

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: NovaMed Surgery Center of Chicago - Northshore		
Street Address: 3034 West Peterson Avenue		
City and Zip Code: Chicago, Illinois 60659		
County: Cook	Health Service Area: 006	Health Planning Area: 030

Legislators

State Senator Name: Ram Villivalam
State Representative Name: Denyse Stoneback

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

Exact Legal Name: NovaMed Surgery Center of Chicago – Northshore, LLC
Street Address: 310 Seven Springs Way, Suite 500
City and Zip Code: Brentwood, Tennessee 37027
Name of Registered Agent: Illinois Corporate Service Company
Registered Agent Street Address: 801 Adlai Stevenson Drive
Registered Agent City and Zip Code: Springfield, Illinois 62703
Name of Chief Executive Officer: J Eric Evans
CEO Street Address: 310 Seven Springs Way, Suite 500
CEO City and Zip Code: Brentwood, Tennessee 37027
CEO Telephone Number:

Type of Ownership of Applicants

<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental
<input checked="" type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship
<input type="checkbox"/> Other	
<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. 	
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: Kara Friedman
Title: Attorney
Company Name: Polsinelli PC
Address: 150 North Riverside Plaza, Suite 3000, Chicago, Illinois 60606
Telephone Number: 312-873-3639
E-mail Address: KFriedman@polsinelli.com
Fax Number:

Facility/Project Identification

Facility Name: NovaMed Surgery Center of Chicago - Northshore		
Street Address: 3034 West Peterson Avenue		
City and Zip Code: Chicago, Illinois 60659		
County: Cook	Health Service Area: 006	Health Planning Area: 030

Legislators

State Senator Name: Ram Villivalam
State Representative Name: Denyse Stoneback

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

Exact Legal Name: Surgery Partners, Inc.
Street Address: 310 Seven Springs Way, Suite 500
City and Zip Code: Brentwood, Tennessee 37027
Name of Registered Agent: Illinois Corporate Service Company
Registered Agent Street Address: 801 Adlai Stevenson Drive
Registered Agent City and Zip Code: Springfield, Illinois 62703
Name of Chief Executive Officer: J Eric Evans
CEO Street Address: 310 Seven Springs Way, Suite 500
CEO City and Zip Code: Brentwood, Tennessee 37027
CEO Telephone Number:

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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Facility/Project Identification

Facility Name: NovaMed Surgery Center of Chicago - Northshore		
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City and Zip Code: Chicago, Illinois 60659		
County: Cook	Health Service Area: 006	Health Planning Area: 030

Legislators

State Senator Name: Ram Villivalam
State Representative Name: Denyse Stoneback

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

Exact Legal Name: Gerstein ASC Interests, LLC
Street Address: 3042 West Peterson Avenue
City and Zip Code: Chicago, Illinois 60659
Name of Registered Agent: Don S. Hershman
Registered Agent Street Address: 123 North Wacker Drive, Suite 1600
Registered Agent City and Zip Code: Chicago, Illinois 60606
Name of Chief Executive Officer: Craig H. Gerstein, M.D.
CEO Street Address: 3042 West Peterson Avenue
CEO City and Zip Code: Chicago, Illinois 60659
CEO Telephone Number: 773-330-6441

Type of Ownership of Applicants

<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental
<input checked="" type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship
<input type="checkbox"/> Other	
<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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Primary Contact [Person to receive ALL correspondence or inquiries]

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

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

Name: Craig Gerstein, M.D.
Title: President
Company Name: Gerstein ASC Interests, LLC
Address: 3042 West Peterson Avenue, Chicago, Illinois 60659
Telephone Number: 773-330-6441
E-mail Address: cgerstein@mac.com
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: Craig Gerstein, M.D.
Title: President
Company Name: Gerstein ASC Interests, LLC
Address: 3042 West Peterson Avenue, Chicago, Illinois 60659
Telephone Number: 773-330-6441
E-mail Address: cgerstein@mac.com
Fax Number:

Site Ownership after the Project is Complete

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: JCB Partnership
Address of Site Owner: 2714 Sheridan Road, Highland Park, Illinois 60035
Street Address or Legal Description of the Site: 3042 West Peterson Avenue, Chicago, Illinois 60659
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: NovaMed Surgery Center of Chicago – Northshore, LLC		
Address: 310 Seven Springs Way, Suite 500, Brentwood, Tennessee 37027		
<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: NovaMed Surgery Center of Chicago – Northshore, LLC	
Address: 3042 West Peterson Avenue, Chicago, Illinois 60659	
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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 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 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.

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.

Surgery Partners, Inc., NovaMed Surgery Center of Chicago – Northshore, LLC and Gerstein ASC Interests, LLC (collectively the “Applicants”) propose a change of ownership of NovaMed Surgery Center of Chicago – Northshore (the “ASC”). Surgery Partners, Inc. owns 70% of the outstanding equity interests in the ASC. Gerstein ASC Interests, LLC currently owns 10.53% of the outstanding equity interests in the ASC. Four physician investors currently own the balance of the equity interests in the ASC (directly or indirectly).

Gerstein ASC Interests, LLC will purchase from Surgery Partners, Inc. its 70% equity interest in the ASC. As a result of the transaction, Gerstein ASC Interests, LLC will hold 80.53% of the outstanding equity interests in the ASC, and Surgery Partners, Inc. will no longer have a membership interest in the ASC.

Importantly, NovaMed Surgery Center of Chicago – Northshore, LLC will remain the licensee of the ASC and no changes to the operations of the ASC are expected as a result of the change of ownership.

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: \$ _____

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): July 1, 2021, or as soon thereafter
as all closing conditions have been satisfied.

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

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

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


SIGNATURE

Jennifer Baldock

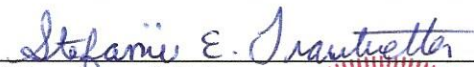
PRINTED NAME

VP & Secretary of Member, NovaMed Management Services, LLC

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 9th day of June


Signature of Notary

Seal

*Insert EXACT legal name of the applicant



SIGNATURE

PRINTED NAME

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this _____ day of _____

Signature of Notary

Seal

CERTIFICATION

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

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

This Application for Permit is filed on the behalf of Surgery Partners, 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 for permit on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the permit application fee required for this application is sent herewith or will be paid upon request.

Jennifer Baldock
SIGNATURE

Jennifer Baldock

PRINTED NAME

EVP & Chief Admin. & Dev. Officer

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 9th day of June

Stephanie E. Trautvetter

Signature of Notary

Seal

*Insert EXACT legal name of the applicant

SIGNATURE

PRINTED NAME

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this _____ day of _____

Signature of Notary

Seal

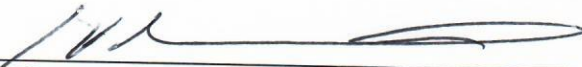


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- in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- in the case of a partnership, two of its general partners (or the sole general partner,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

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



SIGNATURE

Craig Gerstein, M.D.

PRINTED NAME

President

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 5th day of June 2021

Signature of Notary

Seal

SIGNATURE

PRINTED NAME

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this ____ day of _____

Signature of Notary

Seal

*Insert 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- 04/2021 Edition

APPLICABLE REVIEW CRITERIA	CHOW
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			
	Year	Year	Year
Net Patient Revenue			
Amount of Charity Care (charges)			
Cost of Charity Care			

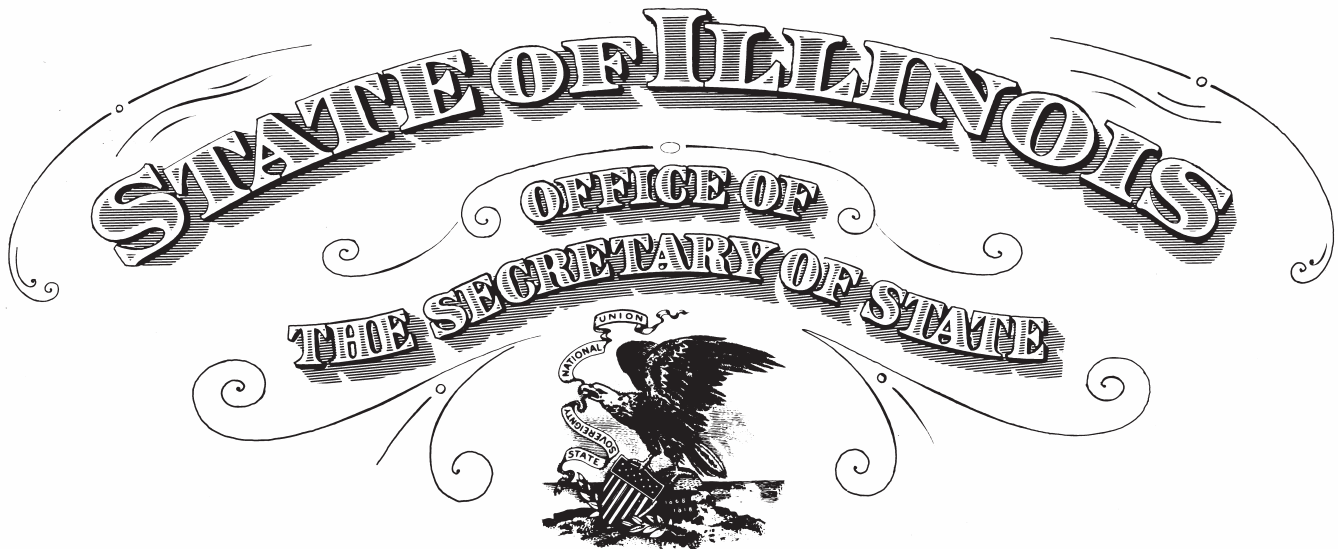
APPEND DOCUMENTATION AS ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Section I, Identification, General Information, and Certification
Applicants

Certificates of Good Standing for NovaMed Surgery Center of Chicago – Northshore, LLC (the “Licensee”), Surgery Partners, Inc. (the “Seller”), and Gerstein ASC Interests, LLC (the “Buyer”) (collectively, with Licensee and Seller, the “Applicants”) are attached at Attachment – 1.

File Number

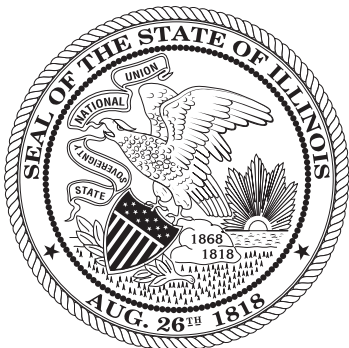
0081288-9



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

NOVAMED SURGERY CENTER OF CHICAGO - NORTHSORE, LLC, A DELAWARE LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON NOVEMBER 21, 2002, 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 3RD
day of JUNE A.D. 2021 .

Jesse White

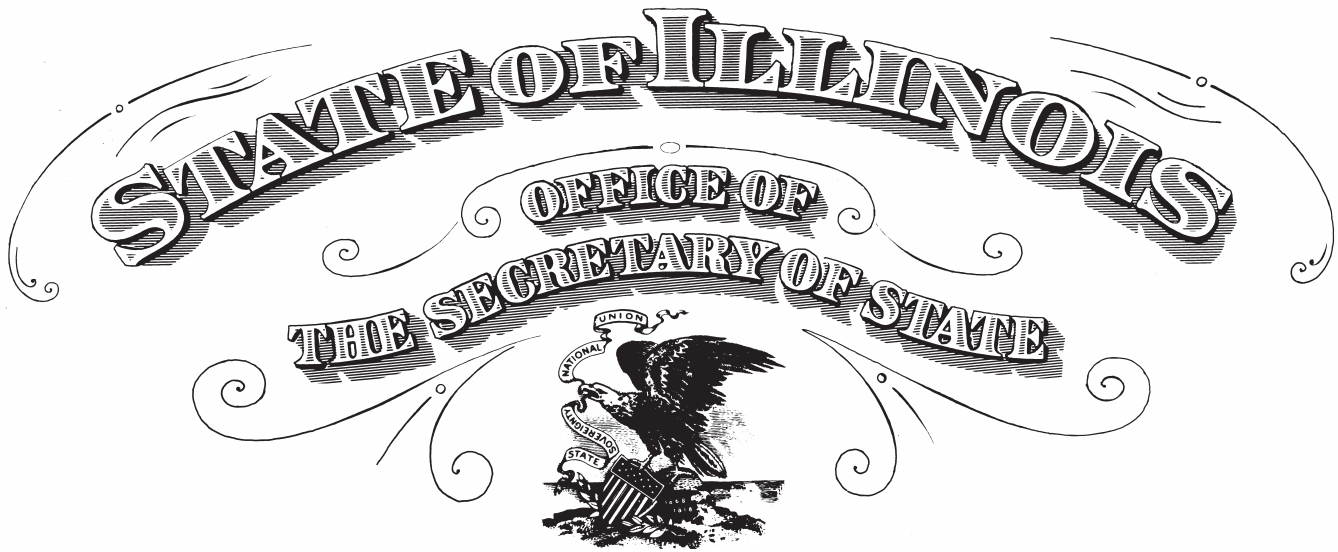
SECRETARY OF STATE

Authentication #: 2115403374 verifiable until 06/03/2022

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

File Number

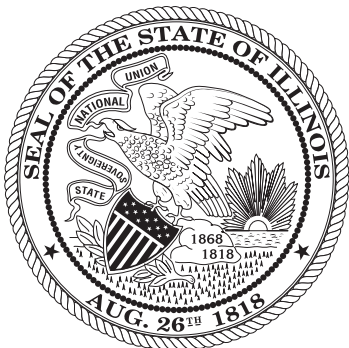
7046-064-5



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

SURGERY PARTNERS, INC., INCORPORATED IN DELAWARE AND LICENSED TO TRANSACT BUSINESS IN THIS STATE ON FEBRUARY 11, 2016, AND MUST CONDUCT ALL BUSINESS IN THIS STATE UNDER THE ASSUMED NAME OF SURGERY PARTNERS SGRY, INC., APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS A FOREIGN CORPORATION IN GOOD STANDING AND AUTHORIZED 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 3RD
day of JUNE A.D. 2021 .

