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: Peoria Day Surgery Center, Ltd. (as "Debtor" and "Seller")		
Street Address:7309 North Knoxville Avenue		
City and Zip Code: Peoria, Illinois 61614		
County: Peoria	Health Service Area: 2	Health Planning Area:C-01/143

Legislators

State Senator Name: David Koehler (46th District)
State Representative Name: Jehan Gordon-Booth (District 92)

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

Exact Legal Name: Peoria Day Surgery Center, Ltd. (Il SOS File# 51308247)
Street Address: 7309 North Knoxville Avenue
City and Zip Code: Peoria, Illinois 61614
Name of Registered Agent: Justin R. Ahlman, MD
Registered Agent Street Address: 7309 North Knoxville Avenue
Registered Agent City and Zip Code: Peoria, Illinois 61614
Name of Chief Executive Officer: Justin R. Ahlman, MD
CEO Street Address: 7309 North Knoxville Avenue
CEO City and Zip Code: Peoria, Illinois 61614
CEO Telephone Number: 309-692-9210

Type of Ownership of Applicants

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

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

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

Primary Contact [Person to receive ALL correspondence or inquiries]

Name: Justin R. Ahlman, MD
Title: President
Company Name: Peoria Day Surgery Center, LTD
Address: 7309 North Knoxville Avenue Peoria, IL 61614
Telephone Number:309-692-1539 or 309-282-0827 (office)
E-mail Address: ahlmanmd@hotmail.com
Fax Number:309-683-1003

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: Peoria Day Surgery Center, Ltd. (as "Debtor" and "Seller")		
Street Address: 7309 North Knoxville Avenue		
City and Zip Code: Peoria, Illinois 61614		
County: Peoria	Health Service Area: 2	Health Planning Area: C-01/143

Legislators

State Senator Name: David Koehler (46th District)
State Representative Name: Jehan Gordon-Booth (District 92)

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

Exact Legal Name: Peoria Day Surgery Center, Ltd. (Il SOS File# 51308247)
Street Address: 7309 North Knoxville Avenue
City and Zip Code: Peoria, Illinois 61614
Name of Registered Agent: Justin R. Ahlman, MD
Registered Agent Street Address: 7309 North Knoxville Avenue
Registered Agent City and Zip Code: Peoria, Illinois 61614
Name of Chief Executive Officer: Justin R. Ahlman, MD
CEO Street Address: 7309 North Knoxville Avenue
CEO City and Zip Code: Peoria, Illinois 61614
CEO Telephone Number: 309-692-9210

Type of Ownership of Applicants

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

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

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

Primary Contact [Person to receive ALL correspondence or inquiries]

Name: Justin R. Ahlman, MD
Title: President
Company Name: Peoria Day Surgery Center, LTD
Address: 7309 North Knoxville Avenue Peoria, IL 61614
Telephone Number: 309-692-1539 or 309-282-0827 (office)
E-mail Address: ahlmanmd@hotmail.com
Fax Number: 309-683-1003

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

Name: Thomas J. Feldman
Title: Administrator
Company Name: Center for Health Ambulatory Surgery Center, LLC
Address:8800 North State Route 91, Peoria, IL 61615
Telephone Number: 309-683-5480
E-mail Address: tfeldman@cfhasc.com
Fax Number: 309-683-4496

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

Name: Sumner A. Bourne
Title: Attorney for Debtor as Seller
Company Name: Rafool & Bourne, P.C.
Address:411 Hamilton, Suite 1600, Peoria, IL 61602
Telephone Number: 309-673-5535
E-mail Address: notices@rafoolbourne.com
Fax Number: 309-673-5537

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
CHANGE OF OWNERSHIP APPLICATION FOR EXEMPTION- 04/2021 Edition

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

Name: R. Scott Moore
Title: Attorney for Center for Health Ambulatory Surgery Center, LLC as Buyer
Company Name: Lewis Rice, LLC
Address: 600 Washington Ave. Suite 2500, St. Louis, MO 63101
Telephone Number: 314-444-7676 (direct) 618-593-0640 (cell)
E-mail Address: smoore@lewisrice.com
Fax Number: 314-612-7676

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
CHANGE OF OWNERSHIP APPLICATION FOR EXEMPTION- 04/2021 Edition

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

Name: Edwin W. Parkhurst, Jr.
Title: Managing Principal
Company Name: PRISM Healthcare Consulting
Address: 800 Roosevelt Road, Building E, Suite 110, Glen Ellyn, IL 60137
Telephone Number: 630-790-5089 (Direct) 630-248-4826 (Cell)
E-mail Address: eparkhurst@consultprism.com
Fax Number: 630-790-2696

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: Peoria Day Surgery Center, Ltd. (as "Debtor" and "Seller")		
Street Address: 7309 North Knoxville Avenue		
City and Zip Code: Peoria, IL 61614		
County: Peoria	Health Service Area: 2	Health Planning Area: C-01/143

Legislators

State Senator Name: David Koehler (46th District)
State Representative Name: Jehan Gordon-Booth (District 92)

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

Exact Legal Name: Center for Health Ambulatory Surgery Center, LLC ("Buyer")
Street Address: 8800 North Route 91
City and Zip Code: Peoria, IL 61615
Name of Registered Agent: Illinois Service Corporation
Registered Agent Street Address: 801 Adlai Stevenson Drive
Registered Agent City and Zip Code: Springfield, IL 62703
Name of Chief Executive Officer: Thomas J. Feldman
CEO Street Address: 8800 North Route 91
CEO City and Zip Code: Peoria, IL 61615
CEO Telephone Number: 309-683-5450

Type of Ownership of Applicants

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

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

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

Primary Contact [Person to receive ALL correspondence or inquiries]

Name: Thomas J. Feldman
Title: Administrator
Company Name: Center for Health Ambulatory Surgery Center, LLC
Address: 8800 North Route 91 Peoria, IL 61615
Telephone Number: 309-683-5480
E-mail Address: tfeldman@cfhasc.com
Fax Number: 309-683-4496

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

Name: R. Scott Moore
Title: Attorney for Buyer
Company Name: Lewis Rice, LLC
Address: 600 Washington Ave. Suite 2500, St. Louis, MO 63101
Telephone Number: 314-444-7676 (direct) 618-593-0640 (cell)
E-mail Address: smoore@lewisrice.com
Fax Number: 314-612-7676

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

Name: Edwin W. Parkhurst, Jr.
Title: Managing Principal
Company Name: PRISM Healthcare Consulting
Address: 800 Roosevelt Road, Building E, Suite 110, Glen Ellyn, IL 60137
Telephone Number: 630-790-5089 (Direct) 630-248-4826 (Cell)
E-mail Address: eparkhurst@consultprism.com
Fax Number: 630-790-2696

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: Peoria Day Surgery Center, Ltd. (as "Debtor" and "Seller")		
Street Address: 7309 North Knoxville Avenue		
City and Zip Code: Peoria, IL 61614		
County: Peoria	Health Service Area: 2	Health Planning Area: C-01/143

Legislators

State Senator Name: David Koehler (46th District)
State Representative Name: Jehan Gordon-Booth (District 92)

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

Exact Legal Name: OSF Healthcare System
Street Address: 800 NE Glen Oak Avenue
City and Zip Code: Peoria, IL 61603
Name of Registered Agent: Sister Theresa Ann Brazeau, OSF
Registered Agent Street Address: 1175 Saint Francis Lane
Registered Agent City and Zip Code: East Peoria, IL 61611
Name of Chief Executive Officer: Robert C Sehring
CEO Street Address: 800 NE Glen Oak Avenue
CEO City and Zip Code: Peoria, IL 61603
CEO Telephone Number: 309-655-7804

Type of Ownership of Applicants

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

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

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

Primary Contact [Person to receive ALL correspondence or inquiries]

Name: Mark Hohulin
Title: Senior Vice President Healthcare Analytics
Company Name: OSF Healthcare System
Address: 800 NE Glen Oak Avenue, Peoria, IL 61603
Telephone Number: 309-308-9656
E-mail Address: mark.e.hohulin@osfhealthcare.org
Fax Number: 309-309-0530

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

Name: Michael Henderson
Title: Corporate Counsel
Company Name: OSF Healthcare System
Address: 800 NE Glen Oak Avenue, Peoria, IL 61603
Telephone Number: 309-655-2402
E-mail Address: Michael.b.henderson@osfhealthcare.org
Fax Number: 309-655-4878

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
CHANGE OF OWNERSHIP APPLICATION FOR EXEMPTION- 04/2021 Edition

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

Name: Edwin W. Parkhurst, Jr.
Title: Managing Principal
Company Name: PRISM Healthcare Consulting
Address: 800 Roosevelt Road, Building E, Suite 110, Glen Ellyn, IL 60137
Telephone Number: 630-790-5089 (Direct) 630-248-4826 (Cell)
E-mail Address: eparkhurst@consultprism.com
Fax Number: 630-790-2696

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: Thomas J. Feldman
Title: Administrator
Company Name: Center for Health Ambulatory Surgery Center, LLC
Address: 8800 North Route 91 Peoria, IL 61615
Telephone Number: 309-683-5480
E-mail Address: tfeldman@cfhasc.com
Fax Number: 309-683-4496

Site Ownership after the Project is Complete
[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Peoria Urological Investment Group, LLC
Address of Site Owner: 7309 N Knoxville Ave. Peoria, IL 61614
Street Address or Legal Description of the Site: **Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statements, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease, or a lease.**
APPEND DOCUMENTATION AS ATTACHMENT 2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Current Operating Identity/Licensee
[Provide this information for each applicable facility and insert after this page.]

Exact Legal Name: Peoria Day Surgery Center, Ltd.
Address: 7309 N. Knoxville Avenue, Ste. 2, Peoria, IL 61614

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

PDSC ASTC License (#7001449)

Peoria Post-Surgical Recovery Care Center License (#4000416)

Illinois Department of PUBLIC HEALTH

HF 120832

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
09/06/2021		7001449

Ambulatory Surgery Treatment Center

Effective: 09/07/2020

Peoria Day Surgery Center
7309 N Knoxville Ave Ste 2
Peoria, IL 61614

The face of this license has a colored background. Printed by Authority of the State of Illinois

DISPLAY THIS PART IN A CONSPICUOUS PLACE

Exp. Date 09/06/2021
Lic Number 7001449

Date Printed 08/28/2020

Peoria Day Surgery Center
7309 N Knoxville Ave Ste 2
Peoria, IL 61614-2070

FEE RECEIPT NO.

Illinois Department of PUBLIC HEALTH

HF 120855

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
08/02/2021		4000016

Postsurgical Recovery Care Center

Licensed Beds: 6

Peoria Recovery Care Center
7309 N Knoxville Ave.
Peoria, IL 61614

The face of this license has a colored background. Printed by Authority of the State of Illinois

DISPLAY THIS PART IN A CONSPICUOUS PLACE

Exp. Date 08/02/2021
Lic Number 4000016

Date Printed 07/01/2020

Peoria Recovery Care Center

FEE RECEIPT NO.

Operating Identity/Licensee after the Project is Complete

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

Exact Legal Name: Center for Health Ambulatory Surgery Center, LLC			
Address: 7309 Knoxville Avenue Peoria, IL 61614			
☐	Non-profit Corporation	☐	Partnership
☐	For-profit Corporation	☐	Governmental
☒	Limited Liability Company	☐	Sole Proprietorship
☐	Other		

- Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.
- Partnerships must provide the name of the state in which 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.

This COE Permit Application requests a change in ownership (CHOW) of a licensed multi-specialty ambulatory surgery treatment center (ASTC), which includes a licensed post-surgical recovery care center.

The Applicants, the Center for Health Ambulatory Surgery Center, LLC (the "Center" and "Buyer") and OSF Healthcare System ("OSF"), propose to acquire and change the ownership of the Peoria Day Surgery Center, Ltd. ("PDSC", as the "Seller", and "Debtor"), which includes its separately licensed Post-Surgical Recovery Care Center ("PSRCC"), each of which are located in Peoria, IL. The acquisition is based primarily on an executed Asset Purchase Agreement between the Center and PDSC, contingent on certain approvals as described herein. OSF is party to this COE Permit Application due to its 72.5 % ownership of the Center/Buyer. Post-transaction closure, the Center/Buyer will control and own 100% of the PDSC ASTC, which includes the subject PSRCC, and its associated assets, as identified in the associated Asset Purchase Agreement.

By way of background, PDSC, as Debtor, entered into Chapter 11 Bankruptcy on October 29, 2018 (U S Bankruptcy Court, Central District of Illinois, Peoria, Bankruptcy Case #18-81615). Subsequently, on April 6, 2021, PDSC (as Debtor and Seller), executed an Asset Purchase Agreement with the Center (as Buyer), to sell substantially all of PDSC's assets to the Center, subject to a Bankruptcy Court approved auction procedure as well as both IHFSRB and Bankruptcy Court approvals. On April 23, 2021, PDSC's assets were offered at an auction in which other parties were permitted to bid. The Center was the highest bidder. On April 29, the Bankruptcy Court approved the Debtor to move forward with its sale to the Center. Hence, the purpose of this COE/CHOW Permit Application for a change in ownership of the PDSC ASTC.

An IHFSRB approved COE/CHOW is required to complete the various transactions required for the sale of the PDSC ASTC as contemplated by the Bankruptcy Court's order approving the sale, including the respective ownership change and securing the operating licenses required due to the ownership change.

The Peoria Day Surgery Center is located at 7309 N. Knoxville Ave, Peoria, IL 61614.

Attachments to this COE include:

1.) United States Bankruptcy Court Petition # 18-81615 notification, dated October 29, 2018 See Appendix 1
2.) Asset Purchase Agreement, dated April 6, 2021 See Appendix 2
3.) Report of Auction/Sale filed with Bankruptcy Court on April 23, 2021 See Appendix 3
4.) Filed Sale Order See Appendix 4

This is a non-substantive project.

Related Project Costs

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

Land acquisition is related to project ☐ Yes ☒ No

Purchase Price: $ N/A

Fair Market Value: $ N/A

Project Status and Completion Schedules * (As of May 2021)

Outstanding Permits: Does the facility have any projects for which the State Board issued a permit that is not complete? Yes __ No __. 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.

Peoria Day Surgery Center, Ltd. No open permits

Center for Health Ambulatory Surgery Center, LLC No open permits

OSF Healthcare System

#18-032 OSF Little Company of Mary Medical Center No

19-057 OSF Saint Francis Medical Center No

Anticipated exemption completion date (refer to Part 1130.570): Within 30 to 45 days of IHFSRB approval

State Agency Submittals

Are the following submittals up to date as applicable:

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

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

Note: OSF Healthcare System is party to CON Permit Applications #21-014, E-008-21, and E-009-21. Expected IHFSRB approval is at the tentatively scheduled September 14, 2021 Meeting. The proposed COE/CHOW transaction in the particular permit application is anticipated to be closed prior to these three (3) permit applications being acted on by the Review Board.

CERTIFICATION

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

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

This Application is filed on the behalf of Peoria Day Surgery Center, Ltd. ("PDSC")

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

SIGNATURE

Justin R. Ahlman, MD
PRINTED NAME

President
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 10 day of June 2021

Signature of Notary

Seal

TRACY L HARMS
Official Seal
Notary Public – State of Illinois
My Commission Expires Nov 20, 2021

SIGNATURE

Christopher D Lansford, MD
PRINTED NAME

Director
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 10 day of June 2021

Signature of Notary

Seal

TRACY L HARMS
Official Seal
Notary Public – State of Illinois
My Commission Expires Nov 20, 2021

*Insert the EXACT legal name of the applicant

CERTIFICATION

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

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

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

SIGNATURE	SIGNATURE
Mary Elizabeth Rashid, MD	Thomas J. Feldman
PRINTED NAME	PRINTED NAME
Board Chair	CEO and Administrator
PRINTED TITLE	PRINTED TITLE
OFFICIAL SEAL ALEXANDRIA ELLISON NOTARY PUBLIC - STATE OF ILLINOIS My Commission Expires APR 16, 2022	OFFICIAL SEAL ALEXANDRIA ELLISON NOTARY PUBLIC - STATE OF ILLINOIS My Commission Expires APR 16, 2022
Notarization: Subscribed and sworn to before me this 18 day of June 2021	Notarization: Subscribed and sworn to before me this 18 day of June 2021
Alexandria Ellison Signature of Notary	Alexandria Ellison Signature of Notary
Seal	Seal

*Insert the EXACT legal name of the applicant

CERTIFICATION

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

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

This Application is filed on the behalf of OSF Healthcare System ("OSF")

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

Robert C. Sehring	
SIGNATURE	SIGNATURE
Robert C. Sehring	Michael A. Cruz
PRINTED NAME	PRINTED NAME
Chief Executive Officer	Central Region, Chief Executive Officer
PRINTED TITLE	PRINTED TITLE
Notarization: Subscribed and sworn to before me this 23rd day of June 2021	Notarization: Subscribed and sworn to before me this 23rd day of June 2021
Amy S Morrow	Amy S Morrow
Signature of Notary	Signature of Notary
Seal "OFFICIAL SEAL" AMY S MORROW Notary Public, State of Illinois My Commission Expires 2/16/2022	Seal "OFFICIAL SEAL" AMY S MORROW Notary Public, State of Illinois My Commission Expires 2/16/2022

*Insert the EXACT legal name of the applicant

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	18 – 20
2	Site Ownership	22 – 24
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	24 – 26
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	26
5	Background of the Applicant	27 – 42
6	Change of Ownership	43 - 52
7	Charity Care Information	53 – 54
Appendix 1	Bankruptcy Petition (2 pages)	55 – 57
Appendix 2	Asset Purchase Agreement, April 6, 2021 (45 pages)	58 - 104
Appendix 3	Bankruptcy Court Auction Sale Result, April 23, 2021 (3 pages)	105 – 108
Appendix 4	Filed Sale Order (14 Pages)	109 – 123

List of Appendices

1. Bankruptcy Petition
2. Asset Purchase Agreement, April 6, 2021
3. Bankruptcy Court Auction Sale Result, April 23, 2021
4. Filed Sale Order

Type of Ownership of Applicants

Certificate of Good Standing

Peoria Day Surgery Center

Center for Health Ambulatory Surgery Center, LLC

OSF Healthcare System

File Number 5130-824-7

STATE OF ILLINOIS
OFFICE OF
THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

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

PEORIA DAY SURGERY CENTER, LTD., A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON NOVEMBER 16, 1977, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 4TH ***day of*** JUNE ***A.D.*** 2021 .

SEAL OF THE STATE OF ILLINOIS
AUG. 26TH 1818

Authentication #: 2115602994 verifiable until 06/04/2022
Authenticate at: http://www.cyberdriveillinois.com

Jesse White
SECRETARY OF STATE

File Number 0195076-2

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

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

CENTER FOR HEALTH AMBULATORY SURGERY CENTER, LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON AUGUST 25, 2006, 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*** 18TH ***day of*** MAY ***A.D.*** 2021 .

