

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: Hope Clinic for Women, Ltd.		
Street Address: 1602 21st Street		
City and Zip Code: Granite City, 62040		
County: Madison	Health Service Area: 011	Health Planning Area: n/a

**Legislators**

State Senator Name: Christopher Belt - district 57
State Representative Name: Jay Hoffman - district 113

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

Exact Legal Name: DBS Lotus Management Holding Company, LLC
Street Address: 2501 Chatham Road, Suite N
City and Zip Code: Springfield, 62704
Name of Registered Agent: Northwest Registered Agent LLC
Registered Agent Street Address: 2501 Chatham Road, Suite N
Registered Agent City and Zip Code: Springfield, 62704
Name of Chief Executive Officer: Chelsea Souder, MPH
CEO Street Address: 2501 Chatham Road, Suite N
CEO City and Zip Code: Springfield, 62704
CEO Telephone Number: 402-302-1002

**Type of Ownership of Applicants**

<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental
<input checked="" type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship
Other <input type="checkbox"/>	
<ul style="list-style-type: none"> <li>Corporations and limited liability companies must provide an <b>Illinois certificate of good standing</b>.</li> <li>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.</li> </ul>	
<b>APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>	

**Primary Contact** [Person to receive ALL correspondence or inquiries]

Name: Chelsea Souder, MPH
Title: Co-owner
Company Name: DBS Lotus Management Group, LLC & DBS Lotus Management Holding Company, LLC.
Address: 2501 Chatham Road, Suite N Springfield, IL 62704
Telephone Number: (402)302-1002
E-mail Address: <a href="mailto:Chelsea.souder@gmail.com">Chelsea.souder@gmail.com</a>

Fax Number: NA

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

Name: Laura Nelson

Title: Partner (DBS Lotus Management Holding Company, LLC attorney)

Company Name: Stinson LLP

Address: 50 South Sixth Street, Suite 2600  
Minneapolis, MN 55402

Telephone Number: (612)335-1929

E-mail Address: [Laura.Nelson@stinson.com](mailto:Laura.Nelson@stinson.com)

Fax Number: NA

**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: Dr. Erin King

Title: Executive Director

Company Name: Hope Clinic for Women, LTD.

Address: 1602 21st Street, Granite City, IL 62040

Telephone Number: (618) 451-5722

E-mail Address: [erking@hopeclinic.com](mailto:erking@hopeclinic.com)

Fax Number: NA

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

Exact Legal Name of Site Owner: DBS Lotus Management Holding Company, LLC

Address of Site Owner: 2501 Chatham Road, Suite N Springfield, IL 62704

Street Address or Legal Description of the Site: 1602 21st St, Granite City, IL 62040

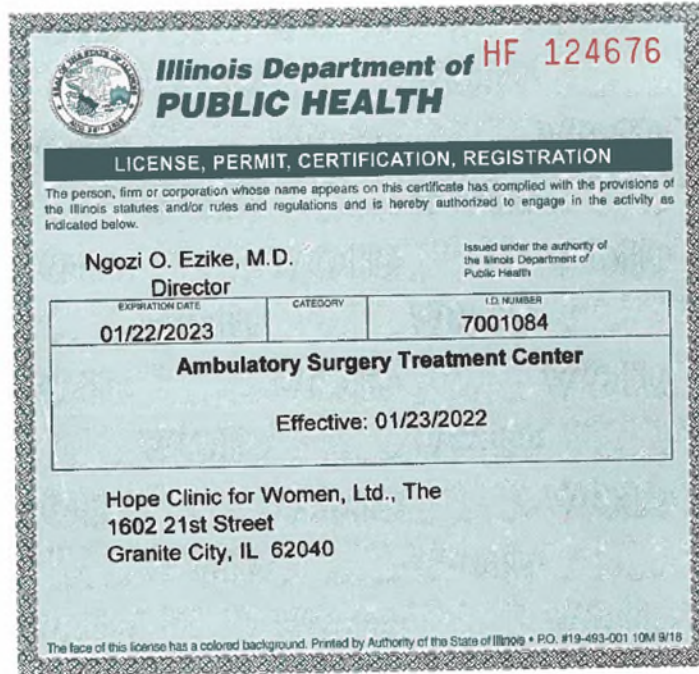
**Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statements, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease, or a lease.****APPEND 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: Hope Clinic for Women, LTD

Address: 1602 21st St, Granite City, IL 62040

☐ Non-profit Corporation  
☒ For-profit Corporation  
☐ Limited Liability Company  
☐ Other

☐ Partnership  
☐ Governmental  
☐ Sole Proprietorship
☐



**Illinois Department of PUBLIC HEALTH** HF 124676

**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
01/22/2023		7001084

**Ambulatory Surgery Treatment Center**

Effective: 01/23/2022

Hope Clinic for Women, Ltd., The  
1602 21st Street  
Granite City, IL 62040

The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. #19-493-001 10M 9/16

← DISPLAY THIS PART IN A  
CONSPICUOUS PLACE

Exp. Date 01/22/2023  
Lic Number 7001084

Date Printed 01/19/2022

Hope Clinic for Women, Ltd., The  
1602 21st Street  
Granite City, IL 62040-5304

FEE RECEIPT NO.

**Center ASTC License (#7001084)**

**Operating Identity/Licensee after the Project is Complete**

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

Exact Legal Name: Hope Clinic for Women, LTD	
Address: 1602 21st St, Granite City, IL 62040	
<input type="checkbox"/> Non-profit Corporation <input checked="" type="checkbox"/> For-profit Corporation <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Other	<input type="checkbox"/> Partnership <input type="checkbox"/> Governmental <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/>
<ul style="list-style-type: none"> <li>Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.</li> <li>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.</li> <li><b>Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.</b></li> </ul>	
<b>APPEND DOCUMENTATION AS ATTACHMENT 3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>	

**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.
<b>APPEND DOCUMENTATION AS ATTACHMENT 4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>

**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 Change of Ownership Application for Exemption requests a change in ownership (CHOW) of an ambulatory surgery treatment center (ASTC).

The DBS Lotus Management Group, LLC ("Buyer") proposes to acquire 100% of the outstanding shares in and change the ownership of Hope Clinic for Women, Ltd ("Center") located at 1602 21st Street, Granite City, IL 62040 from The Hector N. Zevallos Revocable Trust ("Seller"). Simultaneously, the Applicant, DBS Lotus Management Holding Company, LLC ("Real Estate Buyer"), will purchase the real estate described in Attachments 2 and 8 ("Real Estate") from Seller. Real Estate Buyer is affiliated with and possesses overlapping, common ownership with Buyer. This acquisition is based primarily on a letter of intent between Seller and Buyer (f/k/a KBS Lotus Management Group, LLC) dated January 17, 2022.

