



Administration

t 618.457.5200
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May 31, 2023

Mr. John Kniery
Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson Second Floor
Springfield, Illinois 62761

Re: Health Facilities Planning Act – Part 1130 Exemption
Notice of Project Completion #E-082-22
Southern Illinois Orthopedic Center, LLC

Dear Mr. Kniery:

This letter is being submitted in accordance with 77 Ill. Adm. Code 1130.570 (b)(1) and (c)(2) as a Certification and Notice of Project Completion. This Certificate of Exemption for the Change of Ownership of a Health Care Facility (CHOW) was approved on January 12, 2023.

This notice certifies that the change of ownership was completed on May 31, 2023, in accordance with the key terms contained in the application. That is the date on which the change in ownership occurred as a result of a stock transfer of 2% in Southern Illinois Orthopedic Center, LLC, a licensed multi-specialty Ambulatory Surgical Treatment Center in Herrin, Illinois, from Southern Illinois Orthopedic Associates, LLC, to Southern Illinois Hospital Services. There is no change in Southern Illinois Orthopedic Center's license as a result of this transaction.

I have attached the Membership Interests Purchase and Sale Agreement documenting that this transaction was completed on May 31, 2023. On that date, Southern Illinois Hospital Services became the majority owner of Southern Illinois Orthopedic Center, LLC. Southern Illinois Healthcare Enterprises, Inc., is the sole corporate member of Southern Illinois Hospital Services.

Please feel free to contact Andrea Rozran of Diversified Health Resources at 312-266-0466 or arozran@diversifiedhealth.net, or Cathy Blythe at 618-457-5200 extension 67963 or cathy.blythe@sih.net if you have any questions or need additional information.

Sincerely,

A handwritten signature in black ink, appearing to read 'John Antes', is written over the word 'Sincerely,'.

John Antes
President and CEO
Southern Illinois Healthcare

cc: Cathy Blythe
Andrea Rozran

1239 East Main Street | PO Box 3988 Carbondale, IL 62902-3988

OFFICIAL SEAL
SUSAN J. MORGAN
Notary Public, State of Illinois
My Commission Expires 09-20-2024

A handwritten signature in black ink, appearing to read 'Susan J. Morgan', is written over the notary seal.
5/31/23

COPY

MEMBERSHIP INTERESTS PURCHASE AND SALE AGREEMENT

by and among

SOUTHERN ORTHOPEDIC ASSOCIATES, L.L.C.
as Seller,

SOUTHERN ILLINOIS ORTHOPEDIC CENTER, LLC
as the Company,

and,

SOUTHERN ILLINOIS HOSPITAL SERVICES,
as Buyer

EXHIBITS

Exhibit 1.1	Summary of Fair Market Valuation Analysis
Exhibit 1.1(a)	Memorandum of Agreement of Purchase Price
Exhibit B	Form of Assignment Agreement

SCHEDULES

Schedule 2.4	Consents and Approvals
Schedule 3.5	Absence of Certain Changes
Schedule 4.6(b)	Allocation of Purchase Price

CLOSING DOCUMENTS

Seller's Certificate
Buyer's Certificate

THIS MEMBERSHIP INTERESTS PURCHASE AND SALE AGREEMENT (the “Agreement”) is made and entered into as of February 22, 2023 by and among Southern Orthopedic Associates, L.L.C., an Illinois limited liability company (“Seller”), Southern Illinois Orthopedic Center, LLC, an Illinois limited liability company (the “Company”) and Southern Illinois Hospital Services, an Illinois not-for-profit corporation (“Buyer”).

WHEREAS, the Company’s capitalization is composed of one hundred (100) ownership interests (“Ownership Interests”), as defined in the Company’s operating agreement (the “Existing LLC Agreement”) with fifty-one (51) Ownership Interests initially owned by Buyer and forty-nine (49) Ownership Interests initially owned by Seller; and

WHEREAS, on June 1, 2010, Buyer sold to Seller fifteen (15) Ownership Interests;

WHEREAS, on November 1, 2018, Buyer purchased from Seller fifteen (15) ownership Interests; and

WHEREAS, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller two (2) Ownership Interests (the “Interests”).

NOW, THEREFORE, in consideration of the foregoing and 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 hereby agree as follows:

1. Purchase and Sale of Interests

1.1 *Purchase and Sale of Interests.* Subject to the terms and conditions set forth in this Agreement and in reliance on the representations and warranties contained herein, at the Closing, Seller shall sell to Buyer and Buyer shall purchase from Seller, the Interests for an aggregate purchase price determined as follows (the “Purchase Price”):

The Purchase Price for the Interests shall be an amount equal to two percent (2%) of the “Concluded Equity Value” as calculated by Huron Consulting Services, Inc in its document dated April 1, 2022 entitled Fair Market Valuation of Southern Illinois Orthopedic Center, LLC using the same methodology that was used in previous SIOC valuations conducted by Huron Consulting Services, Inc. (the “Valuation”), a copy of which has been provided agreed to by all Parties hereto and the draft valuation page has been attached hereto as Exhibit 1.1.

