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August 25, 2025

Via Email
William Chan, Program Manager
Certificate of Need Division
Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, Maryland 21215-2299

Re: Anne Arundel – SCA SurgiCenter, LLC, d/b/a AAMC Surgery Center - Annapolis Establishment of Freestanding Ambulatory Surgical Facility
Matter No. 25-02-2473

Dear Mr. Chan:

We have received your letter of July 29 containing a number of completeness questions regarding the Certificate of Need application of Anne Arundel–SCA SurgiCenter, LLC d/b/a AAMC Surgery Center – Annapolis (AAMC – Annapolis). Below we are providing responses to those questions.

PART I: PROJECT IDENTIFICATION AND GENERAL INFORMATION

1. Please provide the legal name of SCA Health, a complete organizational chart for SCA Health, and identify any ownership relationship between SCA Health and AAMC– Annapolis.

RESPONSE:

The legal name of SCA Health is Surgical Care Affiliates, LLC. AAMC – Annapolis is an indirect subsidiary of Surgical Care Affiliates, LLC. A complete organizational chart for SCA Health is provided in Exhibit 1 of the originally submitted CON Application. See Part I and Exhibit 1 of the originally submitted CON application.

2. **Exhibit 2.** Respond to the following:

    a. Discuss whether there is any overlapping ownership between The Bernstein Companies with either Anne Arundel – SCA Holdings, LLC or with the individual physician owners.

RESPONSE:

There is no overlapping ownership between The Bernstein Companies with either Anne Arundel – SCA Holdings, LLC or with the individual physician owners.

b. Identify the relationship of The Bernstein Company with Annapolis Commerce Park Limited Partnership.

RESPONSE:

The Bernstein Companies and Annapolis Commerce Park, LP share the same executive leadership. There is no ownership relationship between the two entities. The Bernstein Companies serve as the contracted property management company for the Annapolis Commerce Park, LP.

c. Has the applicant exercised the lease renewal option outlined in section 25.1 of the lease agreement? If not, are the annual lease expenses in the Project Budget based on the current rental amount or estimated future rent?

RESPONSE:

AAMC – Annapolis has not exercised the lease renewal option outlined in section 25.1 of the lease agreement. The annual lease expenses in the Project Budget are based on estimated future rent.

d. Does the lease provided as Exhibit 2 include the adjacent space that will be added to AAMC – Annapolis? If not, please provide a copy of the lease or option to lease for the adjacent space and explain whether the lease costs in the Project Budget include the lease cost for the adjacent space.

RESPONSE:

The lease provided as Exhibit 2 of the original CON application does not include the adjacent space that will be added to AAMC – Annapolis. A copy of the tentative lease agreement for the adjacent space is provided in Exhibit 28. AAMC – Annapolis is still in negotiations with the landlord. The lease costs in the Project Budget are based on estimated future rent for the adjacent space.

e. Will the landlord incur any costs for preparing or in renovating this

adjacent space. If yes, include these improvements to the property to the Project Budget to show the total project costs incurred by both the landlord and the applicant in renovating and completing the construction for AAMC – Annapolis.

RESPONSE:

As referenced in Exhibit 28, the landlord is not incurring any costs associated with the renovation of the adjacent space to accommodate the third operating room. All renovation expenses are the responsibility of the applicant, and no financial contribution or reimbursement is expected from the landlord.

3. Respond to the following regarding Cost:

   a. Reconcile the "Costs" reported at the bottom of p. 13-14 (i.e., Construction/ Contingency/Escalation; Architect/Engineering/Permits; and Additional Owner's Work) with the costs reported in the Project Budget in Exhibit 4. The two project costs do not match.

RESPONSE:

The total Project Budget presented on pages 13–14 is consistent with the budget detailed in Exhibit 4. While the narrative on pages 13–14 provides a summary of the overall financial scope, the Project Budget in Exhibit 4 offers a more detailed breakdown, including line-item costs and supporting assumptions. This alignment ensures transparency and accuracy in the financial reporting of the proposed project.

   b. Please explain what the "Additional Owner's Work" at a cost of $1,193,582 represents. Is it fixed equipment for the project, other renovation work that the owner will perform with the proposed project, or something else?

