

E-019-18

ORIGINAL

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD APPLICATION FOR EXEMPTION PERMIT

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

RECEIVED

This Section must be completed for all projects.

APR 02 2018

Facility/Project Identification

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Facility Name:	Loyola Ambulatory Surgery Center at Oakbrook (Realty Only)		
Street Address:	1 South 224 Summit Avenue		
City and Zip Code:	Oakbrook Terrace		
County:	Health Service Area	7	Health Planning Area: 43

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

Exact Legal Name:	CMK2 Oakbrook 224, LLC
Street Address:	One Town Center Road, Suite 300
City and Zip Code:	Boca Raton, FL 33486
Name of Registered Agent:	National Registered Agents, Inc.
Registered Agent Street Address:	160 Greentree Drive, Suite 101
Registered Agent City and Zip Code:	Dover, DE 19904
Name of Chief Executive Officer:	Albert Rabil, III
CEO Street Address:	One Town Center Road, Suite 300
CEO City and Zip Code:	Boca Raton, FL 33486
CEO Telephone Number:	561-300-6200

Type of Ownership of Applicants

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

- o Corporations and limited liability companies must provide an **Illinois certificate of good standing**.
- o Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner.

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

Primary Contact [Person to receive ALL correspondence or inquiries]

Name:	Joe Ourth
Title:	Partner
Company Name:	Saul Ewing Arnstein & Lehr LLP
Address:	161 N. Clark Street, Suite 4200, Chicago, IL 60601
Telephone Number:	312-876-7815
E-mail Address:	joe.ourth@saul.com
Fax Number:	312-876-6215

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

Name:	
Title:	
Company Name:	

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR EXEMPTION PERMIT****SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION**

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City and Zip Code:	Oakbrook Terrace		
County:	Health Service Area	7	Health Planning Area: 43

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

Exact Legal Name:	CBRE GIP Medical Office Venture Fund LP
Street Address:	515 South Flower Street, Suite 3100
City and Zip Code:	Los Angeles, CA 90071
Name of Registered Agent:	The Corporation Trust Company
Registered Agent Street Address:	1209 Orange Street
Registered Agent City and Zip Code:	Wilmington, DE 19801
Name of Chief Executive Officer:	Matthew Tepper, President
CEO Street Address:	800 Boylston Street, Suite 2800
CEO City and Zip Code:	Boston, MA 02199
CEO Telephone Number:	617-425-2805

Type of Ownership of Applicants

☐ Non-profit Corporation	☒ Partnership	
☐ For-profit Corporation	☐ Governmental	
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Additional Contact [Person who is also authorized to discuss the application for exemption permit]

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

Exact Legal Name:	Oakbrook 224 Medical Properties, LLC
Street Address:	One Town Center Road, Suite 300
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Name of Registered Agent:	National Registered Agents, Inc.
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City and Zip Code:	Oakbrook Terrace		
County:	Health Service Area	7	Health Planning Area: 43

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

Exact Legal Name:	KAREP IV MO REIT, LLC
Street Address:	One Town Center Road, Suite 300
City and Zip Code:	Boca Raton, FL 33486
Name of Registered Agent:	The Corporation Trust Company
Registered Agent Street Address:	1209 Orange Street
Registered Agent City and Zip Code:	Wilmington, DE 19801
Name of Chief Executive Officer:	Albert Rabil, III
CEO Street Address:	One Town Center Road, Suite 300
CEO City and Zip Code:	Boca Raton, FL 33486
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Fax Number:	312-876-6215

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

Name:	
Title:	
Company Name:	

Post Exemption Permit Contact

[Person to receive all correspondence subsequent to permit issuance-**THIS PERSON MUST BE EMPLOYED BY THE LICENSED HEALTH CARE FACILITY AS DEFINED AT 20 ILCS 3960**]

Name:	Gregg Graines
Title:	General Counsel & Senior Vice President
Company Name:	MBRE Healthcare
Address:	181 W. Madison, Suite 4700, Chicago. IL 60602
Telephone Number:	312-487-5960
E-mail Address:	ggraines@mbres.com
Fax Number:	312-807-3853

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner:	Oakbrook 224 Medical Properties, LLC
Address of Site Owner:	One Town Center Road, Suite 300, Boca Raton, FL 33486
Street Address or Legal Description of the Site:	Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statements, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease, or a lease.
APPEND DOCUMENTATION AS ATTACHMENT 2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

Operating Identity/Licensee

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

Exact Legal Name:	Loyola Ambulatory Surgery Center at Oakbrook, L.P.		
Address:	1 South 224 Summit Avenue, Suite 201, Oakbrook Terrace, IL 60181		
☐ Non-profit Corporation	☐ Partnership		
☐ For-profit Corporation	☐ Governmental		
☒ Limited Liability Company	☐ Sole Proprietorship	☐ Other	
- o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. - o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner. - o Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.			
APPEND DOCUMENTATION AS ATTACHMENT 3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Organizational Relationships

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

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

Flood Plain Requirements N/A/ Change of Ownership of building only

[Refer to application instructions.]