1.2 *Memorandum of Agreement of Purchase Price.* Within thirty (30) days after the completion of the Valuation, Seller and Buyer will approve the Purchase Price in a Memorandum of Agreement of Purchase Price, which shall be attached as Exhibit 1.1(a).

1.3 *Closing.*

(a) The purchase and sale of the Interests shall take place at a closing (the “Closing”) to be held at the offices of Buyer at 1239 E. Main St., Carbondale, IL 62902-3988 at 9:00 a.m. on May 31, 2023, subject to satisfaction or waiver of all of the conditions to Closing set forth in Article 5 (other than conditions with respect to the actions the respective parties will take at the Closing itself) or on such other date as Seller and Buyer may mutually determine (the “Closing Date”). The Closing shall be effective for all purposes as of 11:59 p.m. on the day after the closing.

(b) The Interests purchased by Buyer shall not be certificated. Instead, at the Closing, Seller and Buyer shall execute an Assignment and Acceptance Agreement in the form attached hereto as Exhibit 1.3(b) (the "Assignment Agreement") with respect to the Interests.

1.4 Deliveries at Closing.

(a) At the Closing, Seller will deliver or cause to be delivered to Buyer:

(i) the executed Assignment Agreement and each other document required to be delivered by Seller at the Closing pursuant to this Agreement or any other agreement referred to herein, including, but not limited to, any and all required consents, approvals and waivers; and

(ii) a certificate of a Manager of Seller certifying that (A) the conditions provided for in the applicable sections of Article 5 have been satisfied on and as of the Closing Date, (B) Seller has performed in all material respects all of its applicable obligations, agreements and covenants under this Agreement, which by the terms hereof are to be performed on or before the Closing Date, and (C) the resolutions of the Managers of Seller, evidencing approval of this Agreement, are true, correct and complete, have not been amended, modified or revoked and are in full force and effect on the Closing Date;

(b) At the Closing, Buyer will deliver or cause to be delivered to Seller or the Company, as applicable, the following:

(i) a certificate of an officer of Buyer certifying that (A) the conditions provided for in the applicable sections of Article 5 have been satisfied on and as of the Closing Date, (B) Buyer has performed in all material respects all of its applicable obligations, agreements and covenants under this Agreement, which by the terms hereof are to be performed on or before the Closing Date, and (C) the resolutions of the Directors of Buyer, evidencing approval of this Agreement, are true, correct and complete, have not been amended, modified or revoked and are in full force and effect on the Closing Date;

(ii) the payment of the Purchase Price; and

(iii) each other document required to be delivered by Buyer at the Closing pursuant to this Agreement.

1.5 Tax Treatment. The Company shall determine Seller's distributive share relating to the Interests for the period beginning January 1, 2023 and ending as of the Closing Date ("Short Period") pursuant to the "varying interest rule" as specified in Code Section 706(d)(2) and the Treasury Regulations promulgated thereunder and shall provide to Seller an IRS Form 1065 Schedule K-1 reflecting such allocation for the Short Period as well as Seller's distributive share relating to the Ownership Interests Seller continues to own after the Closing Date for the entire fiscal year ending December 31, 2023. The Schedule K-1 shall be provided to Seller at the same time as Schedule K-1's are provided to the other members of the Company.

1.6 Cash and Accounts Receivables. Seller shall continue to be entitled to all cash distributions made by the Company based on Seller's ownership of fifty-one (51) Ownership Interest in Company through the Closing Date. Immediately prior to the Closing on the Closing Date, Company shall make a Distribution.

1.7 Payments. All payments by Buyer at the Closing pursuant to this Article 1 shall be by wire transfer of immediately available funds to the accounts specified by Seller in written instructions delivered not less than two (2) days prior to the Closing.

2. Representations and Warranties of Seller. In order to induce Buyer to enter into this Agreement and consummate the transactions contemplated hereby, Seller hereby makes to Buyer the following representations and warranties with respect to Seller.

2.1 Existence; Authority.

(a) Seller is a limited liability company validly existing and in good standing under the laws of the State of Illinois and has the full power and authority to execute, deliver and perform its obligations under this Agreement and to carry out the transactions contemplated hereby and thereby.

(b) The execution and delivery of this Agreement by Seller, the performance by Seller of its obligations hereunder and the consummation of the transactions contemplated hereby have been duly authorized by all requisite action on the part of Seller. This Agreement has been duly executed and delivered by Seller and, assuming the due authorization, execution and delivery of this Agreement by Buyer and the Company, this Agreement constitutes a legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general equitable principles.

2.2 Ownership Interests. The Interests are owned legally, beneficially and of record by Seller. Seller has not granted to any Person any rights or options with respect to the Interests and Seller is not a party to any agreement with respect to the Interests other than the Existing LLC Agreement. The Interests are not subject to any preemptive rights or rights of first refusal or any other rights pursuant to any contract, arrangement or understanding entered into or acknowledged by Seller (other than as set forth in the Existing LLC Agreement, which have been waived pursuant to the provisions of this Agreement), including, but not limited to, any encumbrances.