RESPONSE:

As detailed in Exhibit 29, the total cost allocated to Owner's Work is $1,193,582. This budget encompasses a comprehensive scope of owner-provided items essential to the functionality, aesthetics, and operational readiness of the proposed facility. The breakdown includes:

- Furniture and Finishes: Selection and installation of furnishings and interior finishes to support patient comfort and staff efficiency.

- Signage and Graphics: Wayfinding, branding, and regulatory signage to

ensure clear navigation and compliance.

- Tele/Data Equipment and Accessories: Infrastructure and devices to support communication, connectivity, and IT systems.

- Audio Visual Equipment: AV systems for clinical, administrative, and educational use.

- Artwork and Interior Landscaping: Enhancements to the healing environment through curated artwork and plantings.

- Owner Miscellaneous: Additional items required by the owner to meet operational standards not otherwise categorized.

- Medical Equipment: Specialized equipment procured directly by the owner to support clinical services.

This investment reflects the owner's commitment to delivering a fully equipped, patient-centered facility aligned with the project's goals and regulatory requirements.

4. **Exhibit 3.** Provide the dimensions and square footage for each of the three ORs and the one procedure room.

RESPONSE:

- Operating Room 1 (existing) – 576 square feet, Dimensions 19'-9" x 24'-11"
- Operating Room 2 (existing) – 576 square feet, Dimensions 20'-0" x 24'-11"
- Operating Room 3 (proposed) – 522 square feet, Dimensions 28'-8" x 20'-0"
- Procedure Room (proposed) – 182 square feet, Dimensions 12'-3" x 14'-8"

5. Provide a written summary of the type of renovations and work that the general contractor or builder will perform in the 1,993 SF addition.

RESPONSE:

To support the addition of a third operating room, AAMC – Annapolis proposes a renovation of the adjacent, currently unoccupied space, as illustrated in Exhibit 3 of the originally submitted CON application. This renovation is designed to enhance surgical capacity while maintaining compliance with regulatory standards and optimizing patient and staff workflow.

The proposed third operating room will be 522 square feet, located directly off the semi-restricted corridor, ensuring seamless integration with the existing surgical suite.

This configuration supports cohesive patient movement through the semi-restricted corridor, maintaining sterile boundaries and efficient circulation.

A new HVAC system will be installed to meet the requirements for: Laminar airflow, High-efficiency particulate air (HEPA) filtration, and Pressure monitoring. These specifications align with infection control standards and ensure environmental safety for surgical procedures.

The plumbing infrastructure will be modified to support the addition of: A patient restroom, accessible from the pre-operative and post-operative areas. A staff restroom, located outside the semi-restricted zone in the pre-operative/post-operative space for convenience and compliance. These additions will improve patient comfort and staff efficiency while meeting facility code requirements.

A new nurses' station will be constructed adjacent to the third operating room to facilitate real-time coordination and monitoring. Storage space will be added to accommodate surgical supplies, equipment, and materials, ensuring readiness and reducing turnaround time.

6. Provide a written description of how AAMC - Annapolis will coordinate the renovations and construction work that will take place during the projected 72-week construction project. Explain the steps the applicant plans to take to minimize the impact of the construction project to staff and the surgical services currently offered to the patients and in the existing ambulatory surgery center (ASC), during the construction period of the proposed project.

RESPONSE:

AAMC – Annapolis will maintain weekday patient services throughout the construction period. AAMC – Annapolis is licensed by the Maryland Department of Health and accredited by AAAHC. All construction activities will be executed in strict adherence to licensure and accreditation standards to ensure patient safety and minimize disruption to ongoing surgical services and staff.