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

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

Historic Resources Preservation Act Requirements N/A – Change of Ownership of building only

[Refer to application instructions.]

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

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

DESCRIPTION OF PROJECT**1. Project Classification**

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

Part 1110 Classification:

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

The transaction is for the change of ownership of the property owner. The property owners and the licensed facility are not related entities. There is no change to the licensee.

2. Narrative Description

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

Loyola Ambulatory Surgery Center at Oakbrook, L.P. (the "License Holder") is located within a medical office building located at 1 South 224 Summit Avenue, Oakbrook Terrace (the "Property"). The current owner of that Property, Oakbrook 224 Medical Properties, LLC, ("Existing Owner") is ultimately controlled by KAREP IV MO REIT, LLC (together with the Existing Owner, the "Owner"). The Property is improved with an approximately 49,500 square foot medical office building (the "Building"). The License Holder is a tenant in the Building and leases approximately 9,500 square feet of the Building (the "Leased Space"). The License Holder and the Owner are unrelated, unaffiliated entities.

This application for a certificate of exemption is for the change in ownership of the physical plant only and there is no change to the ownership or operation of the facility. The License Holder is unrelated to the Owners, and is not party to the proposed transaction or this application.

The Owner and other entities affiliated with the Owner have executed a Purchase and Sale Agreement dated March 13, 2018 and will sell the Property to CMK2 Oakbrook 224, LLC (the "New Owner"). The purchase agreement for the Property is subject to the approval of a COE by the Review Board. The purchase price for the Property is \$14,000,000 and the Property will be conveyed to the New Owner through a special warranty deed which will be recorded with the DuPage County Recorder's Office. The New Owner is majority owned by CBRE GIP Medical Office Venture Fund LP, a real estate investment fund focused on investing in health care real estate, and its general partner CBRE GIP Medical Office GP, LLC.

As the Leased Space represents approximately 19% percent of the total square feet of the Building, the estimated value of the Property attributable to the Leased Space is approximately \$2,660,000. The acquisition of the Property by the New Owner is not expected to result in any changes in the operations of the License Holder or the activities or operations conducted in the Leased Space.

Related Project Costs

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

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

Project Status and Completion Schedules

For facilities in which prior permits have been issued please provide the permit numbers.

Indicate the stage of the project's architectural drawings:

- ☒ None or not applicable
 ☐ Preliminary
☐ Schematics
 ☐ Final Working

Anticipated project completion date (refer to Part 1130.140): April 15, 2018

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

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

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

State Agency Submittals [Section 1130.620(c)]

Are the following submittals up to date as applicable: N/A

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

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

CERTIFICATION

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

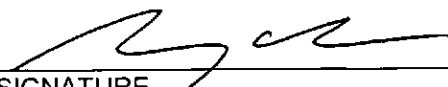
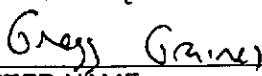
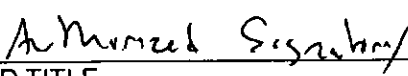
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- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of CMK2 Oakbrook 224, LLC*
in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the fee required for this application is sent herewith or will be paid upon request.


SIGNATURE

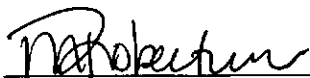
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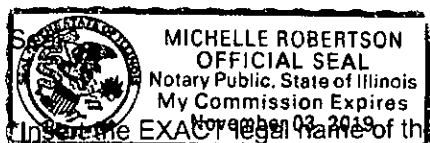

SIGNATURE

PRINTED NAME

PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 28 day of March, 2018

Notarization:
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Signature of Notary


Signature of Notary



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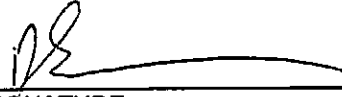
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- in the case of a sole proprietor, the individual that is the proprietor.

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


SIGNATURE

Matthew Tepper
PRINTED NAME

President
PRINTED TITLE


SIGNATURE

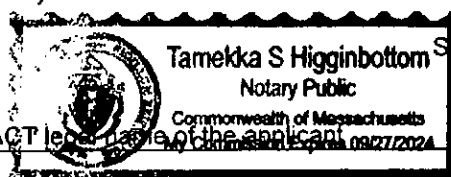
Justin Seaman
PRINTED NAME

Vice President
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 26 day of March


Signature of Notary

Seal

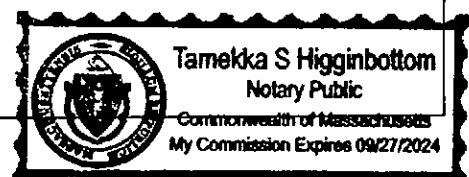


*Insert the EXACT legal name of the applicant

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

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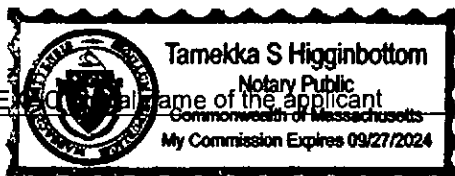
Notarization:

Subscribed and sworn to before me
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Signature of Notary

Seal

*Insert the E



SIGNATURE

PRINTED NAME

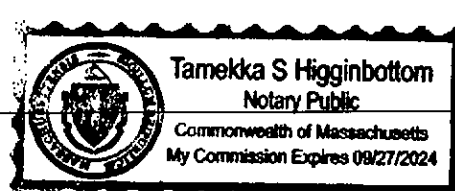
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This Application is filed on the behalf of Oakbrook 224 Medical Properties, LLC * in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the fee required for this application is sent herewith or will be paid upon request.

