IGI collectively) guaranteeing an amount of the debt financing equal to its Percentage Interest. The Members also shall execute and deliver, or cause to be executed and delivered, all instruments and agreements that the Company or the Company's lenders may require in respect to such guarantees.

8.6 Pledge of Membership Interests. Upon the request of the Company (but not if such pledge would result in an event of default under any indebtedness of Company), each Member shall pledge and grant to the Company a first priority senior security interest in its Membership Interest, and the proceeds thereof as security for all obligations owed by such Member to the Company, including, without limitation, obligations to pay additional Capital Contributions. If a Member defaults in performing any such obligations, the Company shall be entitled to all the rights and remedies of a secured party under the Uniform Commercial Code of the state of Illinois with respect to the security interest granted in this Section 8.6. Each Member shall execute and deliver to the Company all financing statements and other instruments that the Company may request to effect and carry out the provisions of this Section 8.6. The Company shall release its security interest to facilitate the Member's Transfer of its Membership Interest

(provided, the Company's security interest shall reattach upon the Member's consummation of the purchase and sale).

ARTICLE 9

LOAN BY MMCI TO THE COMPANY

9.1 **General.** In connection with the ASC Lease, GI Realty is extending credit to the Company to build out the leased premises subject to the ASC Lease (the "GI Realty Loan"). The terms of the GI Realty Loan are set forth in the ASC Lease. Pursuant to the provisions of this Article 9 and the MMCI Note (as defined below), MMCI agrees to lend to the Company the original principal amount equal to the product of (i) a fraction of MMCI's Percentage Interest (49%) being the numerator and IGI's Percentage Interest (51%) being the denominator multiplied by the original principal amount of the GI Realty Loan (the "MMCI Loan", which together with the GI Realty Loan are collectively referred to as the "Loans"). The MMCI Loan shall be used by the Company in purchasing furnishings, fixtures, equipment, other start-up expenses and initial working capital and shall be made available to the Company commencing as of the Execution Date and shall be fully disbursed by the ASC Lease Commencement Date (as defined in the ASC Lease). Upon request by MMCI, the Company agrees to execute the Promissory Note in favor of MMCI (the "MMCI Note"), attached as Exhibit J. Pursuant to the ASC Lease, the Company agrees to execute the Promissory Note in favor of GI attached thereto (the "GI Note"; which together with the MMCI Note, are collectively referred to as the "Notes"). In connection with the MMCI Loan, the Company will grant to MMCI a purchase money security interest in such furnishings, fixtures and equipment.

9.2 **Interest.** The outstanding principal of the Loans (and all accrued interest thereon) shall bear interest at the rate of 100 basis points under the Prime Rate as reported in the Money Rates Section of the Wall Street Journal, Midwest Edition, but no less than 5.50% nor more than 6.66% (the "Interest Rate").

9.3 **Payment of Loans.** Beginning on the first day of the month after the Commencement Date of the ASC Lease, the Company shall pay the Notes and accrued interest in 120 equal monthly installments of interest and principal, payable in arrears on the first day of each month until the entire balance of principal and accrued interest has been paid. The entire Notes sum shall be paid to GI Realty and MMCI, respectively, on or before expiration date of the original term of the ASC Lease (the "Maturity Date").

9.4 **Prepayment.** The Company may prepay the Notes in whole or in part, without penalty, at any time prior to the Maturity Date.

ARTICLE 10

DISTRIBUTIONS

10.1 **Distributions of Distributable Cash.** Except in connection with the liquidation of the Company, the Company shall distribute within ninety (90) days after the end of each Fiscal Year the Distributable Cash of the Company for such Fiscal Year to the Members in proportion to their Percentage Interests less any tax distributions made pursuant to Section 10.4.

The Company may authorize more frequent distributions of Distributable Cash or authorize a distribution of less than or more than Distributable Cash in accordance with Section 4.6(b)(7).

10.2 Liquidation Distributions. The Company shall make distributions in liquidation as provided in Section 15.2.

10.3 Required Withholding. The Company and the Members shall treat all amounts withheld pursuant to the Code, or any provisions of state or local tax law, with respect to any allocation or distribution to the Members from the Company, as amounts distributed to the relevant Member or Members for all purposes under this Agreement.

10.4 Tax Distributions. Not later than March 10 of the Fiscal Year in which the Company is granted its license to commence operations, or in the event the license is granted after March 10 of such Fiscal Year not later than March 10 of the following Fiscal Year, the Company shall distribute to each Member an amount equal to the product of (i) the Assumed Tax Rate and (ii) the amount of taxable income (as computed for federal income tax purposes) allocated to such Member for such Fiscal Year. Thereafter, the Company shall not make any distributions to the Members for purposes of paying federal, state or local income taxes ("Taxes") imposed on the Members (or the beneficial owners thereof) as a result of the operations and activities of the Company. Each Member shall be responsible for satisfying its own liability for Taxes from such Member's own funds.

ARTICLE 11

ALLOCATIONS AND ACCOUNTING

11.1 General Allocations. Except as provided in Section 11.2, the Company shall allocate all Net Profit and Net Loss (or items of income, gain, loss and deduction comprising such Net Profits or Net Losses) for each Fiscal Year or other period to the Members in such a manner that, as of the end of such Fiscal Year, the Adjusted Capital Account balance of each Member will, to the greatest extent possible, be equal to the respective net amount which would be distributed to such Member, determined as if the Company were to (1) liquidate the assets of the Company for an amount equal to their respective Carrying Values and (2) distribute the proceeds of liquidation pursuant to Section 15.2.

11.2 Special Allocations. Notwithstanding Section 11.1, the Company shall make the following special allocations for each Fiscal Year in the following order of priority:

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(a) If there is a net decrease in Company minimum gain during a Fiscal Year, then the Company shall allocate to each Member items of Company income and gain for such Fiscal Year (and, if necessary, for subsequent years) in an amount equal to such Member's share of net decrease in Company minimum gain, determined in accordance with Treasury Regulation § 1.704-2(g)(2). This Section 11.2(a) is intended to comply with the minimum gain chargeback requirement of Treasury Regulation § 1.704-2(f) and shall be interpreted consistently therewith.

(b) If there is a net decrease in Member minimum gain (determined in accordance with Treasury Regulation § 1.704-2(i)(3)) attributable to a Member nonrecourse debt during any Company taxable year, the Company shall specially allocate to such Member who

has a share of the Member minimum gain attributable to such debt, determined in accordance with Treasury Regulation § 1.704-2(i)(5), items of Company income and gain for such taxable year (and, if necessary, subsequent years) in the amount equal to such Member's share of the net decrease in Member minimum gain attributable to such debt, determined in a manner consistent with the provisions of Treasury Regulation § 1.704-2(g)(2). This Section 11.2.(b) is intended to comply with the partner nonrecourse debt minimum gain chargeback requirement of Treasury Regulation § 1.704-2(i)(4) and shall be interpreted consistently therewith.

(c) If any Members unexpectedly receive an adjustment, allocation or distribution of the type contemplated by Treasury Regulation § 1.704-1(b)(2)(ii)(d)(4), (5) or (6), the Company shall allocate items of income and gain to all such Members (in proportion to the amounts of their respective negative Adjusted Capital Account balances) in an amount and manner sufficient to eliminate the negative Adjusted Capital Account balance of each such Member as quickly as possible. It is intended that this Section 11.2.(c) qualify and be construed as a "qualified income offset" within the meaning of Treasury Regulation § 1.704-1(b)(2)(ii)(d).

(d) The Company shall allocate each year Member nonrecourse deductions of the Company (as determined under Treasury Regulation § 1.704-2(i)(2)) to the Member that bears the economic risk of loss (within the meaning of Treasury Regulation § 1.752-2) for the debt to which such Member nonrecourse deductions are attributable.

(e) The Company shall allocate nonrecourse deductions of the Company (as determined under Treasury Regulation § 1.704-2(c)) to the Members in accordance with their Percentage Interests.

11.3 Tax Allocations.

(a) Except as provided in Section 11.3.(b), for income tax purposes under the Code and the Treasury Regulations, the Company shall allocate each Company item of income, gain, loss and deduction between the Members as its correlative item of "book" income, gain, loss or deduction is allocated pursuant to Sections 11.1 and 11.2.

(b) In accordance with Code § 704(c) and the Treasury Regulations thereunder, the Company shall, solely for tax purposes, allocate income, gain, loss and deduction with respect to any property contributed to the capital of the Company between the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its initial Carrying Value. In the event the Carrying Value of any Company asset is adjusted pursuant to the definition of Carrying Value, subsequent allocations of income, gain, loss and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Carrying Value in the same manner as under Code § 704(c) and the Treasury Regulations thereunder. With respect to assets contributed or deemed contributed to the Company, the Company shall elect to use such method under Treasury Regulation § 1.704-3 determined by a Consent of the Members.

11.4 Other Tax Matters.

(a) In all cases in which it is necessary to determine Company Net Profits, Company Net Losses, or any other items allocable to any period (including for the year within which the effective date of this Agreement occurs), the Company shall determine Company Net Profits, Company Net Losses, and any such other items using the interim closing of the books method under Code § 706 and Treasury Regulation § 1.706-1(c)(2)(i), unless determined otherwise by the Board of Managers.

(b) The Company shall allocate excess nonrecourse liabilities (within the meaning of Section 1.752-3(a)(3) of the Regulations) to the Members in accordance with their Percentage Interests.

(c) Upon the approval of the Board of Managers, the Company shall vary the allocation provisions of this Article 11 to the extent necessary to comply with the tax laws or to more clearly reflect the economic arrangement of the Members.

ARTICLE 12

TRANSFERS

12.1 Transfers of Membership Interests.

(a) No Member or other holder of a Membership Interest may Transfer, voluntarily or involuntarily, in whole or in part, its Membership Interest without the prior written consent of the other Member, unless the Transfer is made in accordance with the provisions of this Article 12, and any attempt to do so shall be void and of no force and effect, and shall constitute a material breach of this Agreement. Further, no Member or other holder of a Membership Interest may bifurcate its Financial Rights or its Governance Rights (which collectively under the Act constitute its Membership Interest) and Transfer, voluntarily or involuntarily, in whole or in part, its Financial Rights or its Governance Rights, and any attempt to do so shall be void and of no force and effect, and shall constitute a material breach of this Agreement.

(b) If one Member approves the Transfer of the other Member's full Membership Interest, the Member's approval, to the extent permitted by the Act, shall also constitute an approval to the continuation of the Company. The Member approving the Transfer shall have the right to require amendments to this Agreement as a condition precedent to its approval (including amendments to reflect the identity, legal and tax status, and individual circumstances of the Transferee). The amendments shall not prohibit or materially inhibit the Transfer or result in material changes to material terms of this Agreement (other than material changes to material terms required to accommodate the Transfer).

(c) The Transferee of a Membership Interest (to the extent it is not a Member before the Transfer) shall not become a Member unless and until it executes a counterpart copy of this Agreement, as the Member approving the Transfer may amend pursuant to Section 12.1(b).

(d) Notwithstanding anything to the contrary in this Agreement, (1) IGI may not Transfer, voluntarily or involuntarily, in whole or in part, its Membership Interest to a Methodist Competitor and (2) MMCI may not Transfer, voluntarily or involuntarily, in whole or in part, its Membership Interests to an IGI Competitor.

(e) A Change of Control or Ownership shall not constitute a Transfer for purposes of this Article 12; provided, in the case of IGI, the Unaffiliated Entity (as defined in the definition of "Change of Control or Ownership") is not a Methodist Competitor; and provided further, in the case of MMCI, the Unaffiliated Entity is not an IGI Competitor.

(f) The restrictions on the voluntary Transfer of a Member's entire Membership Interest contained in Section 12.1(a) shall not apply to Permitted Transfers.

12.2 Effect of Transfer. A Person shall cease to be a Member, and shall not be entitled to exercise any rights or powers of a Member, upon a Transfer of all of its Membership Interest in the Company.

12.3 Liability for Breach. Any Member purporting to Transfer its Membership Interest, or any part thereof, in violation of this Article 12 shall be in material breach of this Agreement and shall be liable to the Company and the other Member for all liabilities, obligations, damages, losses, costs and expenses (including reasonable attorneys' fees and court costs) arising as a direct or consequential result of such noncomplying transfer, attempted transfer or purported transfer.

12.4 Option to Purchase.

(a) Notwithstanding anything to the contrary herein, but subject to the restrictions on Transfer set forth in this Article 12 (including, but not limited to, the restrictions set forth in Section 12.1), a Member may voluntarily Transfer all but not less than all of its Membership Interest if it (the "Offeree") receives an offer (the "Offer") from a third party (the "Offeror") to acquire all of its Membership Interest, which Offer the Offeree intends to accept, if the Offeree grants, pursuant to the terms of this Section 12.4, to the other Member (the "Non-Transferring Member") the option to purchase its Membership Interest on the same terms and conditions contained in the Offer.

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(b) Not later than ten (10) days after its receipt of an Offer that it intends to accept, the Offeree shall notify the other Member (the "Non-Transferring Member") in writing of the Offer, including the name of the Offeror, the proposed purchase price and the other terms and conditions of the Offer. The Non-Transferring Member, in its sole discretion, may approve the Transfer. Alternatively, it shall have the option for a period of sixty (60) days from the date it receives notice of the Offer to purchase the Membership Interest on the same terms and conditions contained in the Offer. Provided, however, if the proposed purchase price is for consideration other than cash and/or deferred payments of cash, the Non-Transferring Member shall have the right to pay the cash equivalent of the non-cash consideration. If the Offeree and the Non-Transferring Member cannot agree on the amount of the cash equivalent within ten (10) days after the end of the sixty (60) day period referred to above, either the Offeree or the Non-Transferring Member may initiate appraisal proceedings under Section 12.4(d) for determination

of the cash equivalent by giving the other Member written notice within five (5) days after said ten (10) day period.