2.3 No Conflicts. Neither the execution and delivery of this Agreement by Seller, nor the performance by Seller of its obligations contemplated hereby, will (i) violate or constitute a default, or require notice and/or consent under, any contract or other instrument, permit, concession, franchise, judgment, order, decree or ruling to which Seller is a party or by which Seller's assets or properties are or may be subject or bound except to the extent that such violations or defaults, or failures to provide such notices or receive such consents, would not adversely affect the ability of Seller to enter into or perform its obligations under this Agreement; (ii) violate any laws applicable to Seller; or (iii) result in the creation of any encumbrance upon the Interests.

2.4 Consents and Approvals. To Seller's Knowledge, the execution, delivery and performance of this Agreement by Seller will not require any third-party consents, approvals, authorizations or actions, except as set forth on Schedule 2.4, and where failure to obtain such consents, approvals, authorizations or actions would not have a material adverse effect on the ability of Seller to perform its obligations under this Agreement.

2.5 Litigation. As of the date hereof, there is no claim, action, suit, proceeding, arbitration, complaint, charge or investigation pending or, to Seller's Knowledge, threatened,

before any Governmental Authority with respect to Seller, which seeks to delay or prevent the consummation of the transactions contemplated by this Agreement by Seller.

2.6 Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's, or other fee or commission in connection with the transactions hereunder based upon arrangements made by or on behalf of Seller.

3. Representations and Warranties of Buyer. In order to induce Seller to enter into this Agreement and to consummate the transactions contemplated hereby, Buyer hereby makes to Seller the following representations and warranties.

3.1 Existence; Authority.

(a) Buyer is a not-for-profit corporation validly existing and in good standing under the laws of the State of Illinois and has the full power and authority to execute, deliver and perform its obligations under this Agreement and to carry out the transactions contemplated hereby and thereby.

(b) The execution and delivery of this Agreement by Buyer, the performance by Buyer of its obligations hereunder and the consummation of the transactions contemplated hereby have been duly authorized by all requisite action on the part of Buyer. This Agreement has been duly executed and delivered by Buyer and, assuming the due authorization, execution and delivery of this Agreement by Seller and the Company, this Agreement constitutes a legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general equitable principles.

3.2 No Conflict. Neither the execution and delivery by Buyer of this Agreement, nor the consummation by Buyer of the transactions in accordance with the terms hereof, conflicts with or results in a breach of any of the provisions of Buyer's organizational documents. The execution and delivery by Buyer of this Agreement, and the consummation by Buyer of the transactions in accordance with the terms hereof, will not violate, or conflict with, or result in a breach of any provision of, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, deed of trust, lease, contract or other agreement to which Buyer is a party, or by which Buyer or any of its properties is bound, except, in each case, as would not have a material adverse effect on the ability of Buyer to perform its obligations under this Agreement.

3.3 Consents and Approvals. The execution, delivery and performance of this Agreement by Buyer will not require any third-party consents, approvals, authorizations or actions, except as set forth in Schedule 2.4, and where failure to obtain such consents, approvals, authorizations or actions would not have a material adverse effect on the ability of Buyer to perform its obligations under this Agreement.

3.4 Financial Statements. Buyer has delivered to Huron, the Company's unaudited financial statements (including balance sheet, income statement and statement of cash flows) from January 1, 2018, through December 31, 2021 (collectively, the "Financial Statements"). The Financial Statements have been prepared in accordance with GAAP applied on a consistent basis throughout the periods indicated, except that the unaudited Financial Statements may not contain

all footnotes required by GAAP. The Financial Statements fairly present in all material respects the financial condition and operating results of the Company as of the dates, and for the periods, indicated therein, subject in the case of the unaudited financial statements to normal year-end audit adjustments.

3.5 Absence of Certain Changes. Since December 31, 2021, except as set forth on Schedule 3.5, attached hereto, the Company has operated only in the ordinary course of business consistent with past practice and there has not been any:

- (a) change in the Company's Articles of Organization, the Existing LLC Agreement or the authorized or issued Ownership Interests;
- (b) grant of any option, right to purchase or similar right regarding the Ownership Interests;
- (c) purchase, redemption, retirement, or other acquisition by the Company of any of the Ownership Interests, or declaration or payment of any dividend or other distribution or payment in respect of the Ownership Interests;
- (d) acquisition of any assets that are material to the Company or acquisition by the Company (by merger, consolidation, acquisition of stock or assets or otherwise) of any corporation, partnership, limited liability company or other business organization or division thereof;
- (e) arrangement or commitment by the Company to do any of the things described in this Section; or
- (f) material changes in non-cash working capital.

3.6 No Dissolution. No event that would cause the dissolution, liquidation and termination of the Company has occurred and is continuing and no event that, with the giving of notice or lapse of time or both, would cause the dissolution, liquidation and termination of the Company has occurred and is continuing, other than the termination of the Company under Section 708(b)(1)(B) of the Code and the Treasury Regulations thereunder caused by the taxable purchase and sale of the Interests.

3.7 Litigation. As of the date hereof, there is no claim, action, suit, proceeding, arbitration, complaint, charge or investigation pending or, to Buyer's Knowledge, threatened, before any Governmental Authority with respect to Buyer, which seeks to delay or prevent the consummation of the transactions contemplated by this Agreement by Buyer.