Krysta Barlsik
SIGNATURE

Krysta Barlsik
PRINTED NAME

Authorized Signatory
PRINTED TITLE

GREG GRIFFIN
SIGNATURE

GREG GRIFFIN
PRINTED NAME

Authorized Signatory
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 28 day of March, 2018

Michelle Robertson
Signature of Notary

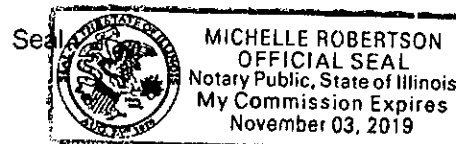


Inscribed the EXACT legal name of the applicant

Notarization:

Subscribed and sworn to before me
this 28 day of March, 2018

Michelle Robertson
Signature of Notary



CERTIFICATION

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

SIGNATURE

S. David Selznick

PRINTED NAME

Vice President

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 22nd day of March

SIGNATURE

Christopher A. Phillips

PRINTED NAME

Vice President/Treasurer

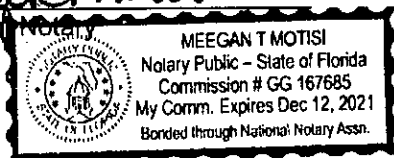
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this 20th day of March

Signature of Notary

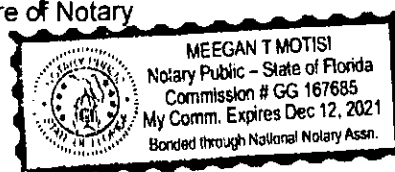
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*Insert the EXACT legal name of the applicant

Signature of Notary

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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.

Background

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 that the information was previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant 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.

Criterion 1110.230 – Purpose of the Project, and Alternatives (Not applicable to Change of Ownership)

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

NOTE: Information regarding the “Purpose of the Project” will be included in the State Board 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.

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

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

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

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

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

Application for Change of Ownership Among Related Persons

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

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

SECTION X. CHARITY CARE INFORMATION (CHOW ONLY)

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

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

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

A table in the following format must be provided for all facilities as part of Attachment 41.

CHARITY CARE			
	2014	2015	2016
Net Patient Revenue	\$5,703,660	\$4,646,212	\$3,911,269
Amount of Charity Care (charges)	N/A	N/A	N/A
Cost of Charity Care	\$260,215	\$213,710	\$92,149

APPEND DOCUMENTATION AS **ATTACHMENT 21**, 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 included attachments:

INDEX OF ATTACHMENTS		
ATTACHMENT NO.		PAGES
1	Applicant Identification including Certificate of Good Standing	21-28
2	Site Ownership	29
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	30
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	31-33
5	Flood Plain Requirements	34
6	Historic Preservation Act Requirements	35
7	Project and Sources of Funds Itemization	N/A
8	Financial Commitment Document if required	N/A
9	Cost Space Requirements	N/A
10	Discontinuation	N/A
11	Background of the Applicant	36
12	Purpose of the Project	N/A
13	Alternatives to the Project	N/A
	Service Specific:	
14	Neonatal Intensive Care Services	N/A
15	Change of Ownership	37-41
	Financial and Economic Feasibility:	
16	Availability of Funds	
17	Financial Waiver	
18	Financial Viability	
19	Economic Feasibility	
20	Safety Net Impact Statement	
21	Charity Care Information	42

Section 1, Identification, General Information and Certification

Attachment 1, Type of Ownership of Applicants

An organizational chart showing the current corporate structure of the Applicants along with the post-closing ownership structure of the Applicants is included in Attachment 4. Good standing certificates for the Applicants are also attached:

1. Loyola Ambulatory Surgery Center at Oakbrook, L.P. (the "Surgery Center"): The Surgery Center is an Illinois limited partnership and is the licensed operator of the Surgery Center. The Surgery Center leases space within a medical office building for its surgery center. Other than the lease, the Surgery Center has no relationship or affiliation with the owner of the property. The Surgery Center is not a party to the transaction involving the realty, and is included for informational purposes, but not as an applicant.
2. Oakbrook 224 Medical Properties, LLC ("Oakbrook 224"): Oakbrook 224 is a Delaware limited liability company and the current owner of the medical office building in which the Surgery Center is located.
3. KAREP IV MO REIT, LLC ("KAREP"): KAREP is a Delaware limited liability company. KAREP is a real estate investment trust and is the controlling entity of Oakbrook 224 and is consequently included as a co-applicant. Because KAREP performs no operations in Illinois, it is not required to obtain authorization to do business in Illinois, therefore an Illinois Certificate of Good Standing for a foreign limited liability company is not applicable, but a Delaware Certificate of Good Standing is included.
4. CMK2 Oakbrook 224, LLC ("Oakbrook 224"): Oakbrook 224 is a Delaware limited liability company and will be the entity that will hold title to the real property under the proposed transaction.
5. CBRE GIP Medical Office Venture Fund LP ("GIP LP"): GIP LP is a Delaware limited partnership and is the owner of Oakbrook 224 and is consequently included as a co-applicant. Because GIP LP performs no operations in Illinois, it is not required to obtain authorization to do business in Illinois, therefore an Illinois Certificate of Good Standing for a foreign limited liability company is not applicable, but a Delaware Certificate of Good Standing is included.
6. CBRE GIP Medical Office GP, LLC: ("GIP GP") is the general partner of GIP LP because GIP GP performs no operations in Illinois, it is not required to obtain authorization to do business in Illinois, therefore an Illinois Certificate of Good Standing

