

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR CHANGE OF OWNERSHIP EXEMPTION

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.**Facility/Project Identification**

Facility Name: Palos SurgiCenter, LLC		
Street Address: 7340 West College Drive		
City and Zip Code: Palos Heights, Illinois 60463		
County: Cook	Health Service Area: 007	Health Planning Area: 031

Legislators

State Senator Name: Bill Cunningham
State Representative Name: Frances Ann Hurley

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

Exact Legal Name: Palos SurgiCenter, LLC
Street Address: 7340 West College Drive
City and Zip Code: Palos Heights, IL 60463
Name of Registered Agent: CT Corporation System
Registered Agent Street Address: 208 South LaSalle Street, Suite 814
Registered Agent City and Zip Code: Chicago, IL 60604
Name of Manager: Robert Ryan
Street Address: 7340 West College Drive
City and Zip Code: Palos Heights, IL 60463
Telephone Number: (708) 361-3233

Type of Ownership of Applicants

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

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

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

Primary Contact [Person to receive ALL correspondence or inquiries]

Name: Juan Morado Jr. and Mark J. Silberman
Title: Partner, CON Counsel
Company Name: Benesch Friedlander Coplan & Aronoff LLP
Address: 71 South Wacker Drive, Suite 1600, Chicago, Illinois 60606
Telephone Number: (312) 212-4967 and (312) 212-4952
E-mail Address: JMorado@Beneschlaw.com and MSilberman@Beneschlaw.com
Fax Number: (312) 767-9192

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION**This Section must be completed for all projects.****Facility/Project Identification**

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County: Cook	Health Service Area: 007	Health Planning Area: 031

Legislators

State Senator Name: Bill Cunningham
State Representative Name: Frances Ann Hurley

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

Exact Legal Name: Regent Surgical Health, LLC
Street Address: 4 Westbrook Corporate Center, Suite 900
City and Zip Code: Westchester, IL 60154
Name of Registered Agent: CT Corporation System
Registered Agent Street Address: 208 South LaSalle Street, Suite 814
Registered Agent City and Zip Code: Chicago, IL 60604
Name of Chief Executive Officer: Chris Bishop
Street Address: 4 Westbrook Corporate Center, Suite 900
City and Zip Code: Westchester, Illinois 60154
Telephone Number: (708) 492-0531

Type of Ownership of Applicants

<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental
<input checked="" type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship
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<ul style="list-style-type: none"> Corporations and limited liability companies must provide an Illinois certificate of good standing. Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner. 	
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County: Cook	Health Service Area: 007	Health Planning Area: 031

Legislators

State Senator Name: Bill Cunningham
State Representative Name: Frances Ann Hurley

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

Exact Legal Name: Regent Surgical Health Intermediate Holdings, Inc.
Street Address: Park Avenue Tower, 65 East 55th Street, 19th Floor
City and Zip Code: New York, New York 10022
Name of Registered Agent: Maples Fiduciary Services Inc.
Registered Agent Street Address: 4001 Kennett Pike, Suite 302
Registered Agent City and Zip Code: Wilmington, DE 19807
Name of President: Glenn F. Miller
Street Address: Park Avenue Tower, 65 East 55th Street, 19th Floor
City and Zip Code: New York, New York 10022
Telephone Number: 212-699-2200

Type of Ownership of Applicants

<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership
<input checked="" type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship <input type="checkbox"/>
Other	
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E-mail Address: JMorado@Beneschlaw.com and MSilberman@Beneschlaw.com
Fax Number: (312) 767-9192

Additional Contact [Person who is also authorized to discuss the Application]

Name:
Title:
Company Name:
Address:
Telephone Number:
E-mail Address:
Fax Number:

Post Exemption Contact

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

Name: Virginia Forrest, MSN, RN, CNOR
Title: Administrator
Company Name: Palos SurgiCenter
Street Address: 7340 West College Drive
City and Zip Code: Palos Heights, Illinois 60463
E-mail Address: vforrest@palossurgicenter.com
Fax Number: 708-361-3233

Site Ownership after the Project is Complete

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Palos Community Hospital/Palos Health
Address of Site Owner: 12251 S 80th Avenue, Palos Heights, 60463
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.

Current Operating Identity/Licensee

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

Exact Legal Name: Palos SurgiCenter, LLC		
Address: 7340 West College Drive, Palos Heights, Illinois 60463		
<input type="checkbox"/> Non-profit Corporation <input type="checkbox"/> For-profit Corporation <input checked="" type="checkbox"/> Limited Liability Company <input type="checkbox"/> Other	<input type="checkbox"/> Partnership <input type="checkbox"/> Governmental <input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/>

Operating Identity/Licensee after the Project is Complete

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

Exact Legal Name: Palos SurgiCenter, LLC			
Address: 7340 West College Drive, Palos Heights, Illinois 60463			
<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"> ○ Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. ○ 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. ○ Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership. 			
APPEND DOCUMENTATION AS <u>ATTACHMENT 3</u>, 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 <u>ATTACHMENT 4</u>, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Narrative Description

In the space below, provide a brief narrative description of the change of ownership. 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.

The facility is owned by the applicants and additional owners, most of whose ownership interests are not changing as a result of this proposed transaction. This application involves the change in a controlling ownership interest in the ambulatory surgical treatment center known as Palos SurgiCenter, LLC ("Facility"). The owners of Regent Surgical Health, LLC propose to sell 100% of their equity ownership to Regent Surgical Health Intermediate Holdings, Inc. Regent Surgical Health, LLC will retain its current ownership share of the Facility (amounting to 46.62% of the facility's shares). The proposed acquisition will be accomplished through the sale of 100% of the equity interests held by the current owners of Regent Surgical Health, LLC's to Regent Surgical Health Intermediate Holdings, Inc. While this matter does not result in a transfer of a majority interest, after consultation with HFSRB staff, the conclusion was that HFSRB review was warranted based upon the proximity to a 50% controlling interest and the degree of operational control accompanying this ownership interest. Accordingly, this application was submitted.