(c) The Non-Transferring Member may exercise its option to purchase the Membership Interest by notifying the Offeree prior to the end of the sixty (60) day period referred to in Section 12.4(b) of its intent to exercise the option. If the Non-Transferring Member fails to indicate in writing that it will exercise the option, or indicates in writing that it will not exercise the option, within the period provided, or if the Non-Transferring Member exercises the option but fails to consummate the purchase within one hundred twenty (120) days from the later of the date it exercises the option or the date on which the appraisal proceedings under Section 12.4(d) are completed, then the Offeree shall be allowed one hundred twenty (120) days from said sixty (60) day period or said one hundred twenty (120) day period to convey or dispose of its Membership Interest but only at the price, on the terms and conditions, and to the party specified in the notice of the Offer to the Non-Transferring Member. If the Offeree agrees to terms and conditions more favorable than or in any material manner different from those offered to the Non-Transferring Member, or if the Offeree's one hundred twenty (120) day period in which to close the transfer lapses, the Non-Transferring Member shall again have the option to purchase the Offeree's Membership Interest either upon the more favorable or different purchase terms or in response to any offer received or pending after the lapsed one hundred twenty (120) day period, as the case may be, all in accordance with and subject to the provisions of this Section 12.4. The Non-Transferring Member may assign its rights under this Section 12.4 to the Company, in which event, the Offeree's Membership Interest may be liquidated (rather than purchased) by the Company. Neither the Non-Transferring Member nor the Company shall be liable or accountable to any Member which attempts to transfer its Membership Interest for any loss, damage, expense, cost, or liability resulting from the Non-Transferring Member's exercise or failure to exercise the purchase option under this Section 12.4, delay in notifying the Member of the Non-Transferring Member's intention not to exercise the purchase option, or its enforcement of the requirements of this Section 12.4 in the event that it elects not to exercise the purchase option. The Non-Transferring Member's failure to exercise the purchase option or to indicate in writing that it is electing not to exercise the option shall not be deemed a consent of the Non-Transferring Member to allow any third party transferee to become a substituted Member.

(d) If either the Non-Transferring Member or the Offeree initiates an appraisal procedure to determine the amount of the cash equivalent of any non-cash consideration for the Membership Interest subject to the Offer under Section 12.4(a), then the Non-Transferring Member, on the one hand, and the Offeree, on the other hand, shall each promptly appoint as an appraiser an independent third party qualified to conduct the appraisal. Each appraiser shall, within thirty (30) days of appointment, separately investigate the value of the consideration for the Membership Interest subject to the Offer as of the proposed transfer date and shall submit a notice of an appraisal of that value to each Member. Each appraiser shall be instructed to determine such value without regard to the income tax consequences to the Offeree as a result of receiving cash rather than other consideration. If the appraised values of such consideration (the "Earlier Appraisals") vary by ten percent (10%) or less, the average of the two (2) appraisals shall be controlling as the amount of the cash equivalent. If the appraised values vary by more than ten percent (10%), the appraisers, within ten (10) days of the submission of the latter of the two appraisals, shall appoint as a third appraiser an independent third party. The third appraiser

shall, within thirty (30) days of his appointment, appraise the value of the consideration for the Membership Interest subject to the Offer (without regard to the income tax consequences to the Offeree as a result of receiving cash rather than other consideration) as of the proposed transfer date and shall submit notice of his appraisal to each Member. The value determined by the third appraiser shall be controlling as the amount of the cash equivalent unless the value is greater than both of the two (2) Earlier Appraisals, in which case the higher of the two (2) Earlier Appraisals will control, and unless that value is lower than both of the two (2) Earlier Appraisals, in which case the lower of the two (2) Earlier Appraisals will control. If either Member fails to appoint an appraiser or if one of the two (2) initial appraisers fails after appointment to submit his appraisal within the required period, the appraisal submitted by the remaining appraiser shall be controlling. The cost of the foregoing appraisals shall be shared one-half by the Non-Transferring Member and one-half by the Offeree.

12.5 Additional Restrictions.

(a) Notwithstanding anything to the contrary in this Article 12, the Company shall not recognize for any purpose any purported Transfer of a Membership Interest pursuant to this Article 12 unless and until the parties to the purported Transfer deliver to the Non-Transferring Member on behalf of the Company, a document which (1) has been executed by both the Member effecting the Transfer (or if the Transfer is on account of the liquidation of the transferor, its representative) and the Person to which the Membership Interest is Transferred, (2) includes the notice address of the Person to which the Membership Interest is transferred, (3) sets forth the Membership Interest after the Transfer of the Member effecting the Transfer and the Person to which the Membership Interest is Transferred, which together must total the Membership Interest of the Member effecting the Transfer, and (4) contains a representation and warranty that the Transfer was made in accordance with all applicable laws and regulations, including applicable federal and state securities laws.

(b) Notwithstanding anything to the contrary in this Article 12, the Company shall not recognize for any purpose any purported Transfer of a Membership Interest pursuant to this Article 12 unless and until the Person to which the Membership Interest is purported to be Transferred has executed a counterpart copy of this Agreement, as the Non-Transferring Member may amend pursuant to Section 12.1(b) as a condition precedent to the Transfer. The amendments may include amendments to reflect the identity, legal and tax status, and individual circumstances of the Person to which the Membership Interest is Transferred. The amendments shall not prohibit or materially inhibit the Transfer or result in material changes to material terms of this Agreement (other than material changes to material terms required to accommodate the Transfer).

(c) Notwithstanding anything to the contrary in this Article 12, the Company shall not recognize for any purpose any purported Transfer of Membership Interest pursuant to this Article 12 unless and until the parties to the purported Transfer deliver to the Non-Transferring Member, at its request, an opinion of qualified legal counsel in which legal counsel opines in form and substance reasonably satisfactory to the Non-Transferring Member that the Transfer to and subsequent ownership of the Membership Interest by the Person to which the Membership Interest is purported to be Transferred will not materially increase the risk that the Company's or the Members' participation herein will subject the Company or the Members (or

either one of them) to civil or criminal prosecution under state and/or federal law, will endanger or jeopardize the status of the Members (or either one of them) as a provider of health services under the Medicare or Medicaid program (or its successor) or any other state or federal health care program, endanger or jeopardize the ability of the Members (or either one of them) to submit a claim or bill any person for a service or item furnished by the Members (or either one of them), endanger or jeopardize the exemption of MMCI or any of its Affiliates from federal income taxation under Section 501(c)(3) of the Code.

(d) The Member effecting a Transfer shall pay, or reimburse, the Company, for all costs incurred by the Company in connection with the Transfer and the admission of the Person to which the Membership Interest is Transferred to the Company as a Member on or before the tenth (10th) day after receipt by that Person of the Company's invoice for the amount due. If payment is not made by the date due, the Person owing the amount shall pay interest on the unpaid portion thereof from the date due until so paid at a rate per annum equal to the Default Interest Rate.

(e) Each Transfer and, if applicable, admission complying with the provisions of this Section 12.5 shall be effective on the date on which the requirements for Transfer, and, if applicable, admission are satisfied.

ARTICLE 13

PUT OPTIONS

13.1 Grant of Put Option.

(a) IGI hereby grants to MMCI an irrevocable put option, pursuant to which MMCI has a right to sell to IGI, or its designee, and IGI, or its designee, has the obligation to purchase from MMCI, each on the terms and conditions of this Article 13, all, but not less than all, of MMCI's Membership Interest if IGI terminates for cause the Management Agreement during its initial term.

(b) MMCI hereby grants to IGI an irrevocable put option, pursuant to which IGI has a right to sell to MMCI, or its designee, and MMCI, or its designee, has the obligation to purchase from IGI, each on the terms and conditions of this Article 13, all, but not less than all of IGI's Membership Interest if MMCI terminates for cause the Medical Director Agreement during its initial term.

13.2 Exercise of Put Option. The Member granted the option (the "Put Option Grantee") shall, if at all, exercise the option granted to it in Section 13.1 by giving to the Member granting the option (the "Put Option Grantor") written notice of the exercise of the option (the "Option Notice") within thirty (30) days after the date of termination of the agreement that gives rise to the option. The Put Option Grantee shall be deemed to have waived its option if it fails to give the Option Notice within the exercise period. The Put Option Grantee, if it decides to exercise its option, shall exercise the option at the Put Purchase Price.

13.3 Closing.

(a) The Members shall close the purchase and sale contemplated in this Article 13 at the Company's principle place of business herein on a mutually acceptable date not less than thirty (30) days and not more than sixty (60) days after the later of the date on which the Put Option Grantee gives the Option Notice to the Put Option Grantor or the date on which the Put Option Grantee obtains all governmental approvals required to close. At the closing, (1) the Put Option Grantee shall either (a) pay to the Put Option Grantor cash in an amount equal to the total Put Purchase Price or (b) deliver to the Put Option Grantor a promissory note providing for the payment of the Put Purchase Price in thirty-six (36) equal monthly installments of principal, together with interest, commencing to accrue from the date of the closing, at the then "Prime Rate" as published in the *Wall Street Journal*, on the first day of the month in which the first payment is made to fully amortize the purchase price over the thirty-six (36) monthly payments, with the first payment being due and payable when the closing occurs; and (2) the Put Option Grantor shall deliver to the Put Option Grantee its entire Membership Interest, free and clear of all options, pledges, security interests, voting trusts or similar arrangements, liens, charges or other encumbrances or restrictions on voting or transfer of any kind whatsoever, other than restrictions contained in this Agreement.

(b) Notwithstanding anything to the contrary in Article 13.3(a), the Put Option Grantee shall deliver the Put Purchase Price (or the promissory note) to the Company, as the attorney-in-fact for the Put Option Grantor, if the Put Option Grantor fails or is unable to deliver to the Put Option Grantee its Membership Interest, free and clear of all options, pledges, security interests, voting trusts or similar arrangements, liens, charges or other encumbrances or restrictions on voting or transfer of any kind whatsoever, other than the restrictions contained in the Agreement.

(c) The Put Option Grantor shall have no interest in the Company after the Put Option Grantee delivers the Put Purchase Price (or the promissory note) either to the Put Option Grantor or to the Company, as the attorney-in-fact for the Put Option Grantor. If the Put Option Grantee delivers the Put Purchase Price (or the promissory note) to the Company, the Company shall hold the Put Purchase Price (or the promissory note) for the Put Option Grantor until the Put Option Grantor is able to deliver to the Put Option Grantee its Membership Interest, free and clear of all of all options, pledges, security interests, voting trusts or similar arrangements, liens, charges and other encumbrances or restrictions on voting or transfer of any kind whatsoever, other than the restrictions contained in this Agreement. Each Member hereby irrevocably appoints and designates the Company as its attorney-in-fact for the limited purpose of effecting the transactions described in this Article 13.

(d) "Put Purchase Price", as used herein, shall mean a purchase price equal to the product of (i) the Fair Market Value of the Company and (ii) the Put Option Grantor's Percentage Interest.

ARTICLE 14

PURCHASE OPTION

14.1 Purchase Option. Each Member (the "Purchase Option Grantor") hereby grants to the Company and to the other Member (each, sometimes the "Purchase Option Grantee") an irrevocable purchase option, pursuant to which first the Company and second the other Member shall have the right to purchase from the Purchase Option Grantor and the Purchase Option Grantor shall have the obligation to sell to the Company and to the other Member, each on the terms and conditions of this Article 14, all, but not less than all, of the Purchase Option Grantor's Membership Interest upon the occurrence of any of the following events (the "Purchase Option Events"): (1) the Purchase Option Grantor (if IGI) undergoes a Change of Control or Ownership and the Unaffiliated Entity (as defined in the definition of Change of Control or Ownership in Schedule 1) is a Methodist Competitor; (2) the Purchase Option Grantor (if MMCI) undergoes a Change of Control or Ownership and the Unaffiliated Entity (as defined in the definition of Change of Control or Ownership in Schedule 1) is an IGI Competitor; (3) the Purchase Option Grantor becomes subject to a Bankruptcy; (4) the Purchase Option Grantor becomes the subject of a dissolution or liquidation; (5) the Purchase Option Grantor is excluded, suspended or disbarred from participation in a federal or state health care program; (6) the Purchase Option Grantor fails to cure a material breach of this Agreement within thirty (30) days after the date the Purchase Option Grantee gives it written notice of the breach; (7) the Purchase Option Grantor (if IGI) fails or is unable to certify to the Company and to MMCI within ninety (90) days after the Opening Date and annually thereafter during the same time period that each physician who then holds an equity interest in IGI (each, a "IGI Equity Holder") has certified to IGI between thirty (30) and sixty (60) days before the date of IGI's required certification to the Company and to MMCI that he is a Qualifying Physician; provided, however, IGI shall not be precluded from certifying that each IGI Equity Holder is a Qualifying Physician even though an IGI Equity Holder may no longer satisfy the requirements to be a Qualifying Physician if IGI certifies and covenants to the Company and to MMCI in a form reasonably acceptable to the Company and to MMCI that IGI has, and will vigorously and promptly enforce, all necessary rights and privileges arising from contract or otherwise to prevent the IGI Equity Holder who no longer satisfies the requirements to be a Qualifying Physician from directly or indirectly enjoying the benefits and privileges of IGI's membership interest in the Company, including, but not limited to, the right to vote as an owner, director or officer of IGI on matters pertaining to the operations, business and affairs of the Company; the right to receive any dividends, profits, distributions or other form of income from the operations of the Company; or the right to receive any cash or property from the Company upon its liquidation; or (8) after the tenth (10th) anniversary of the Execution Date, the Purchase Option Grantor gives the Purchase Option Grantee ninety (90) days written notice that on or after the ninetieth (90th) day, the Purchase Option Grantor shall dissociate from the Company.