Construction Schedule and Operational Safeguards:

1. Work in Existing Surgical Space

- Construction within the current operational surgical areas will be conducted after hours and on weekends (Saturday and Sunday, 0600-1600) to avoid interference with patient care and reduce infection risks.

- Upon completion of each work session, all debris will be removed, and terminal cleaning will be performed to ensure the space is fully sanitized and ready for clinical use the following day.

2. Work in Adjacent Space

- Construction in the adjacent areas not currently connected to the surgical center will occur during regular business hours (0600-1700).

- When integration between the existing and adjacent spaces becomes necessary, two-designated pass-throughs will be established and isolated using zip walls to maintain environmental separation and infection control.

3. Environmental Controls and Oversight

- Terminal cleaning checklists will be completed by the Environmental Services team following each cleaning session.

- On Monday mornings, prior to resuming operations, the Facility Administrator or designee will conduct a walkthrough with staff to verify cleanliness, absence of dust, and proper functioning of airflow and systems.

- All active construction zones will be contained using zip walls to prevent contamination and maintain air quality.

4. Pre-Construction Coordination

- A coordination meeting will be held 30 days prior to construction commencement, involving the architect, engineer, general contractor, Facility Administrator, Infection Control Coordinator, and relevant staff.

- This meeting will review the construction and infection control plans, define traffic patterns, and establish monitoring protocols to ensure compliance throughout the project.

7. Table B and C. Please respond to the following:
    a. Submit the response to Table B, Departmental Gross Square Feet Affected by Proposed Project.

RESPONSE:

Table B below outlines the departmental gross square footage impacted by the proposed project. The total gross square feet associated with the scope of work is 1,993 GSF. This figure represents the cumulative area across all affected

departments and spaces, as defined by the architectural and operational plans submitted with the application.

Table B. Departmental Gross Square Feet Affected By Proposed Project

AAMC Surgery Center - Annapolis
Adjacent Space Renovation with Departmental Square Feet

TABLE B. DEPARTMENTAL GROSS SQUARE FEET AFFECTED BY PROPOSED PROJECT

INSTRUCTION : Add or delete rows if necessary. See additional instruction in the column to the right of the table.

DEPARTMENT/FUNCTIONAL AREA	DEPARTMENTAL GROSS SQUARE FEET				
	Current	To be Added Thru New Construction	To Be Renovated	To Remain As Is	Total After Project Completion
Operating Room #3			522 square feet		522
Scrub Sink			20 square feet		20
Electrical room			80 square feet		80
Humidifier Room			60 sqaure feet		60
Medical Gas Room			74 square feet		74
Emergency Equipment Area			49 sqaure feet		49
Dictation Area			69 square feet		69
Clean Alcove			70 square feet		70
Pre-op/PACU Area			671 square feet		671
Equipment Room			100 square feet		100
Nourishment Room			40 square feet		40
Staff Toilet			51 square feet		51
Patient Toilet			51 sqaure feet		51
Nurses Station			136 sqaure feet		136
Total					1,993

b. Reconcile the total square footage reported in Table C of 3,379 SF reported in this table with the 1,993 SF reported on p. 14. If the latter is correct, then revise Table B and C to support the 1,993 SF estimate.

RESPONSE:

A revised Table C below confirms the total gross square footage of the proposed project as 1,993 GSF, consistent with the figure reported on page 14 of the originally submitted CON application. This reconciliation validates the scope and scale of the project as presented, ensuring alignment across all documentation and supporting materials.

Table C. (revised) Construction Characteristics

AAMC Surgery Center - Annapolis
Table C. Construction Characteristics

TABLE C. CONSTRUCTION CHARACTERISTICS

INSTRUCTION: If project includes non-hospital space structures (e.g., parking garges, medical office buildings, or energy plants), complete an additional Table C for each structure.