SEAL OF THE STATE OF ILLINOIS AUG. 26th 1818

Authentication #: 2113803200 verifiable until 05/18/2022
Authenticate at: http://www.cyberdriveillinois.com

Jesse White
SECRETARY OF STATE

File Number 0107-414-8

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

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

OSF HEALTHCARE SYSTEM, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JANUARY 02, 1880, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.

***In Testimony Whereof,** I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 18TH *day of* MAY *A.D.* 2021 .

Authentication #: 2113803276 verifiable until 05/18/2022
Authenticate at: http://www.cyberdriveillinois.com

Jesse White
SECRETARY OF STATE

Peoria Day Surgery Center
Including
Six (6) Bed Post-Surgical
Recovery Care Center

Property Information

Parcel Number 14-08-294-001	**Township** City of Peoria	**Site Address** 7309 N KNOXVILLE AVE PEORIA, IL 61614
Tax Year 2019 (Payable 2020)	**Land Use** Commercial	
Property Class 0060 - Improved Commercial	**Tax Code** 001	**Tax Status** Taxable
Net Taxable Value 1,121,110	**Tax Rate** 9.982200	**Total Tax** $113,954.34 Pay Taxes

Legal Description
7309 N KNOXVILLE CONDO NE 1/4 SEC 8-9N-8E UNIT 1 (EXC FORMER COMMON ELEMENTS DESC AS BEG SE COR LOT 7 VERSAILLES GARDENS: TH S 54.8' W 190' N 40.1' W 32.9' N 14.7' E 222.9' TO POB (283-008))

Parcel Owner Information

Name	Tax Bill	Address
PEORIA UROLOGICAL INVESTMENT GROUP LLC	Y	7309 N KNOXVILLE AVE PEORIA, IL, 61614-

Property Photo

Billing

	1st Installment (Due 06/08/2020)	2nd Installment (Due 09/08/2020)	Totals
Tax Billed	$55,843.61	$55,843.61	$111,687.22
Penalty Billed	$1,429.47	$837.65	$2,267.12
Cost Billed	$0.00	$0.00	$0.00
Fees/Liens/SSA	$0.00	$0.00	$0.00
Total Billed	$57,273.08	$56,681.26	$113,954.34
Amount Paid	$57,273.08	$56,681.26	$113,954.34
Total Unpaid	$0.00	$0.00	$0.00
Paid By	PEORIA UROLOGICAL INVESTMENT GROUP LLC on 10/9/2020	PEORIA UROLOGICAL INVESTMENT GROUP LLC on 10/9/2020	

Assessment Details

Level	Homesite	Dwelling	Farm Land	Farm Building	Mineral	Total
DOR Equalized	84,640	1,036,470	0	0	0	1,121,110
Department of Revenue	84,640	1,036,470	0	0	0	1,121,110
Board of Review Equalized	84,640	1,036,470	0	0	0	1,121,110
Board of Review	84,640	1,036,470	0	0	0	1,121,110
Informal Hearing	84,640	1,036,470	0	0	0	1,121,110
B of A Equalized	84,640	1,036,470	0	0	0	1,121,110
Supervisor of Assessments	84,640	1,036,470	0	0	0	1,121,110
Township Assessor	84,640	1,036,470	0	0	0	1,121,110
Prior Year Equalized	84,620	1,036,160	0	0	0	1,120,780

No Exemptions

No Farmland Information

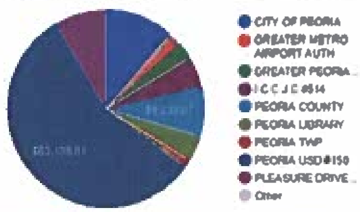
No Forfeiture Information

Parcel Genealogy

Relationship	Parcel Number	Action	Year	Change Effective Year	Completed
Parent Parcel	1408282001	N	2000		Yes
Parent Parcel	1408283011	N	2000		Yes

Taxing Bodies

District	Tax Rate	Extension
CITY OF PEORIA	1.12581	$12,621.67
GREATER METRO AIRPORT AUTH	0.21617	$2,423.60
GREATER PEO SAN DIST	0.00000	$0.00
GREATER PEORIA M T D	0.27892	$3,126.21
I C C J C #514	0.48714	$5,461.38
PEORIA COUNTY	0.82410	$9,239.07
PEORIA COUNTY SOIL & WATER	0.00039	$4.37
PEORIA LIBRARY	0.44066	$4,940.17
PEORIA TWP	0.11916	$1,335.91
PEORIA USD #150	5.63191	$63,139.91
PLEASURE DRIVEWY PKD	0.83686	$9,383.13



Payment History

Tax Year	Total Due	Total Paid	Amount Unpaid
2018	$109,163.66	$109,163.66	$0.00
2017	$109,136.62	$109,136.62	$0.00
2016	$108,329.02	$108,329.02	$0.00

Show 16 More

No Redemptions

No Sales History Information

Disclaimers

Please make check payable to "Peoria County Collector" and mail payment to:

Peoria County Collector
PO Box 1925
Peoria, IL 61656-1925

1st Installment Due: 6/8/2020
2nd Installment Due: 9/8/2020
Last day to pay to avoid Tax Sale: 11/6/2020
Tax Sale: 11/9/2020

Please make sure the Supervisor of Assessments has your most current address on file.

Failure to receive a real estate tax bill or receiving it late for any reason does not relieve the taxpayer of penalties accruing if taxes are not paid by their respective due dates.

Downloadable Forms

Post Transaction Licensee

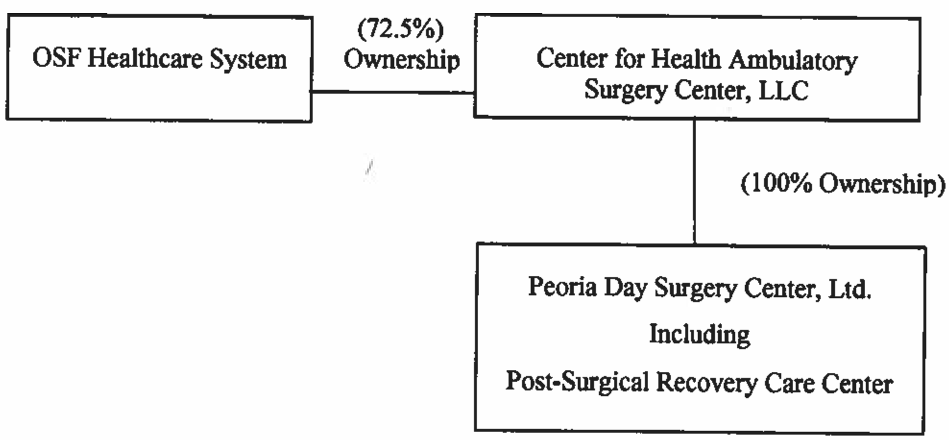
Operating Identity/Licensee after the Project is Complete
[Provide this information for each applicable facility and insert after this page.]

Exact Legal Name: Center for Health Ambulatory Surgery Center, LLC
Address: 7309 Knoxville Avenue Peoria, IL 61614

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

- Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.
- Partnerships must provide the name of the state in which 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.**

Post Transaction Closing
Organization and Ownership Relationships



SECTION II. BACKGROUND. - Peoria Day Surgery Center

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.

Background of Applicant (The "Seller")

1. See attached licenses and certificates (Attachment 5.1)
    A. Peoria Day Surgery Center (#7001449)
    B. Post-Surgical Recovery Care Center (#4000016)
2. Not applicable, see Number 1, above.
3. See attached attestation; Attachment 5.3
4. See attached attestation; Attachment 5.3 and 5.4
5. Not Applicable

Illinois Department of **PUBLIC HEALTH** HF 120832

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
09/06/2021		7001449

Ambulatory Surgery Treatment Center

Effective: 09/07/2020

Peoria Day Surgery Center
7309 N Knoxville Ave Ste 2
Peoria, IL 61614

The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. 419-483-001 10M 9/18

DISPLAY THIS PART IN A CONSPICUOUS PLACE

Exp. Date 09/06/2021
Lic Number 7001449

Date Printed 08/26/2020

Peoria Day Surgery Center

7309 N Knoxville Ave Ste 2
Peoria, IL 61614-2070

FEE RECEIPT NO.

Illinois Department of PUBLIC HEALTH HF 120855

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
08/02/2021		4000016

Postsurgical Recovery Care Center

Licensed Beds: 6

Peoria Recovery Care Center
7309 N Knoxville Ave.
Peoria, IL 61614

The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. [illegible]

DISPLAY THIS PART IN A CONSPICUOUS PLACE

Exp. Date 08/02/2021
Lic Number 4000016

Date Printed 07/01/2020

Peoria Recovery Care Center

FEE RECEIPT NO.

File Number 5130-824-7

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

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

PEORIA DAY SURGERY CENTER, LTD., A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON NOVEMBER 16, 1977, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.

In Testimony Whereof, ***I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this*** 4TH ***day of*** JUNE ***A.D.*** 2021 .

SEAL OF THE STATE OF ILLINOIS AUG. 26TH 1818

Authentication #: 2115602094 verifiable until 06/04/2022
Authenticate at: http://www.cyberdriveillinois.com

Jesse White
SECRETARY OF STATE

#E-016-21

PEORIA DAY SURGERY CENTER

7309 NORTH KNOXVILLE AVENUE

PEORIA, ILLINOIS 61614 ■ PHONE 309 / 692-9210

To be inserted on PDSC Stationary and Notarized
for inclusion in the application

Justin R. Ahlman, MD; President, Peoria Day Surgery Center, Ltd., hereby attests that there are no adverse actions, as the term is defined within the rules of the Illinois Health Facilities and Services Review Board (IHFSRB), taken against it in the three (3) years preceding this permit application.

Additionally, this attestation authorizes the IHFSRB and IDPH to access information necessary to verify information submitted in this respective permit application.

Attested By:

Justin R. Ahlman, President

Notarization:

Subscribed and sworn to before me

this 10 day of June 2021

Tracy L Harms

Printed Name

Signature of Notary

TRACY L HARMS
Official Seal
Notary Public – State of Illinois
My Commission Expires Nov 20, 2021

Seal

SECTION II. BACKGROUND. - Center for Health Ambulatory Surgery Center, LLC

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.

Background of Applicant (The "Buyer")

1. See attached licenses and certificates (Attachment 5.1.1)
    A. Center for Health Ambulatory Surgery Center, LLC
       8800 North State Route 91
       Peoria, IL 61615
       (Facility ID # 7003124: License # 7003124)
    B. Center for Health Ambulatory Surgery Center, LLC
       303N. William Kumpf Blvd., 2nd Floor
       Peoria, IL 61605
       (Facility ID # 7003220: License # 7003220)
2. See following background material, herein, for the OSF Healthcare System which owns 72.5% of the Center for Health Ambulatory Surgery Center, LLC.
3. See attached attestation; Attachment 5.3.1
4. See attached attestation; Attachment 5.3.1 and 5.4.1
5. Not Applicable

License Placeholder and
Certifications Placeholder

Illinois Department of PUBLIC HEALTH HF 122170

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
03/18/2022		7003124

Ambulatory Surgery Treatment Center

Effective: 03/19/2021

Center for Health Ambulatory Surgery Center, LLC
8800 Route 91 North
Peoria, IL 61615

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

DISPLAY THIS PART IN A CONSPICUOUS PLACE

Exp. Date 03/18/2022
Lic Number 7003124

Date Printed 02/01/2021

Center for Health Ambulatory Surgery

8800 Route 91 North
Peoria, IL 61615

FEE RECEIPT NO.

Illinois Department of PUBLIC HEALTH HF 122814

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
05/31/2022		7003220

Ambulatory Surgery Treatment Center

Effective: 06/01/2021

Center for Health Ambulatory Surgery Center - II
303 N William Kumpf Blvd, 2nd FL
Peoria, IL 61605

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

DISPLAY THIS PART IN A CONSPICUOUS PLACE

Exp. Date 05/31/2022
Lic Number 7003220

Date Printed 04/27/2021

Center for Health Ambulatory Surgery

303 N William Kumpf Blvd, 2nd FL
Peoria, IL 61605-2507

FEE RECEIPT NO.

The Joint Commission

September 24, 2020

Tanya Fengel,
Manager of Compliance and Clinical Education
Center for Health Ambulatory Surgery Center II
303 North William Kumpf Blvd.
Peoria, IL 61605

Joint Commission ID #: 646121
Program: Ambulatory Health Care Accreditation
Accreditation Activity: 60-day Evidence of Standards Compliance
Accreditation Activity Completed: 9/24/2020

Dear Ms. Fengel:

The Joint Commission is pleased to grant your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

Comprehensive Accreditation Manual for Ambulatory Health Care

This accreditation cycle is effective beginning August 20, 2020 and is customarily valid for up to 36 months. Please note, The Joint Commission reserves the right to shorten the duration of the cycle.

Should you wish to promote your accreditation decision, please view the information listed under the 'Publicity Kit' link located on your secure extranet site, The Joint Commission Connect.

The Joint Commission will update your accreditation decision on Quality Check®.

Congratulations on your achievement.

Sincerely,

Mark Pelletier

Mark G. Pelletier, RN, MS
Chief Operating Officer and Chief Nurse Executive
Division of Accreditation and Certification Operations

The Joint Commission

February 19, 2020

Thomas J Feldman, FACHE
CEO
Center for Health Ambulatory Surgery Center
8800 ROUTE 91 NORTH
Peoria, IL 61607

Joint Commission ID #: 457507
Program: Ambulatory Health Care Accreditation
Accreditation Activity: 60-day Evidence of Standards Compliance
Accreditation Activity Completed: 2/19/2020

Dear Mr. Feldman:

The Joint Commission is pleased to grant your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

- Comprehensive Accreditation Manual for Ambulatory Health Care

This accreditation cycle is effective beginning December 11, 2019 and is customarily valid for up to 36 months. Please note, The Joint Commission reserves the right to shorten or lengthen the duration of the cycle.

Should you wish to promote your accreditation decision, please view the information listed under the 'Publicity Kit' link located on your secure extranet site, The Joint Commission Connect.

The Joint Commission will update your accreditation decision on Quality Check®.

Congratulations on your achievement.

Sincerely,

Mark Pelletier

Mark G.Pelletier, RN, MS
Chief Operating Officer and Chief Nurse Executive
Division of Accreditation and Certification Operations

Center for Health
Ambulatory Surgery Center, LLC

Thomas J. Feldman, CEO and Administrator, Center for Health Ambulatory Surgery Center, LLC (CFHASC) hereby attests that there are no adverse actions, as the term is defined within the rules of the Illinois Health Facilities and Services Review Board (IHFSRB), taken against it in the three (3) years preceding this permit application.

Additionally, this attestation authorizes the IHFSRB and IDPH to access information necessary to verify information submitted in this respective permit application.

Attested By:

Thomas J. Feldman
CEO and Administrator

Notarization:

Subscribed and sworn to before me

this 18 day of June 2021

Alexandria Ellison
Printed Name

Alexandria Ellison
Signature of Notary

Seal

OFFICIAL SEAL
ALEXANDRIA ELLISON
NOTARY PUBLIC - STATE OF ILLINOIS
My Commission Expires APR 16, 2022

8800 N. State Route 91 • Peoria, Illinois 61615 • 309.683.4720

SECTION II. BACKGROUND. - OSF Healthcare System

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 II Background
OSF Healthcare System (OSF)

Background of Applicant

1. See various documentation on file with the Illinois Health Facilities and Services Review Board (IHFSRB)
2. Please see permit application # E-004-21.
3. Please see permit application # E-004-21.
4. Please see permit application # E-004-21.
5. Please reference the attached Attestation, Attachment 5.2.5

OSF HEALTHCARE

Robert C. Sehring, CEO, OSF Healthcare System (OSF), hereby attests to, and certifies the information provided in Permit Application regarding the OSF Healthcare System is current and no changes have occurred regarding this previously supplied information as may be applicable to this specific Permit Application for a change in ownership of the Peoria Day Surgery Center, LTD including a separately licensed Post-Surgical Recovery Care Center.

Additionally, this attestation authorizes the IHFSRB and IDPH to access information necessary to verify information submitted in this respective permit application.

Attested By:

Robert C. Sehring

Robert C. Sehring
CEO
OSF Healthcare System

Notarization:

Subscribed and sworn to before me

this 23rd day of June, 2021

Amy S. Morrow

Printed Name

Amy S Morrow

Signature of Notary

Seal

"OFFICIAL SEAL"
AMY S MORROW
Notary Public, State of Illinois
My Commission Expires 2/16/2022

OSF HealthCare | 800 NE Glen Oak Avenue, Peoria, IL 61603 | (309) 655-2850

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

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 1130.520 Applicable Review Criteria

1130.520 (b) (1) (A), Names of the Parties

The parties are:

1. Peoria Day Surgery Center, Ltd. ("The Seller")
2. Center for Health Ambulatory Surgery Center, LLC ("The Buyer")
3. OSF Healthcare System (The majority owner of the "Buyer")

1130.520 (b) (1) (B), Names of the Parties

Please reference the associated documents herein, in particular, Attachment 5, inclusive, of the parties subject to this proposed change of ownership (CHOW) COE Permit Application.

1130.520 (b) (1) (C). Transaction Structure

Please see the associated Asset Purchase Agreement between Peoria Day Surgery Center, Ltd. ("PDSC") and Center for Health Ambulatory Surgery Center, LLC, ("CFHASC") dated April 6, 2021, attached to this respective COE / CHOW Permit Application. Post-closing Peoria Day Surgery Center, LLC will become an operating entity of CFHASC.

1130.520 (b) (1) (D). Licensee

Center for Health Ambulatory Surgery Center, LLC

1130.520 (b) (1) (E). Ownership

A. Peoria Day Surgery Center, Ltd, (PDSC) as the "Seller", is legally organized as a for-profit general corporation.

B. On transaction closing, CFHASC as the "Buyer" will, subject to the terms and conditions set for in the Asset Purchase Agreement, dated April 6, 2021 (Appended herein to this COE / CHOW Permit Application) purchase the Seller's assets as defined, therein, as "Purchased Assets". CFHASC will, therefore, own one-hundred percent (100%) of the Seller's ASTC. The ASTC and related PSRCC will be operated by CFHASC. Post-closing PDSC will be wound down and liquidated in the bankruptcy.

1130.520 (b) (1) (F). Fair Market Value

The best indication of the Fair Market Value is the purchase price offered by Buyer ($1,150,000.00) at the Bankruptcy Court approved auction on April 23, 2021. Please see the Report of Auction Sale, United States Bankruptcy Court for the Central District of Illinois, Peoria Division, which is appended to this COE/CHOW Permit Application. See Appendix 3.

1130.520 (b) (1) (G). Purchase Price

Please see 1130.520 (b) (1) (F) above and appended Report of Auction Sale, dated April 23, 2021. See Appendix 3

1130.520 (b) (2) Permit Affirmation

The applicants affirm the currently open Permits, identified herein, will be completed in accordance with this Section.

1130.520 (b) (3) Charity Care Policy

Not applicable, this requested ownership change is not for a hospital.