Jesse White

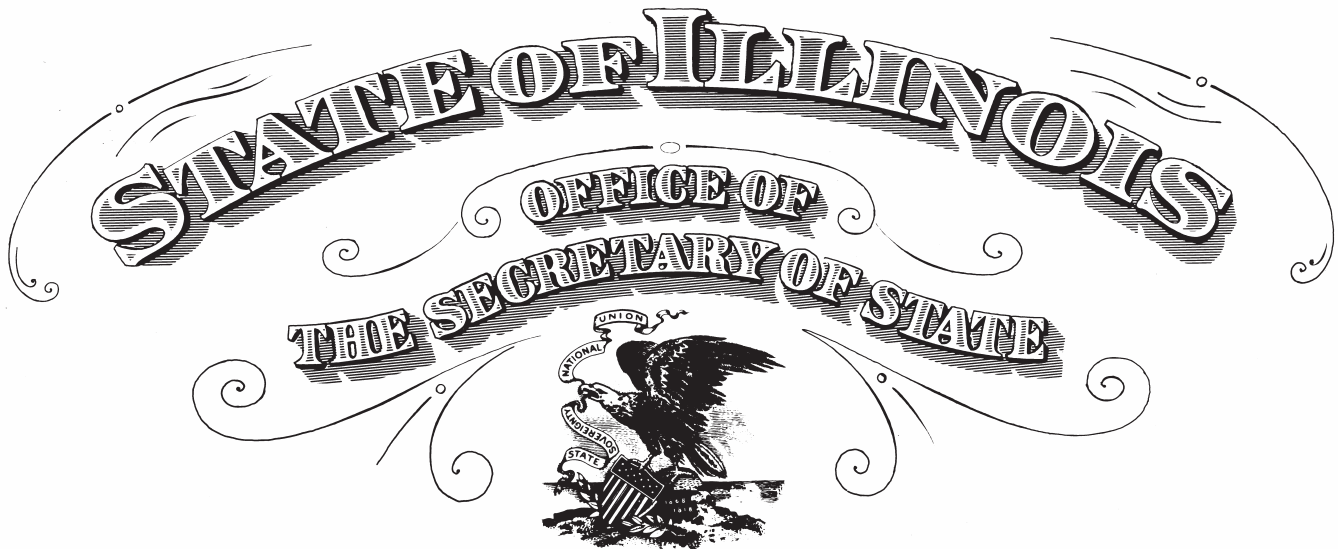
SECRETARY OF STATE

Authentication #: 2115403392 verifiable until 06/03/2022

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

File Number

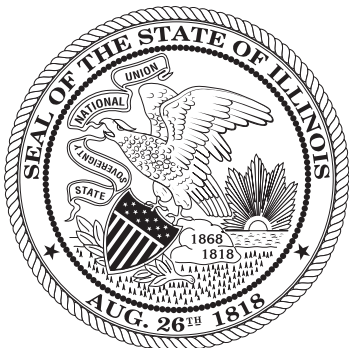
0084871-9



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

GERSTEIN ASC INTERESTS, LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON JANUARY 21, 2003, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.



In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 7TH
day of JUNE A.D. 2021 .

Jesse White

SECRETARY OF STATE

Authentication #: 2115802436 verifiable until 06/07/2022

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

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

A copy of the lease between JCB Partnership and NovaMed Surgery Center of Chicago – Northshore, LLC is attached at Attachment – 2.

OFFICE LEASE
3034 WEST PETERSON AVENUE, CHICAGO, ILLINOIS

THIS OFFICE LEASE, made effective as of February 1, 2003, between JCB Partnership, an Illinois general partnership ("**Landlord**"), and NovaMed Surgery Center of Chicago - Northshore, LLC, a Delaware limited liability company ("**Tenant**").

RECITALS

1. Landlord and NovaMed Eyecare Services, LLC ("**Old Tenant**") were parties to a Real Property Lease (the "**Original Lease**") dated January 1, 1996, for the Property (as defined therein).

2. Landlord and Old Tenant have terminated the Original Lease pursuant to that certain letter agreement dated as of the date hereof.

INTRODUCTORY ARTICLE:
BASIC LEASE PROVISIONS
AND ENUMERATION OF EXHIBITS

A. Basic Lease Provisions. The provisions of this Introductory Article are intended to be in outline form and are addressed in detail in other Articles of this Lease. In the event of any conflict, inconsistency or disagreement, the most restrictive Article shall prevail.

TENANT'S PRESENT ADDRESS:	980 North Michigan Ave. Suite 1620 Chicago, Illinois 60611
INITIAL TERM (Also see Article 1):	Two years, 11 months
COMMENCEMENT DATE (Also see Article 1):	February 1, 2003
TERMINATION DATE (Also see Article 1):	December 31, 2005
BUILDING ADDRESS:	3034 West Petersen Avenue Chicago, Illinois 60659
PROPERTY:	That certain real property located at 3034 West Peterson Avenue, Chicago, Illinois 60659 and as set forth in the legal description attached hereto as <u>Exhibit A</u> , together with all improvements constructed thereon, including a

one-story building containing 5,312 rentable square feet (including common area) (the "Building") and the parking and loading areas, if any, and all easements, rights-of-way, and other rights appurtenant thereto (collectively, the "Property").

PREMISES:

Those certain premises located within the Building allocated to the operation of an ambulatory surgery center, consisting of approximately 3,032.3 square feet of space on the first floor, plus 144.7 square feet that will be shared with another tenant in the Building, plus storage area as described below, as shown or described on the Building floor plans/description attached hereto as Exhibit B (the "Premises").

**TENANT'S PRO RATA SHARE
OF PROPERTY:**

69.89 % ("Tenant's Share")

BASE RENT (Also see Article 2):

The following Base Rent will be paid for the ambulatory surgery center portion of the Premises containing 2,238.8 square feet:

<u>Period</u>	<u>Annual Base Rent</u>	<u>Monthly Installment of Base Rent</u>
February 1, 2003 - December 31, 2003	N/A	\$4,749.26
January 1, 2004 - December 31, 2004	\$58,700.80	\$4,891.73
January 1, 2005 - December 31, 2005	\$60,461.82	\$5,038.49

The following Base Rent will be paid for the office space portion of the Premises containing 793.5 square feet:

<u>Period</u>	<u>Annual Base Rent</u>	<u>Monthly Installment of Base Rent</u>
February 1, 2003 - December 31, 2003	N/A	\$1,017.61
January 1, 2004 - December 31, 2004	\$12,577.65	\$1,048.14

January 1, 2005 - December 31, 2005	\$12,954.98	\$1,079.58
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The following Base Rent will be paid for the portion of the Premises containing 144.7* square feet that will shared with another tenant in the Building:

<u>Period</u>	<u>Annual Base Rent</u>	<u>Monthly Installment of Base Rent</u>
February 1, 2003 - December 31, 2003	N/A	\$92.79
January 1, 2004 - December 31, 2004	\$1,146.74	\$95.56
January 1, 2005 - December 31, 2005	\$1,181.14	\$98.43

* In the event Northshore Eye Associates, Ltd., an affiliate of Landlord, exercises its right to move an excimer laser into its space pursuant to the terms of a Refractive Services Agreement, the 144.7 square feet will be reduced by 100 square feet, and the Base Rent will be reduced accordingly.

The following Base Rent will be paid for the portion of the Premises to be used as storage:

1. During the first six months during the Term, Tenant shall have right to use the basement of an adjacent building owned by Landlord in a manner consistent with past practices, in exchange for a monthly Base Rent of \$62.50.
2. From and after the six-month anniversary of the Commencement Date, Tenant will use either of the following spaces for storage on the following terms (with such election being made by Tenant by such six-month anniversary):
 - a. The remainder of the Conference/Breakroom described as Option 1 on Exhibit B in exchange for a monthly Base Rent of \$133.33; or
 - b. The three rooms described as Option 2 on Exhibit B in exchange for a monthly Base Rent of \$157.50.

The parties acknowledge that Tenant has already paid February 2003 rent.

PERMITTED USE (See Article 4):

Operation of an ambulatory surgery center, laser surgery center, or any other surgical facility, as well as general office use ancillary to the foregoing.

B. Enumeration of Exhibits. The following exhibits are attached hereto and incorporated herein by this reference, as though set forth in full herein:

EXHIBIT A
EXHIBIT B
EXHIBIT C

Legal Description.
Diagram of Premises
Awning Modification

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1. **Premises; Term.** In consideration of the covenants and agreements hereafter set forth, Landlord does hereby lease to Tenant and Tenant hereby leases from Landlord the Premises for the Term (as hereinafter defined), unless sooner terminated or extended as provided herein, subject to the terms, covenants, and agreements herein contained. As used herein, "Term" shall mean the Initial Term and any Renewal Term (as hereinafter defined).

2. **Rent.** Tenant shall pay to Landlord or Landlord's agent at the office of Landlord or at such other place as Landlord may from time to time designate, annual Base Rent in the amount set forth in the Introductory Article, payable in advance in equal monthly installments on the first day of each and every calendar month during the Term. If the Term commences on a day other than the first day of a calendar month, or ends on a day other than the last day of a calendar month, then the Base Rent for such fractional month shall be prorated on the basis of 1/365th of the annual Base Rent for each day of such fractional month. Base Rent shall be payable without any prior demand therefor and without any deductions or set-offs whatsoever, except as otherwise provided for herein. In the event Base Rent is not received by Landlord on or before the fifth (5th) business day that the same is past due, a service charge of five percent (5%) of such past due amount (from the original due date thereof) shall become due and payable in addition to such amounts owed under this Lease.

3. **Taxes.** Tenant shall deposit with Landlord on the first day of each month an amount equal to one-twelfth (1/12th) of Tenant's Share of the annual Real Property Taxes. The amount of such deposits shall be based upon Landlord's reasonable estimate of the amount of Real Property Taxes due and payable with respect to the Premises for any applicable tax fiscal year such that there shall be on deposit sufficient funds to pay the installment(s) of Real Property Taxes one (1) month prior to the date(s) when they are due. No interest shall be due and payable on such deposits. Tenant shall promptly, upon the demand of Landlord, make additional deposits as Landlord may from time to time reasonably require due to (i) failure of Landlord to require, or failure of Tenant to make, Real Property Tax deposits in previous months, (ii) under estimation of the amount of Real Property Taxes, (iii) incorrect estimation of the due dates of Real Property Taxes, or (iv) application of the Real Property Tax deposits upon a default of Tenant (beyond any applicable notice and cure periods) pursuant to the terms of this Lease.

Landlord will, out of such deposits, pay the Real Property Taxes. If the deposits on hand are insufficient to pay Tenant's Share of all Real Property Taxes one (1) month prior to the date the same shall become due, Tenant shall pay to Landlord on demand the amount necessary to make up the deficiency. If Tenant should for any reason receive a copy of the tax bill, Tenant shall forward a copy of the same to Landlord as soon as practicable. Notwithstanding anything herein contained to the contrary, Landlord shall not be liable for any failure to apply such deposits if Tenant fails to present Landlord with a bill for such Real Property Taxes in accordance with the terms of the foregoing sentence.

Upon the default of Tenant (beyond any applicable notice and cure periods) under this Lease, Landlord may, at its option, apply any such deposits then on hand to Rent, or any other obligation of Tenant hereunder, in such order and manner as Landlord may elect. Tenant shall promptly upon demand of Landlord pay to Landlord the amount necessary to make up any deficiency caused by the application of such deposits by Landlord. Upon satisfaction by Tenant of all of Tenant's obligations under this Lease, any deposits paid by Tenant to Landlord that exceed the amount actually owed by Tenant for the last tax fiscal year during the Term shall be promptly refunded to Tenant. Such obligation shall survive the expiration or earlier termination of the Lease.

As used herein, the term "Real Property Taxes" shall include any form of real estate tax or assessment, general, special, ordinary or extraordinary, and any license fee, rental tax, improvement bond or bonds, levy or tax imposed upon the Property by any authority having the direct or indirect power to tax along with the reasonable cost of contesting by appropriate legal proceedings the amount, validity or application of any taxes or liens thereof. The following shall be excluded from taxes: all capital levies or other taxes assessed or imposed on Landlord upon the rents payable to Landlord under this Lease; any excess profits, franchise, capital stock, transfer and inheritance or estate taxes; and any excise, transaction, sales or privilege tax, assessment, levy or charge measured by or based, in whole or in part, upon such rents from the Property or any portion thereof.

Tenant shall have the right to contest by appropriate legal proceedings the amount, validity or application of any taxes or liens thereof, provided that in the Tenant shall provide notice of any such contest instituted by or on behalf of Tenant to Landlord within thirty (30) days after commencement thereof. In the event a reduction in Real Property Taxes is secured after Tenant has made a payment and the Term has expired, Landlord shall provide to Tenant a refund in the amount of such reduction. Landlord shall also have the right to initiate the aforementioned contest efforts; however, Landlord shall bear the costs thereof in such instance.

If the Premises are not separately assessed, Tenant's liability shall be an equitable proportion of the Real Property Taxes for all of the land and improvements included within the tax parcel assessed, such proportion to be reasonably determined by Landlord from the respective valuations assigned in the assessor's work sheets or such other information as may be reasonably available.

4. Compliance With Laws; Use.

(A) Tenant, its agents, contractors, employees, licensees, permittees, guests, clients and customers shall use and occupy the Premises for the Permitted Use and for no other purpose whatsoever. Tenant shall not use or permit upon the Premises anything that will invalidate any policies of insurance now or hereafter carried on the Property or that will increase the rate of insurance on the Premises or on the Property. Tenant will pay all extra insurance premiums which may be caused by the use which Tenant shall make of the Premises.

Tenant will not use or permit upon the Premises anything that may be dangerous to life or limb. Tenant will not in any manner deface or injure the Property or any part thereof or overload the floors of the Premises. Tenant will not do anything or permit anything to be done upon the Premises in any way tending

to create a nuisance, or tending to disturb any other tenant on the Property or the occupants of neighboring property or tending to injure the reputation of the Property. Tenant will promptly and fully comply with all governmental, health and police requirements and regulations respecting the Premises. Tenant will not use the Premises for lodging or sleeping purposes or for any immoral or illegal purposes. Tenant shall not conduct nor permit to be conducted on the Premises any business which is contrary to any public law, ordinance or governmental regulation.