3.8 Brokers. No broker, finder or investment banker is entitled to any brokerage, finders, or other fee or commission in connection with the transactions hereunder based upon arrangements made by or on behalf of Buyer.

4. Additional Covenants and Agreements.

4.1 Conduct of Business Prior to Closing. The Company agrees that, between the date hereof and the Closing Date, it shall operate in the ordinary course of business, consistent with past practices, except as expressly contemplated by this Agreement and will use commercially reasonable efforts to preserve the value of its business. Without limiting the generality of the foregoing, the Company shall continue to make capital expenditures in the ordinary course of

business, except as expressly contemplated by this Agreement. In furtherance of the foregoing, except with the prior written consent of Buyer, the Company will refrain from:

(a) changing or introducing any method of management or operations, except in the ordinary course of business and consistent with past practices;

(b) making any change to the Articles of Organization or the Existing LLC Agreement, or changing the authorized or issued Ownership Interests;

(c) issuing, granting, awarding, selling, pledging, disposing of or encumbering or authorizing the issuance, grant, award, sale, pledge, disposition or encumbrance of any securities for, or options, warrants, calls, commitments or rights of any kind to acquire, any of its Ownership Interests;

(d) (i) prepaying any loans (if any) of its members, managers, officers or any Person affiliated with any of the foregoing, (ii) prepaying any Indebtedness other than in the ordinary course of business, (iii) incurring or guaranteeing any indebtedness that will not be fully paid and discharged at or prior to the Closing Date, (iv) entering into, modifying, amending or terminating any material contract, except as specifically provided in this Agreement or as in the ordinary course of business consistent with past practice, (v) causing any material changes in non-cash working capital except as specifically provided in this Agreement or as in the ordinary course of business consistent with past practice or (vi) waiving, releasing or assigning any material rights or claims;

(e) making any material acquisition other than in the ordinary course of business; or

(f) entering into any agreement, commitment or undertaking to do any of the activities prohibited by the foregoing provisions.

4.2 Authorizations; Consents. Seller and Buyer shall use their respective best efforts to obtain the authorizations, consents, orders and approvals necessary for their execution and delivery of, and the performance of their respective obligations pursuant to this Agreement; provided that neither Seller nor Buyer shall be required to make any expenditure or payment of funds or to give any other consideration to the provider of any such authorizations, consents, orders or approvals in order to obtain such authorizations, consents, orders or approvals. The parties hereto will not take any action that will have the effect of delaying, impairing or impeding the receipt of any required authorizations, consents, orders or approvals and shall promptly respond to any requests for additional information from any Governmental Authority or filings in respect thereof.

4.3 Company Waiver. The Company hereby waives any and all rights (including any right to receive notice or to purchase Ownership Interests) the Company may have under the Existing LLC Agreement with respect to the sale of the Interests from Seller to Buyer as contemplated by this Agreement.

4.4 Further Action. Each of the parties hereto shall use its commercially reasonable efforts to take or cause to be taken all appropriate action, do or cause to be done all things necessary, proper or advisable, and execute and deliver such documents and other papers, as may be required to carry out the provisions of this Agreement.

4.5 Press Releases. Each of the parties to this Agreement will, and will cause each of their respective Affiliates and representatives to, maintain the confidentiality of this Agreement, and such parties will not, and will ensure that each of their respective Affiliates will not, issue or cause the publication of any press release or other public announcement with respect to this Agreement without the prior written consent of the other parties hereto, which consent shall not be unreasonably withheld.

4.6 Preparation of Tax Returns.

(a) After the Closing, the Company shall prepare and file the information return on Form 1065 (and any similar state or local information return) of the Company for all Pre-Closing Tax Periods, including the Tax period that ends on the Closing Date and the Company shall prepare such Tax Returns or cause such Tax Returns to be prepared in a manner consistent with prior practice and this Agreement, including but not limited to the treatment of items of income, loss, deduction and credit, except to the extent otherwise required by law.

(b) The allocation of the aggregate Purchase Price of the Interests among the Company's assets for federal income tax purposes in accordance with Section 1060 of the Code and the Treasury Regulations thereunder (and any similar provision of state, local or foreign law, as appropriate) shall be as set forth on Schedule 4.6(b), which shall be binding on the parties.

4.7 Expenses. Each party hereto shall bear such party's own expenses in connection with its obligations hereunder and otherwise in connection with this Agreement. All consultant and attorney's fees, costs and expenses associated with the preparation of this Agreement, the Valuation and the Closing shall be the sole responsibility of the Company.

4.8 Notice of Material Developments; Updates to Schedules.

(a) Each party shall give prompt written notice to the other parties of (i) any variances in any of its representations or warranties contained in this Agreement, as the case may be, of which they become aware, (ii) any breach of any covenant or agreement hereunder by such party of which they become aware, (iii) any event which will result in the failure of any of the conditions set forth in Article 5 and (iv) any other material development affecting the ability of such party to consummate the transactions contemplated by this Agreement.