1130.520 (b) (4) Community Benefits

The "Seller" has been in Chapter 11 Bankruptcy since 2018. Through its sale to the "Buyer", a needed healthcare facility, or ASTC resource, will be retained in the community thereby continuing access to services, and not constraining access to such resources, if the "Seller" were to discontinue operations due to bankruptcy proceedings.

1130.520 (b) (5) Potential Cost Savings

By their very nature, procedures performed in an ASTC are considered to be a least cost surgery alternative. Hence, through the Buyer's initiative, the Seller's surgical resources will be retained in the community and current cost savings will continue. There are no anticipated additional material cost savings through a change of ownership of this respective healthcare facility.

1130.520 (b) (6) Quality Improvement Program

See the following pages 50 through 52.

1130.520 (b) (7) Governing Body Selection

The Buyer's legal entity, Center for Health Ambulatory Surgery Center, LLC, is governed by a Board of Managers chosen in accordance with the Second Amendment and Restated Operating Agreement for the Center for Health Ambulatory Surgery Center, LLC. Similarly, day to day management will be delegated to other officers and employees consistent with current practice. The newly licensed ASTC entity will also have a medical staff with its own Governance provisions.

1130.520 (b) (8) Response to Criterion 1110.240

Not considered applicable. The transaction details are appended to this Permit Application.

1130.520 (b) (9 Service Scope Change

No changes are being contemplated due to the requested change in ownership.

#E-016-21

Performance Improvement 2019

PI Projects	Date/Discussion	Date/Outcomes	Point Person/Team
EMR upgrade	2020. Planning team with Simplify for Practice Management module development. This will design quality and productivity reports that will be useful to the PI process. Team will determine priorities and submit requests per Simplify. New reports will be tested and reviewed by team	Update: delay in moving forward with the PM module. Projected timeline is now October or December 2019. Project has been set for April 2020.	Tanya Fengel Betty Cruz Debbie Orman Kristen Beadles
Normothermia	All 2019. As new requirements for normothermia were instituted, staff education was provided and measures to assure patient temperatures were normothermic within 15 mins of arrival to PACU1. Both East and West locations are included in summary data. Data will be spit out for 2020 to list East and West cases separately.	Data collected in 4thQuarter 2018 was 2/132 or 1.5% of cases had the opportunity to improve. Noted on data collection that times were inconsistent and different devices to record time were being used. Team reviewed and discussed data and education was taken to all staff as well as anesthesia providers to use computer time for admission to PACU and discharge from OR. Will continue to monitor 2019. East and West site included in data collections. Plan for review in March of 2019. January 82 cases 0 below 96.8 February 32 cases (partial) 0 below 96.8 March 39 cases 0 below 96.8 April 47 cases 0 below 96.8 May 31 cases 0 below 96.8 June 27 cases 0 below 96.8 July 25 cases 2 below 96.8 August 29 cases 0 below 96.8 September 31 cases 0 below 96.8 October 50 cases 0 below 96.8 November 41 cases 0 below 96.8 December 52 cases 0 below 96.8	Jan-Dec 2019 Tanya Betty
Medication Safety	All of 2019. Medication labeling is a concern for our Pre-post area and Intra-op setting due to the number of solutions and medications prepared in a repetitive manner. (NPSG) Pre-post consistently performs with minimal deviations. Team agreed to narrow focus to intra-op, anesthesia and ophthalmology medications and solutions as they are high volume and rapid turnover. Will be monitored through QA and reported to PI.	Review at Fourth quarter and consider new project if numbers below 90%. 1st quarter—30 cases/ 1 solution not labeled 3% 2nd quarter—30 cases/ 1 syringe pre-labeled 3% 3rd quarter—30 cases/ 0 issues identified 3% 4th quarter —30 cases/0 issues identified	Tanya Betty

PI charts and graphs are posted on PI Board in the Employee Break Room.

Performance Improvement 2019

Use of MKO melts for cataract patients	April/May 2019 The use of MKO melts for (Sublingual procedural sedation prior to cataract surgery) was introduced and approved for use at the CFHASC April Board Meeting. To assess safety and effectiveness of this medication, a trial with Dr. Edward Hu and his patients was stared on May 1st. B.Cruz coordinated education of nurses and prechek process. T.Fengel will provide additional education for staff. Measures to be monitored during the trial with results shared with Administrative team, pharmacist, surgeon and Medical director. 1. Use of additional Versed needed for patients during OR time? 2. Length of time patient is in Phase 2 post op 3. Did patient have fall or prevented fall by staff or caregiver during the post op period (consider 8 hours after the medication was given) 4. If second cataract surgery, how did the different sedation compare?	A comprehensive review of the three day trial was completed. Patient data collected from time MKO melt given to post op day 1 phone call. Total of 50 patients received MKO melts. Results based on measures identified were as follows: 1. No Versed was used in addition to the MKO melt. The MKO melt actually increased the sedation in the patient and some reported not being able to reposition themselves in the OR 2. Length of time in the PACU and OR actually increased on average with the use of MKO melt. 3. There were no falls during the trial that were reported at the ASC or at home by the patient. 4. Patients reported liking the MKO melts as they provided more sedation and a feeling of relaxation. Upon further review of the medication it was concerning that the Ketamine did not have a reversal agent and it was determined that it will no longer be used in the ASC.	May 2019

Total Joint Cases	Proposed 2020
	Evidence Based Outcome Measures:
	1. Transfer to hospital
	2. Canceled due to pre-admission check list not complete
	3. Post discharge pain score on post op call (based on patient feedback of "if tolerable"
	4. Post op gap from multidisciplinary team Radiology, PT, HME
		• FY 2019 Case summaries:
		Three sample cases:
		4/10/19, 61yrs, Kinzinger
		• OR time 1:37
		• Postop
		  • PACU 2:28
		  • Phase 2 to discharge 1:57
		• total time 6:28
		• Postop call: Pain acceptable at 1/10. No complaints
		5/8/2019, 41yrs, Kinzinger
		• OR time 1:45
		• Postop
		  • PACU 2:30
		  • Phase 2 to discharge 3:01*
		• Total ASC time 8:25
		• Postop call: pain acceptable at 5/10
			Betty 2019-2020

Performance Improvement 2019

Total Joint Cases continued		5/22/2019, 62 yrs, Kinzinger • OR time 1:37 • Postop • PACU 2:06 • Phase 2 to Discharge 2:17 • Total ASC time 6:45 • Postop call: pain acceptable at 4/10	

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.

Charity Care Information

(Source: Published ASTC profiles, IDPH; and internal data.)

CHARITY CARE – Peoria Day Surgery Center, Ltd.			
	2018	2019	2020
Net Patient Revenue	$1,267,292	$1,534,008	$921,477
Amount of Charity Care (charges)	- 0 -	- 0 -	- 0 -
Cost of Charity Care	- 0 -	- 0 -	- 0 -

CHARITY CARE – Center for Health ASC, LLC			
	2018	2019	2020
Net Patient Revenue	$23,465,597	$23,897,642	$19,837,550
Amount of Charity Care (charges)	$57,705	$10,058	$36,182
Cost of Charity Care	$13,571	$3,100	$9,000

CHARITY CARE – OSF Healthcare System			
	2018	2019	2020
Net Patient Revenue	$2,321,396,516	$2,410,772,560	$2,383,901,200
Amount of Charity Care (charges)	$145,025,489	$180,316,461	$201,864,109
Cost of Charity Care	$30,452,288	$36,706,092	$41,284,835

Appendix

1. Peoria Day Surgery Center, LTD
   Bankruptcy Petition #18-81615, filed 10/29/2018,
   US Bankruptcy Court, Central District of Illinois (Peoria)

   Appendix 1

2. Asset Purchase Agreement, Dated April 6, 2021

   Appendix 2

3. Report of Auction Sale, United States Bankruptcy Court for the Central District of Illinois, Peoria Division, dated April 23, 2021.

   Appendix 3

4. Filed Sale Order

   Appendix 4

Appendix 1
Peoria Day Surgery Center, LTD
Bankruptcy Petition #18-81615, filed 10/29/2018,
US Bankruptcy Court, Central District of Illinois (Peoria)

inforuptcy Illinois Central Bankruptcy Court Sign in Get Started

Case number: 1:18-bk-81615 - Peoria Day Surgery Center, Ltd. - Illinois Central Bankruptcy Court

Case Information	
Case title	Peoria Day Surgery Center, Ltd.
Court	Illinois Central (ilcbke)
Chapter	11
Judge	Thomas L. Perkins
Filed	10/29/2018
Last Filing	05/21/2021
Asset	Yes
Vol	v

Docket Header

PlnDue, SPECIALINSTR

U.S. Bankruptcy Court
Central District of Illinois (Peoria)
Bankruptcy Petition #: 18-81615

Date filed: 10/29/2018
341 meeting: 12/04/2018

Assigned to: Judge Thomas L. Perkins
Chapter 11
Voluntary
Asset

Debtor represented by Sumner A. Bourne

Peoria Day Surgery Center, Ltd.
7309 N. Knoxville Avenue
Peoria, IL 61614
PEORIA-IL

411 Hamilton Blvd #1600
Peoria, IL 61602
(309) 673-5535
Email: notices@rafoolbourne.com

Latest Dockets

Date Filed	#	Docket Text
03/10/2021	341	Call In Telephonic: **Parties participating in this hearing are directed to call 1-877-336-1831 five minutes prior to the hearing time. Use Access Code 1082031. Multiple hearings may be set at the same time. Please remain on the line until your hearing(s) are concluded and you are dismissed from the call.** (RE: related document(s) 340 Motion to Sell Free and Clear of Liens,Substantially All of the Debtor's Assets, to establish bidding and auction procedures, to approve break-up fee and overbid protections, and to set sale confirmation hearing filed by Debtor Peoria Day Surgery Center, Ltd.) Hearing to be held on 3/25/2021 at 10:00 AM (p) Telephonic Conference, Peoria,IL for 340, (court, cwhi) (Entered: 03/10/2021)
03/10/2021		Receipt of Motion to Sell Free and Clear of Liens(18-81615) [motion,msellfc] (188.00) Filing Fee. Receipt number 12509998. Fee amount 188.00 (re: Doc# 340) (U.S. Treasury) (Entered: 03/10/2021)
03/10/2021	340	Motion to Sell Free and Clear of Liens (Fee) Substantially All of the Debtor's Assets, *to establish bidding and auction procedures, to approve break-up fee and overbid protections, and to set sale confirmation hearing* Filed by Sumner A. Bourne on behalf of Peoria Day Surgery Center, Ltd. (Attachments: # 1 Exhibit "A" - Letter of Intent # 2 Exhibit "B" - Auction and Bid Procedures) (Bourne, Sumner) (Entered: 03/10/2021)

Date Filed	#	Docket Text
02/24/2021	339	BNC Certificate of Mailing - PDF Document (RE: related document(s) 338 Order Confirming Sale) No. of Notices: 1. Notice Date 02/24/2021. (Admin.) (Entered: 02/24/2021)
02/22/2021	338	Order Confirming Sale. (court, cwhi) (Entered: 02/22/2021)
02/22/2021	337	Report of Sale Filed by Sumner A. Bourne on behalf of Peoria Day Surgery Center, Ltd. (RE: related document(s) 304 Motion to Sell Surplus Anesthesia Equipment,). (Bourne, Sumner) (Entered: 02/22/2021)
02/22/2021	336	Debtor-In-Possession Monthly Operating Report for Filing Period January 2021 Filed by Sumner A. Bourne on behalf of Peoria Day Surgery Center, Ltd.. (Attachments: # 1 Supplement DIP Account Statement # 2 Supplement Sweep Account Statement) (Bourne, Sumner) (Entered: 02/22/2021)
02/22/2021	335	Debtor-In-Possession Monthly Operating Report for Filing Period December 2020 Filed by Sumner A. Bourne on behalf of Peoria Day Surgery Center, Ltd.. (Attachments: # 1 Supplement DIP Account Statement # 2 Supplement Sweep Account Statement) (Bourne, Sumner) (Entered: 02/22/2021)
02/19/2021	334	BNC Certificate of Mailing (RE: related document(s) 333 Sale Document Deficiency Notice) No. of Notices: 1. Notice Date 02/19/2021. (Admin.) (Entered: 02/19/2021)
02/17/2021	333	Notice of Sale Document Deficiency (RE: related document(s) 308 Amended Motion or Application filed by Debtor Peoria Day Surgery Center, Ltd.) Sale Document Deficiency Due 3/3/2021. (court, cwhi) (Entered: 02/17/2021)

Appendix 2
Asset Purchase Agreement, Dated April 6, 2021

ASSET PURCHASE AGREEMENT

between

PEORIA DAY SURGERY CENTER, LTD.

and

CENTER FOR HEALTH AMBULATORY SURGERY CENTER, LLC

dated as of

April 6, 2021

TABLE OF CONTENTS

EXHIBITS

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "**Agreement**"), dated as of April 6, 2021, is entered into between PEORIA DAY SURGERY CENTER, LTD., an Illinois corporation (the "**Seller**"), and CENTER FOR HEALTH AMBULATORY SURGERY CENTER, LLC, an Illinois limited liability company (the "**Buyer**").

RECITALS

WHEREAS, Seller is engaged in the operation of a licensed ambulatory surgery center located at 7309 N. Knoxville Avenue, Peoria, Illinois 61604 (the "**Business**"); and

WHEREAS, Seller is the debtor in a chapter 11 bankruptcy proceeding pending in the Bankruptcy Court for the Central District of Illinois (the "**Bankruptcy Court**"), Case No. 18-81615 (the "**Bankruptcy Case**"); and

WHEREAS, Seller wishes to sell and assign to Buyer, and Buyer wishes to purchase and assume from Seller, substantially all the assets, and certain specified liabilities, of the Business, subject to the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I.
DEFINITIONS

The following terms have the meanings specified or referred to in this Article I:

"**Accounts Receivable**" has the meaning set forth in Section 2.02(b).

"**Action**" means any claim, action, cause of action, demand, lawsuit, arbitration, right of recoupment, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity, including all of Seller's rights under warranties, indemnities and all similar rights against third parties (but excluding any causes of action, claims or setoff rights arising under the Bankruptcy Code, including but not limited to those arising under Chapter 5, or related to any claim against the bankruptcy estate).

"**Affiliate**" of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"**Agreement**" has the meaning set forth in the preamble.

"**Allocation Schedule**" has the meaning set forth in Section 2.06.

"**Alternative Transaction**" shall have the meaning set forth in Section 2.08.

"**Assigned Contracts**" has the meaning set forth in Section 2.01(a).

"**Assignment and Assumption Agreement**" has the meaning set forth in Section 3.02(a)(ii).

"**Assumed Liabilities**" has the meaning set forth in Section 2.03.

"**Balance Sheet**" has the meaning set forth in Section 4.04.

"**Balance Sheet Date**" has the meaning set forth in Section 4.04.

"**Bankruptcy Code**" shall mean 11 U.S.C. Section 101 et seq.

"**Bankruptcy Court**" shall have the meaning set forth in the recitals.

"**Benefit Plan**" has the meaning set forth in Section 4.16(a).

"**Bill of Sale**" has the meaning set forth in Section 3.02(a)(i).

"**Books and Records**" has the meaning set forth in Section 2.01(j).

"**Business**" has the meaning set forth in the recitals.

"**Business Day**" means any day except Saturday, Sunday or any other day on which commercial banks located in Peoria, Illinois are authorized or required by Law to be closed for business.

"**Buyer**" has the meaning set forth in the preamble.

"**Buyer Closing Certificate**" has the meaning set forth in Section 7.03(f).

"**CHOW**" means a change of ownership under the principles of 42 C.F.R. § 489.18 and Pub. 100-07, Chapter 3, Section 3210.1D.

"**Closing**" has the meaning set forth in Section 3.01.

"**Closing Date**" has the meaning set forth in Section 3.01.

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**Confidentiality Agreement**" means the Confidentiality Agreement, dated as of June 24, 2020, among Buyer and Seller.

"**Contracts**" means all contracts, leases, licenses, instruments, notes, commitments, undertakings, indentures, joint ventures and all other agreements, commitments and legally binding arrangements, whether written or oral.

"**Disclosure Schedules**" means the Disclosure Schedules delivered by Seller and Buyer concurrently with the execution and delivery of this Agreement.

"**Dollars or $**" means the lawful currency of the United States.

"**Encumbrance**" means any charge, claim, community property interest, pledge, condition, equitable interest, lien (statutory or other), option, security interest, mortgage, easement, encroachment, right of way, right of first refusal, or restriction of any kind, including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership.

"**Environmental Claim**" means any Action, Governmental Order, lien, fine, penalty, or, as to each, any settlement or judgment arising therefrom, by or from any Person alleging liability of whatever kind or nature (including liability or responsibility for the costs of enforcement proceedings, investigations, cleanup, governmental response, removal or remediation, natural resources damages, property damages, personal injuries, medical monitoring, penalties, contribution, indemnification and injunctive relief) arising out of, based on or resulting from: (a) the presence, Release of, or exposure to, any Hazardous Materials; or (b) any actual or alleged non-compliance with any Environmental Law or term or condition of any Environmental Permit.

"**Environmental Law**" means any applicable Law, and any Governmental Order or binding agreement with any Governmental Authority: (a) relating to pollution (or the cleanup thereof) or the protection of natural resources, endangered or threatened species, human health or safety, or the environment (including ambient air, soil, surface water or groundwater, or subsurface strata); or (b) concerning the presence of, exposure to, or the management, manufacture, use, containment, storage, recycling, reclamation, reuse, treatment, generation, discharge, transportation, processing, production, disposal or remediation of any Hazardous Materials. The term "Environmental Law" includes, without limitation, the following (including their implementing regulations and any state analogs): the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601 et seq.; the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, as amended by the Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. §§ 6901 et seq.; the Federal Water Pollution Control Act of 1972, as amended by the Clean Water Act of 1977, 33 U.S.C. §§ 1251 et seq.; the Toxic Substances Control Act of 1976, as amended, 15 U.S.C. §§ 2601 et seq.; the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. §§ 11001 et seq.; the Clean Air Act of 1966, as amended by the Clean Air Act Amendments of 1990, 42 U.S.C. §§ 7401 et seq.; and the Occupational Safety and Health Act of 1970, as amended, 29 U.S.C. §§ 651 et seq.

"**Environmental Notice**" means any written directive, notice of violation or infraction, or notice respecting any Environmental Claim relating to actual or alleged non-compliance with any Environmental Law or any term or condition of any Environmental Permit.

"**Environmental Permit**" means any Permit, letter, clearance, consent, waiver, closure, exemption, decision or other action required under or issued, granted, given, authorized by or made pursuant to Environmental Law.

"**Excluded Assets**" has the meaning set forth in Section 2.02.

"**Excluded Contracts**" has the meaning set forth in Section 2.02(c).

"**Excluded Liabilities**" has the meaning set forth in Section 2.04.

"**Financial Statements**" has the meaning set forth in Section 4.04.

"**FIRPTA Certificate**" has the meaning set forth in Section 7.02(l).

"**GAAP**" means United States generally accepted accounting principles in effect from time to time.