	NEW CONSTRUCTION	RENOVATION
BASE BUILDING CHARACTERISTICS	Check if applicable	
Class of Construction (for renovations the class of the building being renovated)*		
Class A	☐	☐
Class B	☐	☑
Class C	☐	☐
Class D	☐	☐
Type of Construction/Renovation*		
Low	☐	☐
Average	☐	☐
Good	☐	☑
Excellent	☐	☐
Number of Stories		

*As defined by Marshall Valuation Service

PROJECT SPACE	List Number of Feet, if applicable	
Total Square Footage	Total Square Feet	
Basement	N/A	N/A
First Floor	N/A	1,993
Second Floor	N/A	N/A
Third Floor	N/A	N/A
Fourth Floor	N/A	N/A
Average Square Feet		
Perimeter in Linear Feet	Linear Feet	
Basement	N/A	N/A
First Floor	N/A	342'-7"
Second Floor	N/A	N/A
Third Floor	N/A	N/A
Fourth Floor	N/A	N/A
Total Linear Feet		
Average Linear Feet		
Wall Height (floor to eaves)	Feet	
Basement	N/A	N/A
First Floor	N/A	~13'-0"
Second Floor	N/A	N/A
Third Floor	N/A	N/A
Fourth Floor	N/A	N/A
Average Wall Height		
OTHER COMPONENTS		
Elevators	List Number	
Passenger		N/A
Freight		N/A
Sprinklers	Square Feet Covered	
Wet System		1,933
Dry System		N/A
Other	Describe Type	
Type of HVAC System for proposed project	The proposed HVAC system is a rooftop variable voulme direct expansion (DX) air handling unit with electric reheat.	
Type of Exterior Walls for proposed project	No new exterior walls.	

8. Table D. Revise Table D to indicate the onsite and offsite construction costs included and excluded in MVS analysis for the $3,449,916 in renovation costs reported in Exhibit 4 (Project Budget).

Through an email exchange, AAMC-Annapolis requested clarification of certain aspects of this question, and Commission Staff responded. That email exchange follows.

AAMC- Annapolis Query re Question 8:

This question requests that Applicant revise Table D to reflect onsite and offsite "construction costs" included and excluded in the Marshall Valuation Costs regarding the $3,449,916 "renovation costs" identified in the Project Budget. It is our understanding from the State Health Plan guidance provided in the Review Guide for the Surgical Services Standards that an MVS analysis would not apply to a project that only contemplates renovating existing space. The Applicant's project exclusively involves the renovation of existing space consisting of the conversion of space in the current ambulatory surgery center to become a procedure room, coupled with the addition of renovated space adjacent to the space currently operated by the Applicant.

Are we correct that Table D is inapplicable to this project? If the Commission has a different interpretation of its applicable guidance, please let us know.

In any event, if Table D is to be considered, it currently identifies $6,500 of site/excluded renovation costs for signage, the only category in Table D that has expenses relevant to the proposed project. Please clarify what is intended by the question which seems to seek a recategorization in Table D of certain renovation costs into the "construction" costs category.

Commission Staff Reply:

AAMC - Annapolis states on p. 14 that the project will include the renovation of 1,993 SF (or 3,379 SF on Table C, p. 19) of adjacent space (Exhibit 3 indicates that this is currently office space). The applicant does not indicate the current state of this additional space, but the applicant states that this work will require some demolition of the current space (i.e., the wall that separates the space between the existing ASC and the adjacent space will remain in place until completion for the new addition, as indicated on pp. 48-49). The applicant indicates on p. 14 that the project includes a new 182 SF procedure room and a new 522 SF sterile operating room, and construction for new support areas as well as upgrades for such things as a new HVAC system to meet requirements for laminar flow, air filtration, and pressure monitoring. Finally, the timeline for the construction project will take at least 72 weeks (p. 15), including weekdays and weekends to complete. The type of work described is characterized as fit out of existing space and not renovations. Please look at an example of the difference between a fit out vs.

renovation at the following link: https://connorconstructionllc.com/fit-out-vs-renovation-projects/.