for a foreign limited liability company is not applicable, but a Delaware Certificate of Good Standing is included.

CERTIFICATES OF GOOD STANDING FOLLOW



To all to whom these Presents Shall Come, Greeting:

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

CMK2 OAKBROOK 224, LLC, A DELAWARE LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON MARCH 16, 2018, 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 FOREIGN LIMITED LIABILITY COMPANY ADMITTED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.



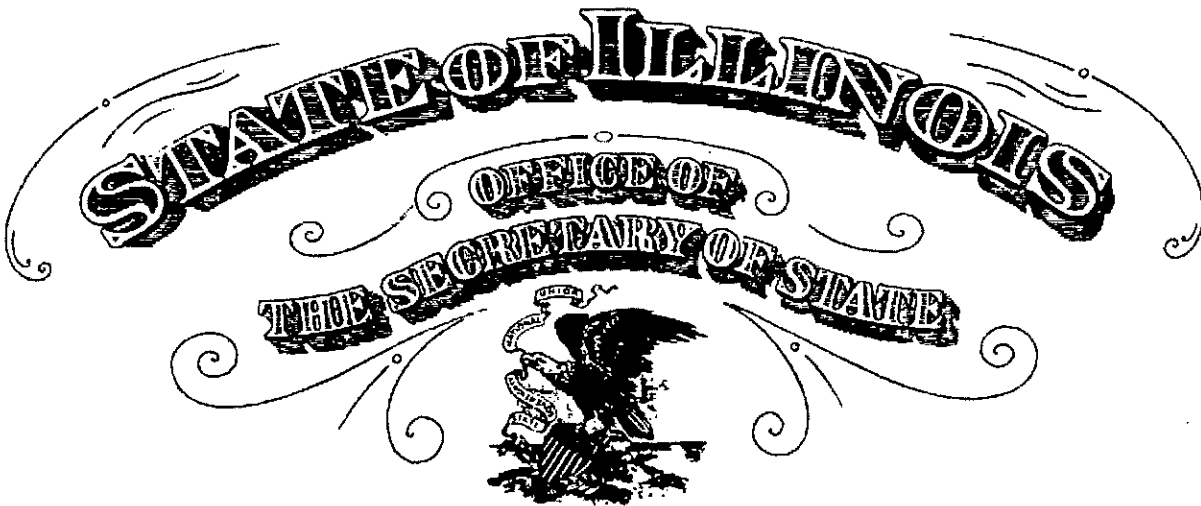
***In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 20TH
day of MARCH A.D. 2018 .***

Jesse White

SECRETARY OF STATE

Authentication #: 1807901806 verifiable until 03/20/2019

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



To all to whom these Presents Shall Come, Greeting:

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

OAKBROOK 224 MEDICAL PROPERTIES, LLC, A DELAWARE LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON APRIL 10, 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 FOREIGN LIMITED LIABILITY COMPANY ADMITTED TO TRANSACT BUSINESS 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 30TH
day of MARCH A.D. 2018 .***

Jesse White

SECRETARY OF STATE

Delaware

The First State

Page 1

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "CBRE GIP MEDICAL OFFICE GP, LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE THIRTIETH DAY OF MARCH, A.D. 2018.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "CBRE GIP MEDICAL OFFICE GP, LLC" WAS FORMED ON THE TWENTY-SEVENTH DAY OF JUNE, A.D. 2017.

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



6458175 8300

SR# 20182325899

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

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

Authentication: 202425364

Date: 03-30-18

Delaware

The First State

Page 1

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "KAREP IV MO REIT, LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE THIRTIETH DAY OF MARCH, A.D. 2018.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "KAREP IV MO REIT, LLC" WAS FORMED ON THE TWENTY-FIRST DAY OF APRIL, A.D. 2015.

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



5732978 8300

SR# 20182325983

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

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

Jeffrey W. Bullock, Secretary of State

Authentication: 202425386

Date: 03-30-18

Delaware

The First State

Page 1

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "CBRE GIP MEDICAL OFFICE VENTURE FUND LP" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE THIRTIETH DAY OF MARCH, A.D. 2018.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "CBRE GIP MEDICAL OFFICE VENTURE FUND LP" WAS FORMED ON THE TWELFTH DAY OF MARCH, A.D. 2018.