Post-transaction closure, the Buyer will control and own 100% of the Center ASTC, and is associated assets, except that Real Estate Buyer will control and own 100% of the Real Estate. Post-transaction closure, Buyer will lease the Real Estate from Real Estate Buyer pursuant to a multi-year lease.

**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: \$ \$1,600,000 (real estate & land) + \$625,000 (100% of outstanding Center shares) :  
\$2,225,000 total purchase price.

Fair Market Value: \$1,650,000 (real estate & land – see Attachment 8); Valuation of 100% of outstanding Center shares is pending.

**Project Status and Completion Schedules**

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

n/a

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Anticipated exemption completion date** (refer to Part 1130.570): Within seven (7) days of exemption 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.**

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**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 DBS Lotus Management Holding Company, LLC**

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

Kathryn A. Dean  
SIGNATURE

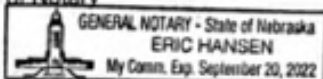
KATHRYN A. DEAN  
PRINTED NAME

Co-Owner  
PRINTED TITLE

Notarization:  
Subscribed and sworn to before me  
this 29<sup>th</sup> day of March 2022

Eric Hansen  
Signature of Notary

Seal



\*Insert the EXACT legal name of the applicant

Chelsa Sawyer  
SIGNATURE

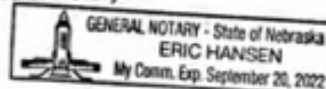
Chelsa Sawyer  
PRINTED NAME

Co-owner  
PRINTED TITLE

Notarization:  
Subscribed and sworn to before me  
this 29<sup>th</sup> day of March 2022

Eric Hansen  
Signature of Notary

Seal





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

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A listing of all health care facilities currently owned and/or operated in Illinois, by any corporate officers or directors, LLC members, partners, or owners of at least 5% of the proposed health care facility.
3. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant, directly or indirectly, during the three years prior to the filing of the application. Please provide information for each applicant, including corporate officers or directors, LLC members, partners and owners of at least 5% of the proposed facility. A health care facility is considered owned or operated by every person or entity that owns, directly or indirectly, an ownership interest.
4. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
5. If, during a given calendar year, an applicant submits more than one Application, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest that the information was previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

**APPEND DOCUMENTATION AS ATTACHMENT 5, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 5.**



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

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

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

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

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

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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
<b>APPEND DOCUMENTATION AS <u>ATTACHMENT 6</u>, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>	

**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
<b>Net Patient Revenue</b>			
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.**

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		14
2	Site Ownership		15- 20
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.		21
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.		22-23
5	Background of the Applicant		24-25
6	Change of Ownership		26-32
7	Charity Care Information		33
8	Site Appraisal- real estate and land		34-37

*File Number*

1099561-2



***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***

**DBS LOTUS MANAGEMENT HOLDING COMPANY, LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON FEBRUARY 09, 2022, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.**



Authentication #: 2208801864 verifiable until 03/29/2023  
Authenticate at: <http://www.isos.gov>

***In Testimony Whereof, I hereto set  
my hand and cause to be affixed the Great Seal of  
the State of Illinois, this 29TH  
day of MARCH A.D. 2022 .***

*Jesse White*

SECRETARY OF STATE

**ATTACHMENT 1: DBS LOTUS MANAGEMENT HOLDING COMPANY, LLC  
CERTIFICATE OF GOOD STANDING (DATED MARCH 29, 2022)**

January 17, 2022

Chelsea Souder, Member  
Julie Burkhart, Member  
Kathryn Dean, Member  
KBS Lotus Management Group, LLC  
1134 Collinsville Crossing #196  
Collinsville, Illinois 62234

Dear Lisa:

Please accept this letter as a counter proposal to your letter dated September 10, 2021. We propose this Letter of Intent regarding the acquisition by KBS Lotus Management Group, LLC, or one or more of its affiliates (collectively, "**Buyer**") of the stock (the "**Stock**") of The Hope Clinic for Women, Ltd. (the "**Company**"), along with the real property on which the operations of the Company are located, which is located at the addresses listed on Exhibit A attached hereto and incorporated herein (collectively, the "**Real Property**"), on substantially the following terms and conditions (collectively, the "**Proposed Transaction**"). The sellers of the Stock and the Real Property shall be referred to herein collectively as the "**Seller**".

1. Overview of the Proposed Transaction. The Proposed Transaction is anticipated to have two material components – (a) the sale of the Company and (b) the sale of the Real Property. Accordingly, Buyer will acquire all of the Stock from the sole shareholder of the Company, The Hector N. Zevallos Revocable Trust (the "**Shareholder**"). Buyer also will acquire the Real Property. Due to the inter-connected nature of the operation of the Company with the Real Property, it is the parties' mutual intent to close both components of the transaction at the same time. Buyer's obligation to purchase the Stock and Real Property shall be contingent upon Buyer securing a loan from the U.S. Small Business Administration on terms acceptable to Buyer for at least ninety percent (90%) of the Stock Purchase Price and RP Purchase Price, which loan shall be secured no later than the expiration of the Exclusivity Period.

2. Sale of Stock. Buyer will acquire, either directly or through one or more of its affiliates, all of the issued and outstanding shares of Stock. The purchase price for the Stock will be \$625,000 U.S. (the "**Stock Purchase Price**"), payable by way of a wire transfer of immediately available funds or such other manner as requested by Seller. The Stock will be free and clear of all security interests, liens, encumbrances and claims. The Definitive Agreements (hereinafter defined) shall provide that \$60,000 of the Stock Purchase Price shall be held back at closing in escrow for up to 6 months to provide for the indemnification obligations of Seller thereunder. Prorations shall be made upon mutual agreement of the parties and reflect such period of time applicable to which party has legal ownership of the Stock. As to any tax refunds, including, but not limited to any refund as a result of the employee retention tax credit set forth in Section 2301 of the CARES Act (as modified by the Consolidated Appropriations Act, 2021), to which the Company becomes entitled after the closing date, such refunds shall belong to Seller to the extent such refund relates solely to the period of time prior to the closing date. As such, Buyer shall pay over, or shall cause the Company to pay over, to Seller any refund relating to the portion of the period ending on the closing date (net of any reasonable out-of-pocket costs or

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VP/054291971.2

## ATTACHMENT 2: LETTER OF INTENT TO PURCHASE



expenses incurred by the Company in obtaining such refund or credit) within thirty (30) days of receipt of such refund.