Based on the information in the CON application, the proposed project proposes the demolition of existing office space and fit out for the construction of a third OR, one procedure room, and support space. The applicant reports the cost of fit out is $3,449,916 (Table E - Project Budget) for the 1,993 SF additional space, or about $1,731/SF (or about $1,021/SF for 3,379 SF), which is more than the $550/SF benchmark construction cost reported by Marshall & Swift for a Class A-B, Good type outpatient (surgical) center.

Staff requests that AAMC - Annapolis revise and submit Table D to reflect onsite and offsite "construction costs" included and excluded in the Marshall Valuation Costs to support the costs to prepare the additional space. Provide information that documents and supports the excessive costs reported by the applicant for the fit out for the third OR and procedure room, or provide information to support the need for such excessive costs to fit out this additional space.

RESPONSE:

It appears that there is a misunderstanding about what is to be included in Table D: Onsite and Offsite Costs Included and Excluded in Marshall Valuation Costs. The only costs to be included in this table are those relating to the physical site on which the facility is located, rather than costs related to the facility itself. These costs would include site-related costs to be incurred regarding work on the site itself, and also offsite. Table D identifies specifically what is required. Onsite costs to be reported and included in an MVS analysis include site preparation, both "normal" as would be experienced in constructing an entirely new building on a site, and regarding utilities to the lot line. Also to be reported are costs that would be excluded from an MVS analysis, including other things needed on the property such as demolition, storm drains, rough grading, exterior signs, landscaping, walls, and yard lighting. Offsite Costs to be reported, and excluded from an MVS analysis, would be for roads, utilities, and jurisdictional hook-up fees. All such costs would be reported for both New Construction and Renovation projects alike.

As referenced in Exhibit 29 of the completeness responses, the offsite Owner's Work subcategory "Signage" is accurately reported as $6,500, as reflected in Table D. This cost represents the owner's investment in exterior signage necessary for wayfinding, branding, and regulatory compliance outside the immediate project footprint. It is evident that these are the only site-related costs of the total $3,449,916 renovation costs that are appropriate to be reported on Table D. Whether those costs are deemed "renovation" or "construction" would make no difference in Table D, as they would be treated the same way in any MVS analysis as either being included or excluded in the analysis.

The alignment between Exhibit 29 and Table D confirms the consistency and accuracy of the reported value, supporting the overall transparency and integrity of the project's financial documentation.

Further, Commission Staff has made reference to an MVS benchmark construction cost of $550/SF, which is the MVS benchmark for constructing an entirely new ASC where none existed before, and represented that this results in a calculation of about $1,731/SF for the 1993 SF of space to be added, and $1,021/SF for the entire 3,379 SF to be renovated as part of the project. AAMC-Annapolis has also been asked to "Provide information and documents that supports the excessive costs" for the project, or "to provide information to support the need for such excessive costs" for the project.

A full MVS analysis, which is not required for this application, would use the MVS benchmark cost of $550/SF, and total renovation costs of $3,449,916 as a starting point for an analysis. Any conclusions about the reasonableness or excessiveness of costs would not be based on these numbers alone, before a full MVS analysis were undertaken. MVS identifies numerous modifications to be made to the benchmark SF costs for a new building and identifies categories of costs that may be excluded from the MVS calculations so as to arrive at a more accurate assessment of the reasonableness of costs. One such adjustment involves the identification and exclusion of certain "extraordinary costs," which is those costs not typically encountered in the "ordinary" construction of new buildings for which the MVS manual otherwise provides detailed cost information. For example, these costs would include what MVS identifies as specialized Group II equipment that "is often installed and becoming part of the real property, but typically not part of the general contract." The project budget identifies $1,193,582 of fixed equipment, most or all of which would be Group II equipment for the OR and procedure room that should be excluded from an MVS calculation. The cost of this equipment alone represents 34.6% of the total renovation budget, and was not accounted for in the Agency's calculation of "excessive costs."