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



6793960 8300

SR# 20182325913

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

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

Jeffrey W. Bullock, Secretary of State

Authentication: 202425366

Date: 03-30-18

Section I, Identification, General Information and Certification

Attachment 2, Site Ownership

Loyola Ambulatory Surgery Center at Oakbrook is a tenant in the office building at 1 South 224 Summit Avenue in Oakbrook Terrace (the "Property"). There will be no change in the surgery center operations as a result of this transaction. The transaction is for the sale of the realty only. The site is presently owned by Oakbrook 224 Medical Properties, LLC. In this proposed transaction the underlying real property will be sold to CMK2 Oakbrook 224. The property will continue be managed by MB Real Estate Services, Inc.

Section I, Identification, General Information and Certification

Attachment 3, Operating Identity/Licensee

Loyola Ambulatory Surgery Center, LLC (the "Surgery Center") will continue to be the licensed entity operating the facility.

The Surgery Center is an Illinois limited liability partnership.

An organizational chart showing the current ownership structure of the realty companies and the Surgery Center is included in Attachment 4. There should be no change in the licensee's structure as a result of this transaction.

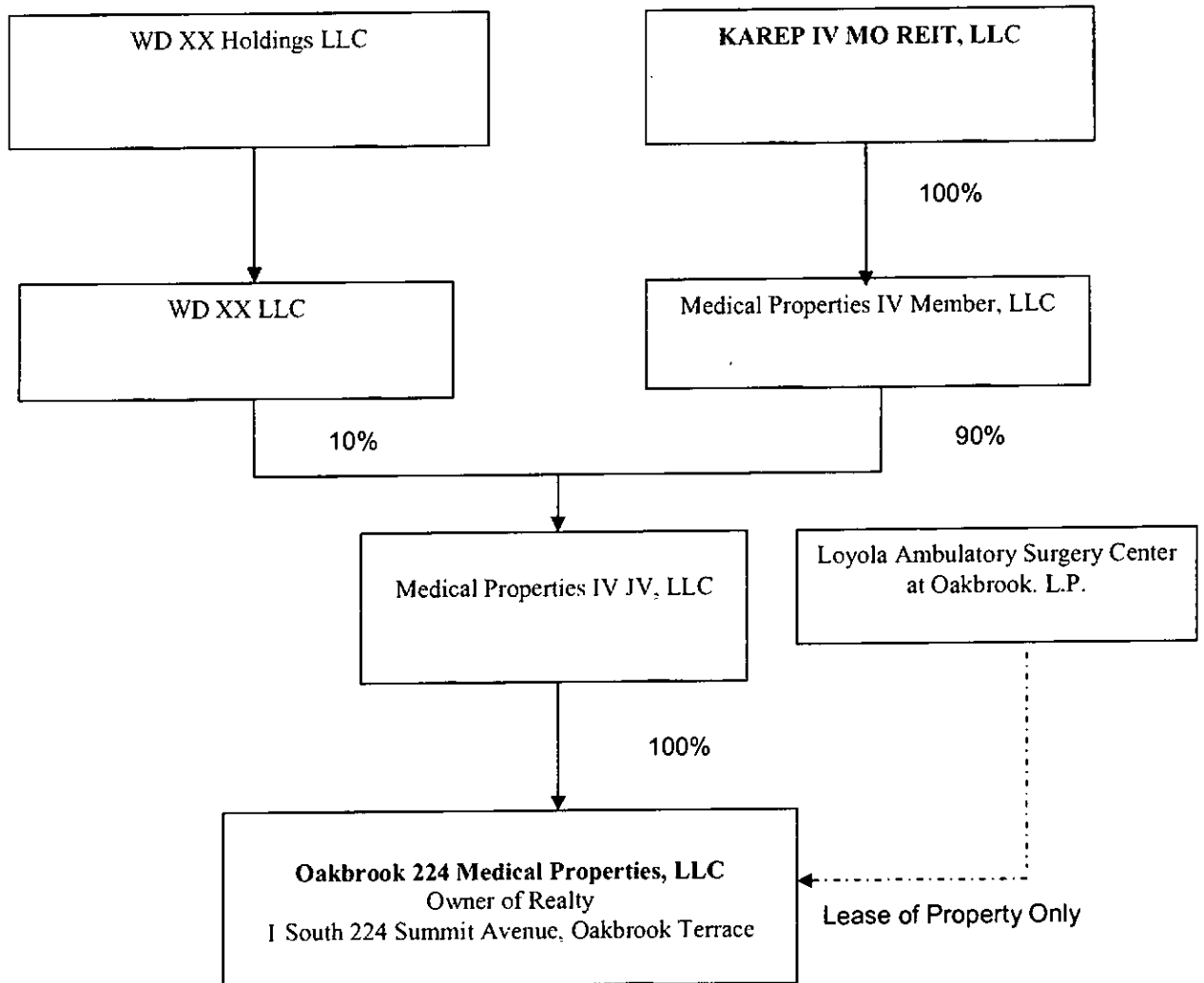
Section I, Identification, General Information and Certification

