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HEALTH FACILITIES & SERVICES REVIEW BOARD

E-035-16

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR EXEMPTION FOR THE
CHANGE OF OWNERSHIP FOR AN EXISTING HEALTH CARE FACILITY

1. **INFORMATION FOR EXISTING FACILITY**

Current Facility Name Tinley Woods Surgery Center
Address 18210 South La Grange Road
City Tinley Park Zip Code 60477 County Cook County
Name of current licensed entity for the facility Advocate Southwest Ambulatory Surgery Center, LLC d/b/a Tinley Woods Surgery Center
Does the current licensee: own this facility ____ OR lease this facility X (if leased, check if sublease ☐)
Type of ownership of the current licensed entity (check one of the following:) ____ Sole Proprietorship
____ Not-for-Profit Corporation ____ For Profit Corporation ____ Partnership ____ Governmental
X Limited Liability Company ____ Other, specify ____
Illinois State Senator for the district where the facility is located: Sen. Michael Hastings
State Senate District Number 19 Mailing address of the State Senator
812 School Road, Matteson, IL 60443
Illinois State Representative for the district where the facility is located: Rep. Al Riley
State Representative District Number 38 Mailing address of the State Representative
3649 W. 183rd Street, Suite 102, Hazel Crest, IL 60429

2. **OUTSTANDING PERMITS.** Does the facility have any projects for which the State Board issued a permit that will not be completed (refer to 1130.140 "Completion or Project Completion" for a definition of project completion) by the time of the proposed ownership change? Yes ☐ No☒. If yes, refer to Section 1130.520(f), and indicate the projects by Project # ____

3. **NAME OF APPLICANT** (complete this information for each co-applicant and insert after this page).
Exact Legal Name of Applicant Advocate-SCA Partners, LLC
Address ATTN: President, 510 Lake Cook Road, Suite 400
City, State & Zip Code Deerfield, IL 60015
Type of ownership of the current licensed entity (check one of the following:) ____ Sole Proprietorship
____ Not-for-Profit Corporation ____ For Profit Corporation ____ Partnership ____ Governmental
X Limited Liability Company ____ Other, specify ____

4. **NAME OF LEGAL ENTITY THAT WILL BE THE LICENSEE/OPERATING ENTITY OF THE FACILITY NAMED IN THE APPLICATION AS A RESULT OF THIS TRANSACTION.**

Exact Legal Name of Entity to be Licensed Advocate Southwest Ambulatory Surgery Center, LLC d/b/a Tinley Woods Surgery Center
Address 18210 South La Grange Road
City, State & Zip Code Tinley Park, IL 60477
Type of ownership of the current licensed entity (check one of the following:) ____ Sole Proprietorship
____ Not-for-Profit Corporation ____ For Profit Corporation ____ Partnership ____ Governmental
X Limited Liability Company ____ Other, specify ____

5. **BUILDING/SITE OWNERSHIP. NAME OF LEGAL ENTITY THAT WILL OWN THE "BRICKS AND MORTAR"** (BUILDING) OF THE FACILITY NAMED IN THIS APPLICATION IF DIFFERENT FROM THE OPERATING/LICENSED ENTITY

Exact Legal Name of Entity That Will Own the Site Advocate Southwest Ambulatory Surgery Center, LLC d/b/a Tinley Woods Surgery Center
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State Senate District Number _____ Mailing address of the State Senator _____
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Illinois State Representative for the district where the facility is located: Rep. _____
State Representative District Number _____ Mailing address of the State Representative _____
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3. **NAME OF APPLICANT** (complete this information for each co-applicant and insert after this page).
Exact Legal Name of Applicant SCA - Illinois, LLC
Address ATTN: General Counsel, 569 Brookwood Village, Suite 901
City, State & Zip Code Birmingham, AL 35209
Type of ownership of the current licensed entity (check one of the following:) _____ Sole Proprietorship
_____ Not-for-Profit Corporation _____ For Profit Corporation _____ Partnership _____ Governmental
X Limited Liability Company _____ Other, specify _____

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State Senate District Number _____ Mailing address of the State Senator _____
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Exact Legal Name of Applicant SCA Surgery Holdings, LLC
Address ATTN: General Counsel, 569 Brookwood Village, Suite 901
City, State & Zip Code Birmingham, AL 35209
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State Senate District Number _____ Mailing address of the State Senator _____
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Address ATTN: General Counsel, 569 Brookwood Village, Suite 901
City, State & Zip Code Birmingham, AL 35209
Type of ownership of the current licensed entity (check one of the following:) _____ Sole Proprietorship
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Address 18210 South La Grange Road
City, State & Zip Code Tinley Park, IL 60477
Type of ownership of the current licensed entity (check one of the following:) _____ Sole Proprietorship
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_____ Limited Liability Company _____ Other, specify _____

6. **TRANSACTION TYPE. CHECK THE FOLLOWING THAT APPLY TO THE TRANSACTION:**
   - o Purchase resulting in the issuance of a license to an entity different from current licensee;
   - o Lease resulting in the issuance of a license to an entity different from current licensee;
   - o Stock transfer resulting in the issuance of a license to a different entity from current licensee;
   - X Stock transfer resulting in no change from current licensee;
   - o Assignment or transfer of assets resulting in the issuance of a license to an entity different from the current licensee;
   - o Assignment or transfer of assets not resulting in the issuance of a license to an entity different from the current licensee;
   - o Change in membership or sponsorship of a not-for-profit corporation that is the licensed entity;
   - o 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;
   - o 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;
   - o Sale or transfer of the physical plant and related assets of a health care facility not resulting in a change of current licensee;
   - o 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 "Attachment 3 Narrative Description"

7. **APPLICATION FEE.** Submit the application fee in the form of a check or money order for $2,500 payable to the Illinois Department of Public Health and append as **ATTACHMENT #1.**

8. **FUNDING.** Indicate the type and source of funds which will be used to acquire the facility (e.g., mortgage through Health Facilities Authority; cash gift from parent company, etc.) and append as **ATTACHMENT #2.**

9. **ANTICIPATED ACQUISITION PRICE: $** 1,157,917 (plus assumption of $565,389 debt)

10. **FAIR MARKET VALUE OF THE FACILITY: $** 6,628,098
    (to determine fair market value, refer to 77 IAC 1130.140)

11. **DATE OF PROPOSED TRANSACTION:** November 1, 2016

12. **NARRATIVE DESCRIPTION.** Provide a narrative description explaining the transaction, and append it to the application as **ATTACHMENT #3**.