The facility will continue to operate following this transaction and will continue to serve its existing patient base. The facility will also continue to offer the same categories of service for which it is already approved including:

- Laser Eye Surgery
- Ophthalmology
- Orthopedics
- Otolaryngology
- Pain Management
- Plastic Surgery
- Podiatry
- Gastroenterology

The changes of ownership are expected to bring greater financial stability to the facility and to enable it to continue to provide essential healthcare services to Illinois residents. The surgery center will continue to conduct business at the same location under the same operating license and will seek to improve the overall access to quality care for the community and the patient population served by this facility.

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: \$ N/A

Fair Market Value: \$ N/A

Project Status and Completion Schedules

Outstanding Permits: Does the facility have any projects for which the State Board issued a permit that is not complete? Yes ___ No **X** If yes, indicate the projects by project number and whether the project will be complete when the exemption that is the subject of this application is complete.

Anticipated exemption completion date (refer to Part 1130.570): March 31, 2021

State Agency Submittals

Are the following submittals up to date as applicable:

☐ Cancer Registry- **NOT APPLICABLE**

☐ APORS- **NOT APPLICABLE**

☒ All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted

☒ All reports regarding outstanding permits

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

CERTIFICATION

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

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

This Application is filed on the behalf of Palos Surgicenter, 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

Robert Ryan

PRINTED NAME

Manager

PRINTED TITLE

SIGNATURE

Christopher L. Farley, M.D.

PRINTED NAME

Manager

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 15 day of January, 2021


Signature of Notary


Seal

Notarization:

Subscribed and sworn to before me
this ____ day of ____

Signature of Notary

Seal



*Insert the EXACT legal name of the applicant

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PRINTED NAME

Manager

PRINTED TITLE

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Subscribed and sworn to before me
this ____ day of _____

Signature of Notary

Seal

SIGNATURE

Christopher L. Farley, M.D.

PRINTED NAME

Manager

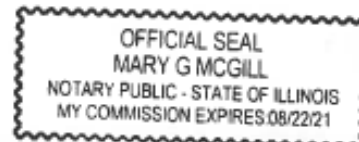
PRINTED TITLE

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SIGNATURE

Matt Lau

PRINTED NAME

Chief Financial Officer

PRINTED TITLE

SIGNATURE

Chris Bishop

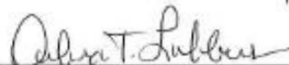
PRINTED NAME

Chief Executive Officer

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 14 day of January 2021


Signature of Notary

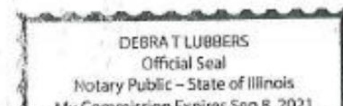
Seal

Notarization:

Subscribed and sworn to before me
this ____ day of _____

Signature of Notary

Seal


DEBRA T. LUBBERS
Official Seal
Notary Public - State of Illinois
My Commission Expires Sep 8, 2021
*Insert the EXACT legal name of the applicant

CERTIFICATION

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

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
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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 Regent Surgical Health, 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

Matt Lau

PRINTED NAME

Chief Financial Officer

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this _____ day of _____

Signature of Notary

Seal

SIGNATURE

Chris Bishop

PRINTED NAME

Chief Executive Officer

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 18th day of January 2021

Signature of Notary

Seal



My Comm. Expires
06/10/2023

*Insert the EXACT legal name of the applicant

CERTIFICATION

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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 Regent Surgical Health Intermediate Holdings, Inc.

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


SIGNATURE

Glenn F. Miller

PRINTED NAME

President and Secretary

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 21st day of January 2021


Signature of Notary

Seal

Peter C. Dupin
ID # 50067518

Notary Public of New Jersey
Commission Expires on 9/6/2022

*Insert the EXACT legal name of the applicant

SIGNATURE

Jennifer Glassman

PRINTED NAME

Chief Financial Officer

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this ____ day of ____

Signature of Notary

Seal

CERTIFICATION

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SIGNATURE

Glenn F. Miller

PRINTED NAME

President and Secretary

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Notarization:

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this _____ day of _____

Signature of Notary

Seal

SIGNATURE

Jennifer Glassman

PRINTED NAME

Chief Financial Officer

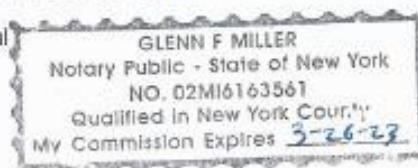
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 15th day of January 2021

Signature of Notary

Seal



*Insert the EXACT legal name of the applicant

SECTION II. BACKGROUND.**BACKGROUND OF APPLICANT**

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A listing of all health care facilities currently owned and/or operated in Illinois, by any corporate officers or directors, LLC members, partners, or owners of at least 5% of the proposed health care facility.
3. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant, directly or indirectly, during the three years prior to the filing of the application. Please provide information for each applicant, including corporate officers or directors, LLC members, partners and owners of at least 5% of the proposed facility. A health care facility is considered owned or operated by every person or entity that owns, directly or indirectly, an ownership interest.
4. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
5. If, during a given calendar year, an applicant submits more than one Application, 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 5, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 5.