14.2 Exercise of Purchase Option.

(a) The Company shall have the initial option to purchase the Membership Interest of the Purchase Option Grantor upon the occurrence of a Purchase Option Event. The Company, through the Board of Managers, shall decide whether or not to exercise or to waive its option. The Managers appointed by the Purchase Option Grantor shall not be entitled to vote on

the matter, and neither the presence nor the vote of the Purchase Option Grantor's Managers shall be required in determining whether a quorum exists or whether the decision has been authorized. The Company, if at all, shall exercise the option within thirty (30) days after the date the Purchase Option Grantor gives the Company written notice of occurrence of the Purchase Option Event or within sixty (60) days after the date the Company discovers and reasonably confirms the occurrence of the Purchase Option Event, whichever period shall expire first. Not later than the end of the applicable exercise period, the Company shall give to the Purchase Option Grantor and to the other Member written notice of the Company's decision to exercise or to waive its option. The Company shall be deemed to have waived its option if it fails to respond within the applicable exercise period. The Company, if it decides to exercise its option, shall exercise the option at the Purchase Option Price.

(b) The other Member shall have the option to purchase the Membership Interest of the Purchase Option Grantor if the Company waives or fails to exercise its option to purchase the Purchase Option Grantor's Membership Interest. The other Member, if at all, shall exercise its option within thirty (30) days after the date the Company's applicable exercise period expires. Not later than the end of the thirty (30) day exercise period, the other Member shall give to the Purchase Option Grantor and to the Company written notice of its decision to exercise or to waive its option. The other Member shall be deemed to have waived its option if it fails to respond within the thirty (30) day period. The other Member, if it decides to exercise its option, shall exercise its option to the Purchase Option Price.

14.3 Closing.

(a) The Purchase Option Grantor and the Purchase Option Grantee shall close the purchase and sale contemplated in this Article 14 at the Company's principle place of business on a mutually acceptable date not less than thirty (30) days and not more than sixty (60) days after the later of the date on which the Purchase Option Grantee exercises the purchase option or the date on which the Purchase Option Grantee obtains all governmental approvals required to close. At the closing, (1) the Purchase Option Grantee shall either (a) pay to the Purchase Option Grantor cash in an amount equal to the Purchase Option Price or (b) deliver to the Purchase Option Grantor a promissory note providing for the payment of the total Purchase Option Price in sixty (60) equal monthly installments of principal, together with interest, commencing to accrue from the date of the closing, at the then "Prime Rate" as published in the *Wall Street Journal*, on the first day of the month in which the first payment is made to fully amortize the purchase price over the sixty (60) monthly payments, with the first payment being due and payable when the closing occurs; and (2) the Purchase Option Grantor shall deliver to the Purchase Option Grantor its entire Membership Interest, free and clear of all options, pledges, security interests, voting trusts or similar arrangements, liens, charges or other encumbrances or restrictions on voting or transfer of any kind whatsoever, other than the restrictions contained in the Agreement.

(b) Notwithstanding anything to the contrary in Article 14.3(a), the Purchase Option Grantee shall deliver the Purchase Option Price (or the promissory note) to the Company, as the attorney-in-fact for the Purchase Option Grantor, if the Purchase Option Grantor fails or is unable to deliver to the Purchase Option Grantee its Membership Interest, free and clear of all options, pledges, security interests, voting trusts or similar arrangements, liens, charges or other

encumbrances or restrictions on voting or transfer of any kind whatsoever, other than the restrictions contained in the Agreement.

(c) The Purchase Option Grantor shall have no interest in the Company after the Purchase Option Grantee delivers the Purchase Option Price (or the promissory note) either to the Purchase Option Grantor or to the Company, as the attorney-in-fact for the Purchase Option Grantor. If the Purchase Option Grantee delivers the Purchase Option Price (or the promissory note) to the Company, the Company shall hold the Purchase Option Price (or the promissory note) for the Purchase Option Grantor until the Purchase Option Grantor is able to deliver to the Purchase Option Grantee its Membership Interest, free and clear of all of all options, pledges, security interests, voting trusts or similar arrangements, liens, charges and other encumbrances or restrictions on voting or transfer of any kind whatsoever, other than the restrictions contained in this Agreement. Each Member hereby irrevocably appoints and designates the Company as its attorney-in-fact for the limited purpose of effecting the transactions described in this Article 14.

(d) "Purchase Option Price", as used herein, shall mean a purchase price equal to the product of (1) the Fair Market Value of the Company and (2) the Purchase Option Grantor's Percentage Interest.

14.4 Remedy Not Exclusive. The remedy provided in this Article 14 for a breach of this Agreement shall not be exclusive, but shall instead be in addition to any other remedies available at law or in equity.

ARTICLE 15

DISSOLUTION

15.1 Dissolution. The Company shall be dissolved and its affairs wound up upon the occurrence of any of the following events (each, a "Dissolution Event"):

(a) the consent of both the Members to the dissolution of the Company; provided, however, notwithstanding anything to the contrary in this Agreement, the Members, at the election of either, shall promptly consent to the dissolution and liquidation of the Company if within thirty (30) days after the Execution Date, IGI fails or is unable to deliver to the Company and to MMCI in form and substance acceptable to both of them the written commitment of each physician who on the Execution Date holds an equity interest in IGI that he personally intends to maintain within the Peoria, Illinois, metropolitan area, for at least thirty-six (36) months following the Execution Date, an "active medical practice" (as that term is commonly understood and applied within the medical community of the Peoria, Illinois, metropolitan area, as evidenced by employment contracts, common practice and other acceptable means);

(b) the dissolution of the Company by final judicial decree;

(c) the receipt by the Company of an opinion of qualified legal counsel selected by either Member (the "Opinion") in which legal counsel opines on the basis of the enactment, promulgation or adoption of legislation and/or promulgating rules and regulations by a governmental body or agency, the interpretation or re-interpretation of legislation and/or

promulgating rules and regulations by a governmental body or agency or a judicial body, and/or a decision, finding or action by a governmental body or agency or a judicial body that it is more likely than not that the Company's or the Members' participation herein will subject the Company or the Members (or either one of them) to civil or criminal prosecution under state and/or federal law, will endanger or jeopardize the status of the Members (or either one of them) as a provider of health services under the Medicare or Medicaid program (or its successor) or any other state or federal health care program, endanger or jeopardize the ability of the Members (or either one of them) to submit a claim or bill any person for a service or item furnished by the Members (or either one of them), endanger or jeopardize a Member's ability to submit claims to Medicare for services rendered in the Center, or endanger or jeopardize the exemption of MMCI or any of its Affiliates from federal income taxation under Section 501(c)(3) of the Code, and the Members, acting in good faith, are unable within thirty (30) days after the Company's receipt of the Opinion to agree to changes to this Agreement or to a restructuring of the relationships created or contemplated by this Agreement which in the unanimous opinion of the Members eliminates or reduces to an acceptable level the risk of the occurrence of the event or consequence identified in the Opinion;

(d) the Purchase Option Grantor gives written notice to the Purchase Option Grantee that it intends to dissociate from the Company, and the Purchase Option Grantee fails to exercise its purchase option pursuant to the terms of Article 14; and

(e) either Member, acting in good faith, concludes on the basis of the advice of an independent expert that the Company's historical and expected continued compliance with the requirements imposed on the Company to minimize the possibility that MMCI's share of the Company's income will be treated as unrelated business income has resulted and will continue to result in a substantial and material adverse change in the Company's reasonably expected financial position and operations.

15.2 Winding Up Affairs on Dissolution.

(a) Upon the dissolution of the Company, irrespective of its cause, the Members shall promptly meet and develop a plan of dissolution and liquidation for the orderly winding up of the business and activities of the Company (the "**Dissolution Plan**"). The Dissolution Plan shall provide for the orderly distribution of the assets, rights and agreements of the Company and the satisfaction of the obligations and liabilities of the Company and the Members.

(b) In addition, upon the dissolution of the Company, irrespective of its cause, the Members shall promptly appoint a liquidator to wind up the affairs of the Company and to distribute and/or liquidate and sell the Company's assets (the "**Liquidator**"). The Liquidator shall have the expertise and experience to conduct the winding up and termination of the Company. The Liquidator, subject to the Dissolution Plan and except to the extent otherwise provided herein, shall have the full right and unlimited discretion to determine the time, manner and terms of the distribution and/or sale of Company assets under the liquidation, having due regard for the activity and condition of the relevant market and general financial and economic conditions. The Liquidator shall be entitled to receive reasonable compensation for its services as may be agreed upon by the Liquidator and the Members. The Liquidator may resign at any

time by giving ten (10) days prior written notice and may be removed at any time, with or without cause, by written notice of the Members. Upon the death, dissolution, removal or resignation of the Liquidator, the Members shall appoint within thirty (30) days thereafter, a successor or substitute Liquidator (which shall have and succeed to all the rights, powers and duties of the original Liquidator). The Members' right to appoint a successor or substitute Liquidator in the manner provided herein shall be recurring and continuing for so long as the functions and services of the Liquidator are authorized to continue under the provisions hereof, and every reference herein to the Liquidator will be deemed to refer also to any successor or substitute Liquidator appointed in the manner herein provided. The Liquidator shall have and may exercise, without further authorization or consent of any of the parties hereto or their legal representatives or successors in interest, all of the powers conferred upon the Members under the terms of this Agreement to the extent necessary or desirable in the good faith judgment of the Liquidator to perform its duties and functions. The Liquidator shall not be liable to the Members except to the extent provided in the Act and shall, while acting in such capacity on behalf of the Company, be entitled to indemnification.

(c) If, within thirty (30) days following the date of dissolution or other time provided in Section 15.2(b), a Liquidator or successor Liquidator has not been appointed in the manner provided therein, either Member shall have the right to make application to any United States Federal District Judge (in his individual and not judicial capacity) for the Northern District of Illinois for appointment of a Liquidator or successor Liquidator, and the Judge, acting as an individual and not in his judiciary capacity, shall be fully authorized and empowered to appoint and designate a Liquidator or successor Liquidator which shall have all the powers, duties, rights and authority of the Liquidator herein provided.

(d) The Company shall be terminated when the winding up of Company affairs has been completed following dissolution. Between the date on which the event of dissolution causing the dissolution of the Company occurs (the "**Dissolution Date**") and the earlier of the date ninety (90) days after the Dissolution Date or the date on which the actions set forth in Section 15.2(e) are consummated (the "**Termination Date**"), the Members, to the extent permitted under the Act and practical, shall use their commercially reasonable efforts to preserve and continue the business of the Company as a going concern.

(e) Promptly as possible after the dissolution of the Company, the Liquidator shall cause a recognized firm of certificated public accountants to make an accounting of the Company's assets, liabilities and operations through the last day of the calendar month in which the dissolution occurs. The Liquidator shall have full power and authority to sell, assign and encumber any or all of the Company's assets and to wind up and liquidate the affairs of the Company in an orderly and businesslike manner and on such terms and conditions as it deems necessary or advisable, without the consent of the Members. Upon liquidation of the Company, the Liquidator shall distribute the assets of the Company in the following manner and order of priority:

(1) First, to the payment and discharge of all debts and liabilities of the Company to creditors of the Company (other than the Members or their Affiliates and Subsidiaries) in the order of

priority as provided by law, and of the costs and expenses of liquidation.

(2) Second, to establish such reserves as the Liquidator deems reasonably necessary or advisable, or as required by the Act, to provide for the contingent liabilities of the Company in connection with the liquidation of the Company.

(3) Third, to the payment and discharge of all debts and liabilities of the Company to the Members and their Affiliates and Subsidiaries which may be creditors in the order of priority as provided by law.

(4) Fourth, to the Members according to Section 10.1.

The Liquidator's distribution of cash or property to a Member in accordance with the provisions of this Section 15.2 shall constitute a complete return to the Member of its Capitol Contributions and a complete distribution to the Member of its interest in the Company and the Company's property. Any distribution to a Member under this Article 15 shall be made by the later of (1) the end of the taxable year of the "liquidation" of the Company, or (2) within ninety (90) days of such "liquidation," as such term is defined by Treasury Regulation § 1.704-1(b)(2)(ii)(g), except as otherwise permitted by Treasury Regulation § 1.704-1(b)(2)(ii)(b).

(f) Notwithstanding anything to the contrary in this Agreement, upon a liquidation within the meaning of Treasury Regulation Section 1.704-1(b)(2), if either Member has a deficit in its Capital Account (after giving effect to all contributions, distributions, allocations and other Capital Account adjustment for all taxable years, including the year during which such liquidation occurs), the Member shall have no obligation to make any Capital Contribution for the purposes of eliminating or diminishing its negative Capital Account balance and its negative Capital Account balance shall not be considered a debt owned by such Member to the Company or to any other person for any purpose whatsoever.

(g) Upon the completion of the winding up, liquidation and distribution of the assets of the Company as described herein, the Company shall be deemed terminated.

(h) The Liquidator and the Members shall comply with all applicable requirements of all applicable laws pertaining to the winding up of the business and affairs of the Company and the final distribution of its assets.

15.3 Articles of Dissolution.

(a) When all debts, liabilities and obligations have been paid and discharged or adequate provisions have been made therefore and all of the Company's remaining property and assets have been distributed to the Members, the Members, or an appropriate representative designated by the Members, shall execute and file with the Illinois Secretary of State articles of dissolution.

(b) Upon the issuance of the articles of dissolution, the existence of the Company shall cease except for any purposes provided for in the Act.

15.4 Return of Contributions. Except as provided by law, the Act or as specifically set forth in this Agreement, upon dissolution, each Member shall look solely to the assets of the Company for the return of its Capital Contribution. If the Company's assets remaining after the payment or discharge of the debts and liabilities of the Company are insufficient to return the Capital Contributions of one or more Members, such Member or Members shall have no recourse against any other Member or the Managers.

ARTICLE 16

ACCOUNTING, BOOKS, BANK ACCOUNTS AND TAX MATTERS

16.1 Accounting Period. The annual accounting period of the Company shall end on December 31 of each year. The Company shall keep the books, records and accounts of the Company on the accrual method of accounting in accordance with GAAP.

16.2 Books. The Company shall keep and maintain full and accurate books and records of the Company (including, but not limited to, all books and records required by the Act). All said books and records shall be kept at all times in the principal executive office of the Company or such other place as agreed upon by the Board of Managers. Each Member, Manager and Officer shall at all times have access to and may inspect any and all said books and records.