13. **BACKGROUND OF APPLICANT** (co-applicants must also provide this information). Corporations and Limited Liability Companies must provide a current Certificate of Good Standing from the Illinois Secretary of State. Limited Liability Companies and Partnerships must provide the name and address of each partner/ member and specify the percentage of ownership of each. Append this information to the application as **ATTACHMENT #4**.

14. **TRANSACTION DOCUMENTS.** Provide a copy of the complete transaction document(s) including schedules and exhibits which detail the terms and conditions of the proposed transaction (purchase, lease, stock transfer, etc). Applicants should note that the document(s) submitted should reflect the applicant's (and co-applicant's, if applicable) involvement in the transaction. The document must be signed by both parties and contain language stating that the transaction is contingent upon approval of the Illinois Health Facilities and Services Review Board. Append this document(s) to the application as **ATTACHMENT #5**.

15. FINANCIAL STATEMENTS. (Co-applicants must also provide this information) Provide a copy of the applicants latest audited financial statements, and append it to this application as ATTACHMENT #6. If the applicant is a newly formed entity and financial statements are not available, please indicate by checking YES X , and indicate the date the entity was formed 12/21/2015

16. **PRIMARY CONTACT PERSON**. Individual representing the applicant to whom all correspondence and inquiries pertaining to this application are to be directed. (Note: other persons representing the applicant not named below will need written authorization from the applicant stating that such persons are also authorized to represent the applicant in relationship to this application).

Name: Joe Ourth
Address: Arnstein & Lehr LLP, 120 S. Riverside Plaza, Suite 1200
City, State & Zip Code: Chicago, IL 60606
Telephone ( ) Ext. (312) 876-7815

17. **ADDITIONAL CONTACT PERSON. Consultant, attorney, other individual who is also authorized to discuss this** application and act on behalf of the applicant.

Name: Dee Repici
Address: 569 Brookwood Village, Suite 901
City, State & Zip Code: Birmingham, Alabama 35209
Telephone ( ) Ext. (205) 545-2762

18. **CERTIFICATION** Advocate-SCA Partners, LLC

I certify that the above information and all attached information are true and correct to the best of my knowledge and belief. I certify that the number of beds within the facility will not change as part of this transaction. I certify that no adverse action has been taken against the applicant(s) by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois. I certify that I am fully aware that a change in ownership will void any permits for projects that have not been completed unless such projects will be completed or altered pursuant to the requirements in 77 IAC 1130.520(f) prior to the effective date of the proposed ownership change. I also certify that the applicant has not already acquired the facility named in this application or entered into an agreement to acquire the facility named in the application unless the contract contains a clause that the transaction is contingent upon approval by the State Board.

Signature of Authorized Officer

Typed or Printed Name of Authorized Officer Bill Drehkoff

Title of Authorized Officer: President

Address: 510 Lake Cook Road

City, State & Zip Code: Deerfield, IL 60015

Telephone (872) 267-3800 Date:

NOTE: complete a separate signature page for each co-applicant and insert following this page.

THE STATE OF IL
COUNTY OF Cook

On this 14th day of September, 2016, before me, the undersigned officer, personally appeared Bill Drehkoff, known personally to me to be the same person whose name is signed to the foregoing instrument, and acknowledged the execution thereof for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereto set my hand and official seal.

Angelina K. Vazquez
Notary Public/Commissioner of Oaths

(SEAL)
My Commission Expires: 05/18/19

OFFICIAL SEAL
ANGELINA K VAZQUEZ
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:05/18/19

16. **PRIMARY CONTACT PERSON.** Individual representing the applicant to whom all correspondence and inquiries pertaining to this application are to be directed. (Note: other persons representing the applicant not named below will need written authorization from the applicant stating that such persons are also authorized to represent the applicant in relationship to this application).

Name: _____
Address: _____
City, State & Zip Code: _____
Telephone ( ) Ext. _____

17. **ADDITIONAL CONTACT PERSON. Consultant, attorney, other individual who is also authorized to discuss this** application and act on behalf of the applicant.

Name: _____
Address: _____
City, State & Zip Code: _____
Telephone ( ) Ext. _____

18. **CERTIFICATION** SCA-Illinois, LLC

I certify that the above information and all attached information are true and correct to the best of my knowledge and belief. I certify that the number of beds within the facility will not change as part of this transaction. I certify that no adverse action has been taken against the applicant(s) by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois. I certify that I am fully aware that a change in ownership will void any permits for projects that have not been completed unless such projects will be completed or altered pursuant to the requirements in 77 IAC 1130.520(f) prior to the effective date of the proposed ownership change. I also certify that the applicant has not already acquired the facility named in this application or entered into an agreement to acquire the facility named in the application unless the contract contains a clause that the transaction is contingent upon approval by the State Board.

Signature of Authorized Officer _____

Typed or Printed Name of Authorized Officer Richard L. Sharff, Jr.

Title of Authorized Officer: Vice President

Address: ATTN: General Counsel, 569 Brookwood Village, Suite 901

City, State & Zip Code: Birmingham, AL 35209

Telephone (205) 545-2572 Date: 9/12/16

NOTE: complete a separate signature page for each co-applicant and insert following this page.

THE STATE OF ALABAMA
COUNTY OF JEFFERSON

On this 12th day of September 2016, before me, the undersigned officer, personally appeared Richard L. Sharff, Jr., known personally to me to be the same person whose name is signed to the foregoing instrument, and acknowledged the execution thereof for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereto set my hand and official seal.

_____
Notary Public/Commissioner of Oaths

(SEAL)
My Commission Expires: 9/22/2018

STATE OF ALABAMA NOTARY PUBLIC
KINESHIA RONAY COLLINS
My Commission Expires
September 22, 2018

16. **PRIMARY CONTACT PERSON.** Individual representing the applicant to whom all correspondence and inquiries pertaining to this application are to be directed. (Note: other persons representing the applicant not named below will need written authorization from the applicant stating that such persons are also authorized to represent the applicant in relationship to this application).

Name: _____
Address: _____
City, State & Zip Code: _____
Telephone ( ) Ext. _____

17. **ADDITIONAL CONTACT PERSON. Consultant, attorney, other individual who is also authorized to discuss this** application and act on behalf of the applicant.

Name: _____
Address: _____
City, State & Zip Code: _____
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18. **CERTIFICATION** SCA Surgery Holdings, LLC

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Signature of Authorized Officer RLSharff

Typed or Printed Name of Authorized Officer Richard L. Sharff, Jr.