SECTION III. CHANGE OF OWNERSHIP (CHOW)**Transaction Type. Check the Following that Applies to the Transaction:**

- ☐ Purchase resulting in the issuance of a license to an entity different from current licensee.
- ☐ Lease resulting in the issuance of a license to an entity different from current licensee.
- ☐ Stock transfer resulting in the issuance of a license to a different entity from current licensee.
- ☒ Stock transfer resulting in no change from current licensee.
- ☐ Assignment or transfer of assets resulting in the issuance of a license to an entity different from the current licensee.
- ☐ Assignment or transfer of assets not resulting in the issuance of a license to an entity different from the current licensee.
- ☐ Change in membership or sponsorship of a not-for-profit corporation that is the licensed entity.
- ☐ Change of 50% or more of the voting members of a not-for-profit corporation's board of directors that controls a health care facility's operations, license, certification or physical plant and assets.
- ☐ Change in the sponsorship or control of the person who is licensed, certified or owns the physical plant and assets of a governmental health care facility.
- ☐ Sale or transfer of the physical plant and related assets of a health care facility not resulting in a change of current licensee.
- ☐ Change of ownership among related persons resulting in a license being issued to an entity different from the current licensee
- ☐ Change of ownership among related persons that does not result in a license being issued to an entity different from the current licensee.
- ☐ Any other transaction that results in a person obtaining control of a health care facility's operation or physical plant and assets and explain in "Narrative Description."

1130.520 Requirements for Exemptions Involving the Change of Ownership of a Health Care Facility

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

APPLICABLE REVIEW CRITERIA	CHOW
1130.520(b)(1)(A) - Names of the parties	X
1130.520(b)(1)(B) - Background of the parties, which shall include proof that the applicant is fit, willing, able, and has the qualifications, background and character to adequately provide a proper standard of health service for the community by certifying that no adverse action has been taken against the applicant by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois against any health care facility owned or operated by the applicant, directly or indirectly, within three years preceding the filing of the application.	X
1130.520(b)(1)(C) - Structure of the transaction	X
1130.520(b)(1)(D) - Name of the person who will be licensed or certified entity after the transaction	
1130.520(b)(1)(E) - List of the ownership or membership interests in such licensed or certified entity both prior to and after the transaction, including a description of the applicant's organizational structure with a listing of controlling or subsidiary persons.	X
1130.520(b)(1)(F) - Fair market value of assets to be transferred.	X
1130.520(b)(1)(G) - The purchase price or other forms of consideration to be provided for those assets. [20 ILCS 3960/8.5(a)]	X
1130.520(b)(2) - Affirmation that any projects for which permits have been issued have been completed or will be completed or altered in accordance with the provisions of this Section	X
1130.520(b)(3) - 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

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
CHANGE OF OWNERSHIP APPLICATION FOR EXEMPTION- 09/2019 Edition

1130.520(b)(4) - A statement as to the anticipated benefits of the proposed changes in ownership to the community	X
1130.520(b)(5) - 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)(6) - A description of the facility's quality improvement program mechanism that will be utilized to assure quality control;	X
1130.520(b)(7) - A description of the selection process that the acquiring entity will use to select the facility's governing body;	X
1130.520(b)(9)- 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

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

SECTION IV. CHARITY CARE INFORMATION

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 7.

CHARITY CARE			
	2017	2018	2019
Net Patient Revenue	\$17,405,393	\$14,309,272	\$7,110,464
Amount of Charity Care (charges)	0	\$1,199	\$1,293
Cost of Charity Care	0	\$1,199	\$1,293

APPEND DOCUMENTATION AS ATTACHMENT 7, 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	20 - 23	
2	Site Ownership	24 - 27	
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	28 - 30	
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	31 - 33	
5	Background of the Applicant	34 - 37	
6	Change of Ownership	38 - 53	
7	Charity Care Information	54	

ATTACHMENT 1
TYPE OF OWNERSHIP OF APPLICANTS

Included with this attachment are:

1. The Certificate of Good Standing for the applicant facility, Palos SurgiCenter, LLC
2. The Certificate of Good Standing for Regent Surgical Health, LLC
3. The Certificate of Good Standing for Regent Surgical Health Intermediate, Inc.

ATTACHMENT 1

File Number 0047286-7

To all to whom these Presents Shall Come, Greeting:

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

PALOS SURGICENTER, LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON OCTOBER 19, 2000, 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 #: 2035802220 verifiable until 12/23/2021
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 23RD day of DECEMBER A.D. 2020 .

Jesse White

SECRETARY OF STATE

ATTACHMENT 1

SECRETARY OF STATE



STATE OF NEVADA

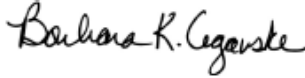
**CERTIFICATE OF EXISTENCE
WITH STATUS IN GOOD STANDING**

I, Barbara K. Cegavske, the duly qualified and elected Nevada Secretary of State, do hereby certify that I am, by the laws of said State, the custodian of the records relating to filings by corporations, non-profit corporations, corporations sole, limited-liability companies, limited partnerships, limited-liability partnerships and business trusts pursuant to Title 7 of the Nevada Revised Statutes which are either presently in a status of good standing or were in good standing for a time period subsequent of 1976 and am the proper officer to execute this certificate.

I further certify that the records of the Nevada Secretary of State, at the date of this certificate, evidence, **REGENT SURGICAL HEALTH, L.L.C.**, as a DOMESTIC LIMITED-LIABILITY COMPANY (86) duly organized under the laws of Nevada and existing under and by virtue of the laws of the State of Nevada since 10/11/2001, and is in good standing in this state.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of State, at my office on 12/23/2020.


BARBARA K. CEGAVSKE
Secretary of State

Certificate Number: B202012231300722
You may verify this certificate
online at <http://www.nvsos.gov>

ATTACHMENT 1

Delaware

The First State

Page 1

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "REGENT SURGICAL HEALTH INTERMEDIATE HOLDINGS, INC." IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE TWENTY-THIRD DAY OF DECEMBER, A.D. 2020.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "REGENT SURGICAL HEALTH INTERMEDIATE HOLDINGS, INC." WAS INCORPORATED ON THE SECOND DAY OF DECEMBER, A.D. 2020.