3. Sale of Real Property. Buyer will acquire, either directly or through a wholly-owned subsidiary, from the owners of the Real Property, all land, improvements, building fixtures and non-trade equipment located at 1602 21st St., Granite City, Illinois 62040. The purchase price of the Real Property is \$1,600,000 (the "RP Purchase Price"), payable by way of a wire transfer of immediately available funds or such other manner as requested by Seller. The Real Property will be free and clear of all security interests, liens, encumbrances and claims. In addition, upon the execution of this letter by the parties, Seller shall commence commercially reasonable steps to replace the three (3) rooftop Carrier units of the Real Property with new units of comparable size and capacity, the costs of which shall be the obligation of Seller. The parties acknowledge and agree the replacement of such HVAC units are designed to address Buyer's concern that the current HVAC units would not pass a licensure survey, which is likely required as part of the transaction contemplated by this letter. Buyer acknowledges and agrees the selection of contractor is at the sole discretion of Seller, provided, such contractor is properly licensed and insured to install HVAC units for outpatient medical facilities, to the extent such licensure or insurance is required by applicable law, including for ambulatory surgical treatment centers in Illinois. Seller shall make such other repairs or replacements, specifically in connection with the HVAC units being replaced, if necessary to address licensure survey concerns, in consultation with the HVAC contractor selected by Seller, and in compliance with all applicable laws and regulations pertaining to HVAC systems in ambulatory surgical treatment centers in Illinois. Accordingly, the replacement of the HVAC units shall be completed prior to closing unless the parties otherwise agree, or where it is reasonably determined by the parties the failure to replace the HVAC units prior to closing would not materially adversely affect licensing. Except for Seller's obligations relating to the HVAC units and systems contained in this paragraph, any and all other licensing and survey requirements or obligations to establish or maintain ambulatory surgical treatment center licensure in connection with the consummation of the transactions set forth in this letter, shall be the sole obligation of Buyer.

4. Working Capital. The parties expect that working capital, in an amount consistent with the normal and ordinary course operations of the Company, as mutually determined by the parties, shall remain in the Company as of closing, of which cash on hand shall be in the amount of not less \$200,000. Any grant money on hand as of the closing date also shall remain with the Company as of the closing and shall not be included in the working capital calculation. Given the additional cash committed by Seller, there shall be no post-closing adjustments to working capital.

5. Closing Date. The closing will occur no later than 60 days following the date of this Letter of Intent, provided all conditions precedent agreed to by the parties within the Definitive Agreements or by written mutual agreement have been satisfied.

6. Due Diligence. From and after the execution of this Letter of Intent, Seller will afford to Buyer and its accountants, counsel and other representatives reasonable access to the Company and the Real Property and will furnish to Buyer all information concerning the business, assets and properties of Subsidiary for the purpose of making such accounting, legal and financial investigation or examination as Buyer deems desirable, subject to the provisions of the Confidentiality and Non-Disclosure Agreement dated October, signed by Buyer, Chelsea Souder,

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VP#54291971.2

ATTACHMENT 2: LETTER OF INTENT TO PURCHASE

Julie Burkhardt and Erin King (the "NDA"), which was amended to add Kathryn Dean as of the date hereof, but which shall be deemed in effect as of April 26, 2021 and shall supersede and replace in its entirety that certain Non-Disclosure Agreement dated April 26, 2021, signed by the Company and Trust Women Foundation Inc.

7. Definitive Agreement. As promptly as practicable after the execution of this Letter of Intent, the parties will work towards the preparation and execution of definitive agreements, such as, by way of example and not for purposes of limitation, separate purchase agreements for each component of the Proposed Transaction, any bills of sale, assignment and assumption documentation, and, if needed, any transition or ancillary services agreements (collectively, the "Definitive Agreements"), all of which will contain customary provisions, such as, where applicable, mutual representations, warranties and covenants, closing conditions, applicable consents and approvals (to the extent necessary, from governmental authorities and third parties), indemnification (including indemnification for certain pre-closing liabilities) and appropriate certificates and permits, if required, as well as appropriate exhibits disclosing requested information and other ancillary documents necessary to accomplish the transaction, all of which must be, as to form and substance, mutually satisfactory to the parties hereto. The initial drafts of the Definitive Agreements shall be prepared by Buyer's counsel.

8. Exclusive Dealing. In consideration of the time, effort and expenses that each of the parties has and will incur in connection with the Proposed Transaction, the parties agree that, for a period of sixty (60) days from the effective date of this Letter of Intent (the "Exclusivity Period"), neither party nor any of its affiliates, representatives, officers, employees, shareholders, members, directors or agents, will initiate, solicit, entertain, negotiate, accept or discuss, directly or indirectly, any proposal or offer from any person or group of persons, other than from the other parties, regarding any agreement, arrangement, transaction or understanding relating to or similar to the Proposed Transaction. Each party will notify the other if it receives any indication of interest, requests for information, or offers that could violate the terms set forth in this Section 8.

9. Remedies. The parties hereto agree that in the event of an actual or threatened breach of any of the binding provisions contained in this Letter of Intent, as specifically identified in Section 10 of this Letter of Intent, the non-breaching party may have no adequate remedy at law, and therefore, the non-breaching party shall be entitled to such injunctive and other equitable relief, without the necessity of showing that monetary damages cannot be measured or posting any bond, as may be deemed necessary or appropriate by a court of competent jurisdiction. Nothing contained herein shall be construed as prohibiting the non-breaching party from pursuing any other remedies available to it for such breach or threatened breach, including the recovery of any damages which it is able to prove.

The unsuccessful party to any proceeding or to any court action that is permitted by this Letter of Intent must pay to the prevailing party all costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by the successful party in connection with such proceeding or action, all of which will be included in and as a part of the award rendered in such proceeding or action. For purposes of this paragraph, attorneys' fees include, without limitation, fees incurred in connection with post-judgment and post-award actions.

10. Non-Binding Effect. By executing this non-binding Letter of Intent, the parties acknowledge and agree that, except for the provisions of the paragraphs entitled "Due Diligence,"

CORE/3523196.0002/171999677.2  
VP#54291971.2



"Exclusive Dealing," "Remedies," "Non-Binding Effect," "Termination," "Confidentiality," "Miscellaneous" and "Expenses" each of which are legally binding on the parties hereto in accordance with their respective terms, this Letter of Intent and any statements, representations or actions of the parties hereto or any of their respective affiliates with respect hereto do not constitute legally binding obligations and are not intended to provide a basis for detrimental reliance or create any liability, whether arising in tort or at law. Rather, this Letter of Intent is merely a non-binding statement of the parties' intent and is being given for the purpose of initiating good faith negotiations among the parties that may culminate in the execution of definitive legal documents to consummate the transaction described herein. This non-binding Letter of Intent is not meant to set forth, nor shall it be construed as an attempt to define, all of the terms and conditions upon which the parties may consummate the transaction described herein, and it is not an offer capable of acceptance by any person.