Title of Authorized Officer: Vice President

Address: ATTN: General Counsel, 569 Brookwood Village, Suite 901

City, State & Zip Code: Birmingham, AL 35209

Telephone (205) 545-2572 Date: 9/12/16

NOTE: complete a separate signature page for each co-applicant and insert following this page.

THE STATE OF ALABAMA
COUNTY OF JEFFERSON

On this 12th day of September, 2016, before me, the undersigned officer, personally appeared Richard L. Sharff, Jr. known personally to me to be the same person whose name is signed to the foregoing instrument, and acknowledged the execution thereof for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereto set my hand and official seal.

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Notary Public/Commissioner of Oaths

(SEAL)
My Commission Expires: 9/22/2018

STATE OF ALABAMA NOTARY PUBLIC
KINESHIA RONAY COLLINS
My Commission Expires
September 22, 2018

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Signature of Authorized Officer [signature]

Typed or Printed Name of Authorized Officer Richard L. Sharff, Jr.

Title of Authorized Officer: Executive Vice President and Corporate Secretary

Address: ATTN: General Counsel, 569 Brookwood Village, Suite 901

City, State & Zip Code: Birmingham, AL 35209

Telephone (205) 545-2572 Date: 9/12/16

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Notary Public/Commissioner of Oaths

(SEAL)
My Commission Expires: 9/22/2018

STATE OF ALABAMA NOTARY PUBLIC
KINESHIA RONAY COLLINS
My Commission Expires
September 22, 2018

16. **PRIMARY CONTACT PERSON.** Individual representing the applicant to whom all correspondence and inquiries pertaining to this application are to be directed. (Note: other persons representing the applicant not named below will need written authorization from the applicant stating that such persons are also authorized to represent the applicant in relationship to this application).

Name: _____
Address: _____
City, State & Zip Code: _____
Telephone ( ) Ext. _____

17. **ADDITIONAL CONTACT PERSON. Consultant, attorney, other individual who is also authorized to discuss this** application and act on behalf of the applicant.

Name: _____
Address: _____
City, State & Zip Code: _____
Telephone ( ) Ext. _____

18. **CERTIFICATION** Surgical Care Affiliates, Inc.

I certify that the above information and all attached information are true and correct to the best of my knowledge and belief. I certify that the number of beds within the facility will not change as part of this transaction. I certify that no adverse action has been taken against the applicant(s) by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois. I certify that I am fully aware that a change in ownership will void any permits for projects that have not been completed unless such projects will be completed or altered pursuant to the requirements in 77 IAC 1130.520(f) prior to the effective date of the proposed ownership change. I also certify that the applicant has not already acquired the facility named in this application or entered into an agreement to acquire the facility named in the application unless the contract contains a clause that the transaction is contingent upon approval by the State Board.

Signature of Authorized Officer RLS

Typed or Printed Name of Authorized Officer Richard L. Sharff, Jr.

Title of Authorized Officer: Executive Vice President and Corporate Secretary

Address: ATTN: General Counsel, 510 Lake Cook Road, Suite 400

City, State & Zip Code: Deerfield, IL 60015

Telephone (205) 545-2572 Date: 9/12/2016

NOTE: complete a separate signature page for each co-applicant and insert following this page.

THE STATE OF ALABAMA
COUNTY OF JEFFERSON

On this 12th day of September, 2016, before me, the undersigned officer, personally appeared Richard L. Sharff, Jr., known personally to me to be the same person whose name is signed to the foregoing instrument, and acknowledged the execution thereof for the uses and purposes therein set forth.
IN WITNESS WHEREOF, I have hereto set my hand and official seal.

_____
Notary Public/Commissioner of Oaths

(SEAL)
My Commission Expires: 9/22/2018

STATE OF ALABAMA NOTARY PUBLIC
KINESHIA RONAY COLLINS
My Commission Expires
September 22, 2018

16. **PRIMARY CONTACT PERSON**. Individual representing the applicant to whom all correspondence and inquiries pertaining to this application are to be directed. (Note: other persons representing the applicant not named below will need written authorization from the applicant stating that such persons are also authorized to represent the applicant in relationship to this application).

Name: _____
Address: _____
City, State & Zip Code: _____
Telephone ( ) Ext. _____

17. **ADDITIONAL CONTACT PERSON. Consultant, attorney, other individual who is also authorized to discuss this** application and act on behalf of the applicant.

Name: _____
Address: _____
City, State & Zip Code: _____
Telephone ( ) Ext. _____

18. **CERTIFICATION** Advocate Southwest Surgery Center, LLC d/b/a Tinley Woods Surgery Center

I certify that the above information and all attached information are true and correct to the best of my knowledge and belief. I certify that the number of beds within the facility will not change as part of this transaction. I certify that no adverse action has been taken against the applicant(s) by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois. I certify that I am fully aware that a change in ownership will void any permits for projects that have not been completed unless such projects will be completed or altered pursuant to the requirements in 77 IAC 1130.520(f) prior to the effective date of the proposed ownership change. I also certify that the applicant has not already acquired the facility named in this application or entered into an agreement to acquire the facility named in the application unless the contract contains a clause that the transaction is contingent upon approval by the State Board.

Signature of Authorized Officer _____

Typed or Printed Name of Authorized Officer Silvio Marra, M.D.

Title of Authorized Officer: President of the Board

Address: 18210 South La Grange Road

City, State & Zip Code: Tinley Park, IL 60477

Telephone (_____) _____ Date: 9/14/16

NOTE: complete a separate signature page for each co-applicant and insert following this page.

THE STATE OF Illinois
COUNTY OF DuPage

On this 14 day of September, 2016, before me, the undersigned officer, personally appeared Silvio Marra, M.D., known personally to me to be the same person whose name is signed to the foregoing instrument, and acknowledged the execution thereof for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereto set my hand and official seal.

Candice Truett
Notary Public/Commissioner of Oaths

(SEAL)
My Commission Expires: April 18, 2020

CANDICE TRUETT
Official Seal
Notary Public - State of Illinois
My Commission Expires Apr 18, 2020

113484877.1

Section 7, Application Fee

Attachment 1

Application Fee

Attached is a check for Two Thousand Five Hundred Dollars ($2,500.00) payable to the Illinois Department of Public Health for the required application fee.