Attachment 4, Organizational Relationships

Current Organizational Chart

Realty Only

(Loyola Ambulatory Surgery Center at Oakbrook)

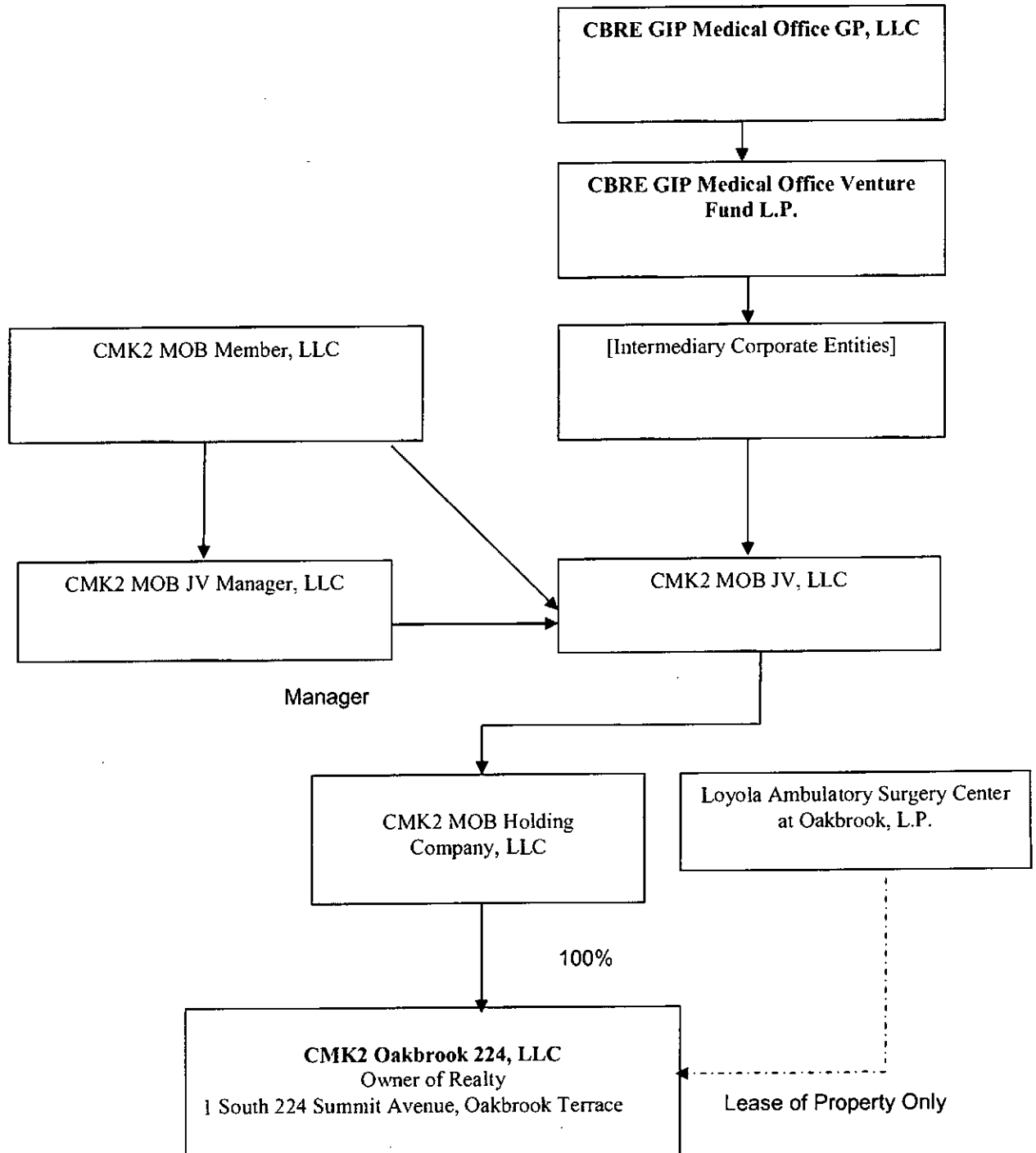


Bold names denote Applicants

Post Closing Organizational Chart

Realty Only

(Loyola Ambulatory Surgery Center at Oakbrook)



Bold names denote Applicants

Section I, Identification, General Information and Certification

Attachment 5, Flood Plain Requirement

This section appears not to be applicable to a change of ownership COE application.

Section I, Identification, General Information and Certification

Attachment 6, Historic Resources Preservation Act Requirements

This section appears not to be applicable to a change of ownership COE application.

Section III, Background, Purpose of the Project, and Alternatives

Attachment 11, Background

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

The Applicants operate no health facilities.

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.

By their signatures on the Certification pages to this application, each of the Applicants attest that to the best of their knowledge no adverse action has been taken against any health facility owned and/or operated by them during the three (3) years prior to the filing of this 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.

By their signatures to the Certification pages to this application, each of the Applicants authorize HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: (i) official records of DPH or other State agencies; (ii) the licensing or certification records of other states, when applicable; and (iii) the records of nationally recognized accreditation organizations.