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



4305718 8300

SR# 20208747913

You may verify this certificate online at corp.delaware.gov/authver.shtmlA handwritten signature in black ink, appearing to read "JBullock", is written over a horizontal line. Below the line, the text "Jeffrey W. Bullock, Secretary of State" is printed.

Jeffrey W. Bullock, Secretary of State

Authentication: 204406836

Date: 12-23-20

**ATTACHMENT 2
SITE OWNERSHIP**

There will be no change in the site ownership. The site where the facility is located is and will continued to be owned by Palos Community Hospital. There is an executed lease in place between Palos Community Hospital and Palos SurgiCenter, LLC which will remain unaffected by this transaction. The facility itself sits on one parcel whose parcel index numbers are 23-24-406-014. The address of the facility is 7340 West College Drive, Palos Heights, Illinois, 60463. Palos Community Hospital is the successor to the St. George Corporation relative to the attached lease. Evidence of control of the property is included with the application in the form of an attachment containing the property tax bills for the site, which reflect the owner as The St. George Corporation, and a copy of the lease agreement for the facility.

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
CHANGE OF OWNERSHIP APPLICATION FOR EXEMPTION- 09/2019 Edition

ATTACHMENT 2

TOTAL PAYMENT DUE		2018 Second Installment Property Tax Bill - Cook County Electronic Bill						
By 01/01/2021	\$0.00	Property Index Number (PIN)	Volume	Code	Tax Year	(Payable In)	Township	Classification
		23-24-406-014-0000	152	30030	2018	(2019)	PALOS	5-17
IF PAYING LATE, PLEASE PAY							LATE INTEREST IS 1.5% PER MONTH, BY STATE LAW	
TAXING DISTRICT BREAKDOWN								
Taxing Districts	2018 Tax	2018 Rate	2018 %	Pension	2017 Tax			
MISCELLANEOUS TAXES								
South Cook Mosquito Abatement Harvey	350.80	0.017	0.18%		336.04			
Metro Water Reclamation Dist of Chicago	8,171.61	0.396	4.09%	928.59	8,443.04			
Palos Heights Fire Protection District	21,151.25	1.025	10.59%	2,723.86	17,411.14			
Miscellaneous Taxes Total	29,673.66	1.438	14.86%		26,190.22			
SCHOOL TAXES								
Moraine Valley College 524 Palos Hills	7,923.98	0.384	3.97%		7,665.94			
Consolidated HS District 230 Orland Park	50,040.77	2.425	25.06%	969.86	48,032.90			
Palos School District 118 (Palos Park)	59,471.14	2.882	29.78%	2,063.53	57,001.00			
School Taxes Total	117,435.89	5.691	58.81%		112,699.84			
MUNICIPALITY/TOWNSHIP TAXES								
Palos Heights Library Fund	5,922.35	0.287	2.97%	453.97	5,859.72			
City of Palos Heights	32,789.60	1.589	16.42%	12,505.03	30,642.76			
Road & Bridge Palos	1,052.40	0.051	0.53%		987.12			
General Assistance Palos	185.72	0.009	0.09%		168.02			
Town of Palos	1,320.66	0.064	0.66%		1,260.15			
Municipality/Township Taxes Total	41,270.73	2.000	20.67%		38,917.77			
COOK COUNTY TAXES								
Cook County Forest Preserve District	1,238.12	0.060	0.62%	41.27	1,302.16			
Consolidated Elections	0.00	0.000	0.00%		651.08			
County of Cook	6,582.70	0.319	3.28%	2,249.25	6,867.86			
Cook County Public Safety	2,538.15	0.123	1.27%		2,289.28			
Cook County Health Facilities	969.86	0.047	0.49%		1,260.15			
Cook County Taxes Total	11,328.83	0.549	5.66%		12,370.53			
(Do not pay these totals)	199,709.11	9.678	100.00%		190,178.36			
TAX CALCULATOR					IMPORTANT MESSAGES			
2017 Assessed Value	708,900	2018 Total Tax Before Exemptions	199,709.11					
		Homeowner's Exemption	.00					
		Senior Citizen Exemption	.00					
2018 Assessed Value	708,900	Senior Freeze Exemption	.00					
2018 State Equalizer	X 2.9109							
2018 Equalized Assessed Value (EAV)	2,063,537	2018 Total Tax After Exemptions	199,709.11					
2018 Local Tax Rate	X 9.678%	First Installment	104,598.10					
2018 Total Tax Before Exemptions	199,709.11	Second Installment +	95,111.01					
		Total 2018 Tax (Payable in 2019)	199,709.11					
					PROPERTY LOCATION		MAILING ADDRESS	
					7340 W COLLEGE DR PALOS HEIGHTS IL 60463 1159		ST GEORGE CORP 12251 S 80TH ST PALOS HTS IL 604631256	

*** Please see 2018 Second Installment Payment Coupon next page ***

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
CHANGE OF OWNERSHIP APPLICATION FOR EXEMPTION- 09/2019 Edition