16.3 Bank Accounts. An account or accounts in the name of the Company shall be maintained in such bank or banks as the Board of Managers may select. All monies and funds of the Company, and all instruments for the payment of money to the Company, shall, when received, be deposited in said bank account or accounts, or conservatively invested in marketable securities or other negotiable instruments. All checks, drafts and orders upon said account or accounts shall be signed in the Company's name by the President and/or the Secretary-Treasurer or such other person or persons as the Board of Managers may from time to time determine.

16.4 Reports and Financials. The Company shall prepare financial statements monthly that include a balance sheet as of the end of the reporting period, an income statement for such period, and statement of cash flows for such period. Within ninety (90) days after the end of each Fiscal Year, the Company shall cause to be prepared and distributed to the Members, at the Company's expense, audited financial statements of the Company for the preceding Fiscal Year, including a balance sheet, profit and loss statement, statement of cash flows and statement of the balances in the Members' Capital Accounts, prepared in accordance with the terms of this Agreement and GAAP consistently applied with prior periods.

16.5 Tax Matters Partner. The "Tax Matters Partner", as that term is defined in Code § 6231(a)(7), shall be MMCI. The Tax Matters Partner and the other Member shall use their reasonable efforts to comply with responsibilities outlined in this Section and Code §§ 6222 through 6233 and Code § 6050K (and the Treasury Regulations thereunder) and in doing so shall incur no liability to any other Member. The Tax Matters Partner shall not be required to incur

any expenses for the preparation for, or pursuance of, administrative or judicial proceedings, it being understood that such expenses shall be borne by the Company unless the Members agree on a different method for sharing such expenses.

16.6 Tax Returns and Information. The Company shall be treated as a partnership for tax purposes, but not for any other purposes. The Tax Matters Partner shall cause the Company to provide to each Member a copy of its Form K-1 and any other information which either Member may reasonably request in writing relating to such returns, prior to the statutory due dates, including any available extensions, after the end of each Company Fiscal Year.

16.7 Tax Matters Handled By Company. The Tax Matters Partner, acting at the direction of the Board of Managers, shall have full authority to negotiate with, to conclude agreements with or to refuse to agree with federal and state taxing authorities as to the taxable income of the Company for any taxable period and any determination of such taxable income shall be binding upon the Members, each of which individually shall be liable to pay any additional tax and interest or entitled to receive any refund and interest resulting from such determination. The Tax Matters Partner shall not be responsible for any loss or damage to any Member as a result of any such determination or failure to arrive at a determination.

ARTICLE 17

NON-COMPETITION COVENANTS

17.1 IGI Non-Competition Covenants.

(a) IGI hereby covenants and agrees that during the period of time in which IGI or an Affiliate or Subsidiary thereof is a member of the Company, and, commencing at the end of this period time, for a period of time of one (1) year thereafter (if and for so long as during such one (1) year, the Company continues to operate the Center as a going concern and MMCI or an Affiliate or Subsidiary thereof continues to be a member of the Company), neither IGI nor an Affiliate or Subsidiary thereof, nor any physician who then is, or at any time during the 180 days immediately prior to the end of the applicable period referred to above was, a shareholder of IGI or an Affiliate or Subsidiary thereof, shall, directly or indirectly, hold an ownership, investment or financial interest in (whether as an owner, security holder, creditor or otherwise) a free-standing, single-specialty, ASC (defined as an ASC in which gastroenterological ("GI") procedures constitute eighty percent (80%) or more of the procedures performed therein, as measured during any twelve (12) consecutive calendar month period (a "Single-specialty ASC"), located within a fifty (50) mile radius of the Center.

(b) IGI hereby further covenants and agrees that during the period of time in which IGI or an Affiliate or Subsidiary thereof is a member of the Company, and, commencing at the end of this period of time, for a period of time of one (1) year thereafter (if and for so long as during such one (1) year period of time, the Company continues to operate the Center as a going concern and MMCI or an Affiliate or Subsidiary thereof continues to be a member of the Company), neither IGI nor an Affiliate or Subsidiary thereof, nor any physician who then is, or at any time during the 180 days immediately prior to the end of the applicable period of time referred to above was, a shareholder of IGI or an Affiliate or Subsidiary thereof, shall, directly or

indirectly, hold an ownership, investment or financial interest in (whether as an owner, security holder, creditor or otherwise) a free-standing, multi-specialty, ASC (defined as an ASC in which GI procedures constitute less than eighty percent (80%) of the procedures performed therein, as measured during any twelve (12) consecutive calendar month period (a "Multi-specialty ASC")) located within a fifty (50) mile radius of the Center, unless MMCI gives its prior written consent, which consent MMCI shall not unreasonably withhold, delay or condition. MMCI shall give its consent if IGI (1) certifies on the basis of the information available to it that it expects that the number of GI procedures to be performed in the Multi-specialty ASC in any twelve (12) consecutive calendar month period will be less than eighty percent (80%) of the total number of procedures performed therein during the same period and (2) agrees that if the actual number of GI procedures performed therein in any twelve (12) consecutive calendar month period is equal to or greater than eighty percent (80%) of the total number of procedures performed therein during the same period, it shall use its commercially reasonable best efforts, and shall cause its Affiliates and Subsidiaries to use their commercially reasonable best efforts, to promptly take or cause the physician shareholders of IGI and its Affiliates and Subsidiaries to promptly take one (1) or more of the following actions: dispose of its or their ownership, investment or financial interest in the Multi-specialty ASC, sell to MMCI or an Affiliate or Subsidiary thereof between twenty percent (20%) and forty-nine percent (49%) of its or their ownership, investment or financial interest in the Multi-specialty ASC, or cause the owners of the Multi-specialty ASC to sell to MMCI or an Affiliate or Subsidiary thereof an ownership, investment or financial interest in the Multi-specialty ASC. IGI shall use its commercially reasonable best efforts, and shall cause its Affiliates and Subsidiaries and its and their physician shareholders to use their commercially reasonable best efforts, to include in the documents granting it or them an ownership, investment or financial interest in the Multi-specialty ASC the right to take the actions specified herein.

17.2 MMCI Non-Competition Covenants.

(a) MMCI hereby covenants and agrees that during the period of time in which MMCI or an Affiliate or Subsidiary thereof is a member of the Company, and, commencing at the end of this period of time, for a period of time of one (1) year thereafter (if and for so long as during such one (1) year, the Company continues to operate the Center as a going concern and IGI or an Affiliate or Subsidiary thereof continues to be a member of the Company), neither MMCI nor an Affiliate or Subsidiary thereof, shall, directly or indirectly, hold an ownership, investment or financial interest in (whether as an owner, security holder, creditor or otherwise) a free-standing, Single-specialty ASC, located within a fifty (50) mile radius of the Center.

(b) MMCI hereby further covenants and agrees that during the period of time in which MMCI or an Affiliate or Subsidiary thereof is a member of the Company, and, commencing at the end of this period of time, for a period of time of one (1) year thereafter (if and for so long as during such one (1) year period of time, the Company continues to operate the Center as a going concern and IGI or an Affiliate or Subsidiary thereof continues to be a member of the Company), neither MMCI nor an Affiliate or Subsidiary thereof, shall, directly or indirectly, hold an ownership, investment or financial interest in (whether as an owner, security holder, creditor or otherwise) a free-standing, Multi-specialty ASC located within a fifty (50) mile radius of the Center, unless IGI gives its prior written consent, which consent IGI shall not

unreasonably withhold, delay or condition. IGI shall give its consent if MMCI (1) certifies on the basis of the information available to it that it expects that the number of GI procedures to be performed in the Multi-specialty ASC in any twelve (12) consecutive calendar month period will be less than eighty percent (80%) of the total number of procedures performed therein during the same period and (2) agrees that if the actual number of GI procedures performed therein in any twelve (12) consecutive calendar month period is equal to or greater than eighty percent (80%) of the total number of procedures performed therein during the same period, it shall use its commercially reasonable best efforts and shall cause its Affiliates and Subsidiaries to use their commercially reasonable best efforts, to promptly take one (1) or more of the following actions: dispose of its or their ownership, investment or financial interest in the Multi-specialty ASC, sell to IGI or an Affiliate or Subsidiary thereof between twenty percent (20%) and forty-nine percent (49%) of its ownership, investment or financial interest in the Multi-specialty ASC, or cause the owners of the Multi-specialty ASC to sell to IGI or an Affiliate or Subsidiary thereof an ownership, investment or financial interest in the Multi-specialty ASC. MMCI shall use its commercially reasonable best efforts, and shall cause its Affiliates or Subsidiaries to use their commercially reasonable best efforts, to include in the documents granting it or them an ownership, investment or financial interest in the Multi-specialty ASC the right to take the actions specified herein.

17.3 Exceptions to Non-Competition Covenants.

(a) Nothing contained in this Article 17 shall be construed as preventing a Member (or an Affiliate or Subsidiary thereof), or a physician-shareholder of IGI or an Affiliate or Subsidiary thereof, from investing in the stock of a corporation listed on a national securities exchange or traded in the over-the counter market so long as the Member (or an Affiliate or Subsidiary thereof), or a physician-shareholder of IGI or an Affiliate or Subsidiary thereof, is not involved in the business of the corporation and does not own more than five percent (5%) of the stock of the corporation.

(b) Nothing contained in this Article 17 shall be construed as preventing MMCI or an Affiliate or Subsidiary thereof from owning and operating an ASC (including a Multi-specialty or Single-specialty ASC) on the campus of the acute care hospital known as "The Methodist Medical Center" and located at or contiguous to 221 Northeast Glen Oak Avenue, Peoria, Illinois (the "Hospital Campus").

(c) Nothing contained in this Article 17 shall be construed as preventing MMCI or an Affiliate or Subsidiary thereof from offering and/or providing ambulatory surgery services on the Hospital campus.

(d) Nothing contained in this Article 17 shall be construed as preventing MMCI or an Affiliate or Subsidiary of MMCI from, at any time after the Execution Date, acquiring, and thereafter holding, an ownership, investment or financial interest in an ASC (including a Multi-specialty or Single-specialty ASC) located within a fifty (50) mile radius of the Center (the "MMCI ASC") if Methodist Health Services Corporation, an Illinois not-for-profit corporation and sole member of MMCI ("MHSC"), or an Affiliate or Subsidiary of MHSC (including MMCI) consummates a transaction satisfying all three (3) of the following conditions (the "MHSC Transaction"): (1) after the Execution Date, MHSC or an Affiliate or

Subsidiary of MHSC financially and organizationally integrates through and by means of an acquisition, merger, consolidation, reorganization or change in control with a multi-corporate health care provider (the "Health Care Provider"); (2) on the date on which MHSC or an MHSC Affiliate or Subsidiary and the Health Care Provider consummate the MHSC Transaction (the "MHSC Transaction Date"), the Health Care Provider owns, operates or holds an ownership, investment or financial interest in an acute care hospital; and (3) on the MHSC Transaction Date, the Health Care Provider owns, operates or holds an ownership, investment or financial interest in the MMCI ASC. Not later than ten (10) days after the MHSC Transaction Date, MMCI shall give, and shall cause the other Persons to and resulting from the MHSC Transaction to give, IGI written notice and supporting documentation in form and substance reasonably satisfactory to IGI that MHSC or an MHSC Affiliate or Subsidiary has consummated the MHSC Transaction. If MHSC or an MHSC Affiliate or Subsidiary consummates the MHSC Transaction, MMCI shall use its, and shall cause the other Persons to and resulting from the MHSC Transaction to use their, commercially reasonable best efforts to cause the Person or Persons who or which hold an ownership, investment or financial interest in the MMCI ASC to offer to IGI, the IGI Equity Holders or an IGI Affiliate or Subsidiary the opportunity to acquire the maximum amount of interest IGI, the IGI Equity Holders or an IGI Affiliate or Subsidiary may qualify to purchase as provided in the documents governing the ownership of the MMCI ASC as in effect on the date immediately prior to the MHSC Transaction Date (the "MMCI ASC Governing Documents"), at the then current Fair Market Value of the interest being acquired or purchased; provided, neither applicable law nor the MMCI ASC Governing Documents prohibit ownership by IGI, the IGI Equity Holders and an IGI Affiliate or Subsidiary. MMCI shall give IGI written notice of the purchase option within thirty (30) days after the MHSC Transaction Date. IGI, the IGI Equity Holders, or an IGI Affiliate or Subsidiary, if at all, shall exercise the option (and purchase the interest offered) within sixty (60) days after the later of either the date on which the parties establish the Fair Market Value of the interest being purchased or the date on which the parties (individually and/or collectively) obtain all governmental approvals required to consummate the purchase and sale of the interest. Notwithstanding anything to the contrary herein, nothing in this Section 17.3(d) shall be construed as permitting IGI, the IGI Equity Holders and/or an IGI Affiliate or Subsidiary to purchase and acquire an interest in the MMCI ASC equal to or greater than the combined interest held by MHSC and the MHSC Affiliates and Subsidiaries.