Section IV, Change of Ownership

Attachment 15, Requirements for Exemptions Involving the Change of Ownership of a Health Care Facility

Section 1130.520, Information Requirements for Change of Ownership of a Health Care Facility

1. **1130.520(b)(1)(A), Names of Parties:**

An organizational chart showing the current corporate structure of the entities listed as (b) through (f) below (the "Applicants") and the surgery center, along with the post-closing ownership structure of the Applicants is included in Attachment 4. Good standing certificates for the Applicants are also attached

- a. Loyola Ambulatory Surgery Center at Oakbrook, LP (the "Surgery Center"): The Surgery Center is an Illinois limited liability partnership and is the licensed operator of the Surgery Center. The Surgery Center leases space within a medical office building for its surgery center. Other than the lease, the Surgery Center has no relationship or affiliation with the owner of the Property. There is no change in any operations at the Surgery Center as a result of this transaction. The Surgery Center is not affiliated and not a party to the transaction involving the realty, and is included for informational purposes, but not as an applicant.
- b. Oakbrook 224 Medical Properties, LLC ("Oakbrook 224"): Oakbrook 224 is a Delaware limited liability company and the current owner of the medical office building in which the Surgery Center is located.
- c. KAREP IV MO REIT, LLC ("KAREP"): KAREP is a Delaware limited liability company. KAREP is a real estate investment trust and is the controlling entity of Oakbrook 224 and is consequently included as a co-applicant. Because KAREP performs no operations in Illinois, it is not required to obtain authorization to do business in Illinois, therefore an Illinois Certificate of Good Standing for a foreign limited liability company is not applicable, but a Delaware Certificate of Good Standing is included.
- d. CMK2 Oakbrook 224, LLC ("CMK2 Oakbrook 224"): CMK2 Oakbrook 224 is a Delaware limited liability company and will be the entity that will hold title to the real property under the proposed transaction.
- e. CBRE GIP Medical Office Venture Fund ("GIP LP"): GIP LP is a Delaware limited liability company and is the owner of Oakbrook 224 and is consequently included as a

co-applicant. Because GIP LP performs no operations in Illinois, it is not required to obtain authorization to do business in Illinois, therefore an Illinois Certificate of Good Standing for a foreign limited liability company is not applicable, but a Delaware Certificate of Good Standing is included.

- f. CBRE GIP Medical Office GP, LLC ("GIP GP") is the general partner of GIP LP. Because GIP GP performs no operations in Illinois, it is not required to obtain authorization to do business in Illinois, therefore an Illinois Certificate of Good Standing for a foreign limited liability company is not applicable, but a Delaware Certificate of Good Standing is included.

- 2. **1130.520(b)(1)(B), Background of Parties:** Each of the Applicants, by their signatures to the Certification pages of this application, attest that they are fit, willing, able and have the qualifications, background and character to adequately provide a proper standard of health service for the community.

By their signatures on the Certification pages to this application, each of the Applicants attest that to the best of their knowledge no adverse action has been taken against any health facility owned and/or operated by each of them during the three (3) years prior to the filing of this application.

- 3. **1130.520(b)(1)(C), Structure of the Transaction:**

Loyola Surgery Center, is located within a medical office building located at 1 South 224 Summit Avenue, Oakbrook Terrace (the "Property"). The current owner of that Property, Oakbrook 224, and other affiliated entities have executed a Purchase and Sale Agreement dated March 13, 2018 and will sell the Property to CMK Oakbrook 224, LLC. Closing on the purchase agreement for the Property is subject to the approval of a COE by the Review Board.

The purchase price for the Property is \$14,000,000 and the Property will be conveyed to Medical Properties through a special warranty deed which will be recorded with the Cook County Recorder's Office. Medical Properties is controlled by KAREP. The Surgery Center is not a party to transaction selling the Property. The Property will continue to be managed by MB Real Estate Services, Inc. ("MBRE") after the transaction.

This application for a certificate of exemption is for the change in ownership of the physical plant only and there is no change to the ownership or operation of the facility.

The Property is improved with an approximately 49,500 square foot medical office building (the "Building"). The Surgery Center is a tenant in the Building and leases

approximately 9,500 square feet of the Building (the "Leased Space"). As the Leased Space represents approximately 19% of the total square feet of the Building, the estimated value of the Property attributable to the Leased Space is approximately \$2,660,000. The acquisition of the Property by CMK2 Oakbrook 224 is not expected to result in any changes in the operations of the License Holder or the activities or operations conducted in the Lease Space.