"**Government Contracts**" has the meaning set forth in Section 4.07(a)(v).

"**Governmental Authority**" means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of Law), or any arbitrator, court or tribunal of competent jurisdiction.

"**Governmental Order**" means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

"**Hazardous Materials**" means: (a) any material, substance, chemical, waste, product, derivative, compound, mixture, solid, liquid, mineral or gas, in each case, whether naturally occurring or manmade, that is hazardous, acutely hazardous, toxic, or words of similar import or regulatory effect under Environmental Laws; and (b) any petroleum or petroleum-derived products, radon, radioactive materials or wastes, asbestos in any form, lead or lead-containing materials, urea formaldehyde foam insulation and polychlorinated biphenyls.

"**Health Care Law**" means federal and state laws, regulations and standards applicable to provider licensure and accreditation and confidentiality of health information; the federal Medicare program (Title XVIII of the Social Security Act) and its implementing regulations, rules, policies and standards; the federal and state Medicaid program (Title XIX of the Social Security Act and certain sections of the Illinois Public Aid Code (305 ILCS 5)) and its implementing regulations, rules, policies and standards; federal Anti-Kickback Statute (42 U.S.C. 1320a-7b(b); the federal Physician Self-Referral Law (42 U.S.C. 1395nn) and state laws governing financial arrangements with physicians and other referral sources; the federal False Claims Act (31 U.S.C. 3729, et seq.); the Health Insurance Portability and Accountability Act of 1996 and the Health Information Technology for Economic and Clinical Health Act, and the implementing regulations of each of the foregoing.

"**Indebtedness**" means any of the following with respect to the Business, whether or not contingent: (i) indebtedness for borrowed money, including any principal, premium, accrued and unpaid interest, related expenses, prepayment penalties, commitment and other fees, sale or liquidity participation amounts, reimbursements, indemnities and all other amounts payable in connection therewith, (ii) all Liabilities evidenced by bonds, debentures, notes or other similar instruments or debt securities, (iii) all Liabilities under or in connection with letters of credit or bankers' acceptances or similar items, (iv) all Liabilities in connection with equipment purchases at or prior to Closing, (v) any Liabilities to any Person in connection with any acquisition of or investment in the securities or assets of any Person or business (whether contingent or absolute and whether or not due and payable), including any earnout obligations and any adjustments, (vi) all Liabilities under conditional sale or other title retention agreements, (vii) all Liabilities arising out of interest rate swap arrangements and any other arrangements designed to provide protection against fluctuations in interest rates, (viii) all Liabilities under leases that are, or should in accordance with GAAP be, treated as capital leases, (ix) all Liabilities with respect to any bonus (including annual bonuses to be paid for the year in which Closing occurs), 401(k) match, accrued payroll and other accrued compensation, accrued time off, deferred compensation or similar compensation earned by any current or former employee for any period or portion of any period ending on or prior to the Closing Date, and all Taxes that are payable by Seller in connection with or as a result of the payment of such Liabilities, (x) all Liabilities for the deferred purchase price of any property or services, (xi) all Liabilities of others guaranteed by, or secured by any lien or security interest on the assets of, Seller, (xii) all Liabilities of Seller with respect to the underfunding of any Employee Benefit Plan, (xiii) any amounts received as prepayments for medical services that have not yet been rendered and deferred revenue, (xiv) any unrefunded or unreturned patient credit balances, and (xv) all Liabilities arising from any breach of any of the foregoing Liabilities, if applicable.

"**Insurance Policies**" has the meaning set forth in Section 4.12.

"**Intellectual Property**" means any and all of the following in any jurisdiction throughout the world: (i) trademarks and service marks, including all applications and registrations and the goodwill connected with the use of and symbolized by the foregoing; (ii) copyrights, including all applications and registrations related to the foregoing; (iii) trade secrets and confidential know-how; (iv) patents and patent applications; (v) websites and internet domain name registrations; and (vi) other intellectual property and related proprietary rights, interests and protections (including all rights to sue and recover and retain damages, costs and attorneys' fees for past, present and future infringement and any other rights relating to any of the foregoing).

"**Knowledge of Seller or Seller's Knowledge**" or any other similar knowledge qualification, means the actual knowledge of any director or officer of Seller, and the constructive knowledge of each such Person of the affairs of Seller and the Business as he or she would reasonably be expected to have in his or her capacity as an officer or director of Seller.

"**Law**" means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any Governmental Authority.

"**Leased Real Property**" has the meaning set forth in Section 4.10(b).

"Leases" has the meaning set forth in Section 4.10(b).

"Liabilities" means liabilities, obligations or commitments of any nature whatsoever, asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured or otherwise.

"Losses" means losses, damages, liabilities, deficiencies, Actions, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable attorneys' fees and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers; *provided, however*, that "Losses" shall not include punitive damages, except in the case of fraud or to the extent actually awarded to a Governmental Authority or other third party.

"Material Adverse Effect" means any event, occurrence, fact, condition or change that is, or could reasonably be expected to become, individually or in the aggregate, materially adverse to (a) the business, results of operations, condition (financial or otherwise) or assets of the Business, (b) the value of the Purchased Assets, or (c) the ability of Seller to consummate the transactions contemplated hereby on a timely basis; *provided, however,* that "Material Adverse Effect" shall not include any event, occurrence, fact, condition or change, directly or indirectly, arising out of or attributable to: (i) general economic or political conditions; (ii) conditions generally affecting the industries in which the Business operates; (iii) any changes in financial or securities markets in general; (iv) acts of war (whether or not declared), armed hostilities or terrorism, or the escalation or worsening thereof; (v) any action required or permitted by this Agreement, except pursuant to Section 4.03 and Section 6.06; (vi) any changes in applicable Laws or accounting rules; or (vii) the public announcement, pendency or completion of the transactions contemplated by this Agreement; *provided further, however,* that any event, occurrence, fact, condition or change referred to in clauses (i) through (iv) immediately above shall be taken into account in determining whether a Material Adverse Effect has occurred or could reasonably be expected to occur to the extent that such event, occurrence, fact, condition or change has a disproportionate effect on the Business compared to other participants in the industries in which the Business operates.

"Material Contracts" has the meaning set forth in Section 4.07(a).

"Medical Records" has the meaning set forth in Section 2.01(k).

"New Lease" has the meaning given in Section 7.02(p).

"Office" means the leased premises described in the Commercial Lease Agreement, dated as of April 1, 2015, between Peoria Urological Investment Group, LLC, as landlord, and Seller, as tenant, consisting of approximately 19,450 square feet of space located in the building known as 7309 N. Knoxville Avenue, Peoria, Illinois 61604.

"Permits" means all permits, licenses, franchises, approvals, authorizations, registrations, certificates, variances and similar rights obtained, or required to be obtained, from Governmental Authorities.

"Permitted Encumbrances" has the meaning set forth in Section 4.08(a).

"**Person**" means an individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association or other entity.

"**Post-Closing Tax Period**" means any taxable period beginning after the Closing Date and, with respect to any taxable period beginning before and ending after the Closing Date, the portion of such taxable period beginning after the Closing Date.

"**Pre-Closing Tax Period**" means any taxable period ending on or before the Closing Date and, with respect to any taxable period beginning before and ending after the Closing Date, the portion of such taxable period ending on and including the Closing Date.

"**Purchase Price**" has the meaning set forth in Section 2.05.

"**Purchased Assets**" has the meaning set forth in Section 2.01.

"**Purchased IP**" has the meaning set forth in Section 4.11(a).

"**Release**" means any actual or threatened release, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, abandonment, disposing or allowing to escape or migrate into or through the environment (including, without limitation, ambient air (indoor or outdoor), surface water, groundwater, land surface or subsurface strata or within any building, structure, facility or fixture).

"**Representative**" means, with respect to any Person, any and all directors, officers, employees, consultants, financial advisors, counsel, accountants and other agents of such Person.

"**Schedule Supplement**" has the meaning set forth in Section 6.14.

"**Seller**" has the meaning set forth in the preamble.

"**Seller Closing Certificate**" has the meaning set forth in Section 7.02(i).

"**Tangible Personal Property**" has the meaning set forth in Section 2.01(b).

"**Taxes**" means all federal, state, local, foreign and other income, gross receipts, sales, use, production, ad valorem, transfer, documentary, franchise, registration, profits, license, lease, service, service use, withholding, payroll, employment, unemployment, estimated, excise, severance, environmental, stamp, occupation, premium, property (real or personal), real property gains, windfall profits, customs, duties or other taxes, fees, assessments or charges of any kind whatsoever, together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties.

"**Tax Return**" means any return, declaration, report, claim for refund, information return or statement or other document relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"**Transaction Documents**" means this Agreement, the Bill of Sale, the Assignment and Assumption Agreement, the Intellectual Property Assignment, the Lease, and the other agreements, instruments and documents required to be delivered at the Closing.

"**WARN Act**" means the federal Worker Adjustment and Retraining Notification Act of 1988, and similar state, local and foreign laws related to plant closings, relocations, mass layoffs and employment losses.

ARTICLE II.
PURCHASE AND SALE

Section 2.01 **Purchase and Sale of Assets.** Subject to the terms and conditions set forth herein, at the Closing, Seller shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase from Seller, free and clear of any Encumbrances other than Permitted Encumbrances, all of Seller's right, title and interest in, to and under all of the assets, properties and rights of every kind and nature, whether real, personal or mixed, tangible or intangible (including goodwill), wherever located and whether now existing or hereafter acquired (other than the Excluded Assets), which relate to, or are used or held for use in connection with, the Business (collectively, the "**Purchased Assets**"), including, without limitation, the following:

(a) all Contracts set forth on Section 2.01(a) of the Disclosure Schedules (the "**Assigned Contracts**");

(b) the Purchased IP;

(c) all furniture, fixtures, equipment, office equipment, inventory, supplies, drugs, computers, telephones and other tangible personal property (the "**Tangible Personal Property**");

(d) all Leased Real Property;

(e) all Permits, including Environmental Permits, which are held by Seller and required for the conduct of the Business as currently conducted or for the ownership and use of the Purchased Assets, including, without limitation, those listed on Section 4.14(b) and Section 4.15(b) of the Disclosure Schedules;

(f) all rights to any Actions of any nature available to or being pursued by Seller to the extent related to the Business, the Purchased Assets or the Assumed Liabilities, whether arising by way of counterclaim or otherwise;

(g) all prepaid expenses, credits, advance payments, claims, security, refunds, rights of recovery, rights of set-off, rights of recoupment, deposits, charges, sums and fees (including any such item relating to the payment of Taxes);

(h) all of Seller's rights under warranties, indemnities and all similar rights against third parties to the extent related to any Purchased Assets;

(i) all insurance benefits, including rights and proceeds, arising from or relating to the Business, the Purchased Assets or the Assumed Liabilities;

(j) copies, of all books and records, including, but not limited to, books of account, ledgers and general, financial and accounting records, equipment maintenance files, schedules of charges, vendor and supplier lists, quality assurance and improvement records and procedures, patient complaints and inquiry files, research and development files, records and data (including all correspondence with any Governmental Authority), marketing material and records, internal financial statements, and research and files relating to the Purchased IP ("**Books and Records**"); and

(k) all patient lists and patient medical records, stored in either paper or electronic format ("**Medical Records**");

(l) all of Seller's rights to the following telephone and fax numbers: (309) 692-9210 (phone) and (309) 683-4208;

(m) all goodwill of the Business; and

(n) in recognition of the parties' understanding that the transaction contemplated by this Agreement qualifies as a CHOW of the licensed ambulatory surgery center owned and operated by Seller, the Medicare assets of Seller, including but not limited to Seller's rights under its Medicare provider agreement.

Section 2.02 **Excluded Assets.** Notwithstanding the foregoing, the Purchased Assets shall not include the following assets (collectively, the "**Excluded Assets**"):

(a) cash and cash equivalents;

(b) all accounts or notes receivable held by Seller, and any security, claim, remedy or other right related to any of the foregoing ("**Accounts Receivable**");

(c) Contracts that are not Assigned Contracts (the "**Excluded Contracts**");

(d) the corporate seals, organizational documents, minute books, stock books, Tax Returns, books of account or other records having to do with the corporate organization of Seller;

(e) all Benefit Plans and assets attributable thereto;

(f) any real property owned by Seller or any Affiliate of Seller; and

(g) the rights which accrue or will accrue to Seller under the Transaction Documents.

Section 2.03 **Assumed Liabilities.** Subject to the terms and conditions set forth herein, Buyer shall assume and agree to pay, perform and discharge only the Liabilities in respect of the Assigned Contracts, including but not limited to Seller's obligations under its Medicare provider agreement, but only to the extent that such Liabilities thereunder are required to be performed after the Closing Date, were incurred in the ordinary course of business, and do not relate to any failure to perform, improper performance, warranty or other breach, default or violation by Seller on or prior to the Closing (the "**Assumed Liabilities**"), and no other Liabilities.

Section 2.04 **Excluded Liabilities.** Notwithstanding the provisions of Section 2.03 or any other provision in this Agreement to the contrary, Buyer shall not assume and shall not be responsible to pay, perform or discharge any Liabilities of Seller or any of its Affiliates of any kind or nature whatsoever other than the Assumed Liabilities (the "**Excluded Liabilities**"). Seller shall, and shall cause each of its Affiliates to, pay and satisfy in due course all Excluded Liabilities which they are obligated to pay and satisfy or obtain an order from the Bankruptcy Court precluding the creditors holding any Excluded Liabilities from asserting claims for such Excluded Liabilities against Buyer. Without limiting the generality of the foregoing, the Excluded Liabilities shall include, but not be limited to, the following:

(a) any Liabilities of Seller arising or incurred in connection with the negotiation, preparation, investigation and performance of this Agreement, the other Transaction Documents and the transactions contemplated hereby and thereby, including, without limitation, fees and expenses of counsel, accountants, consultants, advisers and others;

(b) any Liability for (i) Taxes of Seller (or any member or Affiliate of Seller) or relating to the Business, the Purchased Assets or the Assumed Liabilities for any Pre-Closing Tax Period; (ii) Taxes that arise out of the consummation of the transactions contemplated hereby or that are the responsibility of Seller pursuant to Section 6.11; or (iii) other Taxes of Seller (or any member or Affiliate of Seller) of any kind or description (including any Liability for Taxes of Seller (or any member or Affiliate of Seller) that becomes a Liability of Buyer under any common law doctrine of de facto merger or transferee or successor liability or otherwise by operation of contract or Law);

(c) any Liabilities relating to or arising out of the Excluded Assets;

(d) any Liabilities in respect of any pending or threatened Action arising out of, relating to or otherwise in respect of the operation of the Business or the Purchased Assets to the extent such Action relates to such operation prior to the Closing Date;

(e) any Liabilities of Seller arising under or in connection with any Benefit Plan providing benefits to any present or former employee of Seller;

(f) any Liabilities of Seller for any present or former employees, officers, directors, retirees, independent contractors or consultants of Seller, including, without limitation, any Liabilities associated with any claims for wages or other benefits, bonuses, accrued vacation, workers' compensation, severance, retention, termination or other payments;

(g) any Environmental Claims, or Liabilities under Environmental Laws, to the extent arising out of or relating to facts, circumstances or conditions existing prior to the Closing or otherwise to the extent arising out of any actions or omissions of Seller;

(h) any Liabilities arising out of, relating to or otherwise in respect of the operation of the Business or the Purchased Assets to the extent such Liabilities relate to such operation prior to the Closing Date;

(i) any Liabilities to indemnify, reimburse or advance amounts to any present or former officer, director, employee or agent of Seller (including with respect to any breach of fiduciary obligations by same);

(j) any Liabilities under the Excluded Contracts or any other Contracts (i) which are not validly and effectively assigned to Buyer pursuant to this Agreement; (ii) which do not conform to the representations and warranties with respect thereto contained in this Agreement; or (iii) to the extent such Liabilities arise out of or relate to a breach by Seller of such Contracts prior to Closing;

(k) any Liabilities associated with debt, loans or credit facilities of Seller and/or the Business owing to financial institutions;

(l) any Liabilities arising out of, in respect of or in connection with the failure by Seller or any of its Affiliates to comply with any Health Care Law, including but not limited to the submission of any claim to any Federal or State health care program not in compliance with all applicable Laws; and

(m) any Liabilities arising out of, in respect of or in connection with the failure by Seller or any of its Affiliates to comply with any Law or Governmental Order.

Section 2.05 **Purchase Price.** The aggregate purchase price for the Purchased Assets shall be Nine Hundred Thousand Dollars ($900,000.00) (the "**Purchase Price**"), plus the assumption of the Assumed Liabilities, subject to adjustment as provided in Section 7.02(g). Buyer shall pay to Seller at Closing an amount equal to the Purchase Price, by wire transfer of immediately available funds to an account designated in writing by Seller to Buyer no later than three (3) Business Days prior to the Closing Date.

Section 2.06 **Allocation of Purchase Price.** Seller and Buyer agree that the Purchase Price and the Assumed Liabilities (plus other relevant items) shall be allocated among the Purchased Assets for all purposes (including Tax and financial accounting) as shown on the allocation schedule (the "**Allocation Schedule**"). A draft of the Allocation Schedule shall be prepared by Buyer and delivered to Seller within sixty (60) days following the Closing Date. If Seller notifies Buyer in writing that Seller objects to one or more items reflected in the Allocation Schedule, Seller and Buyer shall negotiate in good faith to resolve such dispute.

Section 2.07 **Third Party Consents.** To the extent that Seller's rights under any Contract or Permit constituting a Purchased Asset, or any other Purchased Asset, may not be assigned to Buyer without the consent of another Person which has not been obtained, this Agreement shall not constitute an agreement to assign the same if an attempted assignment would constitute a breach thereof or be unlawful, and Seller, at its expense, shall use its reasonable best efforts to obtain any such required consent(s) as promptly as possible. If any such consent shall not be obtained or if any attempted assignment would be ineffective or would impair Buyer's rights under the Purchased Asset in question so that Buyer would not in effect acquire the benefit of all such rights, Seller, to the maximum extent permitted by law and the Purchased Asset, shall act after the Closing as Buyer's agent in order to obtain for it the benefits thereunder and shall cooperate, to the maximum extent permitted by Law and the Purchased Asset, with Buyer in any other reasonable arrangement designed to provide such benefits to Buyer. Notwithstanding any provision in this Section 2.06 to the contrary, Buyer shall not be deemed to have waived its rights under Section 7.02(d) hereof unless and until Buyer either provides written waivers thereof or elects to proceed to consummate the transactions contemplated by this Agreement at Closing.