(b) The parties acknowledge that certain of the representations and warranties affirmatively require the listing of certain factual information on the Schedules attached hereto. The parties shall be permitted to update such Schedules on or prior to the Closing Date with respect to any fact, matter or circumstance hereafter arising or discovered which, if existing or known at the date of this Agreement, would have been required to be set forth or described in the Schedules.

5. Conditions To Closing.

5.1 Conditions to Obligations of all of the Parties. The obligation of the parties, or any one of the parties, hereto to consummate the transactions contemplated by this Agreement at the Closing is subject to the fulfillment or waiver, at or prior to the Closing Date, of each of the following conditions:

(a) The parties hereto shall have received all consents, approvals and the like required by any Governmental Authority to consummate the transactions contemplated hereby.

(b) No provision of any applicable law shall prohibit, and there shall not be in effect any injunction or restraining order issued by a court of competent jurisdiction in any claim, controversy, demand, action, lawsuit, investigation, proceeding or other dispute, formal or informal, including, involving or before any Governmental Authority, against the consummation of the sale and purchase of the Interests.

(c) Seller and Buyer shall have executed an amendment to the Existing LLC Agreement reflecting the change in Ownership Interests of the Company (the "LLC Agreement Amendment").

(d) All of the covenants and agreements of the Company contained in Section 4 have been met. Company shall deliver to Seller and Buyer, at least five (5) Business Days before the Closing Date all financial records and other information that such party shall deem necessary or appropriate to verify that the Company has met all of the covenants and agreements contained in Section 4.

5.2 Conditions to Obligations of Seller. The obligation of Seller to consummate the transactions contemplated by this Agreement at the Closing is subject to the fulfillment or waiver, at or prior to the Closing Date, of each of the following conditions:

(a) the representations and warranties of Buyer contained herein shall be true and correct as of the date hereof and shall be true and correct in all material respects as of the Closing Date (provided that the representations and warranties that are qualified as to materiality shall be true and correct in all respects as of the Closing Date).

(b) Buyer shall have performed or complied in all material respects with all obligations, agreements and covenants required to be performed by it hereunder prior to or on the Closing Date, including, without limitation, the delivery of the documents specified in Section 1.4(b).

(c) All consents, approvals and the like required by any Governmental Authority, to consummate the transactions contemplated hereby, shall have been executed and delivered (as applicable).

5.3 Conditions to Obligations of Buyer. The obligation of Buyer to consummate the transactions contemplated by this Agreement at the Closing is subject to the fulfillment or waiver, at or prior to the Closing Date, of each of the following conditions:

(a) The representations and warranties of Seller contained herein shall be true and correct as of the date hereof and shall be true and correct in all material respects as of the Closing Date (provided that the representations and warranties that are qualified as to materiality shall be true and correct in all respects as of the Closing Date).

(b) Seller shall have performed or complied in all material respects with all obligations, agreements and covenants required to be performed by it hereunder prior to or on the Closing Date, including, without limitation, the delivery of the documents specified in Section 1.4(a).

(c) All consents, approvals and the like required by any Governmental Authority, to consummate the transactions contemplated hereby, shall have been executed and delivered (as applicable).

6. **Limitations of Liability.** The parties acknowledge and agree that neither party shall have any duty of indemnity or other liability to the other or to any other Person for loss or damage to any Person or property, nor for economic damage to any party or to any other Person in connection with this Agreement regardless of the cause thereof. It is further understood and agreed that neither party shall be liable for any other special, indirect, incidental, consequential, exemplary, multiple, compensatory or punitive damages sustained by the other party or any other Person in connection with this Agreement.

7. **Termination.**

7.1 ***Termination.***

(a) This Agreement may be terminated prior to the Closing at any time, by the mutual written consent of Seller and Buyer.

(b) By Seller or by Buyer, in each case by written notice to the other party if the Memorandum of Agreement of Purchase Price contemplated hereby shall not have been executed pursuant hereto by 11:00 a.m. on August 30, 2022, as such date may be extended either by mutual agreement of such Sellers and Buyer (the "Termination Date"), unless such failure has been caused by the breach of this Agreement by the party seeking such termination.

(c) This Agreement may not be cancelled by Seller after the Purchase Price has been approved by Buyer and Seller.

7.2 ***Effect of Termination.*** In the event of termination of this Agreement as provided in Section 7.1, there shall be no further liability or obligations hereunder on the part of any party hereto or their respective Affiliates, except for the obligations of the parties pursuant to Sections 6.2 and 6.3 of this Agreement; provided, however, that nothing herein shall relieve any party for any breach by such party of this Agreement existing at the time of such termination.

7.3 ***Waiver.*** At any time prior to the Closing, Buyer and Seller may (i) extend the time for the performance of any of the obligations or other acts of the other party hereto, (ii) waive any inaccuracies in the representations and warranties of the other party contained herein or in any document delivered by the other party pursuant hereto or (iii) waive compliance with any of the agreements of the other party or conditions to its own obligations contained herein. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the party to be bound thereby. Waiver of any term or condition of this Agreement by a party shall not be construed as a waiver of any subsequent breach or waiver of the same term or condition by such party, or a waiver of any other term or condition of this Agreement by such party.