11. Termination. This Letter of Intent will be effective as of the date hereof and will automatically terminate and be of no further force and effect upon the earlier of the (a) execution of Definitive Agreements or (b) the day after written notice of termination by one party is provided to the other party; provided, that neither Buyer nor Seller may terminate this Letter of Intent prior to the expiration of the Exclusivity Period, unless there is a breach of the binding terms of this Letter of Intent by either party. Notwithstanding anything in the previous sentence, if Buyer is unable to secure financing with the U.S. Small Business Administration, Buyer shall immediately notify Seller and the failure to obtain financing shall permit Seller to terminate this Letter of Intent even if the Exclusivity Period has not expired. Sections entitled "Confidentiality," "Miscellaneous" and "Expenses" shall survive the termination of this Letter of Intent and the termination of this Letter of Intent shall not affect any rights any party has with respect to the breach of this Letter of Intent by another party prior to such termination.

12. Confidentiality. This Letter of Intent, our collective interest in a possible transaction and the terms set forth in this Letter of Intent are confidential, and the parties shall at all times comply with the requirements of the NDA.

13. Miscellaneous. THIS LETTER OF INTENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH 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) THAT WOULD CAUSE THE APPLICATION OF LAWS OF ANY JURISDICTION OTHER THAN THOSE OF THE STATE OF ILLINOIS. This Letter of Intent may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement. The headings of the various sections of this Letter of Intent have been inserted for reference only and shall not be deemed to be a part of this Letter of Intent.

14. Expenses. Each party shall pay any and all fees of attorneys or consultants employed by that party in connection with the transaction or otherwise. With respect to the Real Property, the parties will pay all applicable transfer taxes, costs and fees as mutually determined to by the parties, taking into account what taxes, costs and fees are customarily paid by the parties in a commercial real property sale transaction in the county in which the Real Property is located.

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## ATTACHMENT 2: LETTER OF INTENT TO PURCHASE

\* \* \* \* \*

[Remainder of page intentionally left blank. Signatures on the following page.]

CORE/3523196.0002/171999677.2  
VP/#54291971.2

**ATTACHMENT 2: LETTER OF INTENT TO PURCHASE**

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

Please indicate your acceptance of the terms and conditions of this proposal by signing in the space provided below.

Sincerely,

KBS Lotus Management Group, LLC

By:  \_\_\_\_\_

Name: Julie Burkhart

By:  \_\_\_\_\_

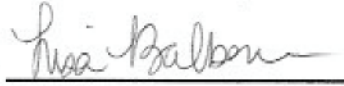
Name: Chelsea Souder

By:  \_\_\_\_\_

Name: Kathryn Dean

*Agreed and Accepted as of January 17, 2022:*

The Hope Clinic for Women, Ltd.

By:  \_\_\_\_\_

Lisa Balbona, Trustee of The Hector N. Zevallos Revocable Trust, the sole shareholder of the Company and the authorized representative of the owner of the Real Property

CORE/3523196.0002/171999677.2  
VP/#54291971.2

ATTACHMENT 2: LETTER OF INTENT TO PURCHASE

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

*File Number* 5100-636-4



***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***

THE HOPE CLINIC FOR WOMEN, LTD., A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON OCTOBER 15, 1976, 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.



Authentication #: 2208402540 verifiable until 03/25/2023  
Authenticate at: <http://www.ilsos.gov>

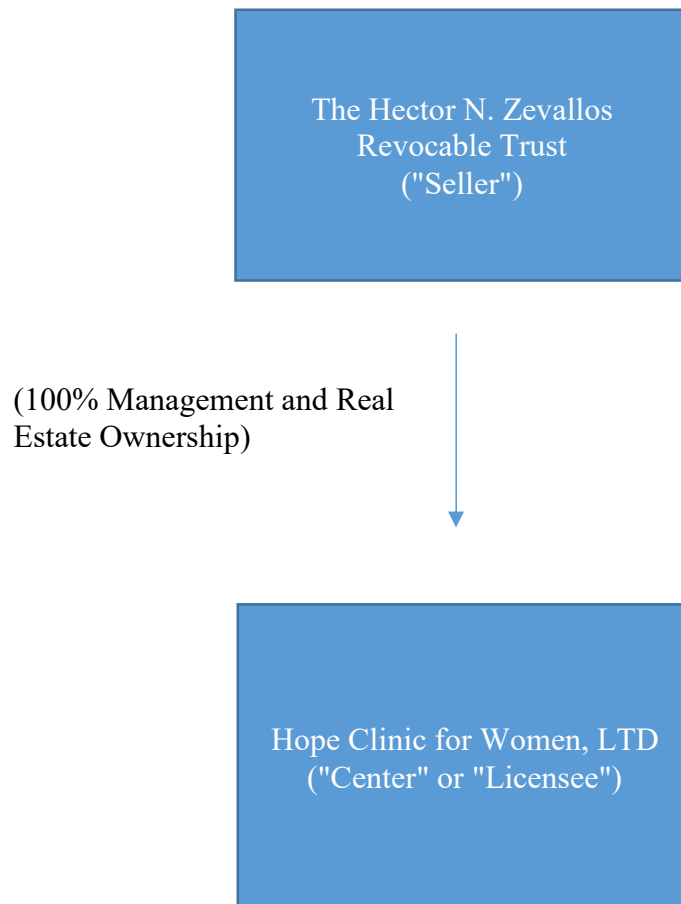
***In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 25TH day of MARCH A.D. 2022 .***