Check No. 3110299
Vendor Number: 18621

Business Unit	Invoice Number	Invoice Date	Voucher ID	Invoice Amount	Discount Taken	Net Check Amount
10300 SURGICAL CARE AFFILIATES SHANNAH	ILL09082016	09/08/2016	24271900	2,500.00	0.00	2,500.00
			Totals:	$2,500.00	$0.00	$2,500.00

Please refer questions to AP department at 855-740-3820

THE ORIGINAL DOCUMENT HAS A WHITE REFLECTIVE WATERMARK ON THE BACK. HOLD AT AN ANGLE TO VIEW. DO NOT CASH IF NOT PRESENT.

SURGICAL CARE AFFILIATES
569 Brookwood Village, Suite 901
Birmingham, AL 35209

BANK OF AMERICA

64-1278/611 GA
Check No.3110299

Date: 09/09/2016

Pay Amount: $2,500.00***

Pay ****TWO THOUSAND FIVE HUNDRED AND XX / 100 DOLLAR****

Pay To ILLINOIS DEPARTMENT PUBLIC HEALTH
525 W JEFFERSON ST 2ND FL
Springfield, IL 62761

Authorized Signature

ATTACHMENT 1

⑈3110299⑈ ⑆061112788⑆ 3359483495⑈

Section 8, Funding

Attachment 2

Funding Sources

Advocate-SCA Partners, LLC ("Advocate-SCA") is a joint venture between SCA-Illinois, LLC ("SCA-Illinois") (51%) and Evangelical Services Corp. ("Evangelical") (49%), Evangelical Services Corp. is a wholly-owned subsidiary of Advocate Health Care Network ("Advocate").

Advocate-SCA proposes to acquire, upon the Review Board's approval, fifty-one percent (51%) of the ownership interest in Advocate Southwest Ambulatory Surgery Center, LLC d/b/a Tinley Woods Surgery Center ("Tinley Woods"). SCA-Illinois will use cash from internally available financial resources from its parent, Surgical Care Affiliates, LLC ("SCA"), to acquire the SCA-Illinois ownership interests for a price of approximately $1,157,917 (plus assumption of pro rata share of debt). Evangelical, presently owns 49% of Tinley Woods and will contribute its ownership interest in Tinley Woods into the Advocate-SCA joint venture.

Advocate-SCA is a recently formed entity and has no audited financial statements. The most recently audited financial statements of SCA, Inc., are included in Attachment 6 and show cash and cash equivalents in an amount sufficient to fund the purchase price.

Section 12, Narrative Description

Attachment 3

Narrative Description

Advocate Southwest Surgery Center, LLC d/b/a Tinley Woods Surgery Center ("Tinley Woods") is located at 18210 South LaGrange Road, Tinley Park, Illinois 60477 and is a multi-specialty, ambulatory surgical treatment center. The facility has 4 operating rooms and one procedure room.

Tinley Woods is presently owned collectively by multiple physician owners (51%) and Evangelical Services Corp. ("Evangelical"), a subsidiary of Advocate Health Care Network ("Advocate") (49%).

Under the proposed transaction, Advocate-SCA Partners, LLC ("Advocate-SCA") would acquire, contingent upon the Review Board's approval, fifty-one percent (51%) of the ownership interest in Tinley Woods . Following the transaction, the physician owners will collectively own forty-nine percent (49%) of Tinley Woods , and Advocate-SCA will own a fifty-one percent (51%) interest.

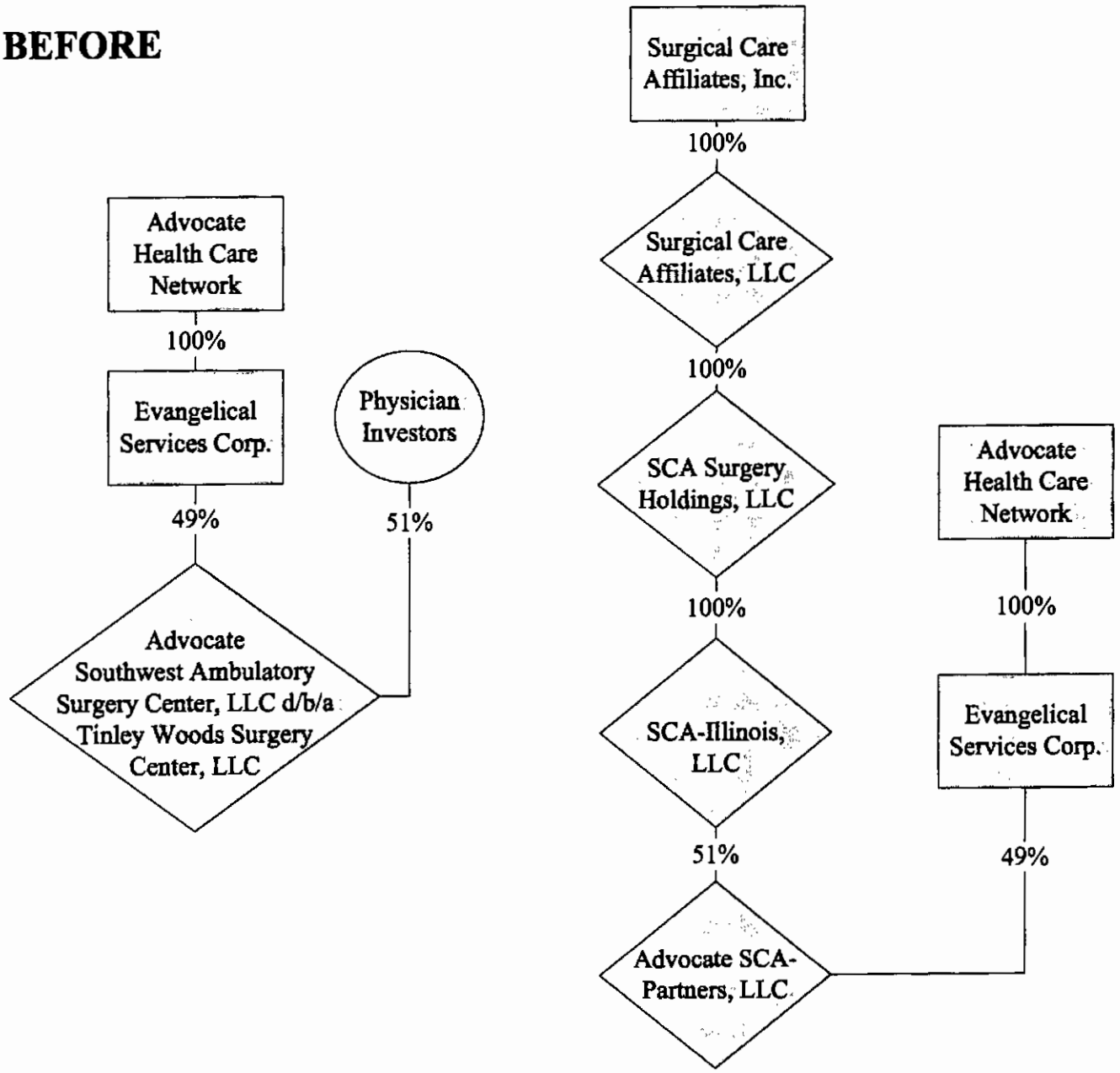
Advocate Southwest Ambulatory Surgery Center, LLC d/b/a Tinley Woods Surgery Center will remain the licensed entity.