Section 2.08 **Bankruptcy Approval Process.** Buyer and Seller acknowledge that it is possible that, in connection with the required approval of this transaction by the Bankruptcy Court, that this transaction may not be approved and instead Seller's assets could be sold to a third party. Buyer will be entitled to a break-up fee equal to $50,000 from the proceeds of an Alternative Transaction, and the same will be paid to Buyer in the event (a) Buyer terminates the contemplated transactions as a result of any material breach by Seller, or (b) Seller terminates this Agreement for any reason whatsoever, including without limitation Seller's acceptance of a competing bid for all or any portion of the Purchased Assets approved by the Bankruptcy Court (an "**Alternative Transaction**"). For the avoidance of doubt, failure of a condition due to third party actions or events beyond Seller's reasonable control, absent a breach by Seller, shall not trigger the payment of a break-up fee hereunder. No such break-up fee shall be payable if Buyer materially breaches this Agreement. Furthermore, no third party may top the Purchase Price for the Purchased Assets in any Bankruptcy Court proceeding (whether through objection to a motion for an order approving the sale of the Purchased Assets or through a bid in any competitive bidding procedure) unless such third party offers to unconditionally and immediately pay a cash price that exceeds the Purchase Price by at least $100,000, and all successive bids for the Assets must be in increments of at least $50,000.

ARTICLE III.
CLOSING

Section 3.01 **Closing.** Subject to the terms and conditions of this Agreement, the consummation of the transactions contemplated by this Agreement (the "**Closing**") shall take place at the offices of Rafool & Bourne, P.C., 411 Hamilton Blvd., Suite 1600, Peoria, IL 61602 at 10:00 a.m., no later than the fifth Business Day after all of the conditions to Closing set forth in Article VII are either satisfied or waived (other than conditions which, by their nature, are to be satisfied on the Closing Date), or at such other time, date or place as Seller and Buyer may mutually agree upon in writing. The date on which the Closing is to occur is herein referred to as the "**Closing Date**".

Section 3.02 **Closing Deliverables.**

(a) At the Closing, Seller shall deliver to Buyer the following:

(i) a bill of sale in the form of <u>Exhibit A</u> hereto (the "**Bill of Sale**") and duly executed by Seller, transferring the tangible personal property included in the Purchased Assets to Buyer;

(ii) an assignment and assumption agreement in the form of Exhibit B hereto (the "**Assignment and Assumption Agreement**") and duly executed by Seller, effecting the assignment to and assumption by Buyer of the Purchased Assets and the Assumed Liabilities;

(iii) an assignment in the form of Exhibit C hereto (the "**Intellectual Property Assignments**") and duly executed by Seller, transferring all of Seller's right, title and interest in and to the Purchased IP to Buyer;

(iv) the Seller Closing Certificate;

(v) the FIRPTA Certificate;

(vi) the certificates of the Secretary of Seller required by Section 7.02(j) and Section 7.02(k);

(vii) such other customary instruments of transfer, assumption, filings or documents, in form and substance reasonably satisfactory to Buyer, as may be required to give effect to this Agreement.

(b) At the Closing, Buyer shall deliver to Seller the following:

(i) the Purchase Price;

(ii) the Assignment and Assumption Agreement duly executed by Buyer;

(iii) the Buyer Closing Certificate; and

(iv) the certificates of the Secretary of Buyer required by Section 7.03(g) and Section 7.03(h).

ARTICLE IV.
REPRESENTATIONS AND WARRANTIES OF SELLER

Except as set forth in the correspondingly numbered Section of the Disclosure Schedules, Seller represents and warrants to Buyer that the statements contained in this Article IV are true and correct as of the date hereof.

Section 4.01 **Organization and Qualification of Seller.** Seller is a general business corporation duly organized, validly existing and in good standing under the Laws of the State of Illinois and has full corporate power and authority to own, operate or lease the properties and assets now owned, operated or leased by it and to carry on the Business as currently conducted. Seller is duly licensed or qualified to do business and is in good standing in each jurisdiction in which the ownership of the Purchased Assets or the operation of the Business as currently conducted makes such licensing or qualification necessary.

Section 4.02 **Authority of Seller.** Seller has full corporate power and authority to enter into this Agreement and the other Transaction Documents to which Seller is a party, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by Seller of this Agreement and any other Transaction Document to which Seller is a party, the performance by Seller of its obligations hereunder and thereunder and the consummation by Seller of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of Seller. This Agreement has been duly executed and delivered by Seller, and (assuming due authorization, execution and delivery by Buyer) this Agreement constitutes a legal, valid and binding obligation of Seller enforceable against Seller in accordance with its terms. When each other Transaction Document to which Seller is or will be a party has been duly executed and delivered by Seller (assuming due authorization, execution and delivery by each other party thereto), such Transaction Document will constitute a legal and binding obligation of Seller enforceable against it in accordance with its terms.

Section 4.03 **No Conflicts; Consents.** The execution, delivery and performance by Seller of this Agreement and the other Transaction Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) conflict with or result in a violation or breach of, or default under, any provision of the articles of incorporation, bylaws, or other organizational documents of Seller; (b) conflict with or result in a violation or breach of any provision of any Law or Governmental Order applicable to Seller, the Business or the Purchased Assets; (c) except as set forth in Section 4.03 of the Disclosure Schedules, require the consent, notice or other action by any Person under, conflict with, result in a violation or breach of, constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default under, result in the acceleration of or create in any party the right to accelerate, terminate, modify or cancel any Contract or Permit to which Seller is a party or by which Seller or the Business is bound or to which any of the Purchased Assets are subject (including any Assigned Contract); or (d) result in the creation or imposition of any Encumbrance other than Permitted Encumbrances on the Purchased Assets. Except as set forth in Section 4.03 of the Disclosure Schedules, no consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to Seller in connection with the execution and delivery of this Agreement or any of the other Transaction Documents and the consummation of the transactions contemplated hereby and thereby.

Section 4.04 **Financial Statements.** Complete copies of the unaudited financial statements consisting of the consolidated balance sheet of the Business as of December 31, 2020 and the related statements of income and retained earnings, members' equity and cash flow for the year then ended (the "**Financial Statements**") have been delivered to Buyer. The Financial Statements have been prepared in accordance with GAAP applied on a consistent basis throughout the period involved. The Financial Statements are based on the books and records of the Business, are true, complete, and correct, and fairly present the financial condition of the Business as of the respective dates they were prepared and the results of the operations of the Business for the periods indicated. The balance sheet of the Business as of December 31, 2020 is referred to herein as the "**Balance Sheet**" and the date thereof as the "**Balance Sheet Date.**" Seller maintains a standard system of accounting for the Business established and administered in accordance with GAAP consistently applied.

Section 4.05 **Undisclosed Liabilities.** Seller has no Liabilities with respect to the Business, except (a) those which are adequately reflected or reserved against in the Balance Sheet as of the Balance Sheet Date, and (b) those which have been incurred in the ordinary course of business consistent with past practice since the Balance Sheet Date and which are not, individually or in the aggregate, material in amount.

Section 4.06 **Absence of Certain Changes, Events and Conditions.** Since the Balance Sheet Date, and other than in the ordinary course of business consistent with past practice, or as set forth in Section 4.06 of the Disclosure Schedules, there has not been any:

(a) event, occurrence or development that has had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect;

(b) material change in any method of accounting or accounting practice for the Business, except as required by GAAP or as disclosed in the Financial Statements;

(c) entry into any Contract that would constitute a Material Contract;

(d) incurrence, assumption or guarantee of any indebtedness for borrowed money in connection with the Business except unsecured current obligations and Liabilities incurred in the ordinary course of business consistent with past practice;

(e) transfer, assignment, sale or other disposition of any of the Purchased Assets shown or reflected in the Balance Sheet;

(f) cancellation of any debts or claims or amendment, termination or waiver of any rights constituting Purchased Assets;

(g) transfer, assignment or grant of any license or sublicense of any material rights under or with respect to any Purchased IP;

(h) material damage, destruction or loss, or any material interruption in use, of any Purchased Assets, whether or not covered by insurance;

(i) acceleration, termination, material modification to or cancellation of any Assigned Contract or Permit;

(j) material capital expenditures which would constitute an Assumed Liability;

(k) imposition of any Encumbrance upon any of the Purchased Assets;

(l) any loan to (or forgiveness of any loan to), or entry into any other transaction with, any current or former directors, officers or employees of the Business;

(m) adoption of any plan of merger, consolidation, reorganization, liquidation or dissolution or filing of a petition in bankruptcy under any provisions of federal or state bankruptcy Law or consent to the filing of any bankruptcy petition against it under any similar Law;

(n) purchase, lease or other acquisition of the right to own, use or lease any property or assets in connection with the Business for an amount in excess of $5,000.00, individually (in the case of a lease, per annum) or $25,000.00 in the aggregate (in the case of a lease, for the entire term of the lease, not including any option term), except for purchases of supplies in the ordinary course of business consistent with past practice;

(o) any Contract to do any of the foregoing, or any action or omission that would result in any of the foregoing.

Section 4.07 **Material Contracts.**

(a) Section 4.07(a) of the Disclosure Schedules lists each of the following Contracts (x) by which any of the Purchased Assets are bound or affected or (y) to which Seller is a party or by which it is bound in connection with the Business or the Purchased Assets (such Contracts, together with all Contracts concerning the occupancy, management or operation of any Leased Real Property listed or otherwise disclosed in Section 4.10(a) of the Disclosure Schedules and all agreements concerning Purchased IP set forth in Section 4.11(a) of the Disclosure Schedules, being "**Material Contracts**"):

(i) all Contracts involving aggregate consideration in excess of $10,000.00;

(ii) all employment agreements with the physicians and any other employees of Seller;

(iii) all Contracts with independent contractors or consultants (or similar arrangements), including Contracts with physicians who are not employees;

(iv) except for Contracts relating to trade receivables, all Contracts relating to Indebtedness (including, without limitation, guarantees);

(v) all Contracts with any Governmental Authority, including but not limited to any corporate integrity agreement ("**Government Contracts**");

(vi) all Contracts with managed care organizations and other commercial or governmental third-party payors;

(vii) all Contracts related to the lease of any Tangible Personal Property;

(viii) all Contracts related to the provision of services to patients of the licensed ambulatory surgery center and the licensed postsurgical recovery care center owned by Seller, including but not limited to emergency transfer agreements, blood services agreements, and anesthesia services agreements;

(ix) all Contracts that limit or purport to limit the ability of Seller or any Physician to compete in any line of business or with any Person or in any geographic area or during any period of time;

(x) all joint venture, partnership or similar Contracts;

(xi) all Contracts for the sale of any of the Purchased Assets or for the grant to any Person of any option, right of first refusal or preferential or similar right to purchase any of the Purchased Assets;

(xii) all powers of attorney with respect to the Business or any Purchased Asset;

(xiii) all collective bargaining agreements or Contracts with any labor union; and

(xiv) all other Contracts that are material to the Purchased Assets or the operation of the Business and not previously disclosed pursuant to this Section 4.07.

(b) Each Material Contract is valid and binding on Seller in accordance with its terms and is in full force and effect. None of Seller or, to Seller's Knowledge, any other party thereto is in breach of or default under (or is alleged to be in breach of or default under), or has provided or received any notice of any intention to terminate, any Material Contract. No event or circumstance has occurred that, with notice or lapse of time or both, would constitute an event of default under any Material Contract or result in a termination thereof or would cause or permit the acceleration or other changes of any right or obligation or the loss of any benefit thereunder. Complete and correct copies of each Material Contract (including all modifications, amendments and supplements thereto and waivers thereunder) have been made available to Buyer. There are no material disputes pending or threatened under any Contract included in the Purchased Assets.

Section 4.08 **Title to Purchased Assets.** Seller has good and valid title to, or a valid leasehold interest in, all of the Purchased Assets. All such Purchased Assets (including leasehold interests) are free and clear of Encumbrances except for the following (collectively referred to as "**Permitted Encumbrances**"):

(a) those items set forth in Section 4.08 of the Disclosure Schedules;

(b) liens for Taxes not yet due and payable; or

(c) easements, rights of way, zoning ordinances and other similar encumbrances affecting Leased Real Property which are not, individually or in the aggregate, material to the Business or the Purchased Assets, which do not prohibit or interfere with the current operation of any Leased Real Property.

Section 4.09 **Condition and Sufficiency of Assets.** The furniture, fixtures, equipment, and other items of tangible personal property included in the Purchased Assets are in good operating condition and repair, and are adequate for the uses to which they are being put, and none of such furniture, fixtures, equipment, and other items of tangible personal property is in need of maintenance or repairs except for ordinary, routine maintenance and repairs that are not material in nature or cost. The Purchased Assets are sufficient for the continued conduct of the Business after the Closing in substantially the same manner as conducted prior to the Closing and constitute all of the rights, property and assets necessary to conduct the Business as currently conducted. None of the Excluded Assets are material to the Business.

Section 4.10 **Real Property.**

(a) Seller does not own any parcel of real property used in or necessary for the conduct of the Business as currently conducted.

(b) Section 4.10(b) of the Disclosure Schedules sets forth each parcel of real property leased by Seller and used in or necessary for the conduct of the Business as currently conducted (together with all rights, title and interest of Seller in and to leasehold improvements relating thereto, including, but not limited to, security deposits, reserves or prepaid rents paid in connection therewith, collectively, the "**Leased Real Property**"), and a true and complete list of all leases, subleases, licenses, concessions and other agreements (whether written or oral), including all amendments, extensions renewals, guaranties and other agreements with respect thereto, pursuant to which Seller holds any Leased Real Property (collectively, the "**Leases**"). Seller has delivered to Buyer a true and complete copy of each Lease. With respect to each Lease:

(i) such Lease is valid, binding, enforceable and in full force and effect, and Seller enjoys peaceful and undisturbed possession of the Leased Real Property;

(ii) Seller is not in breach or default under such Lease, and no event has occurred or circumstance exists which, with the delivery of notice, passage of time or both, would constitute such a breach or default, and Seller has paid all rent due and payable under such Lease;

(iii) Seller has not received nor given any notice of any default or event that with notice or lapse of time, or both, would constitute a default by Seller under any of the Leases and, to the Knowledge of Seller, no other party is in default thereof, and no party to any Lease has exercised any termination rights with respect thereto; and

(iv) Seller has not pledged, mortgaged or otherwise granted an Encumbrance on its leasehold interest in any Leased Real Property.

(c) Seller has not received any written notice of (i) violations of building codes and/or zoning ordinances or other governmental or regulatory Laws affecting the Leased Real Property, (ii) existing, pending or threatened condemnation proceedings affecting the Leased Real Property, or (iii) existing, pending or threatened zoning, building code or other moratorium proceedings, or similar matters which could reasonably be expected to adversely affect the ability to operate the Leased Real Property as currently operated. Neither the whole nor any material portion of any Leased Real Property is damaged by fire or other casualty.

(d) The Leased Real Property is sufficient for the continued conduct of the Business after the Closing in substantially the same manner as conducted prior to the

Closing and constitutes all of the real property necessary to conduct the Business as currently conducted.

Section 4.11 **Intellectual Property.**

(a) Section 4.11(a) of the Disclosure Schedules lists all Intellectual Property included in the Purchased Assets (**"Purchased IP"**). Seller owns or has adequate, valid and enforceable rights to use all the Purchased IP, free and clear of all Encumbrances. Seller is not bound by any outstanding judgment, injunction, order or decree restricting the use of the Purchased IP, or restricting the licensing thereof to any person or entity. With respect to the registered Intellectual Property listed on Section 4.11(a) of the Disclosure Schedules, (i) all such Intellectual Property is valid, subsisting and in full force and effect and (ii) Seller has paid all maintenance fees and made all filings required to maintain Seller's ownership thereof. For all such registered Intellectual Property, Section 4.11(a) of the Disclosure Schedules lists (A) the jurisdiction where the application or registration is located, (B) the application or registration number, and (C) the application or registration date.

(b) Seller's prior and current use of the Purchased IP has not and does not infringe, violate, dilute or misappropriate the Intellectual Property of any person or entity and there are no claims pending or threatened by any person or entity with respect to the ownership, validity, enforceability, effectiveness or use of the Purchased IP. No person or entity is infringing, misappropriating, diluting or otherwise violating any of the Purchased IP, and neither Seller nor any Affiliate of Seller has made or asserted any claim, demand or notice against any person or entity alleging any such infringement, misappropriation, dilution or other violation.

Section 4.12 **Insurance.** Section 4.12 of the Disclosure Schedules sets forth (a) a true and complete list of all current policies or binders of general liability, professional liability, umbrella liability, real and personal property, workers' compensation, fiduciary liability and other casualty and property insurance maintained by Seller or its Affiliates and relating to the Business, the Purchased Assets or the Assumed Liabilities (collectively, the **"Insurance Policies"**); and (b) with respect to the Business, the Purchased Assets or the Assumed Liabilities, a list of all pending claims and the claims history for Seller since January 1, 2017. There are no claims related to the Business, the Purchased Assets or the Assumed Liabilities pending under any such Insurance Policies as to which coverage has been questioned, denied or disputed or in respect of which there is an outstanding reservation of rights other than as set forth on Section 4.12 of the Disclosure Schedules. Neither Seller nor any of its Affiliates has received any written notice of cancellation of, premium increase with respect to, or alteration of coverage under, any of such Insurance Policies. All premiums due on such Insurance Policies have either been paid or, if not yet due, accrued. All such Insurance Policies are in full force and effect and enforceable in accordance with their terms and have not been subject to any lapse in coverage. None of Seller or any of its Affiliates is in default under, or has otherwise failed to comply with, in any material respect, any provision contained in any such Insurance Policy. The Insurance Policies are of the type and in the amounts customarily carried by Persons conducting a business similar to the Business and are sufficient for compliance with all applicable Laws and Contracts to which Seller is a party or by which it is bound. True and complete copies of the Insurance Policies have been made available to Buyer.

Section 4.13 **Legal Proceedings; Governmental Orders.**

(a) There are no Actions pending or, to Seller's Knowledge, threatened against or by Seller or any Physician Owner (a) relating to or affecting the Business, the Purchased Assets or the Assumed Liabilities; or (b) that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. No event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such Action.

(b) There are no outstanding Governmental Orders and no unsatisfied judgments, penalties or awards against, relating to or affecting the Business or any Physician Owner.

Section 4.14 **Compliance With Laws; Permits.**

(a) Seller has complied, and is now complying, with all Laws, including all Health Care Laws, applicable to the conduct of the Business as currently conducted or the ownership and use of the Purchased Assets. All submissions of claims to any Federal or State healthcare program have complied with all applicable Laws.

(b) All Permits required for Seller to conduct the Business as currently conducted or for the ownership and use of the Purchased Assets have been obtained by Seller and are valid and in full force and effect. All fees and charges with respect to such Permits as of the date hereof have been paid in full. Section 4.14(b) of the Disclosure Schedules lists all current Permits issued to Seller which are related to the conduct of the Business as currently conducted or the ownership and use of the Purchased Assets, including the names of the Permits and their respective dates of issuance and expiration. No event has occurred that, with or without notice or lapse of time or both, would reasonably be expected to result in the revocation, suspension, lapse or limitation of any Permit set forth in Section 4.14(b) of the Disclosure Schedules.

Section 4.15 **Environmental Matters.**

(a) The operations of Seller with respect to the Business and the Purchased Assets are currently and have been in compliance with all Environmental Laws. Seller has not received from any Person, with respect to the Business or the Purchased Assets, any: (i) Environmental Notice or Environmental Claim; or (ii) written request for information pursuant to Environmental Law, which, in each case, either remains pending or unresolved, or is the source of ongoing obligations or requirements as of the Closing Date.