(B) Landlord shall comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now or hereafter in force, and with the requirements of the local Board of Fire Underwriters or any similar body now or hereafter constituted relating to or affecting the conditions, use or management of the common areas, structure and systems of the Property. Landlord hereby represents to Tenant that Landlord has no knowledge that the Property contains any materials hazardous to human health or the environment as the same may be defined and listed in any applicable governmental statute or regulation. Landlord will indemnify, defend and save Tenant harmless from any and all actions, proceedings, claims, costs (including reasonable attorneys' fees), expenses and losses of any kind arising in connection with Landlord's failure to comply with any law, statute, ordinance or regulation relating to or affecting the condition, use or occupancy of the Premises.

5. Utilities. Tenant shall reimburse Landlord on the first day of each month, or such other time as may be designated by the parties, for Tenant's Share of monthly Utility Costs (as hereinafter defined). As used herein, "Utility Costs" shall include the aggregate amount due and payable by Landlord for all water, gas, electricity, heat, light, power, telephone, sewer, sprinkler services, refuse and trash collection, and other utilities and services used on the Property; *provided, however*, that in the event Tenant sets up separate meters for utilities used on the Premises, the parties shall pay their own respective Utility Costs for such metered utilities. Landlord shall not be liable for any interruption or failure of utilities or any other service to the Premises and no such interruption or failure shall result in the abatement of rent hereunder. Notwithstanding the foregoing to the contrary, Tenant acknowledges that it must obtain and supply at its own expense telephone services for Tenant's use of the Premises.

6. Common Areas. Landlord agrees to make available to Tenant and to maintain in good condition and appearance, and to repair and replace, all areas and facilities of common benefit to the tenants and occupants of the Property, including, but not limited to: all roofs; outside walls; overhangs; guttering; downspouts; sidewalks; dumpsters and designated dumpster areas; landscaped areas; parking areas; common restrooms and hallways, subject to limitations herein set forth (the "Common Areas"). Tenant and its officers, employees, agents, customers and invitees shall have the nonexclusive right, in common with Landlord and all others to whom Landlord has or may hereafter grant rights, to use the Common Areas. Use of the Common Areas shall be subject to such reasonable rules and regulations as Landlord

may, from time to time, adopt and Landlord reserves the right to make changes, additions, alterations or improvements in and to such Common Areas, *provided*, that there shall be no unreasonable obstruction of Tenant's right of access to the Premises.

7. **Condition Of Premises.** No promise of the Landlord to alter, remodel, repair or improve the Premises or the Building and no representations respecting the condition of the Premises or the Building have been made by Landlord to Tenant, other than as may be contained herein.

8. **Repairs.** Except as otherwise expressly set forth in this Article 8, Landlord shall be responsible for maintaining, repairing and replacing, at its sole cost and expense, the parking lot, the roof, foundation, load bearing walls, exterior walls and other structural elements that serve and support the Property, including any heating and air conditioning systems, and other mechanical systems and components that serve and support the entire Property, including the Premises, as opposed to any such systems which serve the Premises exclusively (including lighting, electrical systems, plumbing lines and equipment, HVAC, drainage, septic and sewer service, and elevators). Tenant shall give Landlord written notice of any repair required by Landlord pursuant to this Article 8, after which Landlord shall have a reasonable period of time to complete the required repairs; *provided, however*, Landlord shall complete any such repairs within one hundred twenty (120) days following receipt of written notice from Tenant.

In the exercise of its obligations under this Article 8, the Landlord shall use all reasonable efforts not to adversely affect the ingress and/or egress to the Premises or to interrupt the operation of Tenant's business at the Premises. In the event that ingress and/or egress is so affected or Tenant's business so interrupted, Base Rent shall abate for the period during which such condition shall be continuing.

Except for all replacements and those repairs for which Landlord is responsible under this Article 8, Tenant, at Tenant's sole cost and expense, shall be responsible for maintaining in good repair and condition, repairing and replacing all parts of the Premises (reasonable wear and tear excluded), including the heating and air conditioning and other mechanical systems and components that solely serve, and are unique to, the Premises (*i.e.* do not serve and support other portions of the Property), including lighting, electrical systems, and plumbing lines and equipment.

9. **Alterations.** Tenant shall not make installations, alterations or additions in or to the Premises without submitting plans and specifications to Landlord and securing the prior written consent of Landlord in each instance, which consent shall not be unreasonably withheld or delayed; *provided, however*, Tenant shall have the right, without obtaining Landlord's consent, to perform any such work in the Premises that does not affect the Building's systems or structure. Such work shall be done at Tenant's sole cost and expense with Landlord's consent in writing given prior to letting of contract, by contractors employed by Tenant, but in each case, only under written contract previously approved in writing by Landlord, and subject to all reasonable conditions Landlord may impose. All installations, alterations and additions

shall be constructed in a good and workmanlike manner and shall comply with all insurance requirements, and with all ordinances and regulations of the municipality in which the Building is located or any department or agency thereof, and with the requirements of all statutes and regulations of the State of Illinois or any department or agency thereof. If, with Landlord's prior written consent, alterations are made by Tenant's contractors, Tenant shall furnish to Landlord prior to commencement thereof, building permits and certificates of appropriate insurance and payment, performance and other bonds, and upon completion of any installation, alteration or addition, contractor's affidavits and full and final waivers of lien covering all labor and material expended and used. Tenant shall hold Landlord harmless from all claims, costs, damages, liens and expenses which may arise out of or be connected in any way with said installations, alterations or additions.

All installations, alterations, additions, repairs, or replacements, whether temporary or permanent in character, including, without limitation, wall coverings, carpeting and other floor coverings, special lighting installations, built-in or attached shelving, cabinetry, and mirrors, made by Landlord or Tenant in or upon the Premises shall become Landlord's property and shall remain upon the Premises at the termination of this Lease by lapse of time or otherwise without compensation to Tenant (excepting only Tenant's movable office furniture, trade fixtures, medical equipment and office equipment) unless otherwise agreed to by Landlord and Tenant; provided, however, that Landlord shall have the right to require Tenant to remove such alterations, improvements, additions, repairs or replacements at Tenant's sole cost and expense in accordance with the provisions of Article 17 of this Lease.

Notwithstanding the foregoing, Tenant may request that Landlord determines at the time of Tenant's request to make such installation, addition or alteration whether Landlord will require Tenant to remove such installation, addition or alteration at the time of expiration of the Lease. In the event that Tenant makes such request, such decision by Landlord shall be binding on Landlord.

10. Covenant Against Liens. Nothing contained in this Lease shall authorize or empower Tenant to do any act which shall in any way encumber Landlord's title to the Building, Property or Premises, nor in any way subject Landlord's title to any claims by way of lien or encumbrance whether claimed by operation of law or by virtue of any expressed or implied contract of Tenant, and any claim to a lien upon the Building, Property or Premises arising from any act or omission of Tenant shall attach only against Tenant's interest and shall in all respects be subordinate to Landlord's title to the Building, Property and Premises. If Tenant has not removed, bonded or otherwise insured over to Landlord's reasonable satisfaction any such lien or encumbrance within fifteen (15) days after written notice to Tenant by Landlord, Landlord may, but shall not be obligated to, pay the amount necessary to remove such lien or encumbrance, without being responsible for making any investigation as to the validity or accuracy thereof, and the amount so paid, together with all costs and expenses (including reasonable attorneys' fees) incurred by Landlord in connection therewith, shall be deemed additional rent reserved under this Lease due and payable forthwith.

11. Fire Or Other Casualty. In the event (a) the Premises are made untenable by fire or other casualty and Landlord shall decide not to restore or repair the same; or (b) the Building is so damaged by fire or other casualty that Landlord shall decide to demolish or rebuild the same, then, in any such event, Landlord shall have the right to terminate this Lease by notice to Tenant within ninety (90) days after the date of such fire or other casualty and the rent shall be apportioned on a per diem basis and paid to the date of such fire or other casualty. In the event the Premises are made untenable by fire or other casualty and Landlord shall decide to rebuild and restore the same, this Lease shall not terminate and Landlord shall repair and restore the Premises at Landlord's expense and with due diligence, and the rent shall abate on a per diem basis during the period of reconstruction and repair.

In the event that the Premises are partially damaged by fire or other casualty but are not made wholly untenable, then Landlord shall proceed with all due diligence to repair and restore the Premises. In such event, the rent shall abate in proportion to the non-useability of the Premises during the period while repairs are in progress.

Notwithstanding the foregoing, in the event Landlord commences the restoration and, within one hundred twenty (120) days after the fire or other casualty, the Premises and any common areas or components of the Building necessary for the Tenant's use and enjoyment of the Premises have not been substantially restored by Landlord, Tenant may terminate this Lease by written notice to Landlord given within thirty (30) days after the end of said one hundred twenty (120) day period. In addition, in the event that the Premises are substantially damaged by fire or other casualty during the last year of the Term, Tenant may terminate this Lease by written notice to Landlord given within sixty (60) days after the date such casualty occurred. If Tenant shall give notice of termination pursuant to this Article 11, such notice shall specify a date for the expiration of this Lease, which date shall not be more than thirty (30) days after the giving of such notice and the Term of this Lease shall expire on such date as fully and completely as if such date were the date set forth above for the termination of this Lease unless Landlord shall have substantially completed restoration of and delivered the Premises to Tenant for occupancy, prior to such date. Upon termination of the Lease, Tenant shall forthwith quit, surrender and vacate the Premises without prejudice, however, to the rights and remedies of either party against the other under the Lease provisions in effect prior to such fire or other casualty, and any Base Rent or additional rent owing shall be paid up to the date of such fire or other casualty and Tenant shall be relieved of its obligations hereunder to pay rent accruing from and after the date of such fire or other casualty and any payment of rent made by Tenant which was on account of any period subsequent to such date shall be returned to Tenant.

12. Insurance. In consideration of the leasing of the Premises at the rental stated in Article 2, Landlord and Tenant agree to provide insurance and allocate the risk of loss as follows:

Tenant, at its sole cost and expense but for the mutual benefit of Landlord and Tenant (when used in this Article the term "**Landlord**" shall include Landlord and its officers, agents,

servants and employees and the term "Tenant" shall include Tenant's agents, servants and employees), shall purchase and keep and maintain in force and effect during the Term hereof, insurance under policies issued by insurers of recognized responsibility on its fixtures and tenant improvements including, but not limited to, special wall and floor coverings, special lighting fixtures, built-in cabinets and bookshelves and on its merchandise, inventory, contents, furniture, equipment or other personal property located in the Premises protecting Landlord and Tenant from damage or other loss caused by fire or other casualty including, but not limited to, vandalism and malicious mischief, perils covered by all risk and extended coverage, theft, sprinkler leakage, water damage (however caused), explosion, malfunction or failure of heating and cooling or other apparatus, and other similar risks in amounts not less than the full insurable replacement value of such property. Such insurance shall provide that it is specific and not contributory and shall name the Landlord, and Landlord's lender if Landlord provides written notice to Tenant of same, as additional insureds.

Landlord shall maintain in full force and effect throughout the Term, fire and extended coverage insurance on the Building in an amount equal to the full insurable value of the Building. For each (12) month period (a "Lease Year") from and after the Commencement Date, Tenant shall reimburse Landlord for Tenant's Share of fire and extended coverage insurance premiums for the Building ("Premiums"). Reimbursement shall be made by Tenant to Landlord within thirty (30) days after Landlord's delivery to Tenant of a paid bill showing payment in full of the Premiums currently due and payable, together with a calculation of Tenant's Share thereof.

Landlord and Tenant each hereby waive any and every claim for recovery from the other for any and all loss of or damage to the Property or Premises or to the contents thereof, which loss or damage is covered by valid and collectible physical damage insurance policies, to the extent that such loss or damage is recoverable under said insurance policies. Inasmuch as this mutual waiver will preclude the assignment of any such claim by subrogation (or otherwise) to an insurance company (or any other person), Landlord and Tenant each agree to give to each insurance company which has issued, or in the future may issue, to it policies of physical damage insurance, written notice of the terms of this mutual waiver and to have said insurance policies properly endorsed, if necessary, to prevent the invalidation of said insurance coverage by reason of said waiver. At Tenant's request, Landlord shall deliver certificates of insurance evidencing the coverage required above upon execution hereof and thereafter not less than fifteen (15) days prior to the expiration date of any such policy. At Landlord's request, Tenant shall deliver certificates of insurance evidencing the coverage required above upon execution hereof and thereafter not less than fifteen (15) days prior to the expiration date of any such policy.

13. **Liability Insurance.** Tenant shall, at Tenant's sole cost and expense, maintain during the Term comprehensive public liability insurance, contractual liability insurance, and property damage insurance under policies issued by insurers of recognized responsibility, with limits of not less than \$1,000,000 for personal injury, bodily injury, sickness, disease or death and \$1,000,000 for damage or injury to or destruction of property (including the loss of use thereof) for any one occurrence. Tenant's policies shall name Landlord, and its respective

officers, agents, servants, employees and lender, if any, as additional insureds. At Landlord's request, Tenant shall deliver certificates of insurance evidencing such coverage upon execution hereof and thereafter not less than fifteen (15) days prior to the expiration date of any such policy.

14. **Condemnation.** If the whole or any part of the Premises, Building or Property shall be taken or condemned by any competent authority for any public or quasi-public use or purpose or if any adjacent property or street shall be condemned or improved in such manner as to require the use of any part of the Premises or of the Building, the Term, at the option of Landlord, shall end upon the date when the possession of the part so taken shall be required for such use or purpose and Landlord shall be entitled to receive the entire award without any payment to Tenant, the Tenant hereby assigning to the Landlord the Tenant's interest therein, if any; provided, however, Tenant shall have the right to seek payment from such condemning authority for the value of Tenant's trade fixtures paid solely by Tenant, and Tenant's moving and relocation expenses, but only to the extent such payment shall not diminish the award to be granted to Landlord, or otherwise delay or interfere with the proceeding in which Landlord is then engaged. Current rent shall be apportioned as of the date of such termination.