*Jesse White*

SECRETARY OF STATE

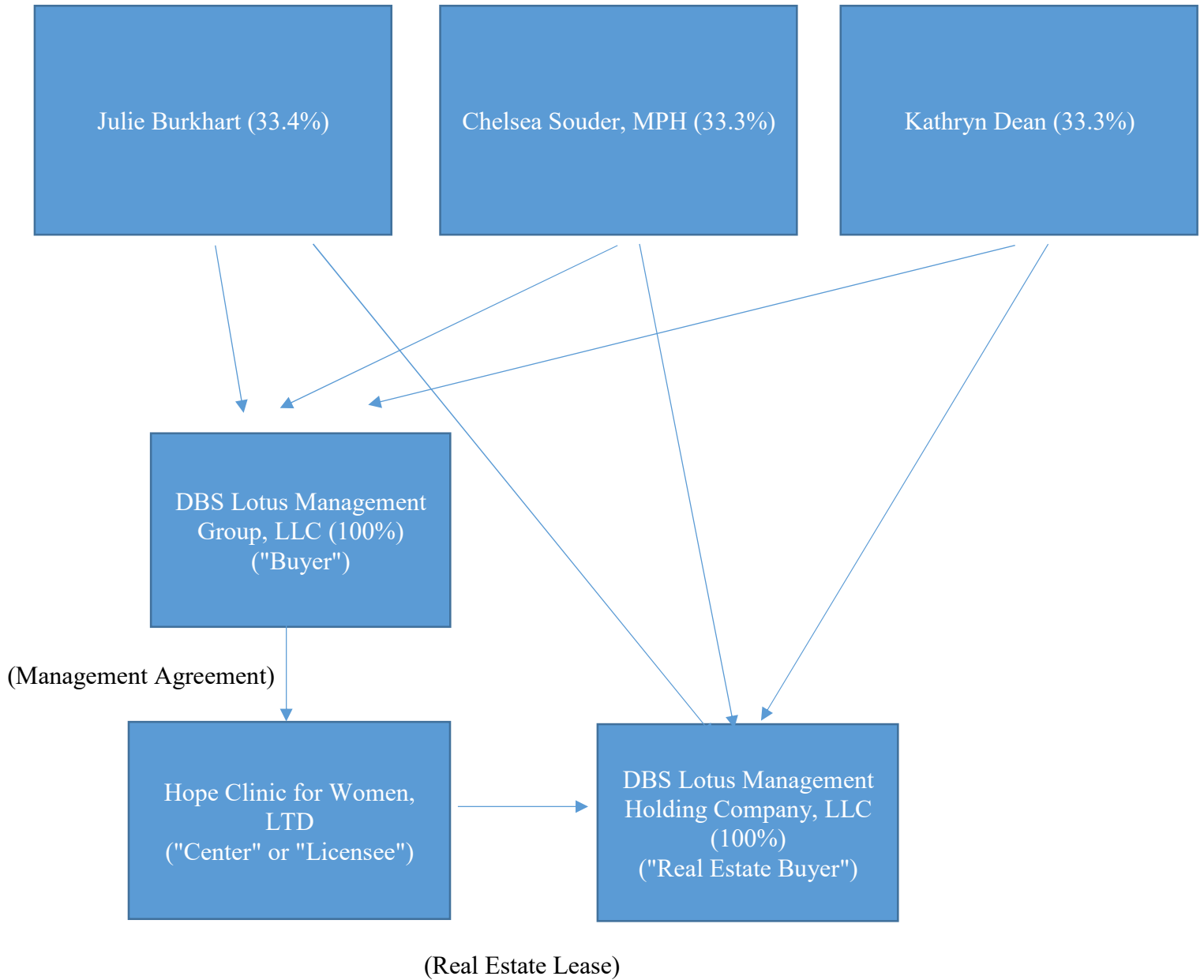
**ATTACHMENT 3: OPERATING ENTITY/LICENSEE**

The facility is owned by the Hector N. Zevallos Revocable Trust. As a result of the proposed transaction, 100% of the outstanding shares of Hope Clinic for Women, LTD will be wholly owned by DBS Management Group, LLC. Simultaneously, the Applicant, DBS Lotus Management Holding Company, LLC ("Real Estate Buyer"), will purchase the real estate described in Attachments 2 and 8 ("Real Estate") from Seller. Real Estate Buyer is affiliated with and possesses overlapping, common ownership with Buyer. Proposed organizational charts pre-transaction and post-transaction are included with this attachment. All direct owners of a 5% or more interest in the applicant facility are identified in the organizational chart.

**Pre-Transaction Organizational Chart****ATTACHMENT 4: ORGANIZATIONAL RELATIONSHIP**



## Post-Transaction Organizational Chart



## ATTACHMENT 4: ORGANIZATIONAL RELATIONSHIP

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

The applicant, DBS Lotus Management Holding Company, LLC, has no ownership interest in any other healthcare facilities and does not operate any other healthcare facilities.

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.**

No corporate officer or director, LLC member, partner, or owner of the applicant owns or operates any health care facility in Illinois.

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.**

The applicant, DBS Lotus Management Holding Company, LLC, has not directly or indirectly owned or operated any facility during the previous three years. No adverse action has been taken during the previous three years against any facility owned and/or operated by a corporate officer or director, LLC member, partners or owners of the applicant.

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.**

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

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

The applicant has not previously submitted an application, so this question is not applicable.

#### ATTACHMENT 5: BACKGROUND OF APPLICANT

March 29, 2022

Debra Savage  
Board Chair  
Illinois Health Facilities and Service Review Board  
525 Jefferson Street, 2<sup>nd</sup> Floor  
Springfield, Illinois 62761

**RE: Background of the applicant- DBS Lotus Management Holding Company, LLC**

Dear Chair Savage,

As a representative of DBS Lotus Management Holding Company, LLC, I, Chelsea Souder, MPH, give the authorization to the Illinois Health Facilities and Service Review Board and the Illinois Department of Public Health (IDPH) to access documents necessary to verify the information submitted including, but not limited to: official records of IDPH or other state agencies, the licensing or certification records of other states, and the records of nationally recognized accreditation organizations.

I further certify, to the best of my personal knowledge, that:

- i) The applicant, DBS Lotus Management Holding Company, LLC, has not directly or indirectly owned or operated any facility during the previous three years.
- ii) No adverse action has been taken during the previous three years against any facility owned and/or operated by a corporate officer or director, LLC member, partner or owner of the applicant.

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

Sincerely,



Chelsea Souder, MPH  
Co-owner  
DBS Lotus Management Holding Company, LLC

**ATTACHMENT 5: BACKGROUND OF APPLICANT**

**1130.520(b)(1)(A) - Names of the parties:**

DBS Lotus Management Group, LLC ("Buyer")  
 DBS Lotus Management Group Holding Company, LLC ("Real Estate Buyer")  
 The Hector N. Zevallos Revocable Trust ("Seller")  
 Hope Clinic for Women, LTD ("Licensee" or "Center")

**1130.520(b)(1)(B) - Background of the parties:**

DBS Lotus Management Group, LLC ("Buyer") and DBS Lotus Management Group Holding Company, LLC ("Real Estate Buyer") are newly created Illinois limited liability companies owned and managed by the following three individuals:

- **Julie A. Burkhardt** (Co-owner)- Ms. Burkhardt has been in the field of women's reproductive health for 25 years. She is the Founder and former Chief Executive Officer of Trust Women, a focused, yet flexible, reproductive health and rights organization to provide safe health services in underserved communities in the United States. She has an outstanding record providing assistance to health care facility startups including business-planning, strategy, and forecasting. Throughout her career, she has worked in three start-up abortion clinics and one abortion clinic acquisition and led them to success through her operational prowess. In addition, her twelve years of leadership experience in health care clinic work, including oversight for over 30 staff and 15 physicians, directly correlates to the operational capacity she will have post-closing at the Center in determining the staff oversight, cash flow, and implementation of executive decisions.
- **Chelsea Souder, MPH** (Co-owner and Chief Executive Officer)- Mrs. Souder has a Master's Degree in Public Health, specializing in maternal and child health. She has been in the abortion and reproductive healthcare field for nine years as a researcher, patient care technician, and Clinic Director with oversight of eight physicians and 25 staff. She also has experience in one abortion clinic startup, as well as managing and directing role in two abortion clinics simultaneously for five years. Now, she is the Founder and Director of the Nebraska Abortion Resources and sits on the board of the Nebraska Religious Coalition for Reproductive Freedom, Survivors Rising, as well as the Racial Justice & Equity Committee for Abortion Care Network. She is the Project Manager of the Regional Logistics Center, a patient navigation center for the Center and Planned Parenthood of the St. Louis Region. She has a strong dedication to organizations and programs that allow equal access to healthcare and advocate for survivors of violence. She has sat on boards for abortion and LGBTQ+ healthcare facilities and has contributed to multiple publications on abortion access, delivery of care, and refugee health.
- **Kathryn Dean** (Co-owner)- Kathy Dean has had experience in the field of abortion for roughly 7 years. She completed her education in human relations and interpersonal communication skills. Later, she began her work in the industry by bookkeeping and developing financial reports in Bellevue, Nebraska, managing assets and liabilities for the company, including assets receivable and payable. Following this, she had several other work experiences in healthcare. She excelled at administrative tasks in these areas and provided direct abortion funding and support networks. She will join the Center as a co-owner and apply her previous experience in the area to the business.

The Hector N. Zevallos Revocable Trust ("Seller") assumed ownership of the Hope Clinic for Women, LTC ("Licensee" or "Center") in early 2021 upon the death of Dr. Hector N. Zevallos. Dr. Zevallos founded the Center in 1974 and provided care and managed the Center for more than 40 years, most recently with the assistance of his daughter, Lisa Balbona. Upon Dr. Zevallos' death, ownership of the Center transitioned to the Seller with Ms. Balbona as trustee. The Zevallos (Balbona) family has been committed to the Center and patient access to high quality and compassionate reproductive healthcare since the Center's founding.

**ATTACHMENT 6: APPLICABLE REVIEW CRITERIA**

- **Erin King, MD, FACOG** (Medical Director of Center)- Dr. King is the current Executive Director of the Center and has served in this position for 5 years while working at the Center for 11 years as a physician. Dr. King has 14 years of experience in the reproductive health field. She has worked in Obstetrics and Gynecology and completed her education at Northwestern University, Chicago, Illinois. After the transaction closes, she will remain on-site as the Medical Director and a part-time providing physician. Her current hospital affiliations include Barnes Jewish Hospital in St. Louis, MO and Gateway Regional Medical Center in Granite City, IL.

As the applicant, the Real Estate Buyer certifies that 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. Please see Attachment 5 and its attached certification for additional details.

**1130.520(b)(1)(C) – Structure of the transaction:**

The Buyer proposes to acquire one hundred percent (100%) of the outstanding stock of the Center from the Seller. Simultaneously, the Real Estate Buyer will purchase the real estate described in Attachments 2 and 8 ("Real Estate") from Seller. Real Estate Buyer is affiliated with and possesses overlapping, common ownership with Buyer.

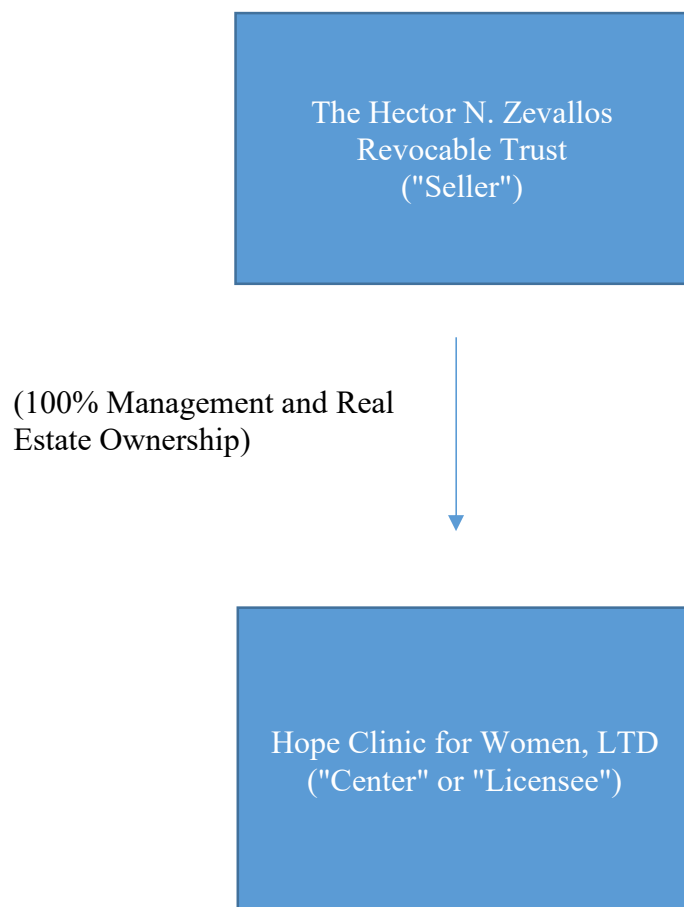
**1130.520(b)(1)(D) - Name of the person who will be licensed or certified entity after the transaction:**

There will be no change in the licensed entity as a consequence of the proposed transaction. The licensee will remain Hope Clinic for Women, LTD.