Moreover, additional adjustments are allowed and warranted for an accurate comparison. Departmental differential costs would allow adjustments of 1.59 to the benchmark for an operating suite, and 1.89 for an OR alone. That is, benchmark SF costs applicable to the square footage of an operating suite would be increased by 59%, and for the square footage of an OR would be increased by 89%.

A "Repair and Remodel" factor would further allow an adjustment of between 10% and 20%. Importantly, we note that the MVS manual states that "All costs in this manual are based on new construction." The "Repair and Remodel" adjustment is essentially the only part of the MVS manual that legitimately pertains to any project other than brand new construction, and as such would include repairs, remodeling, renovations, and fit-outs, by whatever name may be used for such projects which do not create an entirely new building

Applying the current multiplier update would result in a further adjustment of 1.3, or an additional 30% increase in the applicable benchmark.

Applying a location multiplier would result in a further adjustment of 1.3, yet another 30% increase in the applicable benchmark.

We have not undertaken an MVS analysis because it is not required for this project. But the validity of a conclusion by the Staff that there are "excessive costs" is very questionable when the full MVS methodology has not been applied. This is especially true if excluding Group II equipment and also applying the adjustments identified above----ranging in several categories from a 30% to 38% increase in the applicable benchmark, before considering any others that may be applicable as part of a thorough analysis---would necessarily result in a dramatically different conclusion of the reasonableness of the costs.

In further support of the reasonableness of the project costs, we offer the following explanation to respond to the request to provide additional information regarding how project costs and the project budget were derived.

Our architectural firm developed the budget for adding an operating room through renovation of existing space through a comprehensive and phased approach that integrated design, engineering, and financial planning. This methodology, described below, ensured alignment with clinical needs, regulatory standards, and operational efficiency.

1. Project Scoping and Feasibility
The initial phase involved a detailed assessment of the designated space to be renovated. This included:

- Evaluating structural integrity and load-bearing capacity
- Reviewing HVAC, plumbing, and electrical infrastructure
- Ensuring compliance with healthcare regulations and infection control standards

2. Budget Structure Components
Budget considerations were divided into four broad categories:

- Hard Costs
  Includes demolition, framing and drywall, flooring, ceiling systems, medical gas systems, lighting, and HVAC upgrades.
- Soft Costs
  Covers architectural and engineering fees, permitting and code compliance, environmental assessments, project management, and legal fees.
- Furniture, Fixtures & Equipment (FF&E)

Encompasses surgical lights and booms, operating tables, storage cabinets, scrub sinks, and integration of IT and monitoring systems.

- Contingency and Escalation
  A percentage of the total budget is allocated to account for unforeseen conditions and market volatility.

3. Specialized Healthcare Design
The design integrates:

- Enhanced infection control protocols
- Workflow optimization for surgical teams
- Evidence-based design to improve patient and staff efficiency

4. Stakeholder Collaboration
Collaboration with key stakeholders—including clinical leadership, equipment vendors, and code officials—was essential to ensure the design meets both operational and regulatory requirements.

Using this methodology for developing the project budget, detailed consideration of various specific cost elements was undertaken. For example:

Materials Costs:
Material costs have risen steadily over the past few years, though recent trends show a moderate slowing in the rate of increase. To account for this, the project budget includes an inflation factor that aligns with the anticipated construction schedule, helping to mitigate the impact of future cost escalation.

Material Shortages / Supply Chain:
While major supply chain disruptions have subsided, certain specialty items—such as custom finishes, mechanical/electrical equipment, and healthcare-rated materials—may still have extended lead times. To mitigate potential delays, we will continue to monitor lead times closely and strategically pre-purchase critical materials to protect the project schedule.

Tariffs:
Tariff impacts are already reflected in current material pricing, especially for steel and aluminum components. Our total project budget includes a contingency to help offset any potential cost increases.

Labor Costs:
Labor continues to be a significant cost driver in our region, as reflected in the project budget. A general shortage of skilled workers—combined with the specialized training and certifications often required for healthcare construction—has reduced the available labor pool.