(b) Seller has obtained and is in material compliance with all Environmental Permits (each of which is disclosed in Section 4.15(b) of the Disclosure Schedules) necessary for the conduct of the Business as currently conducted or the ownership, lease, operation or use of the Purchased Assets and all such Environmental Permits are in full force and effect and shall be maintained in full force and effect by Seller through the Closing Date in accordance with Environmental Law, and Seller is not aware of any condition, event or circumstance that might prevent or impede, after the Closing Date, the conduct of the Business as currently conducted or the ownership, lease, operation or use of the Purchased Assets. With respect to any such Environmental Permits, Seller has undertaken, or will undertake prior to the Closing Date, all measures necessary to facilitate transferability of the same, and Seller is not aware of any condition, event or circumstance that might prevent or impede the transferability of the same, and has not received any Environmental Notice or written communication regarding any material adverse change in the status or terms and conditions of the same.

(c) Seller has not retained or assumed, by contract or operation of Law, any liabilities or obligations of third parties under Environmental Law.

(d) Seller has provided or otherwise made available to Buyer and listed in Section 4.15(d) of the Disclosure Schedules: (i) any and all environmental reports, studies, audits, records, sampling data, site assessments, risk assessments, and other similar documents with respect to the Business or the Purchased Assets or any real property currently or formerly owned, leased or operated by Seller in connection with the Business which are in the possession or control of Seller related to compliance with Environmental Laws, Environmental Claims or an Environmental Notice or the Release of Hazardous Materials; and (ii) any and all material documents concerning planned or anticipated capital expenditures required to reduce, offset, limit or otherwise manage waste or otherwise ensure compliance with current or future Environmental Laws (including, without limitation, costs of remediation and operational changes).

Section 4.16 **Employee Benefit Matters.**

(a) Seller does not, and has never, established, maintained, contributed to, or participated in any employee benefit plan, including any bonus or other type of incentive compensation plan, or arrangement (whether or not set forth in a written document), or any pension, profit sharing, retirement or other plan or arrangement (each, a "**Benefit Plan**").

(b) There are not pending or, to the Seller's Knowledge, threatened, any claims by or on behalf of a benefit plan or by any employee of the Seller or any Affiliate alleging a breach or breaches of fiduciary duties or violations of other applicable state and federal law that could result in liability on the part of the Seller or any benefit plan under applicable law, or an Encumbrance on the Assets, nor is there any reasonable basis for such a claim. Further, to the Seller's Knowledge, no event or circumstance has occurred that, with or without notice or lapse of time or both, could result in liability on the part of Buyer or any affiliate of Buyer or a benefit plan under applicable law or an Encumbrance on the Assets.

Section 4.17 **Employment Matters.**

(a) Section 4.17(a) of the Disclosure Schedules contains a list of all persons who are employees, independent contractors or consultants of the Business as of the date hereof, including any employee who is on a leave of absence of any nature, paid or unpaid, authorized or unauthorized, and sets forth for each such individual the following: (i) name; (ii) title or position (including whether full or part time); (iii) hire date; (iv) current annual base compensation rate; (v) bonus or other incentive-based compensation; and (vi) a description of the fringe benefits provided to each such individual as of the date hereof. As of the date hereof, all compensation, including wages, commissions and bonuses payable to all employees, independent contractors or consultants of the Business for services performed on or prior to the date hereof have been paid in full and there are no outstanding agreements, understandings or commitments of Seller with respect to any compensation, commissions or bonuses.

(b) Seller is and has been in compliance with all applicable Laws pertaining to employment and employment practices to the extent they relate to employees of the Business. All individuals characterized and treated by Seller as consultants or independent contractors of the Business are properly treated as independent contractors under all applicable Laws. All employees of the Business classified as exempt under the Fair Labor Standards Act and state and local wage and hour laws are properly classified.

Section 4.18 **Taxes.**

(a) All Tax Returns required to be filed by Seller for any Pre-Closing Tax Period have been, or will be, timely filed. Such Tax Returns are, or will be, true, complete and correct in all respects. All Taxes due and owing by Seller (whether or not shown on any Tax Return) have been, or will be, timely paid.

(b) Seller has withheld and paid each Tax required to have been withheld and paid in connection with amounts paid or owing to any Employee, independent contractor, creditor, customer, member or other party, and complied with all information reporting and backup withholding provisions of applicable Law.

(c) No extensions or waivers of statutes of limitations have been given or requested with respect to any Taxes of Seller.

(d) All deficiencies asserted, or assessments made, against Seller as a result of any examinations by any taxing authority have been fully paid.

(e) Seller is not a party to any Action by any taxing authority. There are no pending or threatened Actions by any taxing authority.

(f) There are no Encumbrances for Taxes upon any of the Purchased Assets nor is any taxing authority in the process of imposing any Encumbrances for Taxes on any of the Purchased Assets (other than for current Taxes not yet due and payable).

(g) Seller is not a "foreign person" as that term is used in Treasury Regulations Section 1.1445-2.

(h) Seller is not, and has not been, a party to, or a promoter of, a "reportable transaction" within the meaning of Section 6707A(c)(1) of the Code and Treasury Regulations Section 1.6011 4(b).

Section 4.19 **Brokers.** No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement or any other Transaction Document based upon arrangements made by or on behalf of Seller.

Section 4.20 **Full Disclosure.** No representation or warranty by Seller in this Agreement and no statement contained in the Disclosure Schedules to this Agreement or any certificate or other document furnished or to be furnished to Buyer pursuant to this Agreement contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements contained therein, in light of the circumstances in which they are made, not misleading.

ARTICLE V.
REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller that the statements contained in this Article V are true and correct as of the date hereof.

Section 5.01 **Organization of Buyer.** Buyer is a limited liability company duly organized, validly existing and in good standing under the Laws of the State of Illinois.

Section 5.02 **Authority of Buyer.** Buyer has full corporate power and authority to enter into this Agreement and the other Transaction Documents to which Buyer is a party, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by Buyer of this Agreement and any other Transaction Document to which Buyer is a party, the performance by Buyer of its obligations hereunder and thereunder and the consummation by Buyer of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of Buyer. This Agreement has been duly executed and delivered by Buyer, and (assuming due authorization, execution and delivery by Seller) this Agreement constitutes a legal, valid and binding obligation of Buyer enforceable against Buyer in accordance with its terms. When each other Transaction Document to which Buyer is or will be a party has been duly executed and delivered by Buyer (assuming due authorization, execution and delivery by each other party thereto), such Transaction Document will constitute a legal and binding obligation of Buyer enforceable against it in accordance with its terms.

Section 5.03 **No Conflicts; Consents.** The execution, delivery and performance by Buyer of this Agreement and the other Transaction Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) conflict with or result in a violation or breach of, or default under, any provision of the certificate of organization, operating agreement or other organizational documents of Buyer; (b) conflict with or result in a violation or breach of any provision of any Law or Governmental Order applicable to Buyer; or (c) require the consent, notice or other action by any Person under any Contract to which Buyer is a party. Except as set forth on Section 5.03 of the Disclosure Schedules, no consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to Buyer in connection with the execution and delivery of this Agreement and the other Transaction Documents and the consummation of the transactions contemplated hereby and thereby.

Section 5.04 **Brokers.** The Seller has employed a business broker in its bankruptcy case, and any commission owed to the broker shall be paid from the Seller's share of the proceeds at closing.

Section 5.05 **Legal Proceedings.** There are no Actions pending or, to Buyer's knowledge, threatened against or by Buyer or any Affiliate of Buyer that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. No event has occurred or circumstances exist that may give rise or serve as a basis for any such Action.

ARTICLE VI.
COVENANTS

Section 6.01 **Conduct of Business Prior to the Closing.** From the date hereof until the Closing, except as otherwise provided in this Agreement or consented to in writing by Buyer (which consent shall not be unreasonably withheld or delayed), Seller shall (x) conduct the Business in the ordinary course of business consistent with past practice; and (y) use reasonable best efforts to maintain and preserve intact its current Business organization and operations and to preserve the rights, goodwill and relationships of its employees, patients, lenders, suppliers, regulators and others having relationships with the Business. Without limiting the foregoing, from the date hereof until the Closing Date, Seller shall:

(a) preserve and maintain all Permits required for the conduct of the Business as currently conducted or the ownership and use of the Purchased Assets;

(b) pay the debts, Taxes and other obligations of the Business when due;

(c) maintain the properties and assets included in the Purchased Assets in the same condition as they were on the date of this Agreement, subject to reasonable wear and tear;

(d) not, without the prior written consent of Buyer, sell, transfer, or otherwise dispose of any of the Tangible Personal Property, other than supplies and drugs on hand in the ordinary course of business;

(e) continue in full force and effect without modification all Insurance Policies, except as required by applicable Law;

(f) defend and protect the properties and assets included in the Purchased Assets from infringement or usurpation;

(g) perform all of its obligations under all Assigned Contracts;

(h) maintain the Books and Records and Medical Records in accordance with past practice and applicable Law;

(i) comply in all material respects with all Laws applicable to the conduct of the Business or the ownership and use of the Purchased Assets; and

(j) not take or permit any action that would cause any of the changes, events or conditions described in Section 4.06 to occur.

Section 6.02 **Access to Information.** From the date hereof until the Closing, Seller shall (a) afford Buyer and its Representatives full and free access to and the right to inspect all of the Leased Real Property, properties, assets, premises, Books and Records, Medical Records, Contracts and other documents and data related to the Business; (b) furnish Buyer and its Representatives with such financial, operating and other data and information related to the Business as Buyer or any of its Representatives may reasonably request; and (c) instruct the Representatives of Seller to cooperate with Buyer in its investigation of the Business. Any investigation pursuant to this Section 6.02 shall be conducted in such manner as not to interfere unreasonably with the conduct of the Business or any other businesses of Seller. No investigation by Buyer or other information received by Buyer shall operate as a waiver or otherwise affect any representation, warranty or agreement given or made by Seller in this Agreement.

Section 6.03 **Notice of Certain Events.**

(a) From the date hereof until the Closing, Seller shall promptly notify Buyer in writing of:

(i) any fact, circumstance, event or action the existence, occurrence or taking of which (A) has had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (B) has resulted in, or could reasonably be expected to result in, any representation or warranty made by Seller hereunder not being true and correct or (C) has resulted in, or could reasonably be expected to result in, the failure of any of the conditions set forth in Section 7.02 to be satisfied;

(ii) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement;

(iii) any notice or other communication from any Governmental Authority in connection with the transactions contemplated by this Agreement; and

(iv) any Actions commenced or, to Seller's Knowledge, threatened against, relating to or involving or otherwise affecting the Business, the Purchased Assets or the Assumed Liabilities that, if pending on the date of this Agreement, would have been required to have been disclosed pursuant to Section 4.13 or that relates to the consummation of the transactions contemplated by this Agreement.

(b) Buyer's receipt of information pursuant to this Section 6.03 shall not operate as a waiver or otherwise affect any representation, warranty or agreement given or made by Seller in this Agreement (including Section 8.01(b)) and shall not be deemed to amend or supplement the Disclosure Schedules.

Section 6.04 **Employees and Employee Benefits.**

(a) Seller shall be solely responsible, and Buyer shall have no obligations whatsoever for, any compensation or other amounts payable to any current or former employee, officer, director, independent contractor or consultant of the Business, including, without limitation, hourly pay, commission, bonus, salary, accrued vacation, fringe, pension or profit sharing benefits or severance pay for any period relating to the service with Seller at any time prior to the Closing Date and Seller shall pay all such amounts to all entitled persons prior to the Closing Date.

(b) Seller shall remain solely responsible for the satisfaction of all claims for medical, dental, life insurance, health accident or disability benefits brought by or in respect of current or former employees, officers, directors, independent contractors or consultants of the Business or the spouses, dependents or beneficiaries thereof, which claims relate to events occurring prior to the Closing Date. Seller also shall remain solely responsible for all worker's compensation claims of any current or former employees, officers, directors, independent contractors or consultants of the Business which relate to events occurring prior to the Closing Date. Seller shall pay, or cause to be paid, all such amounts to the appropriate persons as and when due.

Section 6.05 **Confidentiality.**

(a) Buyer and Seller acknowledge and agree that the Confidentiality Agreement remains in full force and effect and, in addition, covenant and agree to keep confidential, in accordance with the provisions of the Confidentiality Agreement, information provided pursuant to this Agreement other than what is necessary for the Seller to obtain approval of the Bankruptcy Court for this transaction and seek competing bids. If this Agreement is, for any reason, terminated prior to the Closing, the Confidentiality Agreement and the provisions of this Section 6.05(a) shall nonetheless continue in full force and effect.

Section 6.06 **Governmental Approvals and Consents.**

(a) Each party hereto shall, as promptly as possible, (i) make, or cause or be made, all filings and submissions required under any Law applicable to such party or any of its Affiliates; and (ii) use reasonable best efforts to obtain, or cause to be obtained, all consents, authorizations, orders and approvals from all Governmental Authorities that may be or become necessary for its execution and delivery of this Agreement and the performance of its obligations pursuant to this Agreement and the other Transaction Documents. Each party shall cooperate fully with the other party and its Affiliates in promptly seeking to obtain all such consents, authorizations, orders and approvals. The parties hereto shall not willfully take any action that will have the effect of delaying, impairing or impeding the receipt of any required consents, authorizations, orders and approvals.

(b) Seller and Buyer shall use commercially reasonable efforts to give all notices to, and obtain all consents from, all third parties that are described in Section 4.03 of the Disclosure Schedules.

(c) Without limiting the generality of the parties' undertakings pursuant to subsections (a) and (b) above, each of the parties hereto shall use all commercially reasonable efforts to:

(i) respond to any inquiries by any Governmental Authority with respect to the transactions contemplated by this Agreement or any other Transaction Document;

(ii) avoid the imposition of any order or the taking of any action that would restrain, alter or enjoin the transactions contemplated by this Agreement or any other Transaction Document; and

(iii) in the event any Governmental Order adversely affecting the ability of the parties to consummate the transactions contemplated by this Agreement or any other Transaction Document has been issued, to have such Governmental Order vacated or lifted.

Section 6.07 **Books and Records.**

(a) In order to facilitate the resolution of any claims made against or incurred by Seller prior to the Closing, or for any other reasonable purpose, and in order to allow Seller to fulfill its fiduciary and statutory obligations under the Bankruptcy Code, for a period of five (5) years after the Closing, Buyer shall:

(i) retain the Books and Records and Medical Records relating to periods prior to the Closing; and

(ii) upon reasonable notice, afford the Seller's Representatives reasonable access (including the right to make, at Seller's expense, photocopies), during normal business hours, to such Books and Records, and Medical Records, in accordance with applicable Law.

(b) In order to facilitate the resolution of any claims made by or against or incurred by Buyer after the Closing, or for any other reasonable purpose, for a period of five (5) years following the Closing, Seller shall:

(i) retain the books and records (including personnel files) of Seller which relate to the Business and its operations for periods prior to the Closing; and

(ii) upon reasonable notice, afford the Buyer's Representatives reasonable access (including the right to make, at Buyer's expense, photocopies), during normal business hours, to such books and records.

(c) Neither Buyer nor Seller shall be obligated to provide the other party with access to any books or records (including personnel files) pursuant to this Section 6.07 where such access would violate any Law.

Section 6.08 **Closing Conditions.** From the date hereof until the Closing, each party hereto shall use reasonable best efforts to take such actions as are necessary to expeditiously satisfy the closing conditions set forth in Article VII hereof.

Section 6.09 **Public Announcements.** Unless otherwise required by applicable Law (based upon the reasonable advice of counsel), no party to this Agreement shall make any public announcements in respect of this Agreement or the transactions contemplated hereby or otherwise communicate with any news media without the prior written consent of the other party (which consent shall not be unreasonably withheld or delayed), and the parties shall cooperate as to the timing and contents of any such announcement.

Section 6.10 **Bulk Sales Laws.** The parties hereby waive compliance with the provisions of any bulk sales, bulk transfer or similar Laws of any jurisdiction that may otherwise be applicable with respect to the sale of any or all of the Purchased Assets to Buyer; it being understood that any Liabilities arising out of the failure of Seller to comply with the requirements and provisions of any bulk sales, bulk transfer or similar Laws of any jurisdiction which would not otherwise constitute Assumed Liabilities shall be treated as Excluded Liabilities.

Section 6.11 **Transfer Taxes.** All transfer, documentary, sales, use, stamp, registration, value added and other such Taxes and fees (including any penalties and interest) incurred in connection with this Agreement and the other Transaction Documents shall be borne and paid by Seller when due. Seller shall, at its own expense, timely file any Tax Return or other document with respect to such Taxes or fees (and Buyer shall cooperate with respect thereto as necessary).

Section 6.12 **Tax Clearance Certificates.** Seller shall notify all of the taxing authorities in the jurisdictions that impose Taxes on Seller or where Seller has a duty to file Tax Returns of the transactions contemplated by this Agreement in the form and manner required by such taxing authorities, if the failure to make such notifications or receive any available tax clearance certificate (a "**Tax Clearance Certificate**") could subject the Buyer to any Taxes of Seller. If any taxing authority asserts that Seller is liable for any Tax, Seller shall promptly pay any and all such amounts and shall provide evidence to the Buyer that such liabilities have been paid in full or otherwise satisfied. In the event a required Tax Clearance Certificate is not delivered to Buyer on or prior to Closing, as required by Section 7.02(m), Buyer shall be entitled to deduct and withhold from the Purchase Price all Taxes that Buyer may be required to deduct and withhold under any provision of Tax Law. All such withheld amounts shall be treated as delivered to Seller hereunder.

Section 6.13 **Further Assurances.** Following the Closing, each of the parties hereto shall, and shall cause their respective Affiliates to, execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement and the other Transaction Documents.

Section 6.14 **Supplement to Disclosure Schedules.** From time to time prior to the Closing, Seller shall promptly supplement or amend the Disclosure Schedules hereto with respect to any matter hereafter arising, which, if existing, occurring or known at the date of this Agreement, would have been required to be set forth or described in the Disclosure Schedules (each a "**Schedule Supplement**"). Any disclosure in any such Schedule Supplement shall not be deemed to have cured any inaccuracy in or breach of any representation or warranty contained in this Agreement, including for purposes of the termination rights contained in this Agreement or of determining whether or not the conditions set forth in Section 7.02 have been satisfied.

ARTICLE VII.
CONDITIONS TO CLOSING

Section 7.01 **Conditions to Obligations of All Parties.** The obligations of each party to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment, at or prior to the Closing, of each of the following conditions:

(a) No Governmental Authority shall have enacted, issued, promulgated, enforced or entered any Governmental Order which is in effect and has the effect of making the transactions contemplated by this Agreement illegal, otherwise restraining or prohibiting consummation of such transactions or causing any of the transactions contemplated hereunder to be rescinded following completion thereof.