4. **1130.520(b)(1)(D), Name of Licensed Entity after Transaction:** Loyola Surgery Center at Oakbrook, LP will continue to be the licensed entity after the Proposed Transaction. There is no change in the licensed entity as a consequence of the Proposed Transaction.
5. **1130.520(b)(1)(E), List of Ownership/Membership Interests in Licensed Entity Prior to and After Transaction:** An organizational chart showing the current ownership structure of the Applicants, along with the post-closing ownership structure, is included in Attachment 4. Good standing certificates for each of the Applicants are included in Attachment 1.
6. **1130.520(b)(1)(F), Fair Market Value of Assets to be Transferred:** The purchase price for the entire medical office building is \$14,000,000. The space leased by Surgery Center is approximately 19% of the total Building, meaning the fair market value of the licensed surgery center space would be approximately \$2,660,000. The transaction is an arm's length transaction and the purchase price would be the fair market value.
7. **1130.520(b)(1)(G), Purchase Price or Other Forms of Consideration to be Provided:** The purchase price for the entire medical office building is \$14,000,000. The space leased by the Surgery Center is approximately 19% of the total Building, meaning the purchase price attributes to the licensed surgery center space would be approximately \$2,660,000.
8. **1130.520(b)(2), Affirmations:** In accordance with 77 Ill. Adm. Code §1130.520, each of the Applicants affirm the following:
 - a. The transaction documents contain a provision that closing is subject to COE approvals.
 - b. No adverse action has been taken against any of the Applicants by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois against any health care facility owned or operated by any of the Applicants, directly or indirectly, within the past three years.

c. Any projects for which permits have been issued by the Review Board have been completed or will be completed or altered in accordance with the provisions of 77 Ill. Adm. Code §1130.520.

d. The Applicants understand that failure to complete the transaction in accordance with the applicable provisions of Section 1130.500(d) no later than 24 months from the date of exemption approval and failure to comply with the material change requirements of this Section will invalidate the exemption.

9. **1130.520(b)(2), Statement as to the Anticipated Benefits of the Proposed Changes in Ownership to the Community.**

There should be no change in the operation of the Applicant facility as a result of the proposed transaction.

10. **1130.520(b)(2), Statement as to the Anticipated or Potential Cost Savings, if any, That Will Result for the Community and the Facility as a Result of the Change in Ownership.**

There should be no change in the operation of the Applicant facility as a result of the proposed transaction.

11. **1130.520(b)(2), Description of the Facility's Quality Improvement Program Mechanism that will be Utilized to Assure Quality Control.**

There should be no change in the operation of the Applicant facility as a result of the proposed transaction.

12. **1130.520(b)(2), Description of the applicants' organizational structure, including a listing of controlling or subsidiary persons.**

Diagrams illustrating the ownership structure, both current and post transaction, are provided in Attachment 4.

13. **1130.520(b)(2), Description of the selection process that the acquiring entity will use to select the facility's governing body.**

There should be no change in the process for selecting the governing board of the facility as a result of the proposed transaction.

14. **1130.520(b)(2), Statement that the applicants have prepared a written response addressing the review criteria contained in 77 Ill. Adm. Code 1110.240 and that the response is available for public review on the premises of the health care facility.**

The Applicants have or will prepare a written response addressing the review criteria contained in 77 Ill. Adm. Code 1110.240 that will be available for public review.

15. 1130.520(b)(2), Description or summary of any proposed changes to the scope of services or levels of care currently provided at the facility that are anticipated to occur within twenty-four (24) months after acquisition.

To the best of the Applicants' knowledge there are no proposed changes to the scope of services or levels of care currently provided at the facility that are anticipated to occur within twenty-four (24) months as a result of the transaction.

Section X, Charity Care Information

Attachment 41, Charity Care Information

CHARITY CARE			
	2014	2015	2016
Net Patient Revenue	\$5,703,660	\$4,646,212	\$3,911,289
Amount of Charity Care (charges)	N/A	N/A	N/A
Cost of Charity Care	0	0	\$92,149
Medicaid	\$260,215	\$213,710	\$197,929

E-019-18

SAUL EWING
ARNSTEIN
& LEHR^{LLP}

Joe Ourth
Phone: 312.876.7815
joe.ourth@saule.com
www.saul.com

March 30, 2018

Via Overnight Courier

Ms. Courtney R. Avery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

Re: Change of Ownership COE Application
1 South 224 Summit Avenue, Oakbrook Terrace, Illinois (Realty Only)
(Loyola Ambulatory Center at Oakbrook)

Dear Ms. Avery:

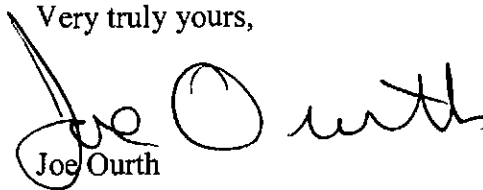
Enclosed please find our application for a Change of Ownership Certificate of Exemption Application. This application relates to a change in ownership of the real property located at 1 South 224 Summit Avenue, Oakbrook Terrace, Illinois (the "Property").

The Property is currently owned by Oakbrook 224 Medical Properties, LLC and will be sold to CMK2 Oakbrook 224, LLC. Loyola Ambulatory Surgery Center at Oakbrook is a licensed ASTC which is a sub-tenant in a portion of the Property. The Surgery Center is an unrelated party and is not a party to the sale of the Property and is not a co-applicant to this application.

A check for the \$2,500.00 application filing fee is attached.

As always, we look forward to working with you on this application.

Very truly yours,


Joe Ourth

JRO:eka
Enclosures

161 North Clark • Suite 4200 • Chicago, IL 60601
Phone: (312) 876-7100 • Fax: (312) 876-0288

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