15. **Waiver Of Claims And Indemnity.** Tenant agrees that, to the extent not expressly prohibited by law, or caused by the negligent or intentional acts or willful misconduct of Landlord or its agents or employees or arising out of a breach by Landlord of its covenants under this Lease, Landlord and its officers, agents, servants and employees shall not be liable for (nor shall rent abate as a result of) any direct or consequential damage (including damage claimed for actual or constructive eviction) either to person or property sustained by Tenant, its servants, employees, agents, invitees or guests due to the Premises or any part thereof or any appurtenances thereof becoming out of repair, or due to the happening of any accident in or about said Premises, or due to any act or neglect of any tenant or occupant of said Premises or of any other person. This provision shall apply particularly (but not exclusively) to damage caused by water, snow, frost, steam, sewage, gas, electricity, sewer gas or odors or by the bursting, leaking or dripping of pipes, faucets and plumbing fixtures and windows, and shall apply without distinction as to the person whose act or neglect was responsible for the damage and whether the damage was due to any of the causes specifically enumerated above or to some other cause of an entirely different kind. Tenant further agrees that all of Tenant's personal property in the Premises or the Building shall be at the risk of Tenant only and that Landlord shall not be liable for any loss or damage thereto or theft thereof. Tenant shall protect, indemnify and save Landlord and its officers, agents, servants and employees harmless from and against any and all obligations liabilities, costs, damages, claims and expenses of whatever nature arising from injury to persons or damage to property on the Premises or in or about the Property arising out of or in connection with Tenant's use or occupancy of the Premises or Tenant's activities on the Property, or arising from any act or negligence of Tenant, or its agents, contractors, servants, employees, or invitees, but only to the extent that all such obligations, liabilities, costs, damages, claims and expenses are not covered by the insurance required to be maintained by Landlord and Tenant hereunder.

Landlord shall protect, indemnify and save Tenant and its officers, agents, partners and employees harmless from and against any and all obligations, liabilities, costs, damages, claims and expenses of whatever nature arising from injury to persons or damage to property on the Premises or in or about the Property arising out of or in connection with Landlord's ownership and operation of the Property or Landlord's activities on the Property, or arising from any negligent or intentional act or willful misconduct of Landlord, or its agents, contractors, servants, employees or invitees, but only to the extent that all such obligations, liabilities, costs, damages, claims and expenses are not covered by the insurance required to be maintained by Landlord and Tenant hereunder.

16. Nonwaiver. No waiver of any condition expressed in this Lease shall be implied by any neglect of Landlord or Tenant to enforce any remedy on account of the violation of such condition if such violation be continued or repeated subsequently, and no express waiver shall affect any condition other than the one specified in such waiver and that one only for the time and in the manner specifically stated. No receipt of moneys by Landlord from Tenant after the termination in any way of the Term or of Tenant's right of possession hereunder or after the giving of any notice shall reinstate, continue or extend the Term or affect any notice given to Tenant prior to the receipt of such moneys, it being agreed that after the service of notice or the commencement of a suit or after final judgment for possession of the Premises Landlord may receive and collect any rent or other sums due, and such payment shall not waive or affect said notice, suit or judgment.

17. Remedies.

Landlord's Remedies. If (a) default shall be made in the payment of the rent or any installment thereof or in the payment of any other sum required to be paid by Tenant under this Lease, or under the terms of any other agreement between Landlord and Tenant, and such default shall continue for five (5) business days after Tenant's receipt of written notice from Landlord, or (b) default shall be made in the full and prompt performance of any of the other covenants or conditions which Tenant is required to observe and perform and such default shall continue for thirty (30) days after written notice to Tenant; provided, however, if such default cannot be reasonably cured within said thirty (30) day period, Tenant shall not be in default if Tenant commences to cure the default within said thirty (30) day period and diligently and in good faith continues to cure the default (provided further that such default shall not continue for more than one hundred eighty (180) days), then Landlord may treat the occurrence of any one or more of the foregoing events as a breach of this Lease, and thereupon at its option may, with notice to Tenant, have any one or more of the following described remedies in addition to all other rights and remedies provided at law or in equity:

(i) Landlord may terminate this Lease and the Term created hereby, in which event Landlord may forthwith repossess the Premises and be entitled to recover forthwith as damages a sum of money equal to the (a) present value (discounted at the rate of eight percent (8%) per annum) of the difference between (i) the Base Rent provided to be paid by Tenant for the balance of the stated Term of the Lease, and (ii)

the fair base rental value of the Premises for said period, and (b) any other sum of money and damages owed by Tenant to Landlord.

(ii) Landlord may terminate Tenant's right of possession and may repossess the Premises by forcible entry or detainer suit or otherwise, without terminating this Lease, in which event Landlord shall to the extent required by law mitigate its damages by using its commercially reasonable efforts to relet all or any part of the Premises, for such rent and upon such terms as shall be reasonably satisfactory to Landlord. For the purpose of such reletting, Landlord is authorized to decorate or to make any repairs, changes, alterations or additions in or to the Premises that may be reasonably necessary, and if Landlord shall fail to relet the Premises (after using such mitigation efforts as are required by applicable law) or if the Premises are relet and a sufficient sum shall not be realized from such reletting after paying all of the reasonable costs and expenses of such decorations, repairs, changes, alterations and additions and the reasonable expenses of such reletting and of the collection of the rent accruing therefrom to satisfy the rent (including Base Rent and Tenant's Share of Real Property Taxes) and provided for in this Lease to be paid, then Tenant shall pay to Landlord as damages a sum equal to the amount of the Base Rent and Tenant's Share of the Real Property Taxes reserved in this Lease for such period or periods, or, if the Premises have been relet, Tenant shall satisfy and pay any such deficiency upon demand therefor from time to time, and Tenant agrees that Landlord may file suit to recover any sums falling due under the terms of this paragraph and any other sums due under this Lease from time to time and that no suit or recovery of any portion due Landlord hereunder shall be any defense to any subsequent action brought for any amount not theretofore reduced to judgment in favor of Landlord.

Tenant's Remedies. In the event Landlord does not perform any of its obligations under this Lease, Tenant shall have the right, but not the obligation, to perform such obligations and covenants on behalf of the Landlord, provided Tenant has given Landlord fifteen (15) days' prior written notice of any such default and Landlord has failed to commence and diligently pursue curing such default within such fifteen (15) day period. In the event of an emergency, Tenant shall be under no obligation to provide Landlord with prior written notice and the opportunity to cure the default. Any and all reasonable costs and expenses incurred by Tenant in the performance of any of Landlord's obligations under this Lease shall become immediately due and payable by Landlord to Tenant upon presentation to Landlord of an invoice therefor. In the event such invoice is not paid by Landlord within thirty (30) days of Landlord's receipt of the same, Tenant may reduce any and all payments of Base Rent due and payable under this Lease, by setting such costs off against rent reserved herein until such amounts (plus interest at the rate of two percent (2%) per annum in excess of the corporate base rate in effect from time to time at Bank One, Chicago or any successor thereto) paid Tenant are fully repaid and reimbursed to Tenant.

18. **Surrender Of Possession.** On or before the date this Lease and the Term hereby created terminates, or on or before the date Tenant's right of possession terminates, whether by lapse of time or at the option of Landlord, Tenant shall: (i) remove from the Premises all of Tenant's personal property; and (ii) surrender possession of the Premises to Landlord in a clean condition free of all rubbish and debris.

19. **Holding Over.** Tenant shall pay to Landlord 150% of the Base Rent then applicable for each month or portion thereof Tenant shall retain possession of the Premises or any part thereof after the termination of this Lease, whether by lapse of time or otherwise and Tenant shall be deemed to be occupying the Premises on a month-to-month tenancy.

20. **Costs, Expenses and Attorneys' Fees.** In case Landlord shall, without fault on its part, be made a party to any litigation commenced by or against Tenant, then Tenant shall pay all costs, expenses and reasonable attorneys' fees incurred or paid by Landlord in connection with such litigation. In case Tenant shall, without fault on its part, be made a party to any litigation commenced by or against Landlord, then Landlord shall pay all costs, expenses and reasonable attorneys' fees incurred or paid by Tenant in connection with such litigation. The non-prevailing party shall pay the prevailing party's costs, expenses and reasonable attorneys' fees incurred or paid by the prevailing party in enforcing the terms of this Lease.

21. **Estoppel.** Tenant agrees that from time to time upon not less than fifteen (15) days' prior request by Landlord, Tenant or Tenant's duly authorized representative having knowledge of the following facts shall deliver to Landlord a statement in writing certifying (a) that this Lease is unmodified and in full force and effect (or if there have been modifications that the Lease as modified is in full force and effect); (b) the dates to which the rent and other charges have been paid; (c) that to the best of Tenant's knowledge neither Landlord nor Tenant is in default under any provision of this Lease, or, if in default, the nature thereof in detail; (d) that there are no offsets or defenses to the payment of Base Rent, additional rent or any other sums payable under this Lease or, if there are any such offsets or defenses, specifying such in detail; and (e) such further matters as may be set forth on the form of estoppel certificate, or as may be reasonably requested by Landlord.

22. **Assignment And Subletting.** Tenant shall not, without the prior written consent of Landlord, which consent shall not be unreasonably withheld or delayed, (i) assign, convey, mortgage, pledge or otherwise transfer this Lease, or any part thereof, or any interest hereunder; (ii) permit any assignment of this Lease, or any part thereof, by operation of law; (iii) sublet the Premises or any part thereof; or (iv) permit the use of the Premises, or any part thereof, by any parties other than Tenant, its agents and employees. Notwithstanding the foregoing to the contrary, Tenant may assign or otherwise transfer this lease, or any part thereof, or any interest hereunder, and may sublet or permit the use of the Premises, or any part thereof, without the prior written consent of Landlord, (x) to any affiliate of Tenant (provided such assignment shall not release Tenant, unless Tenant has obtained Landlord's prior written consent thereof), (y) in connection with and in contemplation of a reorganization,

merger, consolidation or the sale of all or substantially all of the capital stock or assets of Tenant (or any other transaction substantially similar in effect), or (z) in connection with the sale of the ambulatory surgery center located on the Premises. Tenant shall, by notice in writing, advise Landlord of its intention from, on and after a stated date (which shall not be less than ten (10) days after date of Tenant's notice), to assign this Lease, or any part thereof, or to sublet any part or all of the Premises for the balance or any part of the Term. Tenant's notice shall include all of the terms of the proposed assignment or sublease (whether contained in such assignment or sublease or in separate agreements) and shall state the consideration therefor. Tenant's notice shall state the name and address of the proposed assignee or subtenant and a true and complete and fully-executed copy of the proposed assignment or sublease and any and all other agreements relating thereto shall be delivered to Landlord with Tenant's notice.

Any subletting or assignment hereunder shall not release or discharge Tenant of or from any liability, whether past, present or future, under this Lease, and Tenant shall continue fully liable thereunder; provided, however, in the case of an assignment effected pursuant to the preceding paragraph of this Section 22, Tenant shall be released and discharged of its obligations and liabilities hereunder so long as any such assignee shall execute an instrument in writing fully assuming all of the obligations and liabilities imposed upon Tenant under this Lease and deliver the same to Landlord and Landlord consents to such release. Any subtenant or assignee shall agree in a form satisfactory to Landlord to comply with and be bound by all of the terms, covenants, conditions, provisions and agreements of this Lease to the extent of the space sublet or assigned, and Tenant shall deliver to Landlord promptly after execution, an executed copy of each such sublease or assignment and an agreement of compliance by each such subtenant or assignee. Tenant agrees to pay to Landlord, on demand, all reasonable costs incurred by Landlord (including fees paid to consultants and attorneys) in connection with any request by Tenant for Landlord to consent to any assignment or subletting by Tenant. Any sale, assignment, mortgage, transfer, or subletting of this Lease which is not in compliance with the provisions of this Article shall be of no effect and void.

23. Notices. In every instance where it shall be necessary or desirable for Landlord or Tenant to serve any notice or demand upon the other, such notice or demand shall be in writing and sent by United States Registered or Certified Mail, postage prepaid, courier service or personal delivery. Notices from Tenant shall be addressed to Landlord at the place where rental under this Lease is then being paid. Any notice or demand to be given by Landlord to Tenant shall be effective if given either by the Landlord, by the rental agent or their attorneys on behalf of the Landlord to the Premises, or to such other address as may appear on the records of Landlord. Notice sent as aforesaid shall be deemed to have been served at the time the same is delivered or refused.

24. Conveyance By Landlord. In case Landlord or any successor owner of the Property or the Building shall convey or otherwise dispose of any portion thereof to another person, such other person shall in its own name thereupon be and become Landlord hereunder and shall assume fully in writing and be liable upon all liabilities and obligations of this Lease

to be performed by Landlord which first arise after the date of conveyance, and such original Landlord or successor owner shall, from and after the date of conveyance, be free of all liabilities and obligations not then incurred.

25. Subordination Of Lease. The rights of the Tenant under this Lease shall be and are subject and subordinate at all times to all ground leases and underlying leases, if any, now or hereafter in force against the Property, and to the lien of any mortgages or deeds of trust now or hereafter in force against such leases, the Property or the Building, or all of them, and to all advances made or hereafter to be made upon the security thereof, and to all renewals, modifications, amendments, consolidations, replacements and extensions thereof. Landlord shall use its best efforts to obtain from any such mortgagee and deliver to Tenant a non-disturbance agreement in form reasonably satisfactory to Tenant. This Article is self-operative and no further instrument of subordination shall be required. Any mortgagee or beneficiary under a deed of trust may, however, elect to have this Lease be superior to its mortgage or deed of trust. Tenant, at the option of any mortgagee or beneficiary under a deed of trust, agrees to attorn to such mortgagee or beneficiary in the event of a foreclosure sale or deed in lieu thereof. Landlord agrees that, to the extent that any future mortgagee or ground lessor obtains an interest in the Building or Property and such future mortgagee or ground lessor requests a subordination agreement from Tenant, Landlord shall use all commercially reasonable efforts to obtain a so-called non-disturbance agreement from such mortgagee or ground lessor in such mortgagee's or ground lessor's then customary form.

26. Miscellaneous. Landlord and Tenant further covenant with each other that:

(a) All rights and remedies of Landlord under this Lease shall be cumulative and none shall exclude any other rights and remedies allowed by law.

(b) All payments becoming due under this Lease or under any work order or other agreement relating to the Premises shall be considered as rent, and if unpaid when due shall bear interest from such date until paid at the rate of two percent (2%) per annum in excess of the corporate base rate in effect from time to time at Bank One, Chicago (unless a lesser rate shall then be the maximum rate permissible by law with respect thereto, in which event such lesser rate shall be charged).