(e) Nothing contained in this Article 17 shall be construed as preventing IGI, the IGI Equity Holders or an Affiliate or Subsidiary of IGI from, at any time after the Execution Date, acquiring, and thereafter holding, an ownership, investment or financial interest in an ASC (including a Multi-specialty or Single-specialty ASC) located within a fifty (50) mile radius of the Center (the "IGI ASC") if IGI or an Affiliate or Subsidiary of IGI consummates a transaction satisfying all six (6) of the following conditions (the "Practice Transaction"): (1) after the Execution Date, IGI or an Affiliate or Subsidiary of IGI financially and organizationally integrates through and by means of an acquisition, merger, consolidation, reorganization or change in control with a physician practice organized as a medical corporation or medical limited liability company (the "Physician Provider"); (2) on the date on which IGI or an IGI Affiliate or Subsidiary and the Physician Provider consummate the Practice Transaction (the "Practice Transaction Date"), the Physician Provider owns and operates a physician practice; (3) on the Practice Transaction Date, the Physician Provider owns, operates or holds an ownership, investment or financial interest in the IGI ASC; (4) each year between the Execution Date and

the Practice Transaction Date, the IGI Equity Holders and the IGI employed physicians collectively perform in the aggregate at sites located in Peoria, Illinois, a majority of the GI procedures they collectively perform in the aggregate at sites located in the Illinois counties of Peoria, Tazewell, Woodford, Fulton, Knox, Marshall, Stark and McLean; (5) each year after the Practice Transaction Date, the physicians who were IGI Equity Holders and IGI employed physicians immediately prior to the Practice Transaction Date, and who continue to practice medicine as owners or employees of the practice entity resulting from the Practice Transaction, continue to collectively perform in the aggregate at sites located in Peoria, Illinois, a majority of the GI procedures they collectively perform in the aggregate at sites located in the Illinois counties of Peoria, Tazewell, Woodford, Fulton, Knox, Marshall, Stark and McLean; and (6) on the Practice Transaction Date, St. Francis is not, and is not a party to a binding or non-binding contract to become, a creditor of, a manager of, a consultant to, or a legal, equitable or beneficial owner of all or any of the equity or voting interest of, or of the tangible and/or intangible assets of, the Physician Provider or the IGI ASC. Not later than ten (10) days after the Practice Transaction Date, IGI shall give, and shall cause the other Persons to and resulting from the Practice Transaction to give, MMCI written notice and supporting documentation in form and substance reasonably satisfactory to MMCI that IGI or an IGI Affiliate or Subsidiary has consummated the Practice Transaction. If IGI or an IGI Affiliate or Subsidiary consummates the Practice Transaction, IGI shall use its, and shall cause the other Persons to and resulting from the Practice Transaction to use their, commercially reasonable best efforts to cause the Person or Persons who or which hold an ownership, investment or financial interest in the IGI ASC to offer to MMCI or an MMCI Affiliate or Subsidiary the opportunity to acquire the maximum amount of interest MMCI or an MMCI Affiliate or Subsidiary may qualify to purchase as provided in the documents governing the ownership of the IGI ASC as in effect on the date immediately prior to the Practice Transaction Date (the "IGI ASC Governing Documents"), at the then current Fair Market Value of the interest being acquired or purchased; provided, neither applicable law nor the IGI ASC Governing Documents prohibit ownership by MMCI and an MMCI Affiliate or Subsidiary. IGI shall give MMCI written notice of the purchase option within thirty (30) days after the Practice Transaction Date. MMCI or an MMCI Affiliate or Subsidiary, if at all, shall exercise the option (and purchase the interest offered) within sixty (60) days after the later of either the date on which the parties establish the Fair Market Value of the interest being purchased or the date on which the parties (individually and/or collectively) obtain all governmental approvals required to consummate the purchase and sale of the interest. Notwithstanding anything to the contrary herein, nothing in this Section 17.3(e) shall be construed as permitting MMCI and/or an MMCI Affiliate or Subsidiary to purchase and acquire an interest in the IGI ASC equal to or greater than the combined interest held by IGI and the IGI Affiliates and Subsidiaries.

17.4 Enforcement of Covenants.

(a) Each Member acknowledges and agrees that the covenants set forth in Sections 17.1, 17.2 and 17.3 are among the inducements for the Members to enter into this Agreement, and are necessary to protect the interests of the Members.

(b) Each Member acknowledges and agrees that the covenants set forth herein are reasonable in scope and duration and that the provisions of this Agreement are for the benefit of, and may be enforced by, the Members, their Affiliates and Subsidiaries and their respective

successors and assigns. Each Member further acknowledges and agrees that a breach of Section 17.1, 17.2 or 17.3 would result in irreparable damage to the Members and/or their Affiliates and Subsidiaries that cannot be adequately compensated by money damages, and without limiting any other remedies available in law or equity to the Members, agrees that the provisions of Sections 17.1, 17.2 or 17.3 may be enforced by temporary restraining order, preliminary injunction and/or permanent injunction restraining a violation or threatened violation thereof. Each Member waives the claim or defense that an adequate remedy at law for such a breach exists.

(c) Each Member acknowledges and agrees that if any restriction contained in this Agreement is held by any court of competent jurisdiction to be unenforceable or unreasonable, a lesser restriction as determined by such court to be enforceable shall be severable therefrom and enforced in its place, and the remaining restrictions contained herein shall be enforceable independent of each other.

(d) Each Member acknowledges and agrees that the covenants contained in this Article 17 shall survive (1) the expiration or earlier termination of this Agreement and (2) the Transfer of its Membership Interest permitted under and pursuant to Section 17.1.

ARTICLE 18

DISPUTE RESOLUTION

18.1 General. Except with respect to disputes, controversies or claims arising out of Section 8.2 and Article 17, which disputes, controversies or claims may be addressed through a court of law or equity, the Members desire to avoid all forms of traditional litigation; accordingly, other than disputes, controversies or claims arising out of Section 8.2 and Article 17, they agree to resolve in accordance with the provisions of this Article 18 any dispute, controversy or claim arising out of or relating to this Agreement or the relationship between them created by this Agreement (including the determination of the interpretation or scope of this Agreement to arbitrate) (each a "Dispute").

18.2 Initial Dispute Resolution. Not later than twenty (20) days after a Member gives to the other Member written notice that there is a Dispute, representatives of the Members with authority to settle the matter shall meet at a mutually acceptable time and place, and as often thereafter as they deem reasonably necessary, in an effort to reach an amicable solution. Nothing in this Section 18.2 shall prevent the Members from utilizing the services of an impartial third party to mediate a resolution to such Dispute.

18.3 Continuing Procedures. If no amicable resolution is reached as a result of the procedure in Section 18.2, the Members shall exchange written statements of their positions concerning the Dispute. Not later than thirty (30) days after the exchange of written statements, the Members represented by their respective management executives with authority to resolve the Dispute and with the assistance of counsel, experts and others as they may deem to be appropriate, shall meet and again attempt to reach an amicable resolution or settlement (the "Final Mediation"). If no amicable resolution or settlement is reached, the Members, at the election of either of them, shall submit the Dispute to final binding arbitration. The arbitration

shall be administered by the AAA and conducted in accordance with its Commercial Arbitration Rules. The arbitration specified herein is intended to provide an arbitral instead of a judicial forum for the resolution of Disputes. In order to invoke arbitration, either Member shall send a notice of demand for binding arbitration in writing to the other Member on or before thirty (30) days from the completion of Final Mediation. The Members agree to a single arbitrator. Selection of the arbitrator shall be made on or before ten (10) days from the date a Member receives the demand for arbitration. If the Members cannot agree on the selection of the arbitrator within this time, the arbitrator shall be selected pursuant to the AAA Commercial Arbitration Rules; provided, however, the arbitrator shall be familiar with the health care services industry and the limitations and obligations of organizations exempt under Section 501(c)(3) of the Code. The cost of arbitration proceedings, including, without limitation, the arbitrator's compensation and expenses, shall be borne by the Members equally or otherwise as the arbitrator may determine. The arbitrator may award the prevailing party its reasonable attorneys' fees and costs incurred in connection with the arbitration, and shall award reasonable attorneys' fees and costs for instances of abuse in the discovery process. The arbitration proceedings shall be held in Peoria, Illinois unless the Members agree otherwise. The arbitration hearing shall be held on consecutive business days without interruption to the maximum extent practicable. A preliminary hearing shall be held pursuant to Rule 10 of the AAA Commercial Arbitration Rules. Discovery shall be limited as follows. Each Member shall be allowed to serve one production request, not exceeding twenty-five (25) pages in number including all discrete subparts. Each Member may depose the other Member's expert witnesses, if any, and two fact witnesses only. Additional depositions may be taken with approval by the arbitrator upon a showing of good cause. There shall be no other discovery allowed. No arbitration shall include by consolidation or in any other manner, any additional person not a party to this Agreement, except by written consent of the Members. The arbitrator is empowered to render an award of general compensatory damages and equitable relief (including, without limitation, injunctive relief), but is not empowered to award exemplary, special or punitive damages. The arbitrator shall not have the power to alter, modify or change any of the terms of this Agreement or to render any decision or make any award that is in contravention of the Company's commitment to support and promote the exempt purposes of MMCI. The Members shall maintain the substance of any proceedings hereunder in confidence and the arbitrator, prior to any proceedings hereunder, shall sign an agreement whereby the arbitrator agrees to keep the substance of any proceedings hereunder in confidence.

18.4 Governing Law. The laws of the state of Illinois, without regard to conflict of law rules, shall govern the arbitration. In matters affecting or relating to the exempt status of MMCI, federal statutory and/or case law and regulations, including pronouncements of the Internal Revenue Service, shall control.

18.5 Confidentiality. The dispute resolution procedure contemplated hereunder shall be as confidential and private as permitted by law. To that end, the Members shall not disclose the existence, contents or results of any proceedings conducted in accordance with this Article, and materials submitted in connection with such proceedings shall not be admissible in any other proceeding, provided, however, that this provision shall not bar disclosures required by law.

18.6 Pendency of Dispute. Pending final resolution of any Dispute, each Member shall continue to perform its obligations pursuant to this Agreement.

18.7 Attorneys' Fees. The arbitrator shall have the authority to award the prevailing party costs, expenses and reasonable attorneys' fees incurred in connection with any Dispute, in its reasonable discretion, after considering the conduct of the non-prevailing party.

ARTICLE 19

INDEMNIFICATION

19.1 Indemnification by Company.

(a) The Company, to the fullest extent permitted by the Act, shall indemnify, defend and hold harmless each present or former Member, Manager or Officer (the "Indemnified Person") from and against any Claim in which the Indemnified Person may be involved, or threatened to be involved, by reason of the fact that the Indemnified Person is or was a Member, Manager or Officer, which relates to or arises out of the Company, its assets, business or affairs, if in each of the foregoing cases (1) the Indemnified Person acted in good faith and in the reasonable belief that its or his acts or omissions were in the best interests of the Company (except as otherwise provided in Section 2.8) and within the scope of authority conferred on it or him by this Agreement and (2) the Indemnified Person's conduct was lawful and did not constitute fraud, gross negligence, or willful or wanton misconduct.

(b) The Company shall periodically reimburse or advance to the Indemnified Person its or his expenses (including reasonable attorneys' fees) incurred by it or him in defending or investigating any actual or threatened Claim if the Indemnified Person agrees to promptly reimburse the Company for such amounts if it is determined that it or he is not entitled to be indemnified as authorized by this Article.

(c) No Indemnified Person shall have any personal liability for an indemnification obligation owed by the Company to another Indemnified Person.

19.2 Indemnification by Members.

(a) Each Member (in such capacity, the "Indemnifying Member") shall indemnify, defend and hold harmless the Company and each Indemnified Person from and against any Claim caused by, or arising from or on account of, the Indemnifying Member's (1) breach of the representations and warranties made by it in this Agreement, (2) failure to comply with or fulfill any covenant or agreement made by it in this Agreement, (3) fraud, gross negligence or willful or wanton misconduct or (4) unlawful conduct.

(b) Notwithstanding Section 19.2(a), a Member shall not be liable thereunder to any Indemnified Person for those portions of the Claim (or the entire Claim) ultimately adjudicated (including pursuant to an enforceable settlement or binding arbitration) to have been caused by or arising from the fraud, gross negligence, willful or wanton misconduct or unlawful conduct of the Company or a Member other than the Indemnifying Member.

19.3 Certain Rules and Procedures Applicable to all Indemnifications.

(a) The indemnification procedures set forth in this Section 19.3 shall apply to all indemnifications provided in this Agreement.

(b) Payment by the Indemnified Person of amounts to be reimbursed hereunder shall not be a condition precedent to any indemnification provided in this Agreement.

(c) Notwithstanding the provisions of Article 19.1, any indemnification under Section 18.1 shall be provided out of and to the extent of Company assets only, and no Member or the Manager shall be personally liable therefor.

(d) An Indemnified Person's right to indemnification under this Agreement shall not be exclusive of or affect any other rights of the Indemnified Person.

(e) Any indemnification hereunder shall survive the termination or expiration of the term of this Agreement, the sale of all or substantially all of the assets of the Company, any Change of Control or Ownership of the Company and any Transfer of the Membership Interests of the Indemnifying Member.

(f) The Company and any Indemnified Person making an indemnification claim under this Agreement shall deliver timely written notice of the claim to the indemnifying party that includes a brief description of the amount and basis therefore, if known. Upon delivery of the notice, the indemnifying party shall be obligated to defend the Indemnified Person against the underlying action or claim, and shall be entitled to assume control of the defense of the underlying claim with counsel chosen by the indemnifying party, reasonably satisfactory to the Indemnified Person (including the Company, if applicable). The parties shall cooperate fully with and assist one another in the defense against such claim in all reasonable respects. The parties also shall keep one another fully apprised at all times as to the status of the defense. Notwithstanding the foregoing, if the indemnifying party controls the defense of the underlying action or claim, the Indemnified Person (including the Company, if applicable) shall have the right to employ its own separate counsel in such action or claim, but the fees and expenses of such counsel shall be at the expense of the Indemnified Person (including the Company, if applicable); provided, however, that (1) if the parties agree that it is advantageous to the defense for the Indemnified Person (including the Company, if applicable) to employ its own counsel or (2) in the reasonable judgment of the Indemnified Person (including the Company, if applicable), based upon an opinion of independent, outside counsel selected by the Indemnified Person (including the Company, if applicable) (subject to the consent of the indemnifying party, which consent shall not be unreasonably withheld, delayed or conditioned), representation of both the indemnifying party and the Indemnified Person (including the Company, if applicable) would be inappropriate under applicable standards of professional conduct due to actual or potential conflicts of interest between them, then the reasonable fees and expenses of the Indemnified Person's counsel for the underlying claim shall be paid by the indemnifying party, so long as the indemnifying party approves such counsel (which approval shall not be unreasonably withheld, delayed or conditioned). Neither the indemnifying party nor any Indemnified Person (including the Company, if applicable) shall be liable for any settlement of any action or claim effected without its consent (which consent shall not be unreasonably withheld, delayed or conditioned). Notwithstanding the foregoing, the Indemnified Person (including the Company, if applicable) shall retain, assume, or reassume sole control over, all

expenses relating to every aspect of the defense that it believes is not the subject of the indemnification provided for herein. Until both (i) the Indemnified Person (including the Company, if applicable) receives notice from the indemnifying party that it will defend and (ii) the indemnifying party assumes such defense, the Indemnified Person (including the Company, if applicable) may, at any time after seven (7) days from the date notice of claim is given to the indemnifying party by the Indemnified Person (including the Company, if applicable), resist or otherwise defend the claim or, after consultation with and written consent of the indemnifying party, settle or otherwise compromise the claim. The indemnifying party shall pay the reasonable costs of the Indemnified Person (including the Company, if applicable) arising out of or relating to that defense and any such settlement, compromise, or payment. Following indemnification as provided herein, the indemnifying party shall be subrogated to all rights of the Indemnified Person (including the Company, if applicable) with respect to the matters for which indemnification has been made.