ATTACHMENT 2

TOTAL PAYMENT DUE		2019 Second Installment Property Tax Bill - Cook County Electronic Bill						
By 01/01/2021	\$0.00	Property Index Number (PIN)	Volume	Code	Tax Year	(Payable In)	Township	Classification
		23-24-406-014-0000	152	30030	2019	(2020)	PALOS	5-17
PAYMENT SCHEDULE		01/02/2021 - 02/01/2021	02/02/2021 - 03/01/2021	03/02/2021 - 04/01/2021				
		\$0.00	\$0.00	\$0.00				
TAXING DISTRICT BREAKDOWN								
Taxing Districts	2019 Tax	2019 Rate	2019 %	Pension	2018 Tax			
MISCELLANEOUS TAXES								
South Cook Mosquito Abatement Harvey	372.09	0.018	0.18%		350.80			
Metro Water Reclamation Dist of Chicago	8,041.22	0.389	3.89%	888.87	8,171.61			
Palos Heights Fire Protection District	22,201.21	1.074	10.75%	3,142.07	21,151.25			
Miscellaneous Taxes Total	30,614.52	1.481	14.82%		29,673.66			
SCHOOL TAXES								
Moraline Valley College 524 Palos Hills	8,123.91	0.393	3.93%		7,923.98			
Consolidated HS District 230 Orland Park	51,430.74	2.488	24.90%	1,281.63	50,040.77			
Palos School District 118 (Palos Park)	61,766.50	2.988	29.90%	2,087.82	59,471.14			
School Taxes Total	121,321.15	5.869	58.73%		117,435.89			
MUNICIPALITY/TOWNSHIP TAXES								
Palos Heights Library Fund	7,834.51	0.379	3.79%	496.11	5,922.35			
City of Palos Heights	32,867.72	1.590	15.91%	12,671.64	32,789.60			
Road & Bridge Palos	1,095.59	0.053	0.53%		1,052.40			
General Assistance Palos	206.72	0.010	0.10%		185.72			
Town of Palos	1,384.99	0.067	0.67%		1,320.66			
Municipality/Township Taxes Total	43,389.53	2.099	21.00%		41,270.73			
COOK COUNTY TAXES								
Cook County Forest Preserve District	1,219.62	0.059	0.59%	41.34	1,238.12			
Consolidated Elections	620.15	0.030	0.30%		0.00			
County of Cook	5,684.66	0.275	2.77%	2,087.82	6,582.70			
Cook County Public Safety	2,769.98	0.134	1.34%		2,538.15			
Cook County Health Facilities	930.22	0.045	0.45%		969.86			
Cook County Taxes Total	11,224.63	0.543	5.45%		11,328.83			
(Do not pay these totals)	206,549.83	9.992	100.00%		199,709.11			
TAX CALCULATOR					IMPORTANT MESSAGES			
2018 Assessed Value	708,900	2019 Total Tax Before Exemptions						
		206,549.83						
		Homeowner's Exemption						
		.00						
		Senior Citizen Exemption						
		.00						
2019 Assessed Value	708,900	Senior Freeze Exemption						
		.00						
2019 State Equalizer	X 2.9160							
2019 Equalized Assessed Value (EAV)		2019 Total Tax After Exemptions						
	2,067,152	206,549.83						
2019 Local Tax Rate	X 9.992%	First Installment						
		109,840.01						
2019 Total Tax Before Exemptions		Second Installment +						
	206,549.83	96,709.82						
		Total 2019 Tax (Payable In 2020)						
		206,549.83						
PROPERTY LOCATION					MAILING ADDRESS			
7340 W COLLEGE DR. PALOS HEIGHTS IL 60463 1159					ST GEORGE CORP 12251 S 80TH ST PALOS HTS IL 604631256			

*** Please see 2019 Second Installment Payment Coupon next page ***

ATTACHMENT 2



7340 W. College Drive
Palos Heights, IL 60463
Telephone (708) 361-3233

October 10, 2019

VIA CERTIFIED MAIL

The St. George Corporation
12251 S. 80th Avenue
Palos Heights, IL 60463
Attn: Terrance Moisan, MD,

Re: Notice of Election to Renew Lease Agreement

Dear Dr. Moisan:

This letter ("Letter") makes reference to that certain Lease Agreement by and between The St. George Corporation ("Landlord") and Palos Surgicenter, LLC ("Palos Surgicenter") dated September 18, 2006, as amended by the certain Lease Amendment dated December 5, 2006 (the "Lease"). Pursuant to Section 9(t) of the Lease, Palos Surgicenter may has the right to extend the Term of the Lease for a five (5) year period upon written notice to Landlord at least six (6) calendar months in advance of the then current Term. This Letter serves as written notice by Palos Surgicenter to Landlord that it hereby exercises its option to extend the Term of the Lease for a five (5) year Extension Term, which shall commence on December 5, 2021 and expire on December 4, 2026. Palos Surgicenter reserves its option, but not obligation, to exercise the second such five (5) year Extension Term as described in Section 9(t) of the Lease.

Please feel free to reach out to me if you have any further questions regarding the contents of this Letter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Muhamad Amine", is written over a horizontal line.

Muhamad Amine, M.D.

Cc: **VIA EMAIL**

Don Dixon
ddixon@paloshealth.com
The St. George Corporation
12251 S. 80th Avenue
Palos Heights, IL 60463

**ATTACHMENT 3
OPERATING ENTITY/LICENSEE**

The licensee of the applicant facility will remain the same after the transaction. Included with this Attachment is the licensee's Certificate of Good Standing and copy of the facility license. All direct owners of a 5% or more interest in the applicant facility are identified in the organizational chart included with Attachment 4.

ATTACHMENT 3

File Number 0047286-7



To all to whom these Presents Shall Come, Greeting:

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

PALOS SURGICENTER, LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON OCTOBER 19, 2000, 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.