(c) The word "Tenant" wherever used herein shall be construed to mean Tenants in all cases where there is more than one Tenant, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

(d) Each of the provisions of this Lease shall extend to and shall, as the case may require, bind or inure to the benefit, not only of Landlord and of Tenant, but also of their respective heirs, legal representatives, successors and assigns, provided this clause shall not permit any assignment contrary to the provisions of Article 22 hereof.

(e) All of the representations and obligations of Landlord are contained herein, and no modification, waiver or amendment of this Lease or of any of its conditions or provisions shall be binding upon the Landlord unless in writing signed by Landlord or by a duly authorized agent of Landlord empowered by a written authority signed by Landlord.

(f) Submission of this instrument for examination shall not bind Landlord in any manner, and no lease or obligation on Landlord shall arise until this instrument is signed and delivered by Landlord and Tenant.

(g) No rights to light or air over any property, whether belonging to Landlord or any other person, are granted to Tenant by this Lease.

(h) Sectional headings in this Lease are solely for convenience of reference and shall not in any way limit or amplify the terms and provisions hereof.

(i) The laws of the State of Illinois shall govern the validity, performance and enforcement of this Lease. The invalidity or unenforceability of any provision of this Lease shall not offset or impair any other provision. If any provision of this Lease is capable of two constructions, one of which would render the provision invalid and the other of which would make the provision valid, then the provision shall have the meaning which renders it valid.

(j) Landlord's title is and always shall be paramount to the title of Tenant. Nothing herein contained shall empower Tenant to commit or engage in any act which can, shall or may encumber the title of Landlord.

(k) Neither this Lease, nor any memorandum, affidavit or other writing with respect thereto, shall be recorded by Tenant or by anyone acting through, under or on behalf of Tenant, and the recording thereof in violation of this provision shall make this Lease null and void at Landlord's election.

(l) Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent, partnership, joint venture or any association between Landlord and Tenant, it being expressly understood and agreed that neither the method of computation of rent nor any act of the parties hereto shall be deemed to create any relationship between Landlord and Tenant other than the relationship of landlord and tenant.

(m) All indemnities, covenants and agreements of Landlord or Tenant contained herein which inure to the benefit of Landlord or Tenant, as the case may be, shall be construed to also inure to the benefit of such respective party's partners, officers, agents and employees.

(n) So long as Tenant keeps and performs each and every term, provision and condition herein contained on the part of Tenant to be kept and performed and so long as Tenant is not in default hereunder (beyond any applicable notice or cure period), Tenant shall during the Term hereof peacefully and quietly enjoy the Premises without hindrance by Landlord, or by anyone claiming by, through or under Landlord.

(o) Landlord shall be responsible for any improvements, alterations or repairs to the common areas and service areas of the Building required to comply with the provisions of Title III of the Americans With Disabilities Act of 1990 (42 U.S.C. § 12101 et seq.) and the regulations and guidelines promulgated thereunder, as all of the same may be amended and supplemented from time to time (collectively, "ADA").

27. **Renewal Option.** Tenant shall have the right to extend the Term for two (2) additional five (5) year periods (each such period is herein called a "Renewal Term"). The option to extend for each Renewal Term shall be exercised, if at all, by written notice from Tenant to Landlord ("Tenant's Renewal Notice") given at least four (4) months prior to the expiration of the Term or the applicable Renewal Term, as the case may be. The lease of the Premises during the Renewal Term shall be upon the same terms and conditions as are contained in the Lease, as amended hereby, except the Base Rent during each Renewal Term shall be increased three percent (3%) per annum on the first day of January of each year during each applicable Renewal Term.

28. **Option to Terminate.** Landlord hereby agrees that, if at any time during the Term, Northshore Eye Associates, Ltd., an affiliate of Landlord (the "Practice") closes or relocates its medical clinic currently operating on the Property, then (notwithstanding anything herein to the contrary) Tenant shall have the right to elect, in its sole and absolute discretion, to terminate this Lease upon 90 days prior written notice, with no penalty or additional payments due to Landlord.

29. **Signage.** During the Term, Tenant shall have the right to make commercially reasonable modifications to any signage and exterior awnings, but only to the extent such modifications do not materially modify the size of the signage or exterior awnings, or change the color from the current purple color. To the extent Tenant desires to erect or permanently remove any signage or exterior awnings, or modify existing signage or exterior awnings in a manner that is not consistent with the foregoing sentence, then Tenant may only do so with the prior written consent of the Landlord, which consent shall not be unreasonably withheld or delayed. In accordance with Article 18 of this Lease, Landlord may require Tenant to remove any such signs and awnings at Tenant's sole cost and expense. Notwithstanding the foregoing, Landlord has approved Tenant's plans to modify the awning and add signage as described on Exhibit C.

[Signatures on following page.]

IN WITNESS WHEREOF, the undersigned have entered into this Lease as of the date first written above.

LANDLORD:

JCB PARTNERSHIP, an Illinois general partnership

By: [Signature]
Name: Gregory A. Gerson
Title: Partner

Attest: [Signature]
Name: CRISTINA G. GERSON
Title: Secretary

TENANT:

NOVAMED SURGERY CENTER OF CHICAGO - NORTHSORE, LLC

By: NovaMed Eyecare Services, LLC, its manager

By: [Signature]
Stephen J. Winjum, President

Attest: [Signature]
Name: John W. Lawrence
Title: VP & Secretary

EXHIBIT A

Legal Description

EXHIBIT B

Diagram/Description of Premises

See attached.

Exhibit B - Chicago ASC 3034 West Peterson Building

	ASC	Storage		Shared	COMMON AREA
		Option 1	Option 2		
Licensed ASC	1714				
ASC Waiting Area	462				
ASC Restroom	28.8				
ASC Entry Vestibule	34				
ASC Rate Subtotal	2238.8			0	
Trash Compactor	18				
Bookkeeping Office					
Exam Room	148.25				
ASC Office (Admin Office)					
ASC Storage (by Admin ofc.)	45.7				
Janitor's closet					
Linda's Office (Chief Nurse)	91.4				
Dr Craig's Office					
Dr Mel's Office					
Electrical/Phone Closet					8.1
Coat Closet				11.7	
Empty Office (orbscan)				100	
Medical (Central) Supply Storage	124.7				
Bookkeeper Office	84.3				
(paper) Storage on Whipple side	46.8				
ASC Office Supplies	34.4				
Conference/Breakroom	200	160			
ASC (small) Staff Restroom				33	
(chart) Storage on Whipple side			96.5		
Mailroom					
Back Storage/Old Records			41.7		
(misc stor) Closet on Whipple side			50.75		
All Corridors					862
Other					
Clinic Rate Subtotal	793.55				
Storage Subtotal		160	188.95		
Shared Space Subtotal				144.7	
Common Area Subtotal					870.1
Total Sq Footage	3032.35	160	188.95	144.7	870.1

EXHIBIT C**Awning**

Tenant may remove the existing awning on the Building and replace it with an awning of similar size and quality, which will be the same color as the existing awning. In addition, the awning may contain a sign depicted thereon stating "NovaMed Surgery Center" or some derivation thereof, which sign may appear on the new awning along both Peterson and Whipple Roads, but must be of the same size font as on Practice's existing awning.

In addition, Tenant may install an illuminated sign on the exterior of the Building along Peterson Road, which sign will be approximately 3 feet tall and 5 feet wide.



NovaMed, Inc.
980 North Michigan Avenue
Suite 1620
Chicago, Illinois 60611

Telephone (312) 664-4100
Facsimile (312) 664-4250

July 13, 2005

**VIA CERTIFIED MAIL –
RETURN RECEIPT REQUESTED**

JCB Partnership
2714 Sheridan Road
Highland Park, Illinois 60035

JCB Partnership
3034 West Peterson Avenue
Chicago, Illinois 60659

Re: Office Lease dated February 1, 2003 (the "Office Lease") by and between JCB Partnership and NovaMed Surgery Center of Chicago – Northshore, LLC ("Tenant"), for the real property located at 3034 West Peterson Avenue, Chicago, Illinois (all capitalized terms used and not defined in this letter shall have the meanings ascribed to them in the Office Lease)

To whom it may concern:

Pursuant to Section 27 of the Office Lease, this letter serves as written notice that Tenant is exercising its right to extend the Term for an additional five-year period. Per the terms of the Office Lease, the expiration date of this exercised Renewal Term shall be December 31, 2010.

Please call me at (312) 780-3224 with any questions.

Very truly yours,

**NOVAMED SURGERY CENTER OF CHICAGO –
NORTHSHORE, LLC**

By: NovaMed Management Services, LLC, its Manager

By: 
John W. Lawrence, Jr., Vice President

cc: Scott T. Macomber
E. Michele Vickery

AMENDMENT TO OFFICE LEASE

This Amendment to Office Lease ("**Amendment**") is entered into July 23, 2008, but shall be effective for all purposes as of January 1, 2007, by and between JCB partnership, an Illinois general partnership ("**Landlord**"), and NovaMed Surgery Center of Chicago - Northshore, LLC, a Delaware limited liability company ("**Tenant**").

RECITALS:

A. Landlord and Tenant are parties to a certain Office Lease dated as of February 1, 2003 (the "**2003 Lease**") for certain premises located within the property commonly known as 3034 W. Peterson, Chicago, Illinois.

B. Landlord and Tenant desire to amend the 2003 Lease in the manner set forth herein.

NOW, THEREFORE, for and in consideration of the sum of Ten and No/100 (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree that the 2003 Lease is hereby amended as follows:

1. Premises. The term "**Premises**" means those certain premises located within the Building and allocated to the operation of an ambulatory surgery center, consisting of the following:

(a) 2,238.80 square feet of space described on Exhibit A under the heading "ASC" and as shown on the floor plan attached as Exhibit B to the 2003 Lease (the "**ASC Space**");

(b) 1,053.55 square feet of space described on Exhibit A under the heading "ASC Office" and as shown on the floor plan attached as Exhibit B to the 2003 Lease (the "**ASC Office Space**");

(c) 232.25 square feet of space described on Exhibit A under the heading "Storage" and as shown on the floor plan attached as Exhibit B to the 2003 Lease (the "**Storage Space**"); and

(d) 44.80 square feet of space that will be shared with another tenant in the Building, which space is described on Exhibit A under the heading "Shared" and is as shown on the floor plan attached as Exhibit B to the 2003 Lease (the "**Shared Space**").

2. Base Rent. Base Rent, on an annual basis, for calendar years 2007 through 2010 is as follows:

	2007	2008	2009	2010
ASC Space	\$64,141.62	\$66,065.87	\$68,047.84	\$70,089.28
ASC Office Space	\$13,744.29	\$14,156.61	\$19,358.76	\$19,939.52
Storage Space	\$0.00	\$0.00	\$2,773.19	\$2,856.38
Shared Space	\$1,253.10	\$1,290.70	\$410.68	\$423.00
Total	\$79,139.01	\$81,513.18	\$90,590.47	\$93,308.18

3. Tenant's Share. Tenant's Share, for calendar years 2007 and calendar years thereafter, is as follows:

2007	2008	2009 and calendar years thereafter
69.89%	69.89%	79.85%

4. Renewal Option. The text of Section 27 of the 2003 Lease is deleted, and the following is inserted in its place:

"Tenant shall have the right to extend the Term for one (1) additional five (5) year period commencing January 1, 2011 and ending December 31, 2015 (the "**Renewal Term**"). The option to extend for the Renewal Term shall be exercised, if at all, by written notice from Tenant to Landlord ("**Tenant's Renewal Notice**") given no later than August 31, 2010. The lease of the Premises during the Renewal Term shall be upon the same terms and conditions as are contained in the 2003 Lease, as amended by this Amendment, except that Base Rent for calendar year 2011 will be equal to 103% of the Base Rent for calendar year 2010, and Base Rent for every calendar year after 2011 during the Renewal Term shall be equal to 103% of the Base Rent for the immediately preceding calendar year."

5. Undefined Terms. Capitalized terms used but not defined in this Amendment have the respective meanings given to them in the 2003 Lease.

6. Full Force and Effect. The 2003 Lease, as amended by this Amendment, remains in full force and effect in accordance with its terms.

[Signatures appear on following page]

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF, the undersigned have entered into this Amendment as of the date first above written.

LANDLORD:

JCB PARTNERSHIP, an Illinois general partnership

By: _____

Melvyn A. Gerstein
A General Partner

TENANT:

NOVAMED SURGERY CENTER OF CHICAGO - NORTHSORE, LLC

By: NovaMed Management Services, LLC, its Manager

By: _____

Thomas S. Hall, President

Attest: _____

John W. Lawrence, Jr.
Senior Vice President and Secretary of Manager

Exhibit A - Chicago ASC 3034 Peterson Building

ASC	
Licensed ASC	1,714.00
ASC Waiting Area	462.00
ASC Restroom	28.80
ASC Entry Vestibule	34.00
Total ASC	2,238.80
ASC Office	
Trash Compactor	18.00
Exam Room	148.25
ASC Storage (by Admin ofc.)	45.70
Linda's Office (Chief Nurse)	91.40
Empty Office (orbiscan)	100.00
Medical (Central) Supply Storage	124.70
Bookkeeper Office	84.30
(paper) Storage on Whipple side	46.80
ASC Office Supplies	34.40
Conference/Breakroom	360.00
Total ASC Office	1,053.55
Storage	
(chart) Storage on Whipple side	96.50
Mailroom	43.30
Back Storage/Old Records	41.70
(misc stor)Closet on Whipple side	50.75
	232.25
Shared	
Coat Closet	11.70
ASC (small) Staff Restroom	33.10
	44.80
	3,569.40



NovaMed, Inc.
333 West Wacker Drive
Suite 1010
Chicago, Illinois 60606

Telephone 312-664-4100
Facsimile 312-664-4250

August 19, 2010

**VIA OVERNIGHT COURIER AND
CERTIFIED MAIL, RETURN RECEIPT REQUESTED**

JCB Partnership
2714 Sheridan Road
Highland Park, IL 60035

JCB Partnership
3034 W. Peterson Ave
Chicago, IL 60659

Re: Office Lease dated February 1, 2003 by and between JCB Partnership and NovaMed Surgery Center of Chicago – Northshore, LLC ("**Tenant**"), as amended by the Amendment to Office Lease dated July 23, 2008 (collectively, the "**Office Lease**"), for the real property located at 3034 West Peterson Avenue, Chicago, Illinois (all capitalized terms used and not defined in this letter shall have the meanings ascribed to them in the Office Lease)

To Whom it May Concern:

Pursuant to Section 27 of the Office Lease, this letter serves as written notice that Tenant is exercising its right to extend the Term for an additional five-year period. Per the terms of the Office Lease, the expiration date of the exercised Renewal Term shall be December 31, 2015.