(g) Any party hereto may seek injunctive or other equitable relief before a court of competent jurisdiction to enforce the indemnifications granted herein. The indemnifying party shall pay any costs incurred in enforcing the indemnifications granted herein.

ARTICLE 20

MISCELLANEOUS

20.1 Covenants. The Members intend that the Center shall be "operational" (i.e., shall have all necessary licenses and/or operating authorities) (1) to allow physicians to refer patients to and perform procedures in the Center and (2) to allow the Center to render bills to, and receive reimbursement from, third party payers, for procedures performed in the Center) no later than December 31, 2009. The Members covenant and agree to use their best efforts to take all actions reasonably necessary to ensure that the Center becomes operational no later than December 31, 2009. Accordingly, immediately following the Execution Date, the Members and the Board of Managers shall work diligently and in good faith in negotiating and approving all other agreements, documents and instruments necessary to consummate the various transactions required for the Center to be operational on or before December 31, 2009.

20.2 Rights of Creditors and Third Parties Under Agreement. Except with respect to Article 9: (i) this Agreement is entered into among the Company and the Members for the exclusive benefit of the Company, the Members, and their successors and assigns; (ii) this Agreement is expressly not intended for the benefit of any creditor of the Company or any other Person; and (iii) except and only to the extent provided by applicable statute, no creditor or third party shall have any rights under this Agreement or any agreement between the Company and the Members with respect to any Capital Contribution or otherwise.

20.3 Entire Agreement. This Agreement (including all Schedules) constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes any prior understandings or agreements of the parties hereto, written or oral, to the extent they relate in any way to such subject matter.

20.4 Notices. All notices, requests, demands, claims and other communications of the Company and the Members pursuant to this Agreement will be in writing. Any such notice or other communication may be sent by overnight courier, registered or certified mail, personal delivery, messenger service, facsimile, electronic mail or ordinary mail, and shall be addressed to the intended recipient as set forth on Schedule 2. Any notice or other communication sent hereunder to the intended recipient shall be deemed to have been duly given on the date it is actually received by the intended recipient. Either Member may change the address to which notices and other communications hereunder are to be delivered by giving the other Member notice in the manner herein set forth.

20.5 Succession and Assignment. This Agreement shall be binding upon and inure to the benefit of the Members and their respective successors and permitted assigns. Except as otherwise provided herein, neither Member may assign either this Agreement or any of its rights, interests, or obligations hereunder without the prior written approval of the other Member.

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

20.7 Waivers. No waiver of any provision, condition or covenant of this Agreement shall be effective as against the waiving Member unless such waiver is in writing signed by the waiving Member. Waiver by a Member as provided in this Section shall not be construed as, or constitute, either a continuing waiver of such provision, condition or covenant or a waiver of any other provision, condition or covenant hereof. The failure of either Member at any time to require performance by the other Member of any provision, condition or covenant of this Agreement shall in no way affect its right thereafter to enforce the provision, condition or covenant.

20.8 Governing Law. This Agreement shall be governed by and construed in accordance with the domestic laws of the state of Illinois, without giving effect to any choice or conflict of law provision or rule that would cause the application of the laws of any jurisdiction other than the state of Illinois. Any action or proceeding arising directly or indirectly in connection with, out of, or relating to this Agreement may be commenced and maintained only in courts located in Peoria County, Illinois. The Members, by their execution of this Agreement, consent and submit to the jurisdiction of any state or Federal court located within Peoria County, Illinois.

20.9 Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

20.10 Waiver of Partition. Each Member specifically waives any direct or indirect rights it now has or may hereafter acquire to cause any assets of the Company now or hereafter acquired to the subject of a partition suit.

20.11 Specific Performance. Each Member would be damaged irreparably in the event any of the provisions of this Agreement are not performed in accordance with their specific terms or otherwise are breached. Accordingly, each Member shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically this Agreement and the terms and provisions hereof in any action instituted in any court of the United States or any state thereof having jurisdiction over the Members and the matter, in addition to any other remedy to which it may be entitled, at law or in equity.

20.12 Estoppel Certificates. Each Member shall, within ten (10) days after written request by the Company, deliver to the Company a certificate stating, to the Member's knowledge that: (1) this Agreement is in full force and effect; (2) this Agreement has not been modified, except by any instrument or instruments identified in the certificate (to the extent this Agreement has been modified pursuant to the terms hereof), and (3) there is no default hereunder by the Company or the other Members, or if there is a default, the nature and extent thereof.

20.13 Attorneys' Fees. The prevailing party in any proceeding shall be entitled to recover its reasonable attorneys' fees and costs of collection to enforce any provision of this Agreement.

20.14 Confidentiality; Non-Disparagement. Each Member, and each agent or principal thereof, shall keep secret and confidential, and each Member shall cause each Member Representative and each Manager appointed by it to keep secret and confidential, all information acquired relating to the following (all such information being hereinafter referred to as "**Confidential Business Information**"): (1) the financial condition and other information relating to the business of the Company, including, without limitation, its rates for services, its operations and contracts, and its business plans and arrangements; (2) the systems, products, plans, services, marketing, sales, administration and management procedures, trade relations or practices, techniques and practices heretofore or hereafter acquired, developed and/or used by the Company; and (3) in connection with the Company's providers, clients, customers, suppliers, vendors, lenders, independent contractors, and payors, the provisions and terms of any agreements or proposed agreements between the Company and any of such individuals or entities. No Member, and no agent or principal thereof, shall disclose, and no Member shall permit any Member Representative or Manager appointed by it to disclose, Confidential Business Information to any person, firm, corporation, association or other entity, or use the same in any manner other than in connection with operating the business and affairs of the Company; provided, however, a Member may disclose Confidential Business Information to a bona fide, potential third-party purchaser of any interest in or of the Company, if the purchase is to be made in accordance with any applicable provisions hereof and if such third party has executed a confidentiality covenant pursuant to which such third party has agreed to keep the Confidential Business Information strictly confidential. Subject to the foregoing proviso, no Member, and no agent or principal thereof, shall use, and no Member shall permit any Member Representative or Manager appointed by it to use, Confidential Business Information in any way reasonably perceived as detrimental to the Company. Notwithstanding the foregoing, the term "Confidential Business Information" shall not include any information which was independently developed by a party without the use of the Confidential Business Information; any information which is or becomes available in the public domain during the term of this Agreement; any information which is ordered to be released by a governmental agency or court of law; any

information provided to a party's professional advisers (i.e., attorneys and accountants); and any information independently made lawfully available to a party as a matter of right by a third party. In the ordinary course of the Company's business, no Member, and no agent or principal thereof, shall make or cause to be made, and no Member shall permit any Member Representative or Manager appointed by it to make or cause to be made, any written (including, but not limited to, any e-mails, internet postings, remarks or statements) or verbal assertions, statements or other communications regarding the Company's business which may be in any manner whatsoever defamatory, detrimental or unfavorable to the Company.

20.15 Survival of Certain Provisions. This Agreement contains certain terms and conditions which are intended to survive the dissolution and termination of the Company, including, but without limitation, the provisions of Article 17 and Section 20.14. The provisions of this Agreement which by their terms require, given their context, that they survive the dissolution and termination of the Company so as to effectuate the intended purposes and agreements of the Members hereunder shall survive notwithstanding that such provisions had not been specifically identified as surviving and notwithstanding the dissolution and termination of the Company or the execution of any document terminating this Agreement, unless such document specifically provides for nonsurvival by reference to this Section 20.15 and to the specific provisions hereof which are intended not to survive.

20.16 No Third Party Beneficiary. This Agreement is made solely and specifically for the benefit of the parties hereto and no other persons shall have any rights, interests or claims hereunder or be entitled to any benefits under or on account of this Agreement as a third party beneficiary or otherwise.

20.17 Construction. The Members have each been represented by counsel of their respective choice in connection with this Agreement, the terms of which have been fully and fairly negotiated. The language in all parts of this Agreement shall in all cases be construed according to the fair meaning thereof and not strictly against the party which drafted such language.

20.18 Medical Doctor Responsibilities. The Members acknowledge that subject to all Applicable Authorities (as defined herein), the physician providers practicing at the Center shall have the sole responsibility and authority for their clinical decisions. "Applicable Authorities", as used herein, shall mean all laws and regulations; the Bylaws, rules and regulations, and policies and procedures, of the Medical Staff of the Center; the rules and regulations, and policies and procedures, of the Center; the standards of accrediting organizations whose accreditation the Center seeks to obtain; and the standards and requirements of all third party payors of the Center and of the physicians practicing at the Center.

* * *

IN WITNESS WHEREOF, the Members, through their duly-authorized representatives, have executed this OPERATING AGREEMENT as of the date first above written.

**THE METHODIST MEDICAL CENTER
OF ILLINOIS**

By: Dr. Michael Bryant
Its: President & CEO

**ILLINOIS GASTROENTEROLOGY
INSTITUTE, S.C.**

By: [Signature]
Its: President

SCHEDULE 1

DEFINITIONS

Capitalized terms contained and used in this Agreement which are defined below shall have the respective meanings ascribed to them as follows:

"AAA" means the American Arbitration Association or its successor.

"Act" means the Illinois Limited Liability Company Act in effect on the Execution Date, as amended, modified or supplemented from time to time, or any successor statute.

"Adjusted Capital Account" means, with respect to a Member, the balance, if any, in such Member's Capital Account as of the end of the relevant Fiscal Year or other period, after giving effect to the following adjustments:

(a) increase such balance by any amounts which such Member is obligated to restore pursuant to this Agreement (including any note obligations) or is deemed to be obligated to restore pursuant to the penultimate sentence of each of Treasury Regulation §§ 1.704-2(i)(5) and 1.704-2(g);

(b) decrease such balance by the items described in Treasury Regulation § 1.704-1(b)(2)(ii)(d)(4), (5) and (6); and

(c) increase or decrease such balance, in the sole discretion of the Board of Managers, by any other amounts required or permitted under Code § 704(b) and the Treasury Regulations thereunder.

The foregoing definition of Adjusted Capital Account is intended to comply with the provisions of Treasury Regulation § 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

"Affiliate" of a Member means any Person, directly or indirectly, through one or more intermediaries, controlling, controlled by or under common control with a Member. The term "control" (including the terms "controlled by" and "under common control with") as used in the preceding sentence means the power to direct the affairs of a Person by reason of (1) having the power to elect or appoint, through ownership, membership or otherwise, either directly or indirectly, a majority of the governing body of such Person; (2) owning or controlling the right to vote a majority number of the shares of voting stock or other voting interest of such Person; or (3) having the right to direct the general management and affairs of such Person by contract or otherwise. For purposes of this Agreement, the Company shall not be deemed an Affiliate of either Member.

"Agreement" means this Operating Agreement, including all Schedules, and, if amended, modified or supplemented, as the same may be so amended, modified or supplemented.

"Articles of Organization" means the Articles of Organization of the Company filed with the Secretary of State of the state of Illinois, as amended, modified or restated from time to time.

"Assumed Tax Rate" means the highest combined marginal United States federal and state income tax rate applicable to the kinds of taxable income realized by the Members, taking into account the individual tax rates on long-term capital gains and qualified dividend income, and assuming the state income tax rates are 5% after taking into account any benefit of a deduction for federal income tax purposes.

"Bankruptcy" means, with respect to any Person, a "Voluntary Bankruptcy" or an "Involuntary Bankruptcy." A "Voluntary Bankruptcy" means, with respect to any Person, the inability of such person generally to pay its debts as such debts become due, or an admission in writing by such Person of its inability to pay its debts generally or a general assignment by such Person for the benefit of creditors; the filing of any petition or answer by such Person to adjudicate it a bankrupt or insolvent, or seeking for itself any liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of such Person or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking, consenting to, or acquiescing in the entry of an order for relief or the appointment of a receiver, trustee, custodian, or other similar official for such Person or for any substantial part of its property; or corporate action taken by such Person to authorize any of the actions set forth above. An "Involuntary Bankruptcy" means, with respect to any person, without the consent or acquiescence of such Person, the entering of an order for relief or approving a petition for relief or reorganization or any other petition seeking reorganization.

"Board of Managers" means the Board of Managers of the Company which is composed of the individuals who are appointed thereto in accordance with terms of Section 4.2 to serve thereon.

"Capital Account" means the capital account maintained for each Member in accordance with Section 8.3.

"Capital Contribution" means any cash or the fair market value of property (net of liabilities) contributed to the Company by a Member. **"Capital Contribution"** means the sum of the cash and the fair market value of any property other than cash contributed to the Company by or on behalf of each Member in accordance with Article 8 and otherwise; provided, however, that any reference in this Agreement to the Capital Contribution of a Member shall include the contributions to the capital of the Company made by an predecessor in interest of such Member. In no circumstance shall a Member's Capital Contribution include services provided to or for the benefit of the Company by such Member.

"Carrying Value" means, with respect to any Company asset, such asset's adjusted basis for federal income tax purposes, except as follows:

(a) The initial Carrying Value of any asset contributed by a Member (or by a non-Member on behalf of a Member) to the Company shall be the gross fair market value of such asset as reasonably determined in good faith by the Board of Managers.