A diagram of the current ownership structure of each of Tinley Woods and Advocate-SCA and the post-transaction ownership structure of Tinley Woods is attached.

Advocate Southwest Ambulatory Surgery Center, LLC d/b/a Tinley Woods Surgery Center, LLC
18210 South La Grange Road, Tinley Park, IL 60477

1

BEFORE

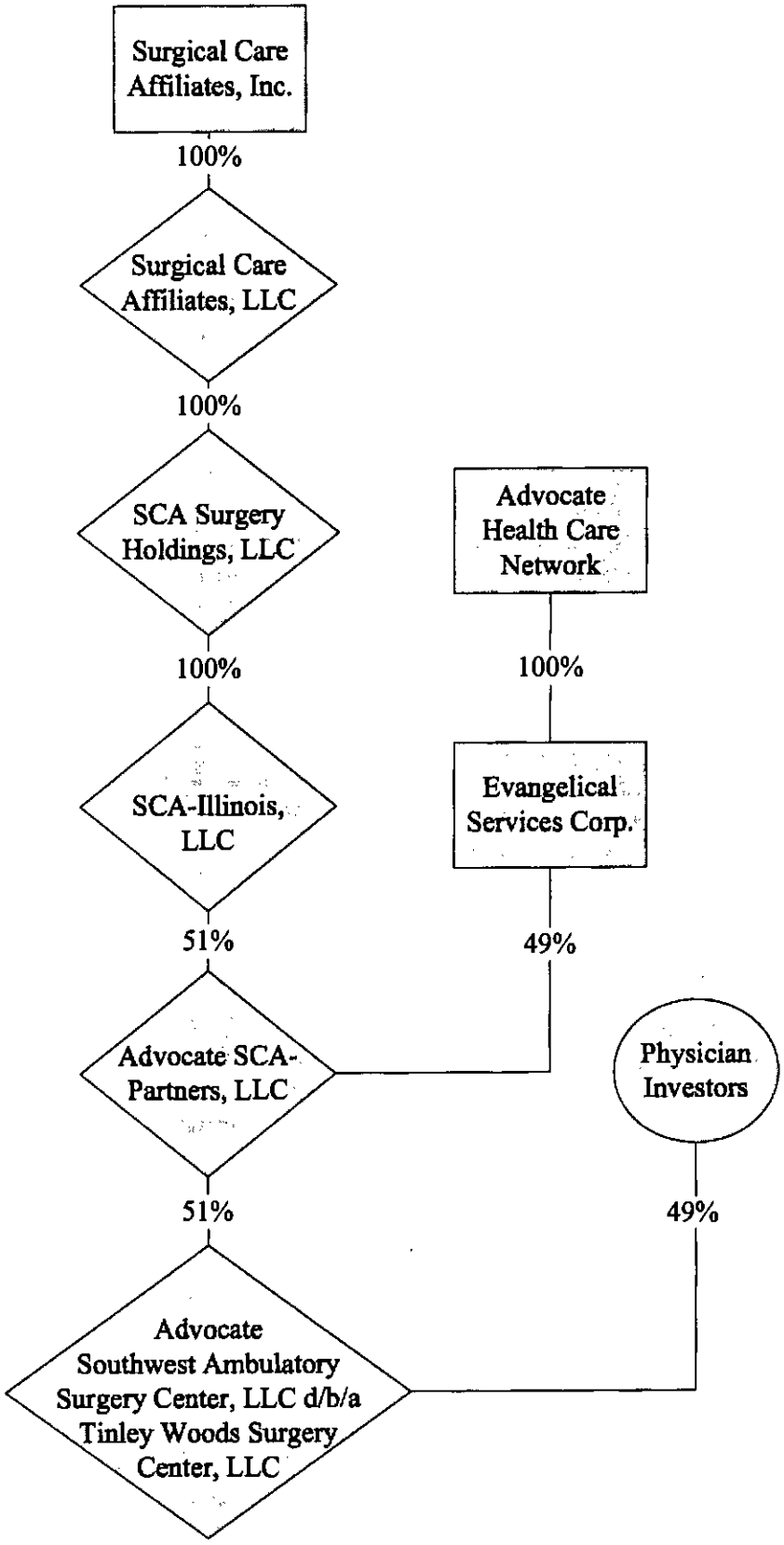


ATTACHMENT 3

Advocate Southwest Ambulatory Surgery Center, LLC d/b/a Tinley Woods Surgery Center, LLC
18210 South La Grange Road, Tinley Park, IL 60477

2

AFTER



ATTACHMENT 3

Section 13 Background of Applicant

Attachment 4

Background of Applicant

An organizational chart showing the current ownership structure of Tinley Woods and Advocate-SCA Partners, LLC, along with the post-closing ownership structure of Tinley Woods is included in Attachment 3. Good standing certificates for the following entities are also attached:

1. Advocate Southwest Ambulatory Surgery Center, LLC d/b/a Tinley Woods Surgery Center ("Tinley Woods"): Tinley Woods is an Illinois limited liability company, which is presently owned by multiple physician owners, (51%) and Evangelical Services Corp., a wholly-owned subsidiary of Advocate Health Care Network, ("Evangelical") (49%). A copy of Tinley Woods 's Illinois Good Standing Certificate is attached.

2. Advocate-SCA Partners, LLC ("Advocate-SCA"): Advocate-SCA is a recently created Illinois limited liability company whose members are Evangelical Services Corp. (49%) and SCA-Illinois, LLC, a subsidiary of SCA. Advocate-SCA is owned 51% by SCA and 49% by Evangelical Services Corp., a wholly-owned subsidiary of Advocate Health Care Network, (("Evangelical")(49%). A copy of Advocate-SCA's Illinois Good Standing Certificate is attached.