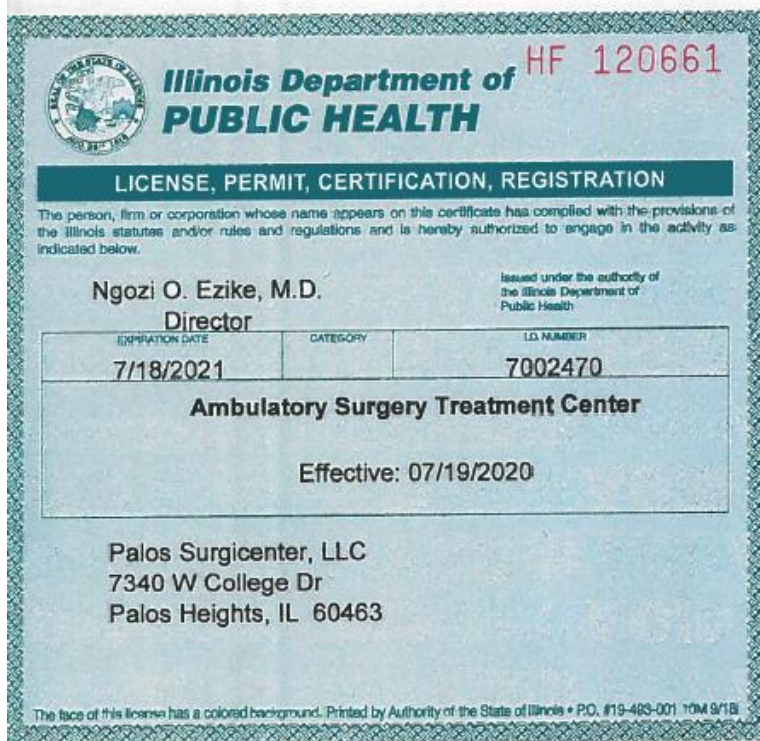


Authentication #: 2035802220 verifiable until 12/23/2021
Authenticate at: <http://www.cyberdriveillinois.com>

***In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 23RD
day of DECEMBER A.D. 2020 .***

Jesse White

SECRETARY OF STATE

ATTACHMENT 3
ASC LICENSE FOR PALOS SURGICENTER, LLC


Illinois Department of PUBLIC HEALTH HF 120661

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

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

Ngozi O. Ezike, M.D.
Director

Issued under the authority of the Illinois Department of Public Health

EXPIRATION DATE	CATEGORY	I.D. NUMBER
7/18/2021		7002470

Ambulatory Surgery Treatment Center

Effective: 07/19/2020

Palos Surgicenter, LLC
7340 W College Dr
Palos Heights, IL 60463

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

← DISPLAY THIS PART IN A
CONSPICUOUS PLACE

Exp. Date 7/18/2021

Lic Number 7002470

Date Printed 5/29/2020

Palos Surgicenter, LLC

7340 W College Dr
Palos Heights, IL 60463-1159

FEE RECEIPT NO.

ATTACHMENT 4
ORGANIZATIONAL RELATIONSHIPS

Current and proposed organizational charts are included with this Attachment. All owners in the applicant facility are identified in those organizational charts. As described in the charts below, the ownership interest of Regent Surgical Health, LLC in the licensee Palos SurgiCenter, LLC will remain the same before and after this proposed transaction.

ATTACHMENT 4
PRE-TRANSACTION ORGANIZATIONAL CHART**Palos Surgicenter, LLC Member List**

MEMBERS	MEMBERSHIP UNITS
Nicholas Speziale, M.D.	2.7243
Scott E. Glaser, M.D.	4.7676
Stephen G. Krates, D.O.	5.4487
Christopher L. Farley, M.D.	5.4487
Duane Brann, DPM	1.3622
William Kosmala, M.D.	4.0865
Babu N. Ponakala, M.D.	2.7243
Muhamad Amine, M.D.	6.615
Regent Surgical Health, LLC	30.1634
Regent Investment Management	1.3622
Total:	68.7894

ATTACHMENT 4
POST-TRANSACTION ORGANIZATIONAL CHART

<u>Members</u>	<u>Membership Units</u>
Nicholas Speziale, M.D.	2.7243
Scott E. Glaser, M.D.	4.7676
Stephen G. Krates, D.O.	5.4485
Christopher L. Farley, M.D.	5.4487
Duane Brann, DPM	1.3622
William Kosmala, M.D.	4.0865
Babu N. Ponakala, M.D.	2.7243
Muhammed Amine, M.D.	6.615
Regent Surgical Health, LLC	30.1634
Regent Investment Management	1.3622
Total:	68.7894

**ATTACHMENT 5
BACKGROUND OF THE APPLICANTS**

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

Included with this Attachment is the applicants' verification that Palos SurgiCenter, LLC has no ownership interest in any other healthcare facilities in Illinois. None of the other applicants hold an ownership interest in any other healthcare facilities in Illinois. The ownership interests of the remaining owners are unchanged and, thus, not subject to this application.

- 2. A listing of all health care facilities currently owned and/or operated in Illinois, by any corporate officers or directors, LLC members, partners, or owners of at least 5% of the proposed health care facility.**

Other than the facilities listed in paragraph 1 above, no health care facilities are currently owned or operated in Illinois by any of the applicants identified in the organizational charts included in Attachment 4 and their respective corporate officers or directors.

- 3. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant, directly or indirectly, during the three years prior to the filing of the application. Please provide information for each applicant, including corporate officers or directors, LLC members, partners and owners of at least 5% of the proposed facility. A health care facility is considered owned or operated by every person or entity that owns, directly or indirectly, an ownership interest.**

Included with this Attachment is the applicants' verification of no adverse action during the three years prior to the filing of the application.

- 4. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations.**

Included with this attachment is the applicants' authorization permitting HFSRB and IDPH access to any documents necessary to verify the information submitted.

- 5. If, during a given calendar year, an applicant submits more than one Application, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion.**

No additional applications were filed by any of the applicants this calendar year.

ATTACHMENT 5

January 20, 2021

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

Dear Ms. Avery:

As representative of Palos Surgicenter, LLC, I, Robert Ryan, give authorization to the Health Facilities and Services Review Board and the Illinois Department of Public Health (IDPH) to access documents necessary to verify the information submitted including, but not limited to: official records of IDPH or other state agencies, the licensing or certification records of other states, and the records of nationally recognized accreditation organizations.

I further verify that, Palos Surgicenter, LLC, owns no other healthcare facilities and has had no adverse action in the past three (3) years.

I hereby certify this is true and based upon my personal knowledge under penalty of perjury and in accordance with 735 ILCS 5/1-109.