(b) The Carrying Values of all Company assets may be adjusted to equal their respective gross fair market values, as reasonably determined in good faith by the Board of Managers, immediately before the occurrence of an event described in Section 1.704-1(b)(2)(iv)(f) of the Regulations.

(c) The Carrying Value of any Company asset distributed to any Member shall be the gross fair market value of such asset, as reasonably determined in good faith by the Board of Managers, on the date of distribution.

(d) The Carrying Values of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code § 734(b) or Code § 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Treasury Regulation § 1.704-1(b)(2)(iv)(m); provided, however, that Carrying Values shall not be adjusted pursuant to this paragraph (d) if or to the extent that the Board of Managers determines that an adjustment pursuant to paragraph (b) of this definition is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this paragraph (d).

(e) The Carrying Value of a Company asset shall be adjusted by the Depreciation attributable to such asset.

"Center" means the free-standing, single specialty, ambulatory surgery center to be established by the Company on the Peoria, Illinois, campus of the University of Illinois Medical School in space located in a building known as the Illinois Medical Center. The Center will consist of approximately 7,250 square feet and will include three (3) or four (4) procedure rooms.

"Change of Control or Ownership" means: (1) the change in the corporate charter or bylaws of a Member which causes Control (as hereinafter defined) of the Member to reside in an Unaffiliated Entity (as hereinafter defined); (2) the sale, assignment, pledge, gift or other Transfer of all or substantially all of the businesses and/or assets of a Member; (3) the sale, assignment, pledge, gift or other Transfer of 51% or more of a Member's stock to an Unaffiliated Entity in one or more related or unrelated Transactions; or (4) the merger or consolidation of a Member, if the surviving successor is not Controlled by the Member, or at least fifty percent (50%) of the members of the governing body of the successor are not comprised of persons who were members of the governing body of the Member immediately prior to the approval of such consolidation by the governing body. "Control," when used in conjunction with the term "Change in Control or Ownership" means, with respect to an entity, having the power to elect or appoint, through ownership, membership or otherwise, either directly or indirectly, more than fifty percent (50%) of the governing body of the entity, (ii) owning or controlling the right to vote more than fifty percent (50%) of the shares of voting stock or other voting interest of the entity, or (iii) having the right to direct the general management of the affairs of the entity by contract or otherwise. "Unaffiliated Entity" means a Person which, as of the Execution Date, does not Control and is not Controlled by or under common Control with the Member.

"Claim" means, individually or collectively, any claim, suit, proceeding, obligation, liability, and expense, whether or not litigated, including defense costs, investigative fees and costs and reasonable attorneys' fees and expenses.

"Code" means the Internal Revenue Code of 1986, as amended (or any corresponding provision or provisions of any succeeding law).

"Company Minimum Gain" has the meaning set forth in Treasury Regulations §§ 1.704-2(b)(2) and 1.704-2(d) for the phrase "partnership minimum gain."

"Debt" means (1) any indebtedness for borrowed money or deferred purchase price of property, whether evidenced by a note, bond or other instrument; (2) obligations as lessee under capital leases; (3) obligations secured by any mortgage, pledge, security interest, encumbrance, lien or charge of any kind existing on any asset owned or held by the Company whether or not the Company has assumed or become liable for the obligations secured thereby; (4) any obligation under any interest rate swap agreement (the principal amount of such obligation shall be deemed to be the notional principal amount on which such swap is based); and (5) obligations under direct or indirect guarantees (including obligations (contingent or otherwise) to assure a creditor against loss in respect of indebtedness or obligations of the kinds referred to in clauses (1), (2), (3) and (4) above); provided, however, that the term "Debt" shall not include obligations in respect of any accounts payable that are incurred in the ordinary course of the Company's business and are not delinquent or are being contested in good faith by appropriate proceedings.

"Default Interest Rate" means a rate per annum equal to the lesser of (i) two percent (2%) plus a varying rate per annum that is equal to the interest rate published by the *Wall Street Journal*, or its successor, in its "Money Rates" (or equivalent), or its successor, from time to time as the prime rate, with adjustments in that varying rate to be made on the same date as the publication date of any change in that rate, and (ii) the maximum rate permitted by applicable law.

"Depreciation" means, for a Fiscal Year or other period, an amount equal to the cost recovery deduction with respect to an asset for such period as determined for federal income tax purposes, provided that if the Carrying Value of such asset differs from its adjusted tax basis at the beginning of such period, Depreciation shall be determined as provided in Treasury Regulation § 1.704-1(b)(2)(iv)(g)(3).

"Distribution" means any money or other property distributed to a Member with respect to the Member's Membership Interest, or any portion thereof, but shall not include any payment to a Member for materials or services rendered nor any reimbursement to a Member for expenses permitted in accordance with this Agreement.

"Distributable Cash" means for any Fiscal Year, or portion thereof, an amount equal to the balance of cash and cash equivalents as reflected on the Company's balance sheet for the applicable period, less the Required Cash Reserves.

"Fair Market Value" means such fair market value as is determined by the mutual agreement of the affected parties; provided, however, that if the parties are unable to agree on the fair market value, then the fair market value shall be determined by an appraiser selected by each

of the parties; provided, further, that if the parties are unable to agree on an appraiser, each shall select its own appraiser with experience in appraising businesses of like nature, and the average of the amounts calculated by such appraisers shall be the fair market value; except that if the differential between the amounts determined by the appraisers exceeds ten percent (10%) (based on the lower amount), the appraisers shall choose another competent appraiser, with experience in appraising businesses of like nature, who shall determine which of the appraisers' determinations as to fair market value is the nearest to the fair market value, and the Fair Market Value shall be the average of such value and the value calculated by such additional appraiser selected by it if separate appraisers are used; and if an additional appraiser is necessary, the costs and expenses of such additional appraiser shall be shared equally by the parties.

"Financial Rights" means each Member's rights to share in Company income, expenses, Profits, Losses and Distributions and to receive interim and liquidation Distributions.

"Fiscal Year" means an annual accounting period ending December 31 of each year during the term of the Company; provided, however, that the last such Fiscal Year shall be the period beginning on January 1 of the calendar year in which the final liquidation and termination of the Company is completed and ending on the date such final liquidation and termination is completed. To the extent any computation or other provision thereof provides for any action to be taken on a Fiscal Year basis, an appropriate proration or other adjustment shall be made in respect of the first or final Fiscal Year to reflect that such period is less than a full calendar year period.

"GAAP" means the principles of accounting set forth in pronouncements of the American Institute of Certified Public Accountants, as such principles are from time to time supplemented and amended.

"Governance Rights" means all of each Member's rights as a member in the Company other than Financial Rights and the right to assign such Financial Rights.

"IGI Competitor" means a Person which either directly, or indirectly through an Affiliate, generates more than twenty percent (20%) of its revenues from the provision of GI procedures.

"Member" and **"Members"** means, individually, each Person executing this Agreement as a member of the Company or any other Person admitted as a Member in accordance with the terms and subject to the conditions of this Agreement and, collectively, such Persons as a group.

"Member Representative" means the individual appointed by a Member to serve as its representative in accordance with the terms of Section 3.4.

"Membership Interest" means each Member's entire ownership interest in the Company consisting of (1) the Member's Percentage Interest in allocations of income, gain, deduction, loss and other items and distributions, (2) the Member's right to vote or grant or withhold consents with respect to Company matters as provided in the Agreement or in the Act and (3) the Member's other rights and privileges as provided in this Agreement or in the Act.

"Methodist Competitor" means a Person which either directly, or indirectly through an Affiliate or an affiliated network of parties, owns, operates and/or manages one or more acute care hospitals, specialty hospitals, urgent care facilities, diagnostic facilities, emergency or non-emergency outpatient service centers or clinics (other than clinics wholly owned and operated by physicians or physician practices), extended care facilities or rehabilitative care centers within the primary service area of The Methodist Medical Center.

"Net Profit" or "Net Loss" means, for each Fiscal Year or other period, an amount equal to the Company's taxable income or loss for such year or period determined in accordance with Code § 703(a) of the Code (for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Code § 703(a)(1) of the Code shall be included in taxable income or loss), with the following adjustments:

- (a) Income of the Company that is exempt from federal income tax shall be treated as taxable income;
- (b) Expenditures of the Company described in Code § 705(a)(2)(B) or treated as such expenditures pursuant to Treasury Regulation § 1.704-1(b)(2)(iv)(i) shall be subtracted from taxable income;
- (c) If the Carrying Value of any Company asset is adjusted pursuant to paragraph (b) or (c) set forth within the definition of Carrying Value, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Net Profit or Net Loss;
- (d) Gain or loss resulting from any disposition of Company assets where such gain or loss is recognized for federal income tax purposes shall be computed by reference to the Carrying Value of such Company assets;
- (e) In lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Fiscal Year or period;
- (f) To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code § 734(b) is required, pursuant to Treasury Regulation § 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member's interest, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) from the disposition of such asset and shall be taken into account for purposes of computing Net Profit or Net Loss; and
- (g) Items that are specially allocated pursuant to Section 11.2 shall not be taken into account.

"Officers" means the individuals elected by the Board in accordance with the requirements of Article 6 to serve as the President and Secretary-Treasurer of the Company.

"Opening Date" means the date on which the Center becomes operational and treats its first patient.

"Percentage Interests" means with respect to any particular Member the percentage set opposite such Member's name on Schedule 2, which combined with the Percentage Interests of all other Members shall equal one hundred percent (100%). Upon a subsequent Capital Contribution by an existing Member, the admission of a new Member, a disproportionate distribution to one or more Members, or any partial or total redemption or withdrawal of a Member pursuant to the terms hereof, the Members shall, if necessary, and upon their unanimous agreement, amend Schedule 2 to adjust the Percentage Interests to reflect the relative economic interests of the Members.

"Permitted Transfer" means a Transfer of all of a Membership Interest to a Subsidiary; subject to the following restrictions: (1) the Transferor Member shall have guaranteed, by written instrument in form and substance satisfactory to the Non-Transferring Member, the obligations of the Transferee Member and its successors and assigns under this Agreement, (2) if, as a result of such Transfer, the lender of any loan to Company would have the right to accelerate the date upon which such loan must be repaid, or declare the loan in default, the lender shall have waived such right in writing, (3) the Non-Transferring Member shall have the right to require amendments to this Agreement (including amendments to reflect the identity, legal and tax status, and individual circumstances of the Transferee Member), provided, however, that such amendments shall not prohibit or materially inhibit the Transfer or result in material changes to material terms of this Agreement (other than material changes to material terms required to accommodate the Transfer), (4) at the request of the Non-Transferring Member, an opinion of qualified legal counsel in which legal counsel opines in form and substance reasonably satisfactory to the Non-Transferring Member that the Transfer to and subsequent ownership of the Membership Interest by the Transferee Member will not materially increase the risk that the Company's or the Members' participation herein will subject the Company or the Members (or either one of them) to civil or criminal prosecution under state and/or federal law, will endanger or jeopardize the status of the Members (or either one of them) as a provider of health services under the Medicare or Medicaid program (or its successor) or any other state or federal health care program, endanger or jeopardize the ability of Company or the Members (or either one of them) to submit a claim or bill any person for a service or item furnished by the Members (or either one of them), or endanger or jeopardize the exemption of MMCI or any of its Affiliates from federal income taxation under Section 501(c)(3) of the Code, (5) the Transferee Member executes a counterpart copy of this Agreement, as amended by the Non-Transferring Member pursuant to and consistent with clause (3) above, (6) the Transferee Member is not a Methodist Competitor (if the Transferor Member is IGI) and is not an IGI Competitor (if the Transferee Member is MMCI), (7) the Transferor Member shall pay, or reimburse, the Company for all costs incurred by the Company in connection with the Transfer and the admission of the Transferee Member as a Member, (8) the Transferor Member and the Transferee Member shall deliver to the Non-Transferring Member on behalf of the Company, a document which (i) has been executed by both the Member effecting the Transfer (or if the Transfer is on account of the liquidation of the transferor, its representative) and the Person to which the Membership Interest is Transferred, (ii) includes the notice address of the Transferee Member, (iii) sets forth the Membership Interest after the Transfer of the Member effecting the Transfer and the Person to which the Membership Interest is Transferred, which together must total the Membership

Interest of the Member effecting the Transfer, and (iv) contains a representation and warranty that the Transfer was made in accordance with all applicable laws and regulations, including applicable federal and state securities laws, (9) if the Transferee Member ceases to be a Subsidiary, it shall reconvey its Membership Interest to its grantor or a Subsidiary thereof, and (10) as applicable, the proposed Transfer has received approval of the Illinois Health Facilities Planning Board.

"Person" means an individual, a corporation, a partnership, an association, a joint venture, a trust, a limited liability company or any other entity, organization or combination, including a government or political subdivision or an agency or instrumentality thereof.

"Qualifying Physician" means a physician holder of an equity interest in IGI who (1) is licensed to practice medicine in the state of Illinois, without restriction; (2) is a member of the active medical staff of The Methodist Medical Center of Illinois and of the Center (once it becomes operational); (3) has not been disbarred, excluded or suspended from participating in a Federal or state health care program; (4) maintains an active medical practice in the Peoria, Illinois, metropolitan area, and, if able to refer patients to the Center for services, is able to perform surgical services at the Center; (5) once the Center becomes operational, will endeavor, in good faith, to utilize the Center as an extension of his medical practice each year, which may include (i) generating one-third (1/3) of his medical practice income from all sources during the previous twelve (12) month period from the performance of GI procedures and (ii) performing at least one-third (1/3) of his IGI procedures at the Center; and (6) once the Center becomes operational, will (i) fully inform each of his patients, prior to referring him to the Center, of his ownership interest in IGI and his beneficial interest in the Center and (ii) treat each of his patients who he refers to the Center and who is a recipient of medical benefits or assistance under any Federal health care program in a nondiscriminatory manner.