Please call me at (312) 780-3224 with any questions.

Very truly yours,

A handwritten signature in black ink, appearing to read "John W. Lawrence, Jr.", written over a horizontal line.

John W. Lawrence, Jr.
Senior Vice President and
General Counsel

cc: Thomas S. Hall
Scott T. Macomber
Graham Cherrington
John Calta

SECOND AMENDMENT TO OFFICE LEASE

This Second Amendment to Office Lease (“**Amendment**”) is effective as of January 1, 2015 (“**Amendment Effective Date**”), by and between JCB Partnership, an Illinois general partnership (“**Landlord**”), and NovaMed Surgery Center of Chicago – Northshore, LLC, a Delaware limited liability company (“**Tenant**”).

RECITALS

- A. Landlord and Tenant are parties to a certain Office Lease dated as of February 1, 2003, as amended by that certain Amendment to Office Lease dated as of July 23, 2008 (the “**Lease**”) for certain premises within the property commonly known as 3034 W. Peterson, Chicago, Illinois.
- B. The Term of the Lease was previously extended through and including December 31, 2015.
- C. Landlord and Tenant now desire to further amend the Lease and further extend the Term of the Lease as set forth herein.

NOW THEREFORE, in consideration of the promises and the agreements and covenants contained herein, Landlord and Tenant agree that the Lease is amended and modified as follows:

- 1. Premises. Effective as of the Amendment Effective Date, the term “Premises” shall be amended to include an additional 37 square feet of storage space consisting of the Janitor’s closet to be used exclusively by Tenant during the Term such that the entire Premises shall consist of 3,606.40 square feet.

2. Base Rent. Effective as of the Amendment Effective Date, Base Rent, on an annual basis, is as follows:

	2015	2016	2017	2018	2019	2020
<u>ASC Rent Without Janitor Closet</u>	\$ 106,100.84	\$ 109,283.86	\$ 112,562.38	\$ 115,939.25	\$ 119,417.43	\$ 122,999.95
<u>Janitor Closet</u>	\$ 444	\$ 457.32	\$ 471.04	\$ 485.17	\$ 499.73	\$ 514.72
<u>Total</u>	\$ 106,544.84	\$ 109,741.18	\$ 113,033.42	\$ 116,424.42	\$ 119,917.15	\$ 123,514.67

3. Tenant's Share. Effective as of the Amendment Effective Date, Tenant's Share is: 80.68%
4. Term. Effective as of the Amendment Effective Date, the Term of the Lease shall be extended through and including December 31, 2020.
5. Snow Removal and Landscaping. Effective as of the Amendment Effective Date, Tenant shall be responsible for the costs of reasonable snow removal and landscaping for the Premises that is consistent with the amount and scope of snow removal and landscaping historically undertaken with respect to the Premises during the Term of the Lease. Tenant shall contract directly for such services.
6. Renewal Option. As of the Amendment Effective Date, Section 27 of the Lease, as amended, is deleted and the following is inserted in its place:

“Tenant shall have the right to extend the Term for three (3) additional five (5) year periods (each, a “**Renewal Term**”), with such first Renewal Term, if any, commencing on January 1, 2021 and ending on December 31, 2025. The option to extend for a Renewal Term shall be exercised, if at all by written notice to Landlord given no later than four (4) months prior to the expiration of the then-current Term. The lease of the Premises during a Renewal Term shall be upon the same terms and conditions as are contained in the

Lease, as amended, except that Base Rent in each year of each Renewal Term shall be equal to 103% of the immediately preceding calendar year.”

7. Undefined Terms. Capitalized but undefined terms set forth herein shall have the meanings ascribed to them in the Lease.

8. Full Force and Effect. The Lease, as amended by this Amendment, remains in full force and effect.

9. Other. This Amendment may be executed in counterparts, each of which when so executed shall be an original, but all such counterparts shall together constitute one and the same instrument. Any provision of this Amendment held by a court of competent jurisdiction to be invalid or unenforceable shall not impair or invalidate the remainder of this Amendment. This Amendment shall be governed by the laws of the State of Illinois.

* * * * *

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the date first written above.

LANDLORD:

JCB Partnership

By: _____

Its: _____

TENANT:

NovaMed Surgery Center of Chicago –
Northshore, LLC

By: _____

Its: _____

THIRD AMENDMENT TO OFFICE LEASE

This Third Amendment to Office Lease (“**Amendment**”) is effective as of January 1, 2017 (“**Amendment Effective Date**”), by and between JCB Partnership, an Illinois general partnership (“**Landlord**”), and NovaMed Surgery Center of Chicago – Northshore, LLC, a Delaware limited liability company (“**Tenant**”).

RECITALS

- A. Landlord and Tenant are parties to a certain Office Lease dated as of February 1, 2003, as amended by that certain Amendment to Office Lease dated as of July 23, 2008 and that certain Second Amendment to Office Lease effective January 1, 2015 (the “**Lease**”) for certain premises within the property commonly known as 3034 W. Peterson, Chicago, Illinois.
- B. Landlord and Tenant now desire to further amend the Lease as set forth herein.

NOW THEREFORE, in consideration of the promises and the agreements and covenants contained herein, Landlord and Tenant agree that the Lease is amended and modified as follows:

1. **Premises.** Effective as of the Amendment Effective Date, the term “Premises” shall be amended to include an additional 194.8 square feet of space to be used exclusively by Tenant during the Term, and which space shall be referred to herein as the “**Bookkeeping Area.**” As of the Effective Date, the entire Premises shall consist of 3,801.2 square feet.
2. **Base Rent.** Effective as of the Amendment Effective Date, Base Rent, on an annual basis, is as follows:

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>ASC Rent Without Janitor Closet</u>	\$ 112,562.38	\$ 115,939.25	\$ 119,417.43	\$ 122,999.95
<u>Janitor Closet</u>	\$ 471.04	\$ 485.17	\$ 499.73	\$ 514.72
<u>Bookkeeping Area</u>	\$ 5,731.02	\$5,902.95	\$6,080.05	\$6,262.45
<u>Total</u>	\$ 118,764.44	\$ 122,327.37	\$ 125,997.20	\$ 129,777.12

3. **Tenant’s Share.** Effective as of the Amendment Effective Date, Tenant’s Share is: 85.08%
4. **Undefined Terms.** Capitalized but undefined terms set forth herein shall have the meanings ascribed to them in the Lease.

5. Full Force and Effect. The Lease, as amended by this Amendment, remains in full force and effect.
6. Other. This Amendment may be executed in counterparts, each of which when so executed shall be an original, but all such counterparts shall together constitute one and the same instrument. Any provision of this Amendment held by a court of competent jurisdiction to be invalid or unenforceable shall not impair or invalidate the remainder of this Amendment. This Amendment shall be governed by the laws of the State of Illinois.

* * * *

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the date first written above.

LANDLORD:

JCB Partnership

By: _____
Its: _____

TENANT:


NovaMed Surgery Center of Chicago –
Northshore, LLC

By: _____
Its: _____

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the date first written above.


LANDLORD:

JCB Partnership

By: 
Its: president

TENANT:

NovaMed Surgery Center of Chicago -
Northshore, LLC

By: 
Its: VP Secretary

FOURTH AMENDMENT TO OFFICE LEASE

This Fourth Amendment to Office Lease ("Amendment") is effective as of January 1, 2020 ("Amendment Effective Date"), by and between JCB Partnership, an Illinois general partnership ("Landlord"), and NovaMed Surgery Center of Chicago – Northshore, LLC, a Delaware limited liability company ("Tenant").

RECITALS

- A. Landlord and Tenant are parties to a certain Office Lease dated as of February 1, 2003, as amended by that certain Amendment to Office Lease dated as of July 23, 2008, that certain Second Amendment to Office Lease effective January 1, 2015, and that certain Third Amendment to Office Lease effective January 1, 2020 (the "Lease") for certain premises within the property commonly known as 3034 W. Peterson, Chicago, Illinois.
- B. Landlord and Tenant have discovered that the Premises and the Building were previously assessed incorrectly and now wish to correct the same on a forward-going basis.
- C. Landlord and Tenant now desire to further amend the Lease as set forth herein.

NOW THEREFORE, in consideration of the promises and the agreements and covenants contained herein, Landlord and Tenant agree that the Lease is amended and modified as follows:

- 1. Premises. Effective as of the Amendment Effective Date, the term "Premises" shall be amended to include an additional 232 square feet of space to be used exclusively by Tenant during the Term, and which space currently consists of a break bathroom and laser area. As of the Effective Date, the entire Premises shall consist of 4,735.95

□

2. Base Rent. Effective as of the Amendment Effective Date, Base Rent shall be equal to \$33.14 per square foot.

Accordingly, commencing on January 1, 2020, the total annual Base Rent for the Premises shall be \$156,949.40. Commencing as of January 1, 2021 and continuing on January 1 each year thereafter during the Term, Base Rent shall increase by 3%.

3. Tenant's Share. Effective as of the Amendment Effective Date, Tenant's Share is 92.5%.

4. Term. Effective as of the Amendment Effective Date, the Term of the Lease is hereby extended through and including December 31, 2025. The parties acknowledge and agree that Tenant shall have the right to extend the Term for two (2) additional five (5) year periods pursuant to Section 27 of the Lease (as amended).

5. Undefined Terms. Capitalized but undefined terms set forth herein shall have the meanings ascribed to them in the Lease.

6. Full Force and Effect. The Lease, as amended by this Amendment, remains in full force and effect.

7. Other. This Amendment may be executed in counterparts, each of which when so executed shall be an original, but all such counterparts shall together constitute one and the same instrument. Any provision of this Amendment held by a court of competent jurisdiction to be invalid or unenforceable shall not impair or invalidate the remainder of this Amendment. This Amendment shall be governed by the laws of the State of Illinois.

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the date

first written above.

#E-013-21



LANDLORD:

JCB Partnership

By: 
Its: 

TENANT:

NovMed Surgery Center of Chicago -
Northshore, LLC

By: 
Its: 
member

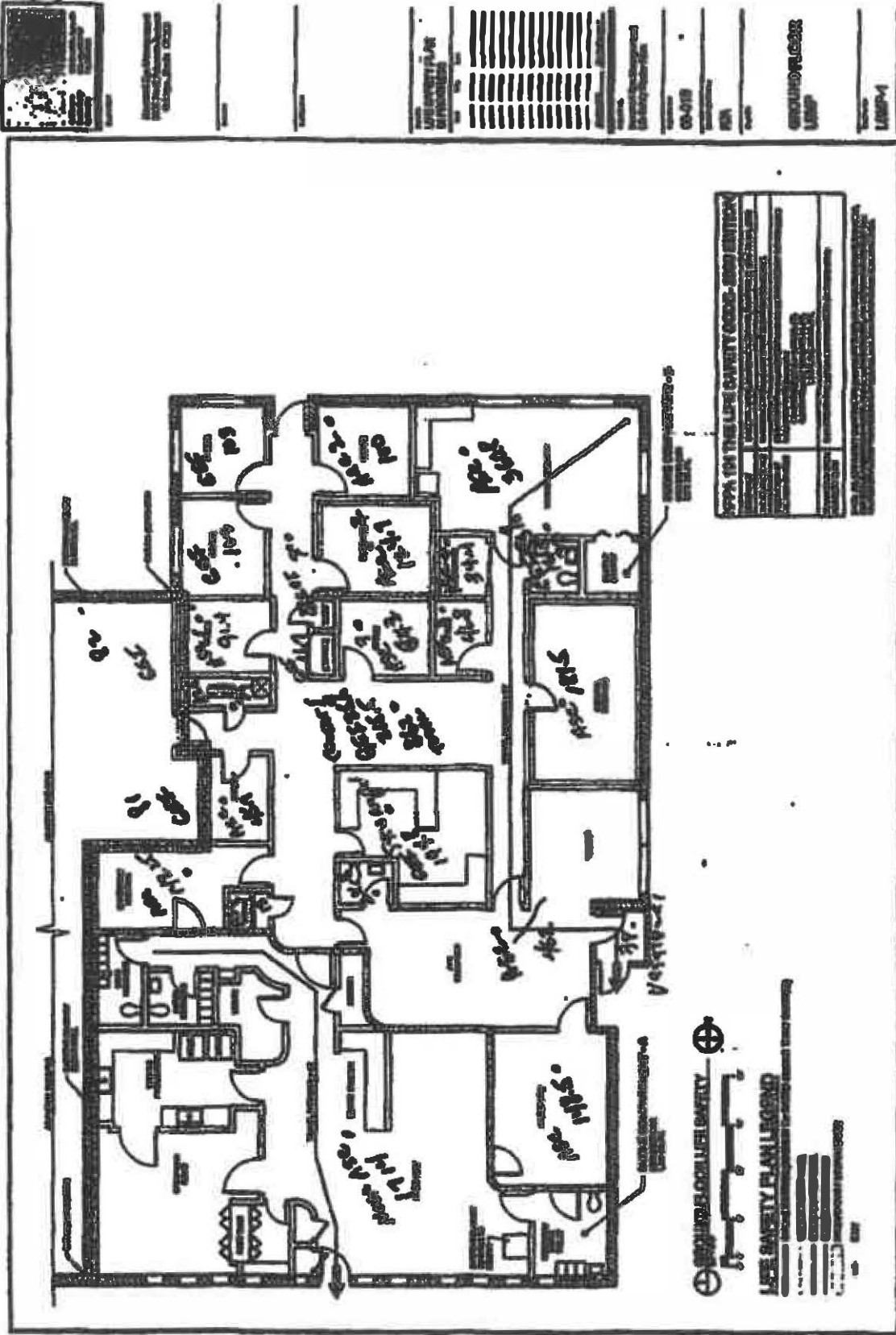
Exhibit

(A)