8. **Definitions.**

8.1 ***Certain Definitions.*** For purposes of this Agreement, any capitalized terms not previously defined herein shall have the applicable meaning set forth as follows:

"Affiliate(s)" means any Person another Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such first Person;

"Assignment Agreement" shall have the meaning set forth in Section 1.4(b).

“Business Day” means any day other than a Saturday, Sunday or other day on which banks are permitted or required to be closed in St. Louis, Missouri.

“Buyer” shall have the meaning set forth in the first paragraph hereof.

“Closing” shall have the meaning set forth in Section 1.4(a).

“Closing Date” shall have the meaning set forth in Section 1.4(a).

“Company” shall have the meaning set forth in the first paragraph hereof.

“CON” shall mean a Certificate of Need or permit issued by the Illinois Health Facilities and Services Review Board, pursuant to the Illinois Health Facilities Planning Act.

“Distribution” shall mean a distribution of all cash, excluding thirty (30) days of working cash, to be distributed to the parties in proportion to their Ownership Interests. Thirty (30) days of working cash shall be determined consistent with past practice.

“Financial Statements” shall have the meaning set forth in Section 3.4.

“GAAP” means United States generally accepted accounting principles, applied consistently with the audited financial statements included in the Financial Statements.

“Huron” shall mean Huron Consulting Services LLC.

“Interests” shall have the meaning set forth in the Recitals hereto.

“Knowledge” an individual will be deemed to have knowledge of a particular fact or other matter if such individual is actually aware of such fact or other matter.

“LLC Agreement Amendment” shall have the meaning set forth in Section 5.1(c).

“Ownership Interests” has the meaning set forth in the Recitals hereto.

“Person” means an individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization or other entity;

“Purchase Price” shall have the meaning set forth in Section 1.1.

“Seller” shall have the meaning set forth in the first paragraph hereof.

“Taxes” shall mean any and all income, gross receipts, sales, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Section 59A of the Code), customs duties, capital stock, share capital, franchise, profits, withholding, social security (or similar, including FICA), unemployment, disability, real property, personal property, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, imposed by the IRS or any foreign or domestic taxing authority, and such term shall include any interest, whether paid or received, fines, penalties or additional amounts attributable to, or imposed upon, or with respect to, any such taxes, charges, fees, levies or other assessments, whether disputed or not; and

“Tax Returns” shall mean any report, return, document or other filing required to be supplied to any taxing authority or jurisdiction (foreign or domestic) with respect to Taxes.

“Valuation” shall mean that certain Fair Market Valuation of the Company by Huron.

9. General Provisions.

9.1 Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given (a) when delivered personally, (b) when transmitted by telecopy (receipt confirmed), (c) on the fifth (5th) Business Day following mailing by registered or certified mail (return receipt requested), or (d) on the next Business Day following deposit with an overnight delivery service of national reputation, to the parties at the following addresses and telecopy numbers (or at such other address or telecopy number for a party as may be specified by like notice):

If to Seller, to:

Southern Orthopedic Associates, L.L.C
510 Lincoln Drive
Herrin, Illinois 62948
Attn: Administrator

If to Buyer, to:

Southern Illinois Hospital Services
1239 East Main Street, P.O. Box 3988
Carbondale, Illinois 62902-3988
Attn: General Counsel

9.2 Interpretation. When a reference is made in this Agreement to a Section, Schedule or an Exhibit, such reference will be to a Section of, or a Schedule or an Exhibit to this Agreement, unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include", "includes" or "including" are used in this Agreement, they will be deemed to be followed by the words "without limitation". The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement will refer to this Agreement as a whole and not to any particular provision of this Agreement. All terms used herein with initial capital letters have the meanings ascribed to them herein. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such term. Any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and references to all attachments thereto and instruments incorporated therein. References to a Person are also to such Person's permitted successors and assigns.

9.3 Counterparts. This Agreement may be executed in one or more counterparts, by original signature or facsimile, all of which will be considered one and the same agreement and will become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.

9.4 Amendments. This Agreement may not be amended or modified, nor may compliance with any condition or covenant set forth herein be waived, except by a writing duly and validly executed by Buyer, Seller or if in the case of a waiver, the party waiving compliance.

9.5 Entire Agreement; Severability. This Agreement (including the Exhibits and Schedules) constitutes the entire agreement, and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter of this Agreement. If any term, condition or other provision of this Agreement is found to be invalid, illegal or incapable of being enforced by virtue of any rule of law, public policy or court determination, all other terms, conditions and provisions of this Agreement shall nevertheless remain in full force and effect.

9.6 Third party Beneficiaries. Except as expressly provided in this Agreement, each party hereto intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any Person other than the parties hereto.

9.7 Governing Law. This Agreement will be governed by, and construed in accordance with, the internal laws of the State of Illinois regardless of the laws that might otherwise govern under applicable principles of conflict of laws.

9.8 Assignment. Neither this Agreement nor any of the rights, interests or obligations under this Agreement may be assigned, in whole or in part, by operation of law or otherwise by the parties hereto without the prior written consent of Seller and Buyer.