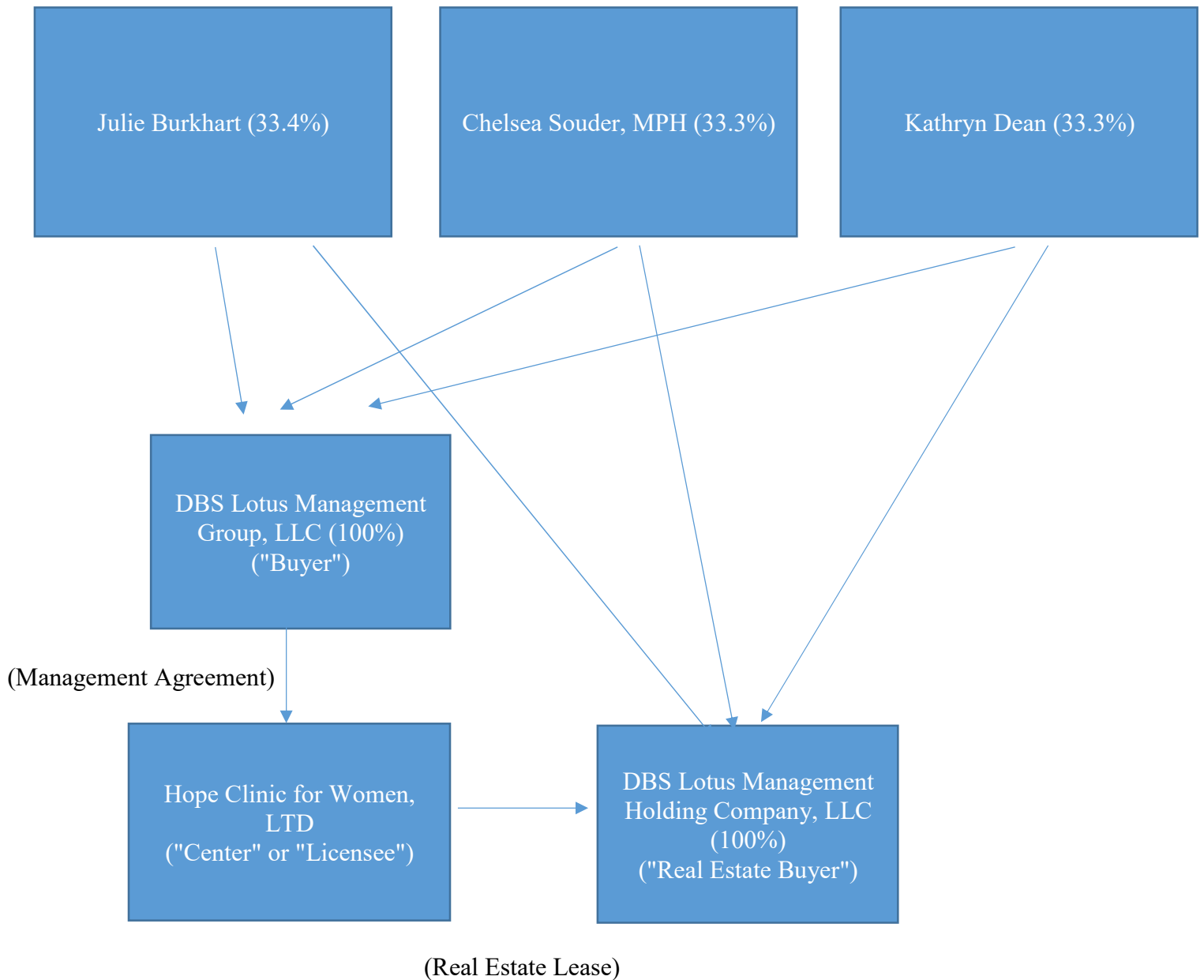
**1130.520(b)(1)(E) – List of the ownership or membership interests:**

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

**Pre-Transaction Organizational Chart**



Post-Transaction Organizational Chart



ATTACHMENT 6: APPLICABLE REVIEW CRITERIA



**1130.520(b)(1)(F) – Fair market value of assets to be transferred:**

The appraised value of the real estate to be acquired by Real Estate Buyer is one million six hundred fifty thousand dollars (\$1,650,000.00). Valuation of the shares to be acquired by Buyer, which encompass all non-real estate assets of the Center, is pending. The best estimate of the fair market value of the shares to be acquired by Buyer is the purchase price, six hundred twenty-five thousand dollars (\$625,000.00).

**1130.520(b)(1)(G) – The purchase price or other forms of consideration to be provided for those assets:**

The purchase price for the real estate to be acquired by Real Estate Buyer is one million, six hundred thousand dollars (\$1,600,000.00). The purchase price for the shares in Center to be acquired by Buyer, which encompass all non-real estate assets of the Center, is six hundred twenty-five thousand dollars (\$625,000.00).

**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 77 Ill. Admin. Code 1130.520, the applicants, by their signatures to the Certification pages of this application, affirm that any projects for which permits have been issued by the Review Board have been completed or will be completed or altered in accordance with the provisions of 77 Ill. Admin. Code 1130.520. The applicant is not aware of any projects for which the Board has issued a permit that are not complete.

**1130.520(b)(3) - If the ownership change is for a hospital:**

The ownership change is not for a hospital – N/A.

**1130.520(b)(4) – A statement as to the anticipated benefits of the proposed changes in ownership to the community:**

This change in ownership will allow the Center to carry on Dr. Zavallos' legacy and continue to provide high quality, compassionate abortion and other reproductive health care services to both members of its community and patients needing to travel to access reproductive health care services. Since 1974, the Center has served the Granite City area as specialists in abortion care and the Buyer intends to retain the Center's caring staff and highly skilled physicians to continue to offer patients the highest standard of abortion and reproductive health care services. The Center is a member of the National Abortion Federation and the Abortion Care Network, national organizations that promote the highest standards of abortion care. The Buyer's mission is to serve those who are in need of safe and affordable access to reproductive healthcare. Its owners have been long-time active spokespersons for reproductive rights.

The Center also currently has contracts with Barnes Jewish Hospital/Washington University to train both Ob/Gyn Residents and Family Planning Fellows in abortion care. Through these contracts, the Center contributes to the training of new physician to serve the community's reproductive health care needs.

The Center is in a critical location with respect to surrounding states where access to reproductive healthcare is severely curtailed, a serious health care concern that is anticipated to grow worse in coming months due to anticipated court rulings and proposed legislation. The Buyer's goal is to purchase the Center specifically with the purpose of continuing to operate it so that as many patients as possible can access the care they need locally, without having the burden of long-distance travel or expense of lodging. We look forward to continuing to serve the critical reproductive health needs of patients in the Granite City Community, the St. Louis metro area, and the Greater South and Midwest regions.

**ATTACHMENT 6: APPLICABLE REVIEW CRITERIA**

**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:**

As the Buyer intends to continue operating the Center largely as it has been operated by Seller, the Buyer does not anticipate that the change of ownership will result in a material change in costs for the community or the facility.

**1130.520(b)(6) – A description of the facility's quality improvement program mechanism that will be utilized to assure quality control:**

The Center's quality improvement program mechanism will not change as a result of the proposed transaction. The current quality control policy is stated below:

**Purpose:** To have an ongoing, data driven quality assessment and improvement program that addresses measurable improvements in patient health outcomes and improves safety by addressing quality of care indicators or performance measures, adverse events, the reduction of medical errors and infection control.