(b) Seller shall have received all consents, authorizations, orders and approvals from the Governmental Authorities referred to in Section 4.03 and Buyer shall have received all consents, authorizations, orders and approvals from the Governmental Authorities referred to in Section 5.03, in each case, in form and substance reasonably satisfactory to Buyer and Seller, and no such consent, authorization, order and approval shall have been revoked.

(c) The Bankruptcy Court must approve this transaction by written order pursuant to Sections 363 and 365 of the Bankruptcy Code, which order shall be in form and substance satisfactory to Buyer.

Section 7.02 **Conditions to Obligations of Buyer.** The obligations of Buyer to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or Buyer's waiver, at or prior to the Closing, of each of the following conditions:

(a) Other than the representations and warranties of Seller contained in Section 4.01, Section 4.02, Section 4.04 and Section 4.19, the representations and warranties of Seller contained in this Agreement, the other Transaction Documents and any certificate or other writing delivered pursuant hereto shall be true and correct in all respects (in the case of any representation or warranty qualified by materiality or Material Adverse Effect) or in all material respects (in the case of any representation or warranty not qualified by materiality or Material Adverse Effect) on and as of the date hereof and on and as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects). The representations and warranties of Seller contained in Section 4.01, Section 4.02, Section 4.04 and Section 4.19 shall be true and correct in all respects on and as of the date hereof and on and as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects).

(b) Seller shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement and each of the other Transaction Documents to be performed or complied with by it prior to or on the Closing Date; *provided, that*, with respect to agreements, covenants and conditions that are qualified by materiality, Seller shall have performed such agreements, covenants and conditions, as so qualified, in all respects.

(c) No Action shall have been commenced against Buyer or Seller, which would prevent the Closing. No injunction or restraining order shall have been issued by any Governmental Authority, and be in effect, which restrains or prohibits any transaction contemplated hereby.

(d) All approvals, consents and waivers that are listed on Section 4.03 of the Disclosure Schedules shall have been received, and executed counterparts thereof shall have been delivered to Buyer at or prior to the Closing.

(e) From the date of this Agreement, there shall not have occurred any Material Adverse Effect, nor shall any event or events have occurred that, individually or in the aggregate, with or without the lapse of time, could reasonably be expected to result in a Material Adverse Effect.

(f) Seller shall have delivered to Buyer duly executed counterparts to the Transaction Documents (other than this Agreement) and such other documents and deliveries set forth in Section 3.02(a).

(g) Buyer shall have received all Permits that are necessary for it to conduct the Business as conducted by Seller as of the Closing Date, except that, if a license to operate the postsurgical recovery care center is not issued to Buyer by the Illinois Department of Public Health, by reason of a refusal by the Illinois Health Facilities and Services Review Board to issue a certificate of exemption approving the change of ownership of such facility or otherwise, this condition shall be deemed satisfied, provided that, in such case, the Purchase Price shall be reduced by $100,000.00.

(h) All Encumbrances relating to the Purchased Assets shall have been released in full, other than the Permitted Encumbrances described in Section 4.08(a) through Section 4.08(c), and Seller shall have delivered to Buyer written evidence, in form satisfactory to Buyer in its sole discretion, of the release of such Encumbrances.

(i) Buyer shall have received a certificate, dated the Closing Date and signed by a duly authorized officer of Seller, that each of the conditions set forth in Section 7.02(a) and Section 7.02(b) have been satisfied (the "**Seller Closing Certificate**").

(j) Buyer shall have received a certificate of the Secretary of Seller certifying that attached thereto are true and complete copies of all resolutions adopted by the members of Seller authorizing the execution, delivery and performance of this Agreement and the other Transaction Documents and the consummation of the transactions contemplated hereby and thereby, and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated hereby and thereby.

(k) Buyer shall have received a certificate of the Secretary of Seller certifying the names and signatures of the officers of Seller authorized to sign this Agreement, the Transaction Documents and the other documents to be delivered hereunder and thereunder.

(l) Buyer shall have received a certificate pursuant to Treasury Regulations Section 1.1445-2(b) (the "**FIRPTA Certificate**") that Seller is not a foreign person within the meaning of Section 1445 of the Code duly executed by Seller.

(m) Buyer shall have received a copy of a Tax Clearance Certificate issued to Seller by the Illinois Department of Revenue as of a recent date prior to the Closing Date.

(n) Buyer shall have received evidence that Seller has obtained, at its sole cost and expense, an extended reporting endorsement to its professional liability insurance policy, if such policy has been maintained on a "claims-made" basis, covering any claims made or occurrences relating to or resulting from any event that occurred prior to the Closing Date.

(o) Buyer shall have determined, in its reasonable discretion, that the Purchase Price is consistent with the fair market value of the Purchased Assets.

(p) Buyer shall enter into a new lease with respect to the Office, in form and substance satisfactory to Buyer (the "New Lease") and duly executed by Peoria Urological Investment Group, LLC, as landlord.

(q) The board of managers and the members of Buyer shall have approved the transaction contemplated by this Agreement and the execution and delivery of the Transaction Documents.

(r) The board of managers and members of Buyer shall have approved the entry of the physician investors as members of Buyer.

(s) Seller shall have delivered to Buyer such other documents or instruments as Buyer reasonably requests and are reasonably necessary to consummate the transactions contemplated by this Agreement.

(t) Buyer shall have completed its due diligence investigation of the Business, and shall, in its reasonable discretion, be satisfied with the results of such due diligence investigation.

Section 7.03 **Conditions to Obligations of Seller.** The obligations of Seller to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or Seller's waiver, at or prior to the Closing, of each of the following conditions:

(a) Other than the representations and warranties of Buyer contained in Section 5.01, Section 5.02 and Section 5.04, the representations and warranties of Buyer contained in this Agreement, the other Transaction Documents and any certificate or other writing delivered pursuant hereto shall be true and correct in all respects (in the case of any representation or warranty qualified by materiality or Material Adverse Effect) or in all material respects (in the case of any representation or warranty not qualified by materiality or Material Adverse Effect) on and as of the date hereof and on and as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects). The representations and warranties of Buyer contained in Section 5.01, Section 5.02 and Section 5.04 shall be true and correct in all respects on and as of the date hereof and on and as of the Closing Date with the same effect as though made at and as of such date.

(b) Buyer shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement and each of the other Transaction Documents to be performed or complied with by it prior to or on the Closing Date; *provided, that*, with respect to agreements, covenants and conditions that are qualified by materiality, Buyer shall have performed such agreements, covenants and conditions, as so qualified, in all respects.

(c) No injunction or restraining order shall have been issued by any Governmental Authority, and be in effect, which restrains or prohibits any material transaction contemplated hereby.

(d) All approvals, consents and waivers that are listed on Section 5.03 of the Disclosure Schedules shall have been received, and executed counterparts thereof shall have been delivered to Seller at or prior to the Closing.

(e) Buyer shall have delivered to Seller duly executed counterparts to the Transaction Documents (other than this Agreement) and such other documents and deliveries set forth in Section 3.02(b).

(f) Seller shall have received a certificate, dated the Closing Date and signed by a duly authorized officer of Buyer, that each of the conditions set forth in Section 7.03(a) and Section 7.03(b) have been satisfied (the "**Buyer Closing Certificate**").

(g) Seller shall have received a certificate of the Secretary of Buyer certifying that attached thereto are true and complete copies of all resolutions adopted by the board of managers and members of Buyer authorizing the execution, delivery and performance of this Agreement and the other Transaction Documents and the consummation of the transactions contemplated hereby and thereby, and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated hereby and thereby.

(h) Seller shall have received a certificate of the Secretary of Buyer certifying the names and signatures of the officers of Buyer authorized to sign this Agreement, the Transaction Documents and the other documents to be delivered hereunder and thereunder.

(i) The members of Seller shall have approved the transaction contemplated by this Agreement and the execution and delivery of the Transaction Documents.

(j) Buyer shall have delivered to Seller such other documents or instruments as Seller reasonably requests and are reasonably necessary to consummate the transactions contemplated by this Agreement.

ARTICLE VIII.
TERMINATION

Section 8.01 **Termination.** This Agreement may be terminated at any time prior to the Closing:

(a) by the mutual written consent of Seller and Buyer;

(b) by Buyer by written notice to Seller if:

(i) Buyer is not then in material breach of any provision of this Agreement and there has been a breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by Seller pursuant to this Agreement that would give rise to the failure of any of the conditions specified in Article VII and such breach, inaccuracy or failure has not been cured by Seller within ten (10) days of Seller's receipt of written notice of such breach from Buyer; or

(ii) any of the conditions set forth in Section 7.01 or Section 7.02 shall not have been, or if it becomes apparent that any of such conditions will not be, fulfilled by September 1, 2021, unless such failure shall be due to the failure of Buyer to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it prior to the Closing;

(c) by Seller by written notice to Buyer if:

(i) Seller is not then in material breach of any provision of this Agreement and there has been a breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by Buyer pursuant to this Agreement that would give rise to the failure of any of the conditions specified in Article VII and such breach, inaccuracy or failure has not been cured by Buyer within ten (10) days of Buyer's receipt of written notice of such breach from Seller; or

(ii) any of the conditions set forth in Section 7.01 or Section 7.03 shall not have been, or if it becomes apparent that any of such conditions will not be, fulfilled by September 1, 2021, unless such failure shall be due to the failure of Seller to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it prior to the Closing; or

(d) by Buyer or Seller in the event that (i) there shall be any Law that makes consummation of the transactions contemplated by this Agreement illegal or otherwise prohibited or (ii) any Governmental Authority shall have issued a Governmental Order restraining or enjoining the transactions contemplated by this Agreement, and such Governmental Order shall have become final and non-appealable.

Section 8.02 **Effect of Termination.** In the event of the termination of this Agreement in accordance with this Article, this Agreement shall forthwith become void and there shall be no liability on the part of any party hereto except:

(a) as set forth in this Article VIII and Section 6.05 and Article IX hereof; and

(b) that nothing herein shall relieve any party hereto from liability for any willful breach of any provision hereof.

ARTICLE IX.
MISCELLANEOUS

Section 9.01 **Expenses.** Except as otherwise expressly provided herein, all costs and expenses, including, without limitation, fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses, whether or not the Closing shall have occurred, except that Buyer shall be responsible for all fees, costs and related expenses (not including fees and costs payable by Seller to its attorneys or other professional advisors) to obtain any regulatory approvals and third party consents, including but not limited to: (i) Certificates of Exemption from the Illinois Health Facilities and Services Review Board; (ii) an ambulatory surgical center license from the Illinois Department of Public Health; (iii) a post-surgical recovery care center license from the Illinois Department of Public Health; and (iv) [the consent of Peoria Urological Investment Group, LLC, as landlord, to the assignment to Buyer of that certain Commercial Lease Agreement, dated as of April 1, 2015, relating to the use and occupancy of the Office.]

Section 9.02 **Notices.** All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 9.02):

If to Seller:	Peoria Day Surgery Center, LLC 7309 N. Knoxville Avenue Peoria, Illinois 61604 Fax: (309) 693-6472 Email: ahlmanmd@hotmail.com Attn: Justin Ahlman, M.D.
with a copy to:	Rafool & Bourne, P.C. 411 Hamilton Blvd., Suite 1600 Peoria, IL 61602 Fax: (309) 673-5537 Email: sbourne@rafoolbourne.com Attn: Sumner A. Bourne
If to Buyer:	Center for Health Ambulatory Surgery Center, LLC 8800 N. Route 91 Peoria, Illinois 61615 Fax: 309.683.4496 Email: TFeldman@cfhasc.com Attn: Thomas J. Feldman, CEO
with a copy to:	Lewis Rice LLC 600 Washington Avenue, Suite 2500 St. Louis, Missouri 63101 Fax: (314) 612-7676 Email: smoore@lewisrice.com Attn: R. Scott Moore

Section 9.03 **Interpretation.** For purposes of this Agreement, (a) the words "include," "includes" and "including" shall be deemed to be followed by the words "without limitation"; (b) the word "or" is not exclusive; and (c) the words "herein," "hereof," "hereby," "hereto" and "hereunder" refer to this Agreement as a whole. Unless the context otherwise requires, references herein: (x) to Articles, Sections, Disclosure Schedules and Exhibits mean the Articles and Sections of, and Disclosure Schedules and Exhibits attached to, this Agreement; (y) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The Disclosure Schedules and Exhibits referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein.

Section 9.04 **Headings.** The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

Section 9.05 **Severability.** If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

Section 9.06 **Entire Agreement.** This Agreement and the other Transaction Documents constitute the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein and therein, and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter, including but not limited to the letter of intent between the parties dated January 11, 2021. In the event of any inconsistency between the statements in the body of this Agreement and those in the other Transaction Documents, the Exhibits and Disclosure Schedules (other than an exception expressly set forth as such in the Disclosure Schedules), the statements in the body of this Agreement will control.

Section 9.07 **Successors and Assigns.** This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party may assign its rights or obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed. No assignment shall relieve the assigning party of any of its obligations hereunder.

Section 9.08 **No Third-party Beneficiaries.** This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 9.09 **Amendment and Modification; Waiver.** This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

Section 9.10 **Governing Law; Submission to Jurisdiction; Waiver of Jury Trial.**

(a) This Agreement shall be governed by and construed in accordance with the internal laws of the State of Illinois without giving effect to any choice or conflict of law provision or rule (whether of the State of Illinois or any other jurisdiction).

(b) ANY LEGAL SUIT, ACTION OR PROCEEDING ARISING OUT OF OR BASED UPON THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY MAY BE INSTITUTED IN THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA OR THE COURTS OF THE STATE OF ILLINOIS IN EACH CASE LOCATED IN THE COUNTY OF PEORIA, AND EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING. SERVICE OF PROCESS, SUMMONS, NOTICE OR OTHER DOCUMENT BY MAIL TO SUCH PARTY'S ADDRESS SET FORTH HEREIN SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY SUIT, ACTION OR OTHER PROCEEDING BROUGHT IN ANY SUCH COURT. THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR ANY PROCEEDING IN SUCH COURTS AND IRREVOCABLY WAIVE AND AGREE NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT OR THE OTHER TRANSACTION DOCUMENTS IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY TO THIS AGREEMENT CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (B) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS Section 9.10(c).

Section 9.11 **Specific Performance.** The parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity.

Section 9.12 **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

SELLER:

PEORIA DAY SURGERY CENTER, LTD.

Justin Ahlman MD

By:______________________________

Name: Justin Ahlman, MD

Title: President

BUYER:

CENTER FOR HEALTH AMBULATORY SURGERY CENTER, LLC

By:______________________________

Name:____________________________

Title:_____________________________

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

SELLER:

PEORIA DAY SURGERY CENTER, LTD.

By:______________________________

Name:____________________________

Title:_____________________________

BUYER:

CENTER FOR HEALTH AMBULATORY SURGERY CENTER, LLC

By:______________________________

Name: THOMAS FELDMAN

Title: CEO

Appendix 3
Bankruptcy Court Auction Sale Result, April 23, 2021

UNITED STATES BANKRUPTCY COURT
FOR THE CENTRAL DISTRICT OF ILLINOIS
PEORIA DIVISION

IN RE:	)	Chapter 11
	)	
PEORIA DAY SURGERY CENTER, LTD. ,	)	Case No. 18-81615
	)	
Debtor.	)	

REPORT OF AUCTION/SALE

NOW Comes **PEORIA DAY SURGERY CENTER, LTD.**, debtor and debtor in possession ("Debtor"), by and through its counsel Sumner A. Bourne of Rafool & Bourne, P.C., and makes the following report of the results of the auction of substantially all of the Debtor's assets that occurred as scheduled on April 23, 2021:

1. The highest and best bid, in the judgment of the Debtor and the Winning Bidder, was submitted by **CENTER FOR HEALTH AMBULATORY SURGERY CENTER, LLC** for a gross amount of **$1,150,000.00**, with the assets included and terms of sale being substantially contained in the Asset Purchase Agreement dated April 6, 2021, previously filed with the Court [Docket No. 358]. The only substantial change in the Asset Purchase Agreement, other than the offer price, is removal of the purchase price adjustment provision contained in Section 7.02(g) which was made part of the bid.

2. The second highest bid, and designated as the Back-Up Bidder under the sale procedures approved in this case, was submitted by **THE METHODIST MEDICAL CENTER OF ILLINOIS** with a proposed Asset Purchase Agreement dated April 19, 2021, and a gross amount of $1,100,000.00.

3. The Debtor intends to move forward with bankruptcy court approval of the above-stated bid/offer made by the Winning Bidder at the hearing set by the United States Bankruptcy Court for April 29, 2021 at 11:00 AM (CST).

Dated: April 23, 2021

Respectfully Submitted,
PEORIA DAY SURGERY CENTER, Ltd.,

BY: /s/ Sumner A. Bourne
Attorney for Debtor

Sumner A. Bourne
Rafool & Bourne, P.C.
411 Hamilton, Suite 1600
Peoria, IL 61602
Telephone: (309) 673-5535
Email: notices@rafoolbourne.com

CERTIFICATE OF SERVICE

The undersigned certifies that an electronic copy of this filing was served by email on April 23, 2021 through the Court's ECF noticing system to parties that have entered their appearance in the case as stated below:

- **Mark A Bogdanowicz** mbogdanowicz@howardandhoward.com, pkinsman@howardandhoward.com
- **James S Cole** jcole@wasingerdaming.com, slay@wasingerdaming.com
- **Casey Christopher Kepple** ckepple@kepplelawllc.com
- **James LeFante** jlefante@lefantelaw.com
- **Mark A Ludolph** mludolph@heylroyster.com, mmajdic@heylroyster.com;peoctdocket@heylroyster.com
- **Sabrina M Petesch** sabrina.m.petesch@usdoj.gov
- **Katherine Leslie Swise** katherine.swise@mhtlaw.com
- **U.S. Trustee** USTPRegion10.PE.ECF@usdoj.gov
- **Jamie Fowler Wiley** jamie.wiley@usdoj.gov

The undersigned certifies that a PDF version of this filing was also served by electronic mail upon the following on April 24, 2021:

R. Scott Moore
Lewis Rice LLC
Attorney for Winning Bidder
smoore@lewisrice.com

BY: /s/ Sumner A. Bourne
Attorney for Debtor

Appendix 4
Filed Sale Order

#E-016-21

IT IS SO ORDERED.