3. SCA – Illinois, LLC ("SCA – Illinois): SCA – Illinois is a Delaware limited liability company and is wholly owned subsidiary of SCA. A copy of SCA-Illinois' Delaware Good Standing Certificate is attached. Because SCA – Illinois only holds assets and performs no operations in Illinois, it is not required to obtain authorization to do business in Illinois and, therefore, an Illinois Certificate of Good Standing for a foreign limited liability company is not applicable.

4. SCA Surgery Holdings, LLC ("SCA Surgery Holdings"): SCA Surgery Holdings is a Delaware limited liability company and a wholly owned subsidiary of SCA. A copy of SCA Surgery Holdings' Delaware Good Standing Certificate is attached. Because SCA Surgery Holdings only holds assets and performs no operations in Illinois, it is not required to obtain authorization to do business in Illinois and, therefore, an Illinois Certificate of Good Standing for a foreign limited liability company is not applicable.

5. Surgical Care Affiliates, LLC ("SCA"): SCA is Delaware limited liability company registered to do business in Illinois, whose sole member is Surgical Care Affiliates, Inc.

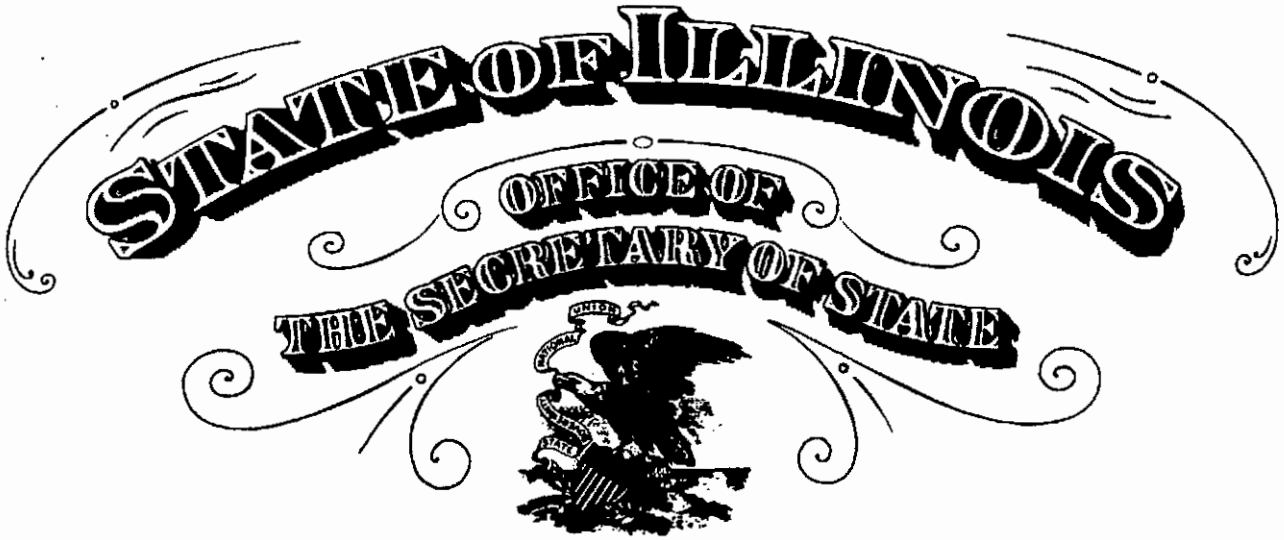
(100%). Copies of SCA's Delaware Good Standing Certificate and its Illinois Good Standing Certificate for a foreign limited liability company are attached.

6. Surgical Care Affiliates, Inc. ("SCA, Inc."): SCA, Inc. is a Delaware corporation registered to do business in Illinois. SCA, Inc. is the parent entity of SCA. Copies of SCA, Inc.'s Delaware Good Standing Certificate and Illinois Good Standing Certificate for a foreign corporation are attached.

7. Evangelical Services Corp. ("Evangelical"): Evangelical is not a necessary applicant, but is described here for informational purposes. Evangelical is a wholly owned subsidiary of Advocate Health Care Network.

ATTACHMENT 4

File Number 0042793-4



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

ADVOCATE SOUTHWEST AMBULATORY SURGERY CENTER, L.L.C., HAVING ORGANIZED IN THE STATE OF ILLINOIS ON JUNE 19, 2000, AND HAVING ADOPTED THE ASSUMED NAME OF TINLEY WOODS SURGERY CENTER ON OCTOBER 09, 2002, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 16TH *day of* SEPTEMBER *A.D.* 2016 .

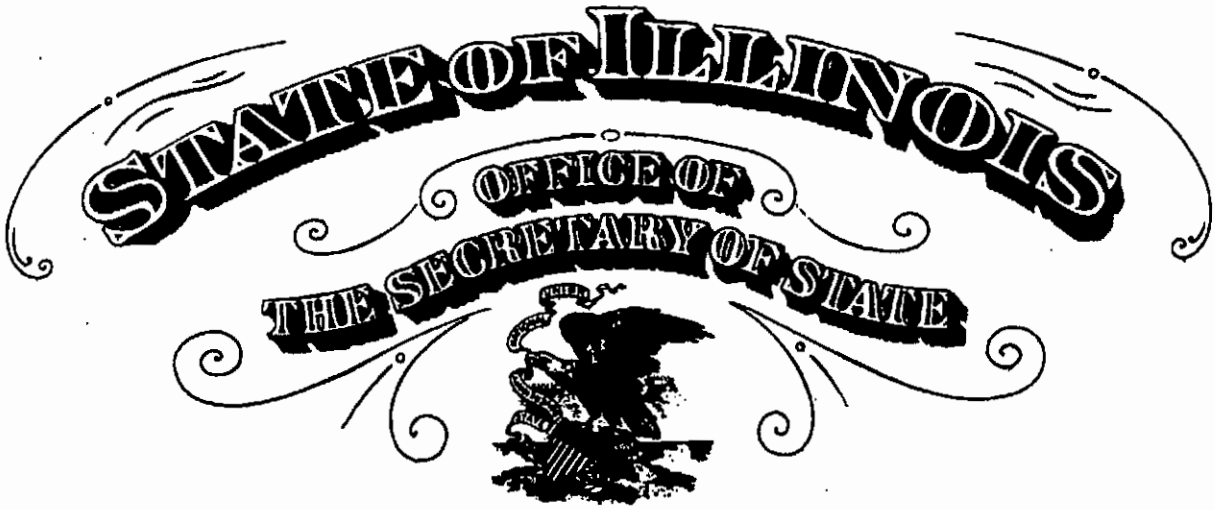
Authentication #: 1626001578 verifiable until 09/16/2017
Authenticate at: http://www.cyberdriveillinois.com

Jesse White

SECRETARY OF STATE

ATTACHMENT 4

File Number 0509172-1



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

ADVOCATE-SCA PARTNERS, LLC, A DELAWARE LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON FEBRUARY 25, 2015, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A FOREIGN LIMITED LIABILITY COMPANY ADMITTED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 15TH *day of* JULY *A.D.* 2016 .