Sincerely,

A handwritten signature in black ink, appearing to read 'Robert Ryan', with a long horizontal line extending to the right.

Robert Ryan
Manager
Palos Surgicenter, LLC

ATTACHMENT 5

January 6, 2021

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

Dear Ms. Avery:

As representative of Regent Surgical Health , LLC, I, Chris Bishop, give authorization to the Health Facilities and Services Review Board and the Illinois Department of Public Health (IDPH) to access documents necessary to verify the information submitted including, but not limited to: official records of IDPH or other state agencies, the licensing or certification records of other states, and the records of nationally recognized accreditation organizations.

I further verify that, Regent Surgical Health, LLC. owns no other healthcare facilities and has had no adverse action in the past three (3) years.

I hereby certify this is true and based upon my personal knowledge under penalty of perjury and in accordance with 735 ILCS 5/1-109.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Bishop", with a stylized flourish at the end.

Chris Bishop
Chief Executive Officer
Regent Surgical Health, LLC

ATTACHMENT 5

January 6, 2021

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

Dear Ms. Avery:

As representative of Regent Surgical Health Intermediate Holdings, Inc., I, Glenn F. Miller give authorization to the Health Facilities and Services Review Board and the Illinois Department of Public Health (IDPH) to access documents necessary to verify the information submitted including, but not limited to: official records of IDPH or other state agencies, the licensing or certification records of other states, and the records of nationally recognized accreditation organizations.

I further verify that, Regent Surgical Health Intermediate Holdings, Inc. owns no other healthcare facilities and has had no adverse action in the past three (3) years.

I hereby certify this is true and based upon my personal knowledge under penalty of perjury and in accordance with 735 ILCS 5/1-109.

Sincerely,



Glenn F. Miller
President and Secretary
Regent Surgical Health Intermediate Holdings, Inc.

ATTACHMENT 6
CHANGE OF OWNERSHIP

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

- a. Palos SurgiCenter, LLC
- b. Regent Surgical Health, LLC
- c. Regent Surgical Health Intermediate Holdings, Inc.

ATTACHMENT 6**Section 1130.520(b)(1)(B) - Background of the parties**

In many ways this is a corporate reorganization that, normally, would be subject to nothing more than notice to the Board. However, in an abundance of caution and out of respect for the HFSRB process and its rules, applicants initiated contact with HFSRB staff to verify that given the control vested in the ownership interest being transferred and the proximity to an controlling ownership interest, this Change of Ownership application was warranted. That said, the fundamental ownership and operation of this facility will continue unabated and without change to the casual observer.

Applicants' have each certified to their being no adverse actions against them within three years preceding the filing of the application. In addition, 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. This history of this facility should sufficiently evidence this for the HFSRB. The underlying transaction is changing of ownership of only one the owners in the facility. There will no effect on the ownership interest of the remaining owners.

Regent Surgical Health Intermediate Holdings, Inc. is buying 100% of the current owners' ownership interest in Regent Surgical Health, LLC. The current unit owners of Regent Surgical Health, LLC are Regent Surgical Health Holdings, Inc. and the following persons in their individual capacity: Christopher Bishop, Thomas Crossen, Matthew Lau, Stephanie L. Martin, Erin Petrie, Robert G. Ryan, Christopher D. Stine and Andrea Woodell.

Palos SurgiCenter, LLC is designed in a way to ensure that it maintains the nimbleness to navigate the necessary changes in healthcare, both the expected and the unexpected. The intention is to help advance an individual facility's ability to be nimble enough to manage the ongoing changes and reforms in healthcare because there is no question that today's healthcare system is postured for change. Shifting trends, emerging technologies and new visions for the future of healthcare have led countless companies and individuals to take part in reshaping the industry. Moreover, the past year has illustrated the core need for access to surgical procedures in forums outside of hospitals, a basic function enhanced by the stability of this facility.

All of the existing and future owners have already been deemed to have sufficient fitness and background based upon their current ownership in this facility, but we do not envision this criteria to be an issue for the HFSRB.

ATTACHMENT 6**Section 1130.520(b)(1)(C) - Structure of the transaction**

In many ways this is a corporate reorganization that, normally, would be subject to nothing more than notice to the Board. However, in an abundance of caution and out of respect for the HFSRB process and its rules, applicants initiated contact with HFSRB staff to verify that given the control vested in the ownership interest being transferred and the proximity to a controlling ownership interest, this Change of Ownership application was warranted. That said, the fundamental ownership and operation of this facility will continue unabated and without change to the casual observer. Thus, this application is being submitted in accordance with HFSRB rules.

ATTACHMENT 6

Section 1130.520(b)(1)(D) - Entity to be Licensed After Transaction

"Name of the person who will be licensed or certified entity after the transaction"

There will be no change in the licensed entity as a consequence of the proposed transaction.
The licensee will remain Palos SurgiCenter, LLC.

ATTACHMENT 6**Section 1130.520(b)(1)(E) - List of ownership**

“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.”

Organizational charts showing the current interest structure of the applicant facility and the post-change ownership interest are shown below.

Pre-Transaction Organizational Chart

<u>Members</u>	<u>Membership Units</u>
Nicholas Speziale, M.D.	2.7243
Scott E. Glaser, M.D.	4.7676
Stephen G. Krates, D.O.	5.4485
Christopher L. Farley, M.D.	5.4487
Duane Brann, DPM	1.3622
William Kosmala, M.D.	4.0865
Babu N. Ponakala, M.D.	2.7243
Muhammed Amine, M.D.	6.615
Regent Surgical Health, LLC	30.1634
Regent Investment Management	1.3622
Total:	68.7894

ATTACHMENT 6
POST-TRANSACTION ORGANIZATIONAL CHART

<u>Members</u>	<u>Membership Units</u>
Nicholas Speziale, M.D.	2.7243
Scott E. Glaser, M.D.	4.7676
Stephen G. Krates, D.O.	5.4485
Christopher L. Farley, M.D.	5.4487
Duane Brann, DPM	1.3622
William Kosmala, M.D.	4.0865
Babu N. Ponakala, M.D.	2.7243
Muhammed Amine, M.D.	6.615
Regent Surgical Health, LLC	30.1634
Regent Investment Management	1.3622
Total:	68.7894

ATTACHMENT 6**Section 1130.520(b)(1)(F) - Fair Market Value of the Transaction**

“Fair market value of assets to be transferred.”