SIGNED THIS: May 19, 2021

Thomas L. Perkins
United States Chief Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
FOR THE CENTRAL DISTRICT OF ILLINOIS
PEORIA DIVISION

IN RE:	)	**Chapter 11**
	)	
PEORIA DAY SURGERY CENTER, LTD.,	)	**Case No. 18-81615**
	)	
Debtor.	)	

AGREED ORDER UNDER 11 U.S.C. §§ 363 AND 365 AND BANKRUPTCY RULES 2002, 6004, 6006, AND 9014 AUTHORIZING AND APPROVING (A) THE SALE OF CERTAIN TANGIBLE AND INTANGIBLE ASSETS, FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES AND INTERESTS AND (B) RELATED RELIEF

UPON the motion ("Motion") [Docket No. 340] of PEORIA DAY SURGERY CENTER, LTD., debtor and debtor-in possession in the above-captioned case (the "Debtor"), for an Order under Sections 105(a), 363, 365, 1107(a) and 1108 of title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code"), and Rules 2002, 6004, 6006 and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") seeking authority to conduct a sale and potential competitive auction (the "Sale") of substantially all of its assets (the "Assets"),[1] free and clear of all liens, claims, encumbrances and interests, (with such liens, claims, encumbrances and interests attaching to the proceeds of the Sale with the same priority) to **CENTER FOR HEALTH AMBULATORY SURGERY CENTER, LLC** (the "Buyer") pursuant to the Asset Purchase Agreement dated April 6, 2021 (the "Agreement") by and among Debtor and the Buyer and filed with this court on April 7, 2021 [Docket #358], and (b) granting related relief; and this Court's Amended Agreed Order dated April 12, 2021 [Docket #363] pursuant to which it authorized the sale of assets, approved auction and bid procedures and set an auction date and sale hearing (the "Sale Procedures Order"); an auction having been held on April 23, 2021 (the "Auction"); a hearing having been held on April 29, 2021 (the "Sale Hearing"), at which time all interested parties were offered an opportunity to be heard with respect to the Sale and Auction; and the Court having considered (i) the Motion, (ii) any objections to the Motion, and (iii) the arguments of counsel made, and the evidence proffered or adduced, at the Sale Hearing; and it appearing that the relief requested in the Motion is in the best interests of the Debtor, its estate, its creditors and other parties in interest; and upon the record of the Sale Hearing; and after due deliberation thereon and good cause appearing therefor:

IT IS HEREBY FOUND AND DETERMINED THAT:[2]

---

[1] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

[2] Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact when appropriate. See Fed. R. Bankr. P. 7052.

A. The Court has jurisdiction over the Motion pursuant to 28 U.S.C. §§ 157 and 1334, and this matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A). Venue of this case and the Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409.

B. The statutory predicates for the relief sought in the Motion are sections 105(a), 363 and 365 of the Bankruptcy Code and Bankruptcy Rules 2002, 6004, 6006 and 9014.

C. As evidenced by the certificate of service filed with the Court, and for reasons stated in open court at the Sale Hearing (i) proper, timely, adequate and sufficient notice of the Motion, the Auction, the Sale Hearing and the Sale has been provided in accordance with sections 102(l), 105(a), 363 and 365 of the Bankruptcy Code and Bankruptcy Rules 2002, 6004, 6006, 9006 and 9014 to all creditors and interested parties in the Debtor's above-captioned chapter 11 cases, (ii) such notice was good, sufficient and appropriate under the particular circumstances, and (iii) no other or further notice of the Sale, the Motion, or the Sale Hearing is or shall be required.

D. A reasonable opportunity to object or be heard with respect to the Motion and the relief requested therein has been afforded to all interested persons and entities, including (i) the Office of the United States Trustee for the Central District of Illinois; (ii) counsel for the Buyer; (iii) all entities known to have asserted any lien, claim, interest or encumbrance in or upon the Assets; (iv) all federal, state, and local regulatory or taxing authorities or recording offices which have a reasonably known interest in the relief requested by the Motion; (v) the Centers for Medicare and Medicaid Services; (vi) the Internal Revenue Service; (vii) all known creditors of the Debtor; (viii) all entities on the Notice Matrix for this case.

E. The Debtor has full corporate power and authority to execute the Agreement and all other documents contemplated thereby, and to consummate the transactions contemplated by the Agreement. No consents or approvals, other than those expressly provided for in the Agreement, are required for the Debtor to consummate such transactions.

F. Approval of the Agreement and consummation of the Sale at this time are in the best interests of the Debtor's estate, its creditors and other parties in interest.

G. The Debtor has demonstrated (i) a good, sufficient, and sound business purpose and justification and (ii) compelling circumstances for the Sale pursuant to section 363(b) of the Bankruptcy Code.

H. The Agreement was negotiated, proposed and entered into by and among the Buyer and the Debtor without collusion and in good faith. The Buyer is not an "insider" of the Debtor, as that term is defined in Section 101 of the Bankruptcy Code. The Buyer is a good faith purchaser under section 363(m) of the Bankruptcy Code and, as such, is entitled to all of the protections afforded thereby. Neither the Buyer nor the Debtor have engaged in any conduct that would cause or permit the Agreement to be avoided under section 363(n) of the Bankruptcy Code.

I. The Buyer will be acting in good faith within the meaning of section 363(m) of the Bankruptcy Code in closing the transactions contemplated by the Agreement at any time after the entry of this Order.

J. The consideration provided by the Buyer for the Assets pursuant to the Agreement (i) is fair and reasonable, (ii) is the highest and best offer for the Assets; (iii) will provide a greater recovery for the Debtor's estate than any other practical alternative and (iv) constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code and non-bankruptcy law.

K. The transfer of the Assets pursuant to the Agreement, if consummated, will be a legal, valid, and effective transfer of the Assets, and vests or will vest the Buyer with all right, title, and interest of the Debtor in and to the Assets free and clear of mortgages, security interests, conditional sales or other title retention agreements, pledges, liens, claims, judgments, demands, encumbrances (collectively, the "Interests"). With the exception of those Interests expressly assumed in connection with the Agreement, any such non-assumed Interests shall attach to the proceeds of the Sale (the "Sale Proceeds") in their relative order of priority.

L. The Agreement was not entered into for the purpose of hindering, delaying or defrauding creditors under the Bankruptcy Code or any other applicable laws.

M. The Debtor may sell the Assets free and clear of all Interests because, in each case, one or more of the standards set forth in section 363(f)(l)-(5) of the Bankruptcy Code has been satisfied. Those holders of Interests who did not object, or who withdrew their objections, to the Motion are deemed to have consented pursuant to section 363(f)(2) of the Bankruptcy Code. Those holders of Interests who did object are adequately protected by having their Interests, if any, attach to the Sale Proceeds.

N. To the fullest extent permissible under applicable law, Buyer shall not be deemed to: (a) be the successor of or successor employer (as described in COBRA and applicable regulations under COBRA) to Debtor, including any common law successor liability; (b) have, *de facto*, or otherwise, merged with or into Debtor; (c) be a mere continuation or substantial continuation of Debtor or the enterprise of Debtor; or (d) be liable for any acts or omissions of Debtor in the conduct of the business or arising under or related to the Assets. Without limiting the generality of the foregoing, and except as expressly provided in the Agreement, Buyer shall not be liable for any liens, claims and encumbrances against Debtor or any of its predecessors or affiliates, and Buyer shall have no successor or vicarious liability of any kind or character whether known or unknown as of the date on which the transaction closes (the "Closing Date"), whether now existing or hereafter arising, or whether fixed or contingent, with respect to the Assets or any liabilities of Debtor arising prior to the Closing Date.

O. Buyer would not have entered into the Agreement, would not have offered to pay the consideration contemplated in the Agreement, and would not consummate the sale contemplated in the Agreement, thus adversely affecting the Assets, Debtor, its creditors, employees, and other parties in interest, if the sale of the Assets were not free and clear of all Interests.

P. Neither the Buyer nor any of its affiliates, successors or assigns, as a result of any action taken in connection with the purchase of the Assets, (a) is a successor to the Debtor; (b) has, *de facto* or otherwise, merged with or into the Debtor; or (c) is a continuation or substantial continuation of the Debtor or any enterprise of the Debtor.

Q. The Assets include the Debtor's Medicare Provider Agreement. The Debtor's Medicare Provider Agreement is a statutory entitlement that can be transferred to Buyer free and clear of claims and interests under section 363 of the Bankruptcy Code. Thus, the Medicare Provider Agreement may be sold to Buyer free and clear of any liabilities that CMS may assert against the Debtor.

R. The Auction was conducted on April 23, 2021. Buyer submitted the winning bid in the amount of $1,150,000. The Methodist Medical Center of Illinois, an Illinois not-for-profit corporation ("Methodist") submitted the second highest bid in the amount of $1,100,000, pursuant to a separate and independent Asset Purchase Agreement (the "Methodist APA"), which was recognized by Debtor as the back-up bid.

S. If, on or before the Closing Date, Buyer fails or refuses to perform under the Agreement for any reason, the best interests of Debtor, Debtor's creditors, the employees and other interested parties will be served by authorizing Debtor under this Order to enter into and consummate a sale agreement for the Assets with Methodist pursuant to the Methodist APA. Such approval in this Order will avoid the further deterioration in the market for the Assets and will maximize the value of the Assets, without the necessity, delay and cost of an additional approval process.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

General Provisions

1. The Motion is hereby GRANTED.

2. All objections to the Motion or the relief requested thereby that have not been withdrawn, waived, or settled, and all reservations of rights included therein, are denied and overruled, with prejudice.

Approval of Sale Agreement

3. The Agreement (including all of the related documents, exhibits, schedules, lists and agreements attached thereto), as modified by Buyer at the Auction, and the transactions contemplated thereby are approved in all respects.

4. Pursuant to section 363(b) and (f) of the Bankruptcy Code, the Debtor is authorized and directed to sell the Assets to Center for Health Ambulatory Surgery Center, LLC (as Buyer), for the sum of $1,150,000.00, and the Debtor is directed to consummate the Sale pursuant to and in accordance with the terms and conditions of the Agreement and the instruments and agreements contemplated thereby.

5. The Debtor is empowered and directed to perform under, consummate and implement, the Agreement, together with all additional instruments and documents that may be

reasonably necessary or desirable to implement the Agreement, and to take all further actions as may reasonably be requested by the Buyer for the purpose of assigning, transferring, granting, conveying and conferring to the Buyer, or reducing to possession or licensing, the Assets, or as may be necessary or appropriate, to the performance of the obligations as contemplated by the Agreement. The automatic stay imposed by Section 362 of the Bankruptcy Code is modified solely to the extent necessary to effectuate the terms of this Order.

Transfer of Assets

6. Pursuant to sections 105(a) and 363(f) of the Bankruptcy Code, the Assets shall be transferred to the Buyer at closing, and upon consummation of the Agreement, shall be free and clear of (a) all Interests (as defined in paragraph K above), and (b) all debts arising under, relating to, or in connection with any acts of the Debtor, claims (as that term is defined in section 101(5) of the Bankruptcy Code), obligations, demands, guaranties, options, rights, contractual commitments, restrictions, interests and matters of any kind and nature, whether arising prior to or subsequent to the commencement of these cases, and whether imposed by agreement, understanding, law, equity or otherwise (collectively, "Claims"). With the exception of those Claims and Interests expressly assumed in connection with the Agreement, all such non-assumed Interests and Claims shall attach to the Sale Proceeds in the order of their priority, with the same validity, force and effect which they now have as against the Assets, subject to any claims and defenses the Debtor may possess with respect thereto.

7. Except as expressly permitted by the Agreement, all persons and entities holding Interests or Claims of any kind and nature with respect to the Assets are hereby enjoined from asserting, prosecuting or otherwise pursuing such Interests and Claims of any kind and nature against the Buyer, its successors or assigns, or the Assets.

Approval of Backup Contract

8. If, on or before the Closing Date, Buyer fails or refuses to perform under the Agreement for any reason, Debtor is authorized and approved to enter into, perform and consummate a sale to Methodist, or a nominee designated by Methodist, as the next highest and best offer for the Assets under the terms and conditions of the Methodist APA (except for the sale price being $1,100,000). No further approval or order of this Court will be necessary or required for a sale to Methodist of the Assets. All provisions, findings, conclusions and other terms of this Order preceding and following this decretal paragraph, including without limitation, the provisions, findings, conclusions and other terms of paragraphs H, I, N, P and decretal paragraphs 6, 7, 10, 12, 15, 16, 20, 21 and 23, shall apply to the sale and sale agreement between Debtor and Methodist with respect to the sale of the Assets.

Additional Provisions

9. The consideration provided by the Buyer for the Assets under the Agreement (i) is fair and reasonable; (ii) is the highest and best offer of the Assets; (iii) will provide a greater recovery for the Debtor's estate than any other practical alternative and (iv) shall be deemed to constitute reasonably equivalent value and fair consideration under the Bankruptcy Code and under the laws of the United States, any state, territory, or possession.

10. The consideration provided by the Buyer for the Assets under the Agreement is fair and reasonable and may not be avoided under section 363(n) of the Bankruptcy Code.

11. On the Closing Date of the Sale, this Order will be construed and shall constitute for any and all purposes a full and complete general assignment, conveyance and transfer of the Assets or a bill of sale transferring good and marketable title in the Assets to the Buyer. Each and

every federal, state, and local governmental agency or department is hereby directed to accept any and all documents and instruments necessary and appropriate to consummate the transactions contemplated by the Agreement.

12. On the Closing Date of the Sale, each of the Debtor's creditors shall be authorized and directed to execute such documents and take all other actions as may be necessary to release its Interests in or Claims against the Assets, if any, as may have been recorded or may otherwise exist.

13. This Order (a) is and shall be effective as a determination that, subject to those Claims and Interests expressly assumed in connection with the Agreement, on the Closing Date, all non-assumed Interests and Claims of any kind or nature whatsoever existing as to the Debtor or the Assets prior to the Closing Date shall attach to the Sale Proceeds in the order of their priority, including the lien of Regions Bank, and (b) shall be binding upon and shall govern the acts of all entities, including without limitation all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state and local officials, state certificate of need and licensing authorities, and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any of the Assets.

14. If any person or entity that has filed financing statements, mortgages, mechanic's liens, lis pendens, or other documents or agreements evidencing Claims against or Interests in the Assets shall not have delivered to the Debtor prior to the Closing Date of the Sale, in proper form for filing and executed by the appropriate parties, termination statements, instruments of

satisfaction, and/or releases of all Claims or Interests which such person or entity has with respect to the Assets, the Debtor is hereby authorized and directed to execute and file such statements, instruments, releases and other documents on behalf of the person or entity with respect to the Assets.

15. Except as specifically provided in the Agreement, Buyer shall have no liability or responsibility for any liability or other obligation of Debtor arising under or related to the Assets. Without limiting the generality of the foregoing and except as otherwise specifically provided in the Agreement, Buyer shall not be liable for any claims against Debtor or any of its predecessors or affiliates for any obligations of Debtor arising prior to or after the Closing Date.

16. To the fullest extent permissible under applicable law, including the Bankruptcy Code, Buyer shall not be deemed to: (a) be the successor of, or successor employer (as described in COBRA and applicable regulations under COBRA) to, Debtor, including any common law successor liability; (b) have, de facto, or otherwise, merged with or into Debtor; (c) be a mere continuation or substantial continuation of Debtor or the enterprise(s) of Debtor; or (d) be liable for any acts or omissions of Debtor in the conduct of the business or arising under or related to the Assets other than as set forth in this Order or the Agreement. Without limiting the generality of the foregoing, and except as otherwise provided in this Order or the Agreement, Buyer shall not be liable for any liens, claims and encumbrances against Debtor or its predecessors or affiliates, and Buyer shall have no successor or vicarious liability of any kind or character whether known or unknown as of the Closing Date, whether now existing or hereafter arising, or whether fixed or contingent, with respect to the Assets or any liabilities of Debtor arising prior to the Closing Date.

17. All entities who are presently, or on the Closing Date of the Sale may be, in possession of some or all of the Assets are hereby directed to surrender possession of the Assets to the Buyer on the Closing Date.

18. The Buyer shall have no liability or responsibility for any liability or other obligation of the Debtor arising under or related to the Assets other than for the purchase price and as otherwise set forth in the Agreement.

19. This Court retains jurisdiction to enforce and implement the terms and provisions of this Order and the Agreement, all amendments thereto, any waivers and consents thereunder, and of each of the agreements executed in connection therewith in all respects, including, but not limited to, retaining jurisdiction to (a) compel delivery of the Assets to the Buyer, (b) resolve any disputes arising under or related to the Agreement, except as otherwise provided therein, and (c) interpret, implement and enforce the provisions of this Order.

20. Upon the granting of this Order by this Court, with respect to the Agreement, the Buyer shall be entitled to the protection of section 363(m) of the Bankruptcy Code. The transactions contemplated by the Agreement are undertaken by the Buyer in good faith, as that term is used in section 363(m) of the Bankruptcy Code, and, accordingly, the reversal or modification on appeal of this Order and the authorization to consummate the transactions provided herein shall not affect the validity of any transfer under the Agreement and this Order to the Buyer, unless such transfer is duly stayed pending such appeal.

21. The terms and provisions of the Agreement and this Order shall be binding in all respects upon, and shall inure to the benefit of, the Debtor, its estate, and its creditors and interest holders, the Buyer, and, subject to the conditions set forth in paragraph S and set forth in decretal paragraph 8, Methodist, and the respective affiliates, successors and assigns of each of the

foregoing, as applicable, and any affected third parties including, but not limited to, all persons asserting a Claim against or Interest in the Assets to be sold to the Buyer pursuant to the Agreement, notwithstanding (i) any subsequent appointment of any trustee for the Debtor under any chapter of the Bankruptcy Code, as to which trustee such terms and provisions likewise shall be binding, and (ii) any subsequent order dismissing the Debtor's bankruptcy case (a "Dismissal Order"). The provisions, findings, conclusions and other terms of this Order shall survive dismissal and any Dismissal Order shall expressly provide for such survival.

22. The failure specifically to include or to reference any particular provision of the Agreement in this Order shall not diminish or impair the effectiveness of such provision.

23. The Agreement and any related agreements, documents or other instruments may be modified, amended or supplemented by the parties thereto, in a writing signed by the parties thereto, and in accordance with the terms thereof, without further order of this Court, provided that any such modification, amendment or supplement is not material.

24. Notwithstanding Bankruptcy Rules 6004(g), 6006(d) and 7062, this Order shall be effective and enforceable immediately upon entry. The Court expressly finds that there is no reason for delay in the implementation of this Order.

[Remainder of Page Left Intentionally Blank]

AGREED AND APPROVED AS TO FORM:

/s/ Sumner A. Bourne
Attorney for Debtor
Rafool & Bourne, P.C.
411 Hamilton Blvd., Suite 1600
Peoria, IL 61602
Telephone: (309) 673-5535
scourne@rafoolbourne.com

/s/ R. Scott Moore
Attorney for Center for Health Ambulatory Surgery, LLC
Lewis Rice LLC
600 Washington Ave., Suite 2500
St. Louis, MO 63101
Telephone: (314) 444-7676
smoore@lewisrice.com

/s/ Mark A. Bogdanowicz
Attorney for Unity Point Health
Howard & Howard, PLLC
211 Fulton Street, Suite 600
Peoria, IL 61602
Telephone: (309) 699-6320
mbogdanowicz@howardandhoward.com

/s/ James Cole
Attorney for Regions Bank
Wasinger Daming, LC
1401 S. Brentwood Blvd., Suite 875
St. Louis, MO 63144
Telephone : (314) 961-2726
jcole@wasingerdaming.com

###