Premium Pricing (Evening/Weekend Work):
Premium pricing was factored into the budget for any required after-hours work. This is typical in occupied healthcare environments to minimize disruption to patient care and administrative functions.

Other Market Factors:
General inflation, insurance, and contractor overhead are also contributing to higher-than-historic pricing. However, though volatility in costs continues, the current environment is somewhat stabilizing compared to the volatility seen during peak pandemic years.

Value Engineering:
Value engineering was performed during early design development. Several scope adjustments and material substitutions were made without compromising functional or aesthetic goals. This had a direct downward effect on costs.

Contract Negotiations:
Contract terms were negotiated with an emphasis on fair risk-sharing, schedule control, and pre-agreed cost contingencies. These terms contributed to pricing confidence and avoided the need for excessive contractor premiums.

Other:
Please see the response to Question 10 for further details regarding the assumptions underlying certain categories of budget costs.

In summary, the project budget has been developed as outlined above to reflect prevailing market conditions in healthcare construction, accounting for continued elevated but somewhat stabilizing costs in both materials and labor. Strategic planning, value engineering, and scope alignment have been applied to ensure cost efficiency without compromising project goals.

As the aforementioned information and analysis demonstrates, the budget development process has been thorough, deliberate, and professionally responsible and appropriate to today's construction/renovation environment. Based on recent benchmarking and input from industry professionals with relevant healthcare experience, we are confident that the project will be delivered within the established budget parameters. We continue to believe appropriate documentation has been provided to support the conclusion that the project costs are reasonable and maximize the use of available strategies to contain costs.

Finally, we note that nearly 100% of the revenue of the facility is derived from commercial insurers, Medicare and Medicaid. Each of these payors has limits on what may be reimbursed to an ASC. This means that reimbursement is controlled by market forces. Thus, even if costs were somewhat beyond some objective norm, which we do not believe is the case here, costs to the health care system would not

be increased, leaving it to AAMC—Annapolis to bear the extent of any costs not covered by payors.

Based on the aforementioned information and analysis, we continue to believe appropriate documentation has been provided to demonstrate that the project costs are reasonable.

Table D. Onsite and Offsite Costs Included and Excluded In Marshall Valuation Costs

TABLE D. ONSITE AND OFFSITE COSTS INCLUDED AND EXCLUDED IN MARSHALL VALUATION COSTS

INSTRUCTION: If project includes non-hospital space structures (e.g., parking garges, medical office buildings, or energy plants), complete an additional Table D for each structure.

	NEW CONSTRUCTION COSTS	RENOVATION COSTS
SITE PREPARATION COSTS		
Normal Site Preparation		N/A
Utilities from Structure to Lot Line		N/A
Subtotal included in Marshall Valuation Costs		
Site Demolition Costs		**N/A**
Storm Drains		**N/A**
Rough Grading		**N/A**
Hillside Foundation		**N/A**
Paving		**N/A**
Exterior Signs		**$6,500**
Landscaping		N/A
Walls		N/A
Yard Lighting		N/A
Other *(Specify/add rows if needed)*		N/A
Subtotal On-Site excluded from Marshall Valuation Costs		
OFFSITE COSTS		
Roads		N/A
Utilities		N/A
Jurisdictional Hook-up Fees		N/A
Other *(Specify/add rows if needed)*		N/A
Subtotal Off-Site excluded from Marshall Valuation Costs		
TOTAL Estimated On-Site and Off-Site Costs not included in Marshall Valuation Costs	**$0**	**$6,500**
TOTAL Site and Off-Site Costs included and excluded from Marshall Valuation Service*	**$0**	**$6,500**

*The combined total site and offsite cost included and excluded from Marshall Valuation Service should typically equal the estimated site preparation cost reported in Application Part II, Project Budget (see Table E. Project Budget). If these numbers are not equal, please reconcile the numbers in an explanation in an attachment to the application.

