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April 24, 2023

VIA E-MAIL

John P. Kniery
Board Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761

**Re: Alteration Request- Project #22-029 Ascension Saintt Joseph Surgery Center
MSK**

Dear Mr. Kniery:

I am writing on behalf of Ascension Saint Joseph MSK JV, LLC, Ascension Health, Presences Chicago Hospital Network d/b/a Presence Saint Joseph Hospital-Chicago, Lakeshore ASC Ventures, LLC, IBI ASC Ventures, LLC, and Illinois Bone and Joint Institute, LLC, ("Permit Holders") in regard to Project #22-029, Ascension Saint Joseph MSK. The purpose of this letter is to request approval of an allowable alteration to the approved permit pursuant to 77 Ill. Admin. Code Section 1130.750.

The proposed design plans have recently been approved the Illinois Department of Public Health Division of Life Safety Division and the Permit Holders have explored alternative arrangements to fund the work associated and equipment necessary for this project. The original application called for the entirety of the Project to be funded with existing cash and securities. However, the new joint venture entity, Ascension Saint Joseph MSK JV, LLC applied for and received a letter of interest for a loan from Bank of America in the amount of \$4,833,507 to cover the remaining costs associated with construction of the facility. The loan would carry an annual interest rate of 6.36% over the seven (7) year term of the loan. The decision to change the source of funds for the remainder of the construction of the project was considered because it was more advantageous due to favorable financing terms offered by the lender. Enclosed with this alteration request is a letter of commitment from Bank of America for the aforementioned loan.

Additionally, the Permit Holders are requesting to increase the Project costs by the full allowable 7% or \$771,103. That would increase the overall project cost to \$11,786,863. This increase in project costs is being driven by both supply chain issues, overall labor costs, and the costs associated with certain medical equipment being acquired for the proposed facility. The proposed change in sources of funds for the Project and the increase in Project costs will result in the following allocations across reviewable and non-reviewable line items:

| Source of Funds | Reviewable | Non-Reviewable | Total |
|-------------------------------|-------------------|-----------------------|--------------|
| Cash and Securities | \$387,114 | \$580,671 | \$967,785 |
| Loan | \$1,933,403 | \$2,900,104 | \$4,833,507 |
| Lease | \$2,426,815 | \$3,558,755 | \$5,985,571 |
| Total Sources of Funds | \$4,747,332 | 7,039,530 | \$11,786,863 |

Additionally, the Permit Holders will be submitting a permit renewal request under separate cover to seek a new project completion date. If you have any questions or need any additional information regarding the project, please feel free to contact me via phone at 312-212-4967 or via email at JMorado@beneschlaw.com.

Very truly yours,

BENESCH, FRIEDLANDER,
COPLAN & ARONOFF LLP

A handwritten signature in black ink, appearing to read "Juan Morado Jr.", with a stylized, cursive script.

Juan Morado Jr.



January 20, 2023

Mike Siurek
Senior Vice President
Banc of America Public Capital Corp
Phone: 872-222-3212
Michael.siurek@bamf.com

John Baird, President and CEO
Ascension Saint Joseph - Chicago

Re: Ascension Saint Joseph MSK JV, LLC

Mr. Baird:

Banc of America Public Capital Corp ("BAPCC"), on behalf of Banc of America Leasing & Capital, LLC ("BALCAP") is pleased to continue our Ascension Ambulatory Surgery Center financing program and provide this letter of interest for the Ascension Saint Joseph MSK JV, LLC project (the "Borrower"). Total project/financing of \$4,833,507. The financing would be via a seven (7) year loan with an interest rate of 6.36% (indexed). Terms and process are in place per the established financing program.

This letter of interest includes only a brief description of the principal terms of the proposed transaction, are intended for discussion purposes only, and are subject to the satisfactory completion of BALCAP's credit, legal and investment approval process.

Very truly yours,

BANC OF AMERICA PUBLIC CAPITAL CORP

A handwritten signature in black ink, appearing to read "Michael Siurek", written in a cursive style.

Michael Siurek