**Process:**

The following will be recorded quarterly:

Adverse events: including but not limited to:

- § Reaspiration
- § Hemorrhage
- § Uterine Perforation
- § Anesthesia Complication/Reversal
- § Hospitalization for abortion related issue/Transfer to hospital
- § Infection
- § Out of Clinic Delivery
- § Ectopic Pregnancy (diagnosed/worked up or undiagnosed)
- § Medical Error
- § Other Patient Safety Event
- o Information about the adverse event including clinical information, patient outcomes, associated physician and any other necessary information will be summarized
- o Adverse event rates will be calculated based on:
  - § Adverse event number/known quarterly patient totals x 100
  - § Adverse events will be divided into appropriate procedure categories
- o Adverse event rates will be compared to known/established values (example: NAF, SFP, ACOG, published data etc.) for each procedure type
- o Adverse events will also be recorded for each physician
- o As appropriate, adverse events may include information about specific staff members, departments or locations in the facility
- o Reports will be reviewed quarterly by the Governing Body
- o The Consulting Committee may be involved in the QAPI review

**Review will be made specifically for:**

- § Adverse event rate higher than expected for: procedure type, specific adverse event, or physician
- § Medical necessity of procedures performed
- § Appropriateness of care
- § Specific patient safety issues
- § Identification of medical errors
- § Infection Control Practices

**ATTACHMENT 6: APPLICABLE REVIEW CRITERIA**

**Implementing improvements:**

- § The Governing Body will recommend specific improvements if needed
- § The Governing Body will assign a staff member to oversee and submit in writing the following:
  - o Research/Investigation of improvement
  - o Goal for and Plan of improvement
  - o Changes to existing policies/procedures that may be needed
  - o Quality outcomes to be followed/measured
  - o Implementation of improvement
  - o Report of plan/implementation and quality measures will be reported by assigned staff member to the Governing Body
  - o Time frame under which improvement should be made

**Review of improvements:**

- § All data, activities and outcomes of quality assessment and improvement efforts and projects are to be reviewed at least annually and submitted in writing to the governing body.

**1130.520(b)(7) - A description of the selection process that the acquiring entity will use to select the facility's governing body:**

The Center will be governed by Julie Burkhart, Chelsea Souder, MPH, and Kathryn Dean, the owners of the Buyer and the Real Estate Buyer. The Buyer and Real Estate Buyer have no plans to add any additional owners. The Buyer intends to maintain all clinical leadership and staff currently employed with the Center.

**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.**

The applicant Real Estate Buyer's role is to own and maintain the facility Real Estate and, as such, the Real Estate Buyer will not be directly involved in decisions regarding the scope of services or levels of care provided at the facility. The Buyer is acquiring the Center with the intent of continuing the operations of the Center and doing so for the benefit of the community. The Buyer does not anticipate that any changes to the scope of services or levels of care currently provided at the Center will occur within the next 24 months.

The Buyer will, of course, continue to assess and evaluate the needs of the community throughout and would reserve the right to pursue any changes that would best serve the needs of the community. In the event that there are necessary or recommended changes to the services to be provided, the Buyer, Real Estate Buyer, and Center will adhere to the applicable certificate of need requirements and will submit the necessary applications for any modification of services to be considered.

**ATTACHMENT 6: APPLICABLE REVIEW CRITERIA**

(Source: Published ASTC profiles, IDPH)

CHARITY CARE			
	2020	2019	2018
<b>Net Patient Revenue</b>	<b>\$2,420,096</b>	<b>\$3,356,716</b>	<b>\$1,570,698</b>
Amount of Charity Care (charges)	2%	0	0
Cost of Charity Care	\$49,145	0	0

Upon ownership change the licensee will continue to provide charity care with a projected rate of 3-5% of net patient revenue annually.

**ATTACHMENT 7: CHARITY CARE INFORMATION**

***APPRAISAL REPORT  
MEDICAL OFFICE BUILDING  
1602 EAST 21<sup>ST</sup> STREET  
GRANITE CITY, MADISON COUNTY, ILLINOIS 62040***

*Project #C21-215*

***PREPARED FOR:***

*MR. BRIAN DESATNICK  
BUSEY BANK  
100 WEST UNIVERSITY AVENUE  
CHAMPAIGN, ILLINOIS 61820*

***PREPARED BY:***

*DJ HOWARD & ASSOCIATES, INC.  
820 BROADWAY  
HIGHLAND, ILLINOIS 62249*

***AS OF***

***JULY 2021***

**ATTACHMENT 8: SITE APPRAISAL SUMMARY**

**DJ HOWARD & ASSOCIATES, INC.**  
Real Estate Appraisal and Consulting820 Broadway  
Highland, Illinois 62249[www.djhowardrea.com](http://www.djhowardrea.com)Phone (618) 654-7790  
Fax (618) 654-7792

July 9, 2021

Mr. Brian Desatnick  
Busey Bank  
100 West University Avenue  
Champaign, Illinois 61820RE: Appraisal Report  
Medical Office Building  
1602 East 21<sup>st</sup> Street  
Granite City, Madison County, Illinois 62040

Dear Mr. Desatnick:

At your request, we have made a personal inspection and prepared the following Appraisal Report of the above referenced property. The purpose of this summary report is to estimate the market value of the fee simple interest of the subject property in its "as is" condition. The date to which the "as is" value estimate shall apply is July 6, 2021, the date of our property inspection.

The subject consists of two contiguous parcels of land located at the southeast intersection of East 21<sup>st</sup> Street and Iowa Street within the municipal limits of Granite City in Madison County, Illinois. The main parcel is an 18,750 square foot parcel on which the two-story medical office building is located. Currently operating as The Hope Clinic for Women, the building contains a total gross building area of 16,768 square feet. Approximately 2,464 square feet of this space is an interior garage with the remainder of the building consisting of four operating rooms, patient exam rooms, and medical office space. According to the Madison County Assessor's office, the building was constructed in 1998. The second parcel consists of a 5,000 square foot parking lot.

A more complete description of the property, together with the sources of information and the bases of estimates, are presented in the accompanying sections of this summary report. Your attention is called to the relevant assumptions, limiting conditions, and certification found later in this appraisal report.

**ATTACHMENT 8: SITE APPRAISAL SUMMARY**

It is s our opinion that the market value of the fee simple interest in the subject property in its "as is" condition, as of July 6, 2021, is:

**\$1,650,000**

**(ONE MILLION SIX HUNDRED FIFTY THOUSAND DOLLARS)**

Our estimate of market value assume a marketing period of one year or less. Our estimate of market value is intended solely for your information, and may not be used for any purpose other than indicated in this letter. Our analysis is based on estimates, assumptions, and other information developed from research of the market, knowledge of the industry and certain information which you provided. The sources of information and bases of the estimates and assumptions are stated in the appropriate sections of this summary report. Under the terms of this engagement, we have no obligation to revise this analysis or the estimate of market value to reflect events or conditions that occur subsequent to the date of the appraisal.

Neither the whole, nor any part of this summary report or any reference thereto, may be included in any document, statement, or circular without our prior written approval of the form and context in which it appears.

Respectfully submitted,

**DJ HOWARD & ASSOCIATES, INC.**



Donna J. Howard, MAI  
Illinois State Certified  
General Real Estate Appraiser  
License No. 553001267



Jordan Keeven  
Illinois State Certified  
Associate Real Estate Trainee Appraiser  
License No. 557006710

**ATTACHMENT 8: SITE APPRAISAL SUMMARY**





*View of Subject Property  
1602 East 21<sup>st</sup> Street  
Granite City, Madison County, Illinois*

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