ASC SQUARE FOOTAGE

ASC OPERATING ROOM	1714
WAITING ROOM	402
RECEPTION AREA	148.5
LAZER ROOM	148.25
VESTIBULE	34
TRASH COMPACTOR	18
STORAGE ROOM #1	194.8
ASC RESTROOM	28.8
ASC SUPPLY ROOM	45.7
JANITOR'S CLOSET	39
ASC OFFICE #1	91.4
ASC OFFICE #2	100
ASC OFFICE #3	64.3
STORAGE ROOM #2	124.7
STORAGE ROOM #3	46.8
STORAGE ROOM #4	34.4
MEDICAL RECORDS	181.5
ASC STAFF RESTROOM	33
ASC BREAKROOM	360.8
ASC LAZER TREATMENT/HALLWAY	862
ELECTRIC CLOSET	4
TOTAL SQUARE FOOTAGE	4735.95
TOTAL PERCENTAGE OF BLDG	92.5%

3034 W. Peterson



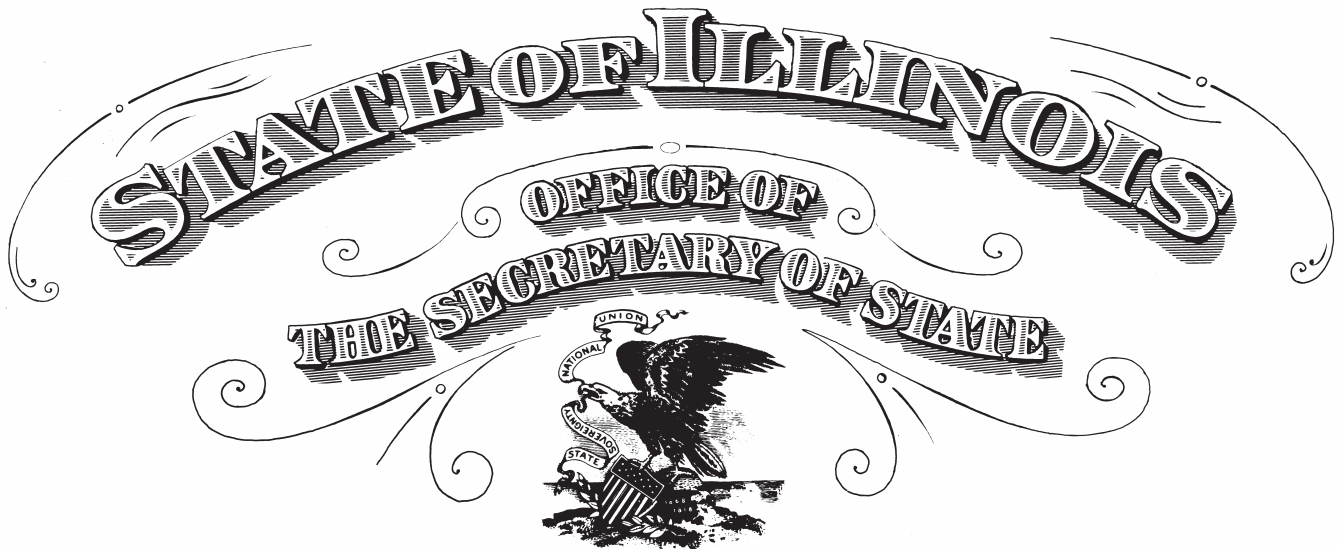
Section I, Identification, General Information, and Certification
Operating Identity/Licensee

1. The Illinois Certificate of Good Standing for NovaMed Surgery Center of Chicago – Northshore, LLC is attached at Attachment – 3.
2. The names and post-transaction ownership percentages of persons with a 5 percent or greater ownership interest in NovaMed Surgery Center of Chicago – Northshore are listed below:

Name	Address	Ownership Interest
Craig H. Gerstein, M.D.	3042 West Peterson Avenue Chicago, Illinois 60659	40.265%
Melvyn A. Gerstein, M.D.		40.265%
David M. Greenberg, M.D.	3042 West Peterson Avenue Chicago, Illinois 60659	5.26%
Lawrence D. Wolin, M.D.	3042 West Peterson Avenue Chicago, Illinois 60659	7.89%

File Number

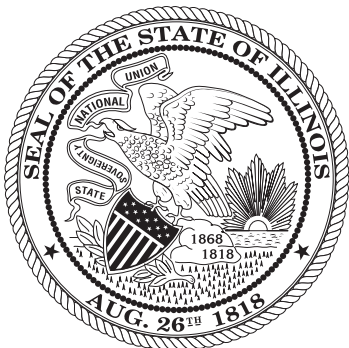
0081288-9



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

NOVAMED SURGERY CENTER OF CHICAGO - NORTHSORE, LLC, A DELAWARE LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON NOVEMBER 21, 2002, 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 3RD
day of JUNE A.D. 2021 .

Jesse White

SECRETARY OF STATE

Authentication #: 2115403374 verifiable until 06/03/2022

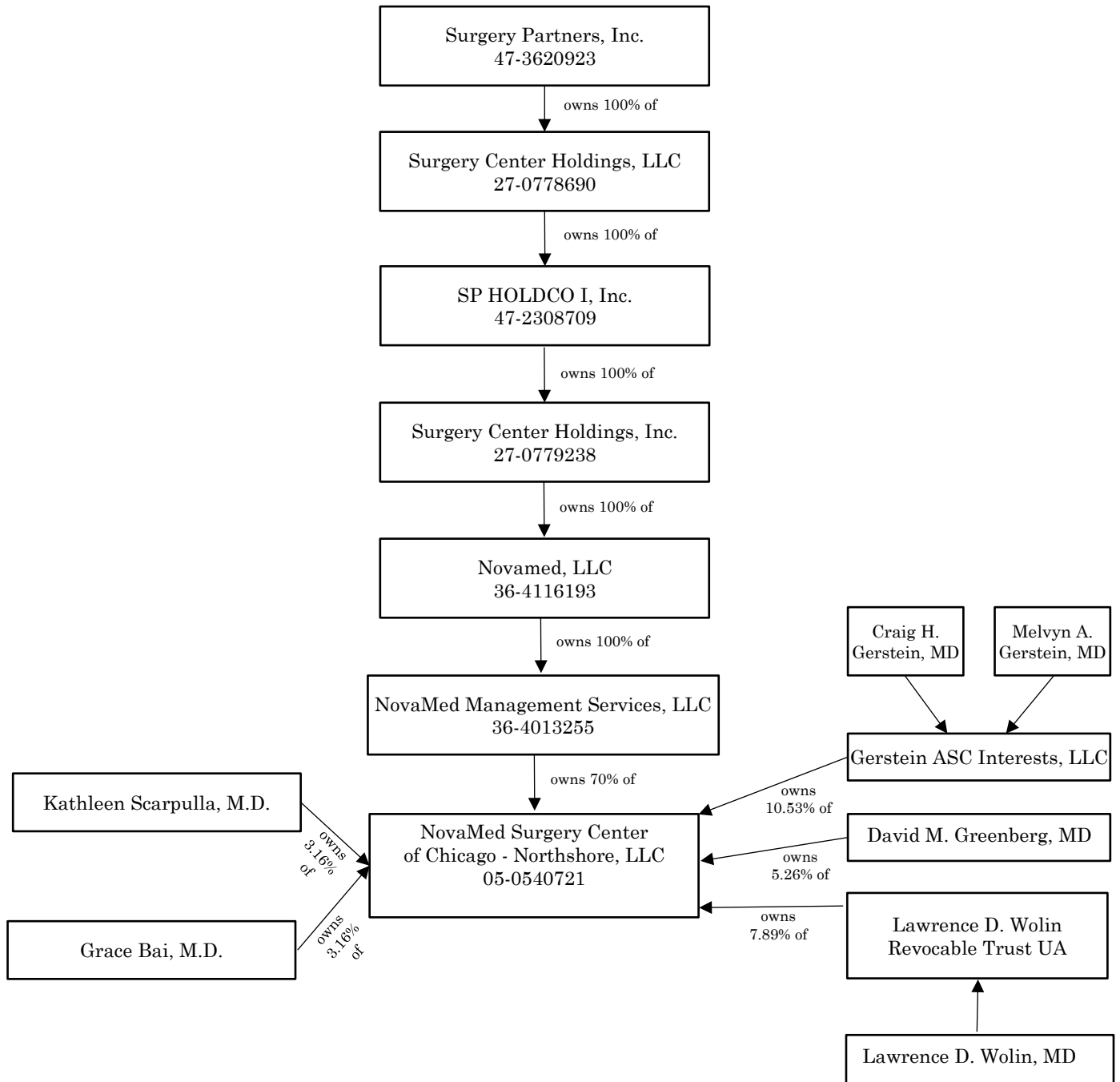
Authenticate at: <http://www.cyberdriveillinois.com>

Section I, Identification, General Information, and Certification

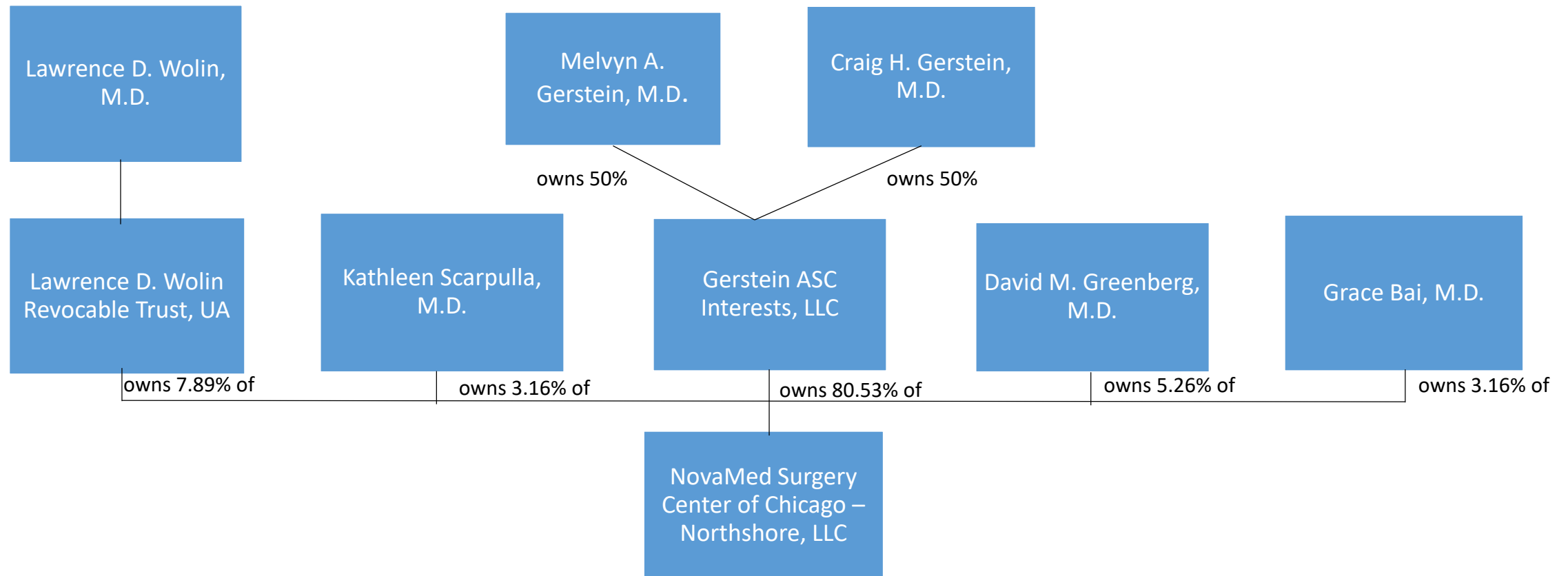
Organizational Relationships

The organizational charts showing the current organizational structure of NovaMed Surgery Center of Chicago - Northshore, along with the post-transaction ownership structure are attached at Attachment - 4.

NovaMed Surgery Center of Chicago - Northshore, LLC
Ownership Chart



NovaMed Surgery Center of Chicago – Northshore, LLC Post-Transaction Organizational Chart



Section II, Background of the Applicant

1. A list of health care facilities owned or operated by Surgery Partners, Inc., NovaMed Surgery Center of Chicago – Northshore, LLC in Illinois, and Gerstein ASC Interests, LLC, including licensing and certification information is attached at Attachment – 5A.
2. Letters from the Applicants certifying no adverse action has been taken against any facility owned and/or operated by the Applicants during the three years prior to filing this application is attached at Attachment – 5B.
3. An authorization permitting the State Board and the Illinois Department of Public Health (“IDPH”) access to any documents necessary to verify information submitted, including, but not limited to: official records of IDPH or other State agencies is attached at Attachment – 5B.

Surgery Partners, Inc. Illinois Ambulatory Surgical Treatment Centers			
Name	Address	City	License No.
NovaMed Surgery Center of Oak Lawn, LLC - DBA Center for Reconstructive Surgery	6311 West 95th Street	Oak Lawn	7002843
NovaMed Surgery Center of Chicago - Northshore, LLC	3034 West Peterson Avenue	Chicago	7002678
Valley Ambulatory Surgery Center	2475 Dean Street	St. Charles	7001217

NovaMed Surgery Center of Chicago – Northshore, LLC Illinois Ambulatory Surgical Treatment Centers			
Name	Address	City	License No.
NovaMed Surgery Center of Chicago - Northshore, LLC	3034 West Peterson Avenue	Chicago	7002678

Gerstein ASC Interests, LLC Illinois Ambulatory Surgical Treatment Centers			
Name	Address	City	License No.
NovaMed Surgery Center of Chicago - Northshore, LLC	3034 West Peterson Avenue	Chicago	7002678

HF 120762

**Illinois Department of
PUBLIC HEALTH**

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

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

Ngozi O. Ezike, M.D.

Director

Issued under the authority of
the Illinois Department of
Public Health

EXPIRATION DATE	CATEGORY	I.D. NUMBER
07/28/2021		7002843

Ambulatory Surgery Treatment Center

Effective: 07/29/2020

Novamed Surg Center of Oak Lawn, LLC
dba Center for Reconstructive Surgery
6309 W 95th St
Oak Lawn, IL 60453

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 07/28/2021

Lic Number 7002843

Date Printed 06/16/2020

Novamed Surg Center of Oak Lawn, L
dba Center for Reconstructive Surgery
6309 W 95th St
Oak Lawn, IL 60453-2201

FEE RECEIPT NO.