9.9 Waiver of Jury Trial. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW THAT CANNOT BE WAIVED, THE PARTIES HEREBY WAIVE, AND COVENANT THAT THEY WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE), ANY RIGHT TO TRIAL BY JURY IN ANY ACTION ARISING IN WHOLE OR IN PART UNDER OR IN CONNECTION WITH THIS AGREEMENT, OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY, WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE. THE PARTIES AGREE THAT ANY OF THEM MAY FILE A COPY OF THIS PARAGRAPH WITH ANY COURT AS EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT AMONG THE PARTIES IRREVOCABLY TO WAIVE THEIR RESPECTIVE RIGHT TO TRIAL BY JURY.

9.10 Mutual Drafting. The parties hereto are sophisticated and have been represented by attorneys throughout the transactions contemplated hereby who have carefully negotiated the provisions hereof. As a consequence, the parties do not intend that the presumptions of laws or rules relating to the interpretation of contracts against the drafter of any particular clause should be applied to this Agreement or any agreement or instrument executed in connection herewith, and therefore waive their effects.

9.11 Remedies. It is specifically understood and agreed that any breach of the provisions of this Agreement by any party hereto may result in irreparable injury to the other parties hereto, that the remedy at law alone may be an inadequate remedy for such breach, and that, in addition to any other remedies which they may have, such other parties may seek to enforce their respective rights by actions for specific performance (to the extent permitted by law).

IN WITNESS WHEREOF, the parties hereto have caused this Membership Interests Purchase and Sale Agreement to be signed as of the date first written above.

COMPANY:

Southern Illinois Orthopedic Center, LLC

By: John T. Davis
Chair

SELLER:

Southern Orthopedic Associates, L.L.C.

By: John T. Davis
John T. Davis, MD, Manager

BUYER:

Southern Illinois Hospital Services

By: John A. Antes
John Antes, President and CEO

Exhibit 1.1 to Membership Interests Purchase and Sale Agreement

Summary of Fair Market Valuation Analysis

HURON

Summary of Findings

Valuation Methodology - 04/01/2022

Discounted Cash Flow Method (Exhibit 3.0)
Market Transaction Method (Exhibit 4.0)

Indicated Range of Enterprise Value (Rounded)

Add: Cash and Cash Equivalents
Total Adjustments

Concluded Range of Enterprise Value, Inclusive of Cash (Rounded)

Less: Interest-Bearing Debt
Total Adjustments

Concluded Range of Equity Value, Marketable, Controlling-Interest Basis (Rounded)

Concluded Equity Value, Marketable, Controlling-Interest Basis - 2.0% Interest (Rounded)

Implied Multiple and Ratio Analysis		Range of Fair Market Value	
		Low	High
EV / LTM Net Revenue	1.8x -		1.9x
EV / LTM EBITDA	5.0x -		5.4x
EV / Year 1 Net Revenue	1.7x -		1.9x
EV / Year 1 EBITDA	5.0x -		5.4x

Range of Fair Market Value	
Low	High

\$ 17,950,000	- \$ 19,690,000
19,000,000	- 20,350,000

\$ 18,500,000	- \$ 20,050,000
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246,600	- 246,600
246,600	- 246,600

\$ 18,750,000	- \$ 20,300,000
---------------	-----------------

(1,734,387)	- (1,734,387)
(1,734,387)	- (1,734,387)

\$ 17,020,000	- \$ 18,570,000
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\$ 340,400	- \$ 371,400
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Exhibit 1.1(a) to Membership Interests Purchase and Sale Agreement

Memorandum of Agreement of Purchase Price

Based upon the valuation performed by Huron Consulting Group for the membership interests that are the subject of this Agreement, the Parties agree that the purchase price for a two percent (2%) equity interest in Southern Illinois Orthopedic Center shall be Three Hundred Fifty-Five Thousand Nine Hundred and No/100 Dollars (\$355,900.00).

BUYER:

Southern Illinois Hospital Services

By: 

John Antes, CEO/President

SELLER:

Southern Orthopedic Associates, L.L.C.

By: 

John T. Davis, MD, President

Exhibit 1.3(b)

ASSIGNMENT AND ACCEPTANCE AGREEMENT

THIS ASSIGNMENT AND ACCEPTANCE AGREEMENT ("Assignment") is made and entered into effective as of February 23, 2023, by and between Southern Orthopedic Associates, L.L.C., an Illinois limited liability company ("Assignor") in favor of Southern Illinois Hospital Services, an Illinois not-for-profit corporation ("Assignee").

RECITALS:

Assignor owns 51 ownership interests in Southern Illinois Orthopedic Center, LLC, an Illinois limited liability company (the "Company"); and

Pursuant to the terms of that certain Membership Interest Purchase and Sale Agreement dated February 23, 2023, by and between Assignee, Assignor and Company, Assignor desires to assign, transfer and set over to Assignee all of Assignor's right, title and interest in and to two (2) ownership interests in the Company (the "Transferred Interest").