Authentication #: 1619701394 verifiable until 07/15/2017
Authenticate at: http://www.cyberdriveillinois.com

Jesse White

SECRETARY OF STATE

ATTACHMENT 4

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "SCA-ILLINOIS, LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE FIFTEENTH DAY OF JULY, A.D. 2016.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "SCA-ILLINOIS, LLC" WAS FORMED ON THE THIRTEENTH DAY OF JANUARY, A.D. 2015.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE BEEN PAID TO DATE.

Jeffrey W. Bullock, Secretary of State

5673924 8300

SR# 20164928756

You may verify this certificate online at corp.delaware.gov/authver.shtml

Authentication: 202665062

Date: 07-15-16

ATTACHMENT 4

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "SCA SURGERY HOLDINGS, LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE FIFTEENTH DAY OF JULY, A.D. 2016.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "SCA SURGERY HOLDINGS, LLC" WAS FORMED ON THE EIGHTH DAY OF MAY, A.D. 2008.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE BEEN PAID TO DATE.

Jeffrey W. Bullock, Secretary of State

4545056 8300

SR# 20164928773

You may verify this certificate online at corp.delaware.gov/authver.shtml

Authentication: 202665074

Date: 07-15-16

ATTACHMENT 4

File Number 0226541-9

To all to whom these Presents Shall Come, Greeting:

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

SURGICAL CARE AFFILIATES, LLC, A DELAWARE LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON JULY 09, 2007, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A FOREIGN LIMITED LIABILITY COMPANY ADMITTED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 15TH *day of* JULY *A.D.* 2016 .

Authentication #: 1619701424 verifiable until 07/15/2017
Authenticate at: http://www.cyberdriveillinois.com

Jesse White
SECRETARY OF STATE

ATTACHMENT 4

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "SURGICAL CARE AFFILIATES, LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE FIFTEENTH DAY OF JULY, A.D. 2016.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "SURGICAL CARE AFFILIATES, LLC" WAS FORMED ON THE TWENTY-THIRD DAY OF JANUARY, A.D. 2007.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE BEEN PAID TO DATE.

Jeffrey W. Bullock, Secretary of State

4289130 8300

SR# 20164928846

You may verify this certificate online at corp.delaware.gov/authver.shtml

Authentication: 202665110

Date: 07-15-16

ATTACHMENT 4

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "SURGICAL CARE AFFILIATES, INC." IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE FIFTEENTH DAY OF JULY, A.D. 2016.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL REPORTS HAVE BEEN FILED TO DATE.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "SURGICAL CARE AFFILIATES, INC." WAS INCORPORATED ON THE TWENTY-THIRD DAY OF MARCH, A.D. 2007.

AND I DO HEREBY FURTHER CERTIFY THAT THE FRANCHISE TAXES HAVE BEEN PAID TO DATE.

Jeffrey W. Bullock, Secretary of State

4322814 8300

SR# 20164928875

You may verify this certificate online at corp.delaware.gov/authver.shtml

Authentication: 202665117

Date: 07-15-16

ATTACHMENT 4

File Number 6955-963-8

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

SURGICAL CARE AFFILIATES, INC., INCORPORATED IN DELAWARE AND LICENSED TO TRANSACT BUSINESS IN THIS STATE ON JUNE 05, 2014, AND MUST CONDUCT ALL BUSINESS IN THIS STATE UNDER THE ASSUMED NAME OF ILLINOIS SURGICAL CARE AFFILIATES, INC., APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS CORPORATION ACT OF THIS STATE RELATING TO THE PAYMENT OF FRANCHISE TAXES, AND AS OF THIS DATE, IS A FOREIGN CORPORATION IN GOOD STANDING AND AUTHORIZED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 19TH *day of* JULY *A.D.* 2016 .

Authentication #: 1620100964 verifiable until 07/19/2017
Authenticate at: http://www.cyberdriveillinois.com

Jesse White

SECRETARY OF STATE

ATTACHMENT 4

Section 14, Transaction Documents

Attachment 5

Summary of Transaction Documents

1. **Names and Background of the Parties**

   The parties to the change of ownership transaction are described in Attachment 4.

2. **Structure of the Transaction**

   Advocate-SCA Partners, LLC ("Advocate-SCA") proposes to acquire a fifty-one percent (51%) ownership interest in Advocate Southwest Ambulatory Surgery Center, LLC d/b/a Tinley Woods Surgery Center ("Tinley Woods"). Any definitive agreement relating to the proposed transaction will contain a contingency providing that consummation of the transaction is subject to the Review Board's approval.

   Advocate-SCA is owned by 51% by SCA-Illinois, LLC ("SCA-Illinois") and 49% by Evangelical Services Corp. ("Evangelical"), a wholly-owned subsidiary of Advocate Health Care Network ("Advocate"). Consequently, following the transaction SCA will have a 26% indirect ownership interest in Tinley Woods and Advocate will have a 25% indirect ownership interest.

   SCA-Illinois will use cash from internally available financial resources from its parent, Surgical Care Affiliates, LLC ("SCA"), to acquire, directly or indirectly, its interests from Evangelical for an aggregate amount of approximately $1,157,917 which may be adjusted for typical closing adjustments and subject to adjustment following an independent valuation. In addition, SCA-Illinois will have responsibility for its ownership share of the long term debt assumed not to exceed $2,174,572. Concurrent with the transaction there will be some issuances and adjustments of ownership interests and percentages among Evangelical and the physician owners.

   Following the transaction, the physician owners will collectively own a 49% ownership interest in Tinley Woods, and Advocate-SCA will own a 51% interest.

3. **The Person Who Will Be the Licensed Entity After the Transaction**

   Advocate Southwest Ambulatory Surgery Center, LLC d/b/a Tinley Woods Surgery Center ("Tinley Woods") will remain the licensed entity.

4. **The Ownership/Membership Interest in the Licensed Entity Pre and Post Transaction**

After the proposed transaction Tinley Woods will be owned by Advocate-SCA (51%) and the physician owners (49%).