"Required Cash Reserves" means the Company's total annual cash expenses, defined as the previous Fiscal Year's total expenses as reflected on the Company's income statement less the previous Fiscal Year's non-cash expenses, divided by 365 and multiplied by 90.

"Reserve Account" means for each Fiscal Year the amount established pursuant to that year's budget.

"St. Francis" means OSF Saint Francis Medical Center, an Illinois for profit corporation, or its successor or assign, or any entity or person, directly or indirectly, through one or more intermediaries, controlling, controlled by or under common control with OSF Saint Francis Medical Center, or its successor or assign.

"Subsidiary" of a Member means any Person, directly or indirectly, through one or more intermediaries, controlling, controlled by or under common control with a Member. The term "control" (including the terms "controlled by" and "under common control with") as used in the preceding sentence means the power to direct the business and affairs of a Person by reason of: (i) having the power to elect or appoint, and to remove, through ownership, membership or otherwise, either directly or indirectly, the entire governing body of such Person, or (ii) serving as the sole manager of a manager managed limited liability company and, in the capacity of sole

manager, serving as the governing body of such company and exercising the powers, authorities and rights of such company.

"Tax Matters Partner" has the meaning set forth in Section 16.5.

"Transfer" means any sale, assignment, transfer, gift, pledge, hypothecation, granting a lien, or other disposition, whether complete or partial, and whether by operation of law or otherwise. "Transferred" and "Transferee" shall have correlative meanings.

"Treasury Regulations" means the income tax regulations promulgated under the Code and in effect, as amended, supplemented or modified from time to time.

SCHEDULE 2
MEMBER INFORMATION

<u>Member Name and Address</u>	<u>Percentage Interest</u>	<u>Initial Capital Contribution</u>	<u>Membership Interest</u>
The Methodist Medical Center of Illinois 221 Northeast Glen Oak Avenue Peoria, Illinois 61636 Attention: President	49%	\$98,000	49 Units
Illinois Gastroenterology Institute, S.C. 900 Main Street Suite 530 Peoria, Illinois 61602 Attention: President	51%	\$102,000	51 Units
Total	100%	\$200,000	100 Units

CHI99 4977364-10.054910.0070

Schedule 2-1

CIEC Operating Agreement

Appendix B

D. Transaction Document

LLC INTEREST PURCHASE AGREEMENT
[Subject only to Illinois Health Facilities Planning Board Approval]

This LLC Interest Purchase Agreement is entered into as of February 1, 2010, by and between Illinois Gastroenterology Institute, S.C. (f/k/a Gastroenterology, Ltd.), an Illinois medical corporation, ("Seller"), and IGI Enterprises, LLC, an Illinois limited liability company, ("Buyer").

WHEREAS, Seller is an Illinois medical corporation whose shareholders as of the date hereof are set forth on Schedule 1 attached hereto (the "Shareholders"); and

WHEREAS, Buyer is an Illinois limited liability company. The sole Manager of Buyer is Seller. Membership (ownership) in Buyer is limited to shareholders of Seller who elect to become Members of Buyer; and

WHEREAS, Central Illinois Endoscopy Center, LLC ("CIEC") was formed as an Illinois limited liability company by the filing of Articles of Organization with the Illinois Secretary of State on January 16, 2007; and

WHEREAS, CIEC recently received a permit (the "Permit") from the Illinois Health Facilities Planning Board (the "Board") to own and operate an endoscopy center in Unit 5A in Illinois Medical Center on the Campus of University of Illinois College of Medicine in Peoria, Illinois; and

WHEREAS, the Permit was applied for assuming that Seller would own a 51% membership interest in CIEC (the "LLC Interest") as now reflected in the Operating Agreement of CIEC between Seller and The Methodist Medical Center of Illinois ("MMCI"), dated November 25, 2008 (the "CIEC Operating Agreement"); and

WHEREAS, Seller has agreed to sell to Buyer and Buyer has agreed to purchase from Seller the LLC Interest for Seller's cost with appropriate adjustments for distributions from CIEC and income taxes paid by Seller on income passed through from CIEC to Seller through the date of transfer;

NOW, THEREFORE, the parties agree as to the following:

1. Purchase and Sale Agreement. Subject to terms of this Agreement, Seller hereby agrees to sell to Buyer, and Buyer agrees to purchase from Seller, the LLC Interest.
2. Purchase Price. The purchase price for the LLC Interest ("Purchase Price") shall be equal to the following, all calculated as of the Closing Date defined in Section 4 hereof:
 - (a) All of Seller's out-of-pocket costs associated with CIEC and/or the LLC Interest.

(b) Minus all distributions received by Seller from CIEC with respect to such LLC Interest.

(c) Plus or minus the aggregate Net Profit or Loss passed through to Seller by CIEC.

The Purchase Price shall be payable in the form of the Promissory Note attached hereto and incorporated herein as Exhibit A. ("Promissory Note").

3. Closing Conditions: Board Approval. The Closing of this transaction is subject to Board approval ("Board Approval"). There are no conditions to this transaction, other than such Board Approval. Seller agrees to cause CIEC to request Board Approval as soon as reasonably possible and in connection therewith to submit this Agreement and all related documents requested by the Board.

4. Closing. The Closing shall occur on the fifth (5th) business day after CIEC receives Board Approval ("Closing Date").

4.1 Seller Deliveries. At Closing, Seller shall deliver the following documents

- (i) Bill of Sale for the LLC Interest, executed by Seller, in proper form for transfer acceptable to Buyer in its reasonable discretion.
- (ii) All consents, if any, required by the Operating Agreement.

4.2 Buyer Deliveries. At Closing, the Buyer shall deliver the following documents:

- (i) Promissory Note in the amount of the Purchase Price, executed by Buyer.
- (iii) Counterpart Signature Page to the CIEC Operating Agreement, in the form attached hereto and incorporated herein as Exhibit B, executed by Buyer ("Counterpart Signature Page").

5. Termination. Upon final rejection of this transaction by the Board, or if CIEC does not receive the Board Approval on or before June 30, 2010 (or such later date agreed to in writing by Seller and Buyer), this Agreement shall terminate and the parties shall have no further rights or obligations hereunder.

6. Miscellaneous. It is further understood and agreed as follows:

6.1 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, and such counterparts together shall constitute one and the same instrument.

6.2 Survival. The representations, warranties, covenants and agreements contained in this Agreement shall survive the Closing.

6.3 Binding Effect. The provisions of this Agreement shall inure to the benefit of and bind the successors and assigns of the parties hereto.

6.4 Amendment and Waiver. This Agreement may be amended at any time in any respect only by an instrument in writing executed by Seller and Buyer. Either party may waive any requirement to be performed by the other hereunder, provided that said waiver shall be in writing and executed by the party waiving the requirement.

6.5 Integrated Agreement. This Agreement constitutes the entire agreement between Seller and Buyer relating to the purchase of the LLC Interest, and there are no agreements, understandings, restrictions, warranties or representations between Seller and Buyer other than those set forth herein.

6.6 Choice of Law. It is the intention of the parties that the laws of Illinois shall govern the validity of this Agreement, the construction of its terms and interpretation of the rights and duties of the parties.

6.7 Notices. Buyer's address for purposes of receiving notices pursuant to the CIEC Operating Agreement is as follows:

IGI Enterprises, LLC
Attn: Manager
1001 Main Street, Ste. 500A
Peoria, IL 61606

6.8 Representations and Warranties. Seller and Buyer represent and warrant for the benefit of MMCI as follows:

(a) The transfer of the LLC Interest hereunder is in accordance with all applicable laws and regulations including applicable federal and state securities laws.

(b) The transfer of the LLC Interest will not materially increase the risk that the CIEC's or its members' participation in CIEC will subject CIEC or its members (or either one of them) to civil or criminal prosecution under state and/or federal law, will endanger or jeopardize the status of the members of CIEC (or either one of them) as a provider of health services under the Medicare or Medicaid program (or its successor) or any other state or federal health care program, endanger or jeopardize the ability of the members of CIEC (or either one of them) to submit a claim or bill any person for a service or item furnished by the members of CIEC (or either one of them), or endanger or jeopardize the exemption of MMCI or any of its Affiliates from federal income taxation under Section 501(c)(3) of the Internal Revenue Code.

Seller and Buyer shall indemnify and hold MMCI harmless from and against any and all claims, costs and expenses (including reasonable attorneys fees and costs) arising out of a breach of the foregoing representations and warranties.

SCHEDULES:

Schedule 1 Current Shareholders of Illinois Gastroenterology Institute, S.C.

EXHIBITS:

Exhibit A Promissory Note

Exhibit B CIEC Operating Agreement Counterpart Signature Page and Consent to Transfer

[SIGNATURE PAGE TO FOLLOW]

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

SELLER:

Illinois Gastroenterology Institute, S.C.
(f/k/a Gastroenterology, Ltd.)

By:  _____

Print Name: Scott Y. Wu

Title President

BUYER:

IGI Enterprises, LLC

By: Illinois Gastroenterology Institute, S.C.
(f/k/a Gastroenterology, Ltd.),
Its Manager

By:  _____

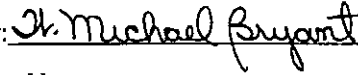
Print Name: Scott Y. Wu

Title: President

AGREEMENT TO CONSENT

Upon Board Approval as set forth in Section 3 of this LLC Interest Purchase Agreement, the undersigned The Methodist Medical Center of Illinois, an Illinois not-for-profit corporation, ("MMCI") agrees to execute the Consent to Transfer set forth as part of Exhibit B to this LLC Interest Purchase Agreement.

The Methodist Medical Center of Illinois

By:  _____

Print Name: _____

Title: President & CEO

809-1301.04

SCHEDULE 1

**CURRENT SHAREHOLDERS OF
ILLINOIS GASTROENTEROLOGY INSTITUTE, S.C.**

Terry L. Baldwin, M.D.
Kenneth Camacho, M.D.
Noor A. Khaiser, M.D.
Eliathamby Kuganeswaren, M.D.
Maureen A. Lillich, M.D.
Donald E. Penn, Jr., M.D.
Michael R. Treanor, M.D.
Scott Y. Wu, M.D

EXHIBIT A

PROMISSORY NOTE

\$ _____, 20__

FOR VALUE RECEIVED, ON DEMAND IGI Enterprises, LLC (the "Maker"), promises to pay to Illinois Gastroenterology Institute, S.C. (the "Payee"), the principal sum of _____ dollars (\$ _____), together with interest on the outstanding amount at the Prime Rate as announced in the *Wall Street Journal, Midwest Edition* from time to time (the "Interest Rate") from the date hereof until said principal sum shall have been paid in full. Interest shall be calculated on the basis of actual calculated days elapsed and a 365-day year.

This Promissory Note is hereby tendered by Maker to the Payee pursuant to that certain LLC Interest Purchase Agreement, dated _____, 2010, by and among the Payee and Maker (the "Purchase Agreement").

On or before the last day of each calendar year, the Maker shall make payments of interest in arrears on the outstanding balance of this Promissory Note at the Interest Rate. The entire balance of principal and accrued interest outstanding hereunder shall be paid on demand.

All payments received in respect of the indebtedness evidenced by this Promissory Note shall be applied first to interest hereon accrued to the date of payment, then to the payment of other amounts (except principal) at the time due and unpaid hereunder, and finally to the unpaid principal hereof. Maker may prepay the principal and all accrued and unpaid interest due and owing under this Promissory Note, in whole or in part, without the incurrence by Maker of any premium or penalty.

All payments on this Promissory Note shall be made in lawful money of the United States of America. Payment of the principal on this Promissory Note shall be made at such place as the legal holder of this Promissory Note directs in writing.

The obligations of the Maker on this Promissory Note shall be absolute and unconditional in any and all circumstances, and shall not be affected by any circumstances of any character, including but not limited to any set-off, counterclaims, recoupment, real or personal defenses or other rights which the Maker may have against Payee, its successors and assigns, or anyone else for any reason whatsoever. Maker hereby waives presentment for payment, protest and demand, notice of protest, dishonor and non-payment of this Promissory Note.

This Promissory Note shall be construed, enforced and governed in all respects, in accordance with the laws and the statutes of the State of Illinois.

Time is of the essence on this Promissory Note.

Upon payment, this Promissory Note shall be returned to the Maker.

IN WITNESS WHEREOF, the Maker has caused this Promissory Note to be executed, as of the date first written above.

IGI ENTERPRISES, LLC

By: Illinois Gastroenterology Institute, S.C.,
Its Manager

By: _____

Print Name: _____

Title: _____

EXHIBIT B

Operating Agreement of Central Illinois Endoscopy Center, LLC
Counterpart Signature Page and Consent to Transfer

The undersigned, IGI Enterprises, LLC, an Illinois limited liability company ("Enterprises") shall be entitled to all of the rights and shall assume all obligations, in each case from and after the date hereof, of Illinois Gastroenterology Institute, S.C. (f/k/a Gastroenterology, Ltd.) ("IGI") under the Central Illinois Endoscopy Center, LLC Operating Agreement, dated November 25, 2008, as amended ("Operating Agreement").

Dated: July 21, 2010

IGI ENTERPRISES, LLC

By: Illinois Gastroenterology Institute, S.C.,
Its Manager

By:  _____

Print Name: Scott V. Wu, MD

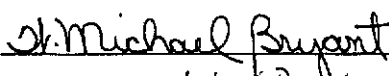
Title: Manager

CONSENT TO TRANSFER

The undersigned, The Methodist Medical Center of Illinois, an Illinois not-for-profit corporation ("MMCI"), consents to the transfer of the entire Membership Interest of IGI under the Operating Agreement by IGI to Enterprises and further agrees that Enterprises shall be entitled to all of the rights and shall assume all of the obligations of IGI under the Operating Agreement accruing from and after the date hereof. IGI shall be released from all obligations under the Operating Agreement accruing after the date hereof.

Dated: July 21, 2010

THE METHODIST MEDICAL CENTER OF
ILLINOIS

By:  _____

Print Name: W. Michael Bryant

Title: President & CEO