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Assignor does hereby agree as follows:

1. Assignor hereby sells, assigns, transfers and sets over to Assignee (a) all of Assignor's right, title and interest in and to the Transferred Interest; (b) Assignor's appurtenant right, title and interest in and to the Company's Revised and Restated Operating Agreement effective as of September 26, 2004 (the "Operating Agreement") related to the Transferred Interest; and (c) all of Assignor's interest in any profits or cash or property distributions made by the Company after the date hereof related to the Transferred Interest, regardless of whether the cash or property distribution resulted from the operations or transactions of the Company before, on or after the date hereof.

2. Assignee hereby assumes all obligations of Assignor arising after the execution hereof with respect to the Transferred Interest and all obligations of Assignor arising after the date hereof relating to the Transferred Interest pursuant to the Operating Agreement.


3. Assignor and Assignee agree to execute any and all other documents, consents or agreements that may be reasonably required in order to further evidence and effectuate the assignment of the Transferred Interest. Assignor and Assignee acknowledge that the Transferred Interest is not currently represented by any certificate(s) issued by the Company.

4. This Assignment shall be effective as of the date hereof and shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns.

IN WITNESS WHEREOF, the undersigned have executed this Assignment to be effective as of the date first above written.

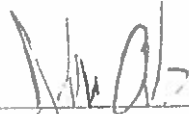
ASSIGNOR:

Southern Orthopedic Associates, L.L.C.

By: 
John T. Davis, M.D., Manager

ASSIGNEE:

Southern Illinois Hospital Services


John Antes, President

SCHEDULES

Schedule 2.4

Consents and Approvals

None.

Schedule 3.5

Absence of Certain Changes

None.

Schedule 4.6(b)

Allocation of Purchase Price

Purchase of two (2) Ownership Interests (Rounded):	(E x 2%)	\$ 355,900
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Calculation:

Indicated Enterprise Value, Net of Cash	(A)	\$18,500,000
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Add: Cash and Cash Equivalents (4/30/22)	(B)	\$ 882,312
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Indicated Enterprise Value	(C) (A + B)	\$19,382,312
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Less: Loans Payable and Allowance for Anesthesia	(D)	\$ 1,587,312
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Concluded Equity Value	(E) (C-D)	\$17,795,000
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BUYER:

Southern Illinois Hospital Services

By: 

John Antes, President

SELLER:

Southern Orthopedic Associates, L.L.C.

By: 

John T. Davis, M.D., President

CLOSING DOCUMENTS

**MANAGER'S CERTIFICATION OF
SOUTHERNILLINOIS HOSPITAL SERVICES**

The undersigned, John Antes, certifies that he is the President/CEO of Southern Illinois Hospital Services, an Illinois not for profit corporation (the "SIHS"), and that he is authorized to execute this certificate on behalf of SIHS.

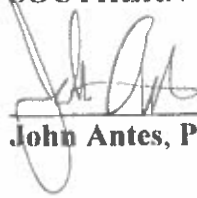
Pursuant to Section 1.5(b)(i) of the Membership Interests Purchase and Sale Agreement, dated February 23, 2023 (the "Agreement"), by and among SIHS and Southern Orthopedic Associates, LLC, an Illinois limited liability company, the undersigned further certifies that:

- (i) The conditions provided for in the applicable sections of Article 5 of the Agreement have been satisfied on and as of the Closing Date;
- (ii) SIHS has performed in all material respects all of its applicable obligations, agreements, and covenants under the Agreement, which by the terms hereof are to be performed on or before the Closing Date; and
- (iii) The resolutions of the Directors of SIHS, evidencing approval of the Agreement, are true, correct and complete, have not been amended, modified or revoked and are in full force and effect on the Closing Date.

IN WITNESS WHEREOF, the undersigned has executed this certificate as of the

17th day of May, 2023.

SOUTHERN ILLINOIS HOSPITAL SERVICES



John Antes, President/CEO

**MANAGER'S CERTIFICATION OF
SOUTHERN ORTHOPEDIC ASSOCIATES, LLC**

The undersigned, John T. Davis, M.D., certifies that he is the Manager of Southern Orthopedic Associates, L.L.C., an Illinois limited liability company (the "LLC"), and that he is authorized to execute this certificate on behalf of the LLC.

Pursuant to Section 1.5(a)(ii) of the Membership Interests Purchase and Sale Agreement, dated February 23, 2023 (the "Agreement"), by and among the LLC and Southern Illinois Hospital Services, an Illinois not-for-profit corporation, the undersigned further certifies that:

- (i) The conditions provided for in the applicable sections of Article 5 of the Agreement have been satisfied on and as of the Closing Date;
- (ii) LLC has performed in all material respects all of its applicable obligations, agreements, and covenants under the Agreement, which by the terms hereof are to be performed on or before the Closing Date; and
- (iii) The resolutions of the Manager(s) of the LLC, evidencing approval of the Agreement, are true, correct and complete, have not been amended, modified or revoked and are in full force and effect on the Closing Date.

31 IN WITNESS WHEREOF, the undersigned has executed this certificate as of the
day of May, 2023.

SOUTHERN ORTHOPEDIC ASSOCIATES, LLC



John T. Davis, M.D., Manager