**Illinois Department of
PUBLIC HEALTH**

HF 121806

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
02/14/2022		7002678
Ambulatory Surgery Treatment Center		
Effective: 02/15/2021		

Novamed Surgery Center of Chicago Northshore, LLC
3034 W Peterson Ave
Chicago, IL 60659

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

#E-013-21
DISPLAY THIS PART IN A
CONSPICUOUS PLACE

Exp. Date 02/14/2022

Lic Number 7002678

Date Printed 12/08/2020

Novamed Surgery Center of Chicago

3034 W Peterson Ave
Chicago, IL 60659-3729

FEE RECEIPT NO.



**Illinois Department of
PUBLIC HEALTH**

HF 120893

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
09/29/2021		7001217
Ambulatory Surgery Treatment Center		
Effective: 09/30/2020		

Valley Ambulatory Surgery Center
2475 Dean Street
St. Charles, IL 60175

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

72

#E-013-21

DISPLAY THIS PART IN A
CONSPICUOUS PLACE

Exp. Date 09/29/2021

Lic Number 7001217

Date Printed 07/09/2020

Valley Ambulatory Surgery Center

2475 Dean Street
St Charles, IL 60175

FEE RECEIPT NO.

Attachment - 5A

ACCREDITATION NOTIFICATION

May 10, 2021

Organization #	16184		
Organization Name	NovaMed Surgery Center of Oak Lawn, LLC dba Center for Reconstructive Surgery		
Address	6309 West 95th Street		
City State Zip	Oak Lawn	IL	60453-2201
Decision Recipient	Ms. Tina Heffernan, RN, BSN		
Survey Date	4/26/2021-4/27/2021	Type of Survey	Re-Accreditation
Accreditation Type	Full Accreditation		
Accreditation Term Begins	4/1/2021	Accreditation Term Expires	3/31/2024
Accreditation Renewal Code		2CCD593216184	

As an ambulatory health care organization that has undergone the AAAHC Accreditation Survey, your organization has demonstrated its substantial compliance with AAAHC Standards. The AAAHC Accreditation Committee recommends your organization for accreditation.

Next Steps

- Members of your organization should take time to thoroughly review your Survey Report.
 - Any standard rated less than "FC" (Fully Compliant) must be corrected promptly. Subsequent surveys by AAAHC will seek evidence that deficiencies from this survey were addressed without delay.
 - The Summary Table provides an overview of compliance for each chapter applicable to your organization.
- AAAHC Standards, policies and procedures are reviewed and revised annually. You are invited to participate in the review through the public comment process each fall. Your organization will be notified when the proposed changes are available for review. You may also check the AAAHC website in late summer for details.
- Accredited organizations are required to maintain operations in compliance with the current AAAHC Standards and policies. Updates are published annually in the AAAHC *Handbooks*. Mid-year updates are announced and posted to the AAAHC website, www.aaahc.org.
- In order to ensure uninterrupted accreditation, your organization should submit the *Application for Survey* approximately five months prior to the expiration of your term of accreditation. In states for which accreditation is mandated by law, the *Application* should be submitted six months in advance to ensure adequate time for scoping and scheduling the survey.
NOTE: You will need the Accreditation Renewal Code found in the table at the beginning of this document to submit your renewal application.

Additional Information

Organization # 16184

Organization: NovaMed Surgery Center of Oak Lawn, LLC dba Center for Reconstructive Surgery

May 10, 2021

Page 2

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

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



ACCREDITATION NOTIFICATION

April 5, 2019

Organization #	19814		
Organization Name	NovaMed Eyecare Management, LLC dba: NovaMed Eye Surgery Center of Chicago Northshore, LLC		
Address	3034 W Peterson Ave,		
City State Zip	Chicago	IL	60659-3729
Decision Recipient	Ms. Kimberly Nordby, RN		
Survey Date	3/12/2019-3/13/2019	Type of Survey	Re-Accreditation
Accreditation Type	Full Accreditation		
Accreditation Term Begins	4/28/2019	Accreditation Term Expires	4/27/2022
Accreditation Renewal Code		B13F31E119814	
Complimentary AAAHC Institute study participation code		19814FREEIQI	

As an ambulatory health care organization that has undergone the AAAHC Accreditation Survey, your organization has demonstrated its substantial compliance with AAAHC Standards. The AAAHC Accreditation Committee recommends your organization for accreditation.

Next Steps

- Members of your organization should take time to thoroughly review your Survey Report.
 - Any standard rated less than "FC" (Fully Compliant) must be corrected promptly. Subsequent surveys by AAAHC will seek evidence that deficiencies from this survey were addressed without delay.
 - The Summary Table provides an overview of compliance for each chapter applicable to your organization.
- AAAHC Standards, policies and procedures are reviewed and revised annually. You are invited to participate in the review through the public comment process each fall. Your organization will be notified when the proposed changes are available for review. You may also check the AAAHC website in late summer for details.

Organization # 19814

Organization: NovaMed Eyecare Management, LLC , NovaMed Eye Surgery Center of Chicago

Northshore, LLC

April 5, 2019

Page 2

3. Accredited organizations are required to maintain operations in compliance with the current AAAHC Standards and policies. Updates are published annually in the AAAHC *Handbooks*. Mid-year updates are announced and posted to the AAAHC website, www.aaahc.org.
4. In order to ensure uninterrupted accreditation, your organization should submit the *Application for Survey* approximately five months prior to the expiration of your term of accreditation. In states for which accreditation is mandated by law, the *Application* should be submitted six months in advance to ensure adequate time for scoping and scheduling the survey.

NOTE: You will need the Accreditation Renewal Code found in the table at the beginning of this document to submit your renewal application.

Additional Information

The complimentary AAAHC Institute study participation code on the first page of this document may be used to register for one six-month, AAAHC Institute for Quality Improvement benchmarking study. Please visit www.aaahc.org/institute for more information.

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

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



ACCREDITATION NOTIFICATION

October 26, 2020

Organization #	10194		
Organization Name	Valley Ambulatory Surgery Center LP dba Valley Ambulatory Surgery Center		
Address	2475 Dean Street		
City State Zip	St Charles	IL	60175
Decision Recipient	Ms. Lauren Blanchard		
Survey Date	8/27/2020-8/28/2020	Type of Survey	Re-Accreditation
Accreditation Type	Full Accreditation		
Accreditation Term Begins	7/9/2020	Accreditation Term Expires	7/8/2023
Accreditation Renewal Code		1B0C21E710194	

As an ambulatory health care organization that has undergone the AAAHC Accreditation Survey, your organization has demonstrated its substantial compliance with AAAHC Standards. The AAAHC Accreditation Committee recommends your organization for accreditation.

Next Steps

- Members of your organization should take time to thoroughly review your Survey Report.
 - Any standard rated less than "FC" (Fully Compliant) must be corrected promptly. Subsequent surveys by AAAHC will seek evidence that deficiencies from this survey were addressed without delay.
 - The Summary Table provides an overview of compliance for each chapter applicable to your organization.
- AAAHC Standards, policies and procedures are reviewed and revised annually. You are invited to participate in the review through the public comment process each fall. Your organization will be notified when the proposed changes are available for review. You may also check the AAAHC website in late summer for details.
- Accredited organizations are required to maintain operations in compliance with the current AAAHC Standards and policies. Updates are published annually in the AAAHC *Handbooks*. Mid-year updates are announced and posted to the AAAHC website, www.aaahc.org.

Organization # 10194

Organization: Valley Ambulatory Surgery Center LP dba Valley Ambulatory Surgery Center

October 26, 2020

Page 2

4. In order to ensure uninterrupted accreditation, your organization should submit the *Application for Survey* approximately five months prior to the expiration of your term of accreditation. In states for which accreditation is mandated by law, the *Application* should be submitted six months in advance to ensure adequate time for scoping and scheduling the survey.

NOTE: You will need the Accreditation Renewal Code found in the table at the beginning of this document to submit your renewal application.

Additional Information

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

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

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

Dear Chair Savage:

I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 that no adverse action has been taken against any facility owned or operated by NovaMed Surgery Center of Chicago – Northshore, LLC during the three years prior to filing this application.

Additionally, pursuant to 77 Ill. Admin. Code § 1110.1540(b)(3)(J), I hereby authorize the Health Facilities and Services Review Board (“HFSRB”) and the Illinois Department of Public Health (“IDPH”) access to any documents necessary to verify information submitted as part of this application for permit. I further authorize HFSRB and IDPH to obtain any additional information or documents from other government agencies which HFSRB or IDPH deem pertinent to process this application for permit.

Sincerely,



Name: Jennifer Baldock

Title: VP & Secretary of Member, NovaMed Management Services, LLC

NovaMed Surgery Center of Chicago – Northshore, LLC

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

Dear Chair Savage:

I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 that no adverse action has been taken against any facility owned or operated by Surgery Partners, Inc. during the three years prior to filing this application.

Additionally, pursuant to 77 Ill. Admin. Code § 1110.1540(b)(3)(J), I hereby authorize the Health Facilities and Services Review Board (“HFSRB”) and the Illinois Department of Public Health (“IDPH”) access to any documents necessary to verify information submitted as part of this application for permit. I further authorize HFSRB and IDPH to obtain any additional information or documents from other government agencies which HFSRB or IDPH deem pertinent to process this application for permit.

Sincerely,



Name : Jennifer Baldock
Title : EVP & Chief Admin. & Dev. Officer
Surgery Partners, Inc.

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

Dear Chair Savage:

I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 that no adverse action has been taken against any facility owned or operated by Gerstein ASC Interests, LLC during the three years prior to filing this application.

Additionally, pursuant to 77 Ill. Admin. Code § 1110.1540(b)(3)(J), I hereby authorize the Health Facilities and Services Review Board ("HFSRB") and the Illinois Department of Public Health ("IDPH") access to any documents necessary to verify information submitted as part of this application for permit. I further authorize HFSRB and IDPH to obtain any additional information or documents from other government agencies which HFSRB or IDPH deem pertinent to process this application for permit.

Sincerely,



Craig Gerstein, M.D.
President
Gerstein ASC Interests, LLC

Section III, Change of Ownership (CHOW)**Criterion 1130.520 Requirements for Exemptions Involving the Change of Ownership of a Health Care Facility****Applicable Review Criteria – CHOW****1. 1130.520(b)(1)(A) – Names of the Parties**

NovaMed Surgery Center of Chicago – Northshore, LLC (“ASC”) will be the operator/licensee of the ambulatory surgery center.

Surgery Partners, Inc. (“Surgery Partners”) currently owns 70% of the outstanding equity interests in the ASC.

Gerstein ASC Interests, LLC (“Buyer”) will acquire all of Surgery Partners, Inc.’s equity interest in the ASC and will become the majority owner of the ASC.

1130.520(b)(1)(C) – Structure of the Transaction

2. Surgery Partners, Inc., NovaMed Surgery Center of Chicago – Northshore, LLC and Gerstein ASC Interests, LLC (collectively the “Applicants”) propose a change of ownership of NovaMed Surgery Center of Chicago – Northshore (the “ASC”). Surgery Partners, Inc. owns 70% of the outstanding equity interests in the ASC. Gerstein ASC Interests, LLC currently owns 10.53% of the outstanding equity interests in the ASC. Four physician investors currently own the balance of the equity interests in the ASC (directly or indirectly).

Gerstein ASC Interests, LLC will purchase from Surgery Partners, Inc. its 70% equity interest in the ASC. As a result of the transaction, Gerstein ASC Interests, LLC will hold 80.53% of the outstanding equity interests in the ASC, and Surgery Partners, Inc. will no longer have a membership interest in the ASC.

Importantly, NovaMed Surgery Center of Chicago – Northshore, LLC will remain the licensee of the ASC and no changes to the operations of the ASC are expected as a result of the change of ownership.

3. 1130.520(b)(1)(D) – Name of Licensed Entity After Transaction

NovaMed Surgery Center of Chicago – Northshore, LLC.

4. 1130.520(b)(1)(E) – List of Ownership or Membership Interest in the Licensed Entity Prior to and After the Transaction

The organizational charts showing the current organizational structure for NovaMed Surgery Center of Chicago – Northshore, along with the post-transaction ownership structure are attached at Attachment - 4.

5. 1130.520(b)(1)(F) – Fair Market Value of the Assets to be Transferred

\$2,600,000

6. 1130.520(b)(1)(G) – Purchase Price of Other Forms of Consideration to be Paid

\$2,600,000

7. 1130.520(b)(2) – Affirmations

NovaMed Surgery Center of Chicago – Northshore has no outstanding certificate of need permits or certificate of exemption approvals.

8. 1130.520(b)(3) – If 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.

Not Applicable

9. 1130.520(b)(4) – Anticipated Benefits to the Community

The Applicants have not identified anticipated benefits of the proposed change of ownership to the community at the outset of the change of ownership.

10. 1130.520(b)(5) – Anticipated or Potential Cost Savings

The Applicants have not identified any empirically quantifiable cost savings at the outset of proposed transaction.

11. 1130.520(b)(6) – Quality Improvement Program

The Applicants intend to use NovaMed Surgery Center of Chicago – Northshore’s established quality control mechanism.

12. 1130.520(b)(7) – Selection Process for Governing Body

As a small closely held organization and with Dr. Craig Gerstein as the controlling owner, Dr. Gerstein will be the sole manager and will make all key decisions.

13. 1130.520(b)(9) – Change to Scope of Service or Levels of Care

There are no proposed changes to the scope of services or levels of care that were planned to be provided at the facility that are anticipated to occur within 24 months after the corporate restructuring.

Section IV – Charity Care Information

The table below provides charity care information for the most recent three years for NovaMed Surgery Center of Chicago - Northshore.

CHARITY CARE			
	2018	2019	2020
Net Patient Revenue	\$3,955,951	\$3,966,490	\$3,110,062
Amount of Charity Care (charges)	\$0	\$0	\$0
Cost of Charity Care	\$0	\$0	\$0

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	16 – 19	
2	Site Ownership	20 – 63	
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	63 – 64	
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	65 – 67	
5	Background of the Applicant	68 – 81	
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