An organizational chart showing the current ownership structure of Tinley Woods and Advocate-SCA, along with the post-closing ownership structure of Tinley Woods is included in Attachment 3.

5. **Fair Market Value of the Assets Being Transferred**

The fair market value of Tinley Woods is estimated at approximately $6,628,098. An independent valuation will be performed prior to the closing of the transaction to establishing the final price.

6. **Purchase Price and Other Consideration**

SCA will be acquiring a 26% indirect ownership through Advocate-SCA and will pay approximately 26% of the fair market value. Purchase price of equity would be approximately at $1,157,917. In addition, SCA-Illinois will have responsibility for 26% share of the long term debt of approximately $2,174,572 (26% = $565,389).

7. **Post-Closing Attestation**

Within ninety (90) days of after the closing of the proposed transaction, the Applicants will provide a certification to the Review Board that the change in ownership has been completed in accordance with the terms set forth in this application.

Section 15, Financial Statements

Attachment 6

Financial Statements

Copies of the most recently audited consolidated financial statements for the years ending December 31, 2015 and December 31, 2014 for Surgical Care Affiliates, Inc. ("SCA, Inc."), which is the entity with ultimate control as defined in Review Board regulations, were included in the exemption application E-025-16 approved August 15, 2016. Those financial statements are incorporated by reference into this application.

Attachment 7

Section 1130.520, Information Requirements for Change of Ownership of a Health Care Facility

1. **Affirmations**: In accordance with 77 Ill. Adm. Code §1130.520, the Applicants affirm the following:

    a. The transaction documents will contain a provision that closing is subject to the Review Board's approval;

    b. No adverse action has been taken against any of the Applicants 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 any of the Applicants, directly or indirectly, within the past three years;

    c. Any projects for which permits have been issued have been completed or will be completed or altered in accordance with the provisions of 77 Ill. Adm. Code §1130.520; and

    d. The Applicants understand that failure to complete the project in accordance with the applicable provisions of Section 1130.500(d) no later than 24 months from the date of exemption approval and failure to comply with the material change requirements of this Section will invalidate the exemption.

2. **Statement as to the anticipated benefits of the proposed changes in ownership to the community.**

By partnering with Advocate-SCA Partners, LLC ("Advocate-SCA"), Tinley Woods will have a strategic opportunity to lower operating costs and increase efficiency thereby providing more efficient cost effective care to its patients.

In connection with the proposed transaction, Surgical Care Affiliates, LLC ("SCA") will provide administrative services to Tinley Woods under a management agreement. SCA is a leading developer of ambulatory surgical centers nationwide. Based on this affiliation, Tinley Woods will have an opportunity to enhance the quality of care due to implementation of SCA's performance improvement programs, quality metrics, and capacity to contract lower costs with suppliers. SCA offers a comprehensive suite of services that alleviates the administrative burden on physicians, which allows them to focus on providing quality patient care.

3. **Statement as to the anticipated or potential cost savings, if any, that will result for the community and the facility as a result of the change in ownership.**

Alignment with Advocate-SCA will likely result in cost savings to Tinley Woods as SCA identifies inefficiencies within ambulatory surgical centers with which it works. Achieving such cost savings is consistent with the Illinois Health Facilities Planning Act, which encourages health care facilities to maximize the use of scarce health care dollars. Cost savings that are realized will be directed towards patient care and other activities that are beneficial to Tinley Woods's patients.

SCA's experience with managing and/or owning surgery centers nationwide allows it to create efficiencies by benchmarking cost-per-case performance for each facility. Typically, when managing newly acquired facilities, SCA is able to reduce costs by up to twenty percent (20%) using its benchmarking experience, particularly by optimizing the supplies and products used in each procedure to reflect best in class approaches and leveraging SCA's scale of purchasing power to contract for lower costs with suppliers. However, all patient treatment decisions are made strictly by the patient's physician and any cost reductions are only implemented when they will simultaneously ensure excellent patient outcomes.

4. **Description of the facility's quality improvement program mechanism that will be utilized to assure quality control.**

As a part of its administrative services, SCA will monitor Tinley Woods's performance against several quality metrics. These metrics include frequency of patient burns, patient falls, transfer or admissions to hospitals, wrong site, medication events, sentinel events, and responses to patient satisfaction surveys. These metrics are benchmarked against similar surgery centers within SCA's network of ambulatory surgical centers.

A dedicated, independent team of clinicians within SCA will monitor the performance of Tinley Woods against these metrics, as well as other quality initiatives. As necessary, the clinicians will provide consulting and support, training and education, clinical education, and other services to ensure high quality.

5. **Description of the applicant's organizational structure, including a listing of controlling or subsidiary persons.**

Tinley Woods is currently owned (51%) by multiple physicians and (49%) by Evangelical Services Corp., an Illinois corporation, which is a wholly-owned subsidiary of Advocate Health Care Network.

The proposed transaction will result in the transfer of 51% of the ownership interests of Tinley Woods to Advocate-SCA and the retention of 49% of the ownership interests of Tinley Woods by various physician owners.

Under the Review Board's definitions, Advocate-SCA will have control of Tinley Woods and SCA, Inc. will have ultimate control of Advocate-SCA.

Diagrams illustrating the ownership structure of these entities, both current and post-transaction, are provided in Attachment 3.

6. **Description of the selection process that the acquiring entity will use to select the facility's governing body.**

As currently contemplated, following the proposed transaction, the members of Tinley Woods will enter into an amended and restated operating agreement ("Operating Agreement").

The business and affairs of Tinley Woods will be managed by a board of seven (7) managers ("Board of Managers"). Four (4) of the managers will be appointed by Advocate-SCA and the remaining three (3) managers on the Board of Managers will be appointed by the physician owners.

Managers are not required to be a resident of any particular state. The managers shall only act collectively as the Board of Managers and no individual manager shall have the right or authority to act independently on behalf of Tinley Woods unless prior approval or authorization has been given by the Board of Managers.

7. **Statement that the applicant has prepared a written response addressing the review criteria contained in 77 Ill. Adm. Code 1110.240 and that the response is available for public review on the premises of the health care facility.**

The Applicants have or will prepare a written response addressing the review criteria contained in 77 Ill. Adm. Code 1110.240 that will be available for public review on the premises of the facility.

8. **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 twenty-four (24) months after acquisition.**

There are no proposed changes to the scope of services or levels of care currently provided at the facility that are anticipated to occur within twenty-four (24) months after the change of ownership.