The purchase price for Regent Surgical Health, LLC’s (“RSH”) ownership in Palos SurgiCenter, LLC is \$1,225,478. This amount was determined by the enterprise value of Regent Surgical Health, LLC (“RSH”) plus RSH’s net working capital, plus the amount of the cash and cash equivalents of RSH, minus the amount of RSH’s funded indebtedness, and minus the amount of RSH’s unpaid transaction expenses. This amount was based on an arm’s length transaction and represents the fair market value of the interest being transferred.

ATTACHMENT 6**Section 1130.520(b)(1)(G) - Purchase Price**

“The purchase price or other forms of consideration to be provided for those assets.”

The purchase price for Regent Surgical Health, LLC’s (“RSH”) ownership in Palos SurgiCenter, LLC is \$1,225,478. This amount was determined by the enterprise value of RSH plus RSH’s net working capital, plus the amount of the cash and cash equivalents of RSH, minus the amount of RSH’s funded indebtedness, and minus the amount of RSH’s unpaid transaction expenses. This amount was based on an arm’s length transaction and represents the fair market value of the interest being transferred.

ATTACHMENT 6**Section 1130.520(b)(2) - Outstanding Permits**

“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”

In accordance with 77 Ill. Admin. Code 1130.520, the applicants, by their signatures to the Certification pages of this application, affirm that none of the application have any open permits issued by the Review Board. All projects have been completed.

ATTACHMENT 6**Section 1130.520(b)(3) - Hospital Charity Care**

“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”

The charity care policy will not be more restrictive. Please see the attached letter.

ATTACHMENT 6

January 20, 2021

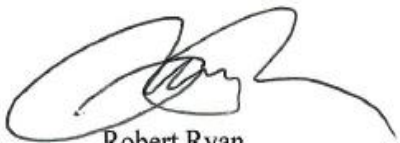
Courtney Avery
Board Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, 2nd Floor
Springfield, IL 62761

Dear Ms. Avery:

As representative of Palos Surgicenter, LLC, I, Robert Ryan, affirm 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 for a two-year period following the change of ownership transaction.

I hereby certify this is true and based upon my personal knowledge under penalty of perjury and in accordance with 735 ILCS 5/1-109.

Sincerely,

A handwritten signature in black ink, appearing to read 'Robert Ryan', with a large, stylized flourish extending from the end of the signature.

Robert Ryan
Manager
Palos Surgicenter, LLC

ATTACHMENT 6**Section 1130.520(b)(4) - Anticipated Benefits for the Community and Facility**

“A statement as to the anticipated benefits of the proposed changes in ownership to the community”

This transaction will allow the facility to continue to provide high quality medical care to the community as it does currently. This change of ownership will provide for the necessary work to increase efficiency in the delivery of care and patient experience. It will provide increased financial and administrative stability, designed to facilitate a nimbleness necessary to navigate the changing landscape of healthcare. The facility will continue to provide lower cost options to non-hospital based surgical options, meaningful access to surgical options outside of a hospital based setting (sufficient to address patient concerns), and will ensure ongoing access to healthcare for the community and patient population which it serves.

ATTACHMENT 6**Section 1130.520(b)(5) - Anticipated Cost Savings for the Community and Facility**

“The anticipated or potential cost savings, if any, that will result for the community and the facility because of the change in ownership”

This transaction will result in a greater degree of financial stability while maintaining physician control over the ASC. This allows for a greater degree of flexibility and interplay between the front line needs of the patient population and those medical professionals providing the care. This will inevitably lead to stronger patient relationships and will result in improved experiences. Moreover, any increased efficiency in care delivery yields ultimate cost savings to the community. This is the ultimate goal of this project.

ATTACHMENT 6

Section 1130.520(b)(6) - Quality Improvement Plan

“A description of the facility's quality improvement program mechanism that will be utilized to assure quality control”

The applicant facility's quality improvement program mechanism will not change as a result of the proposed transaction.

ATTACHMENT 6

Section 1130.520(b)(7) - Facility Governing Body

“A description of the selection process that the acquiring entity will use to select the facility's governing body”

The existing structure for the governing Board of the ASC will remain in place.

ATTACHMENT 6**Section 1130.520(b)(9)- Summary of Proposed Changes Within 24 Months**

“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.”

The applicants are not undertaking this with any anticipated changes to the scope of services or levels of care currently provided at the facility that would occur within 24-months after acquisition. However, as a best practice the facility and its ownership regularly assess and evaluate the needs of the community and would reserve the right to pursue any changes that would best serve the needs of the community. In the event that there are necessary or recommended changes to the services to be provided, the applicants will adhere to the requisite CON requirements and will submit the necessary applications for any modification of services to be considered.

**ATTACHMENT 7
CHARITY CARE INFORMATION**

The amount of charity care for the last three years provided by the facility are included in the table below. The applicants maintain a commitment to serving the under and uninsured population in the community without regard to their ability to pay for those services.

CHARITY CARE			
	2017	2018	2019
Net Patient Revenue	\$17,405,393	\$14,309,272	\$7,110,464
Amount of Charity Care (charges)	0	\$1,199	\$1,293
Cost of Charity Care	0	\$1,199	\$1,293

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