9. Project Implementation Schedule.
    a. Provide a timeline (e.g., Gantt chart) that shows when the applicant expects to:
    (1) sign the construction contract; (2) commence construction; (3) the

projected date for the completion of the renovations; (4) the date when the applicant will start utilization of the third OR and the procedure room; and (5) the projected date when the ASC will meet full operation.

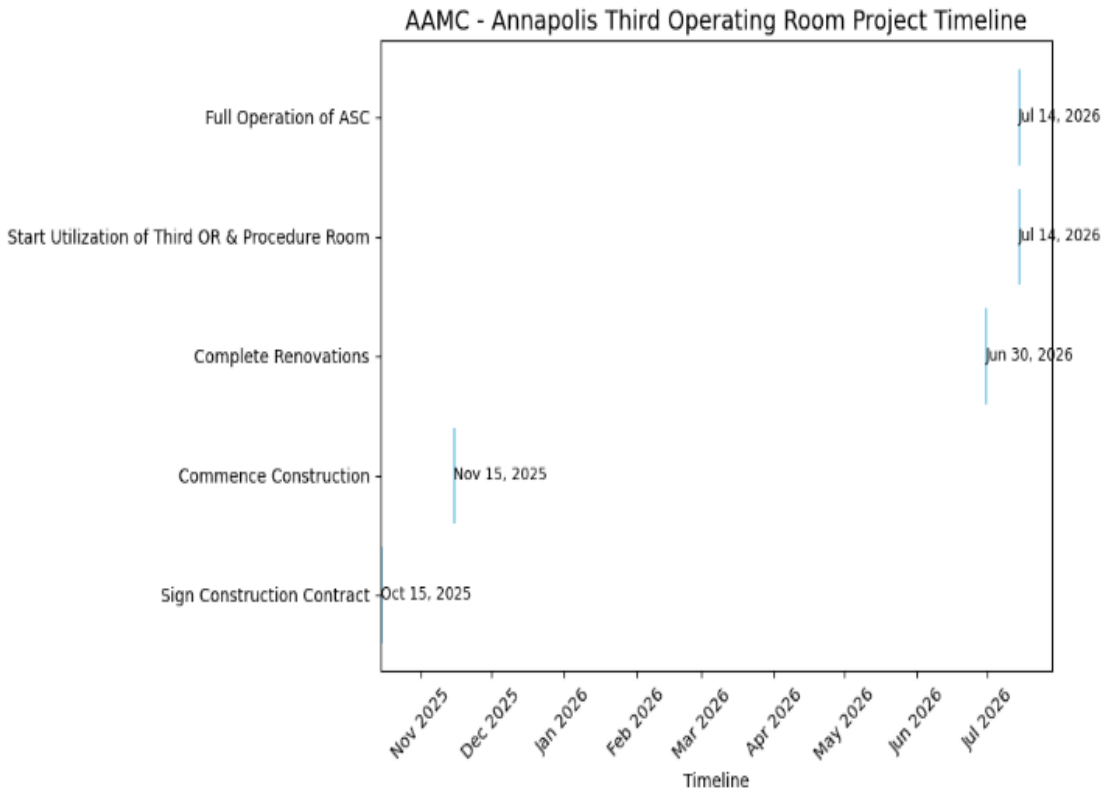
RESPONSE:

AAMC – Annapolis is proposing the aspirational timeline for the third operating room depicted in the attached Gantt Chart as requested.

- Sign the construction contract –10/15/2025
- Commence Construction – 11/15/2025
- The projected date for the completion of the renovations – 6/30/2026
- The date when the applicant will start utilization of the third OR and the procedure room – 7/14/2026
- The projected date when the ASC will meet full operation – 7/14/2026

In parallel, the Project Implementation Schedule included in the originally submitted CON application accounts for potential contingencies that may impact the aspirational timeline. Both timelines are therefore accurate and appropriate: The aspirational timeline reflects the applicant's goal for early operational readiness and The Implementation Schedule ensures compliance with regulatory expectations and accommodates unforeseen delays, while maintaining the project in good standing.

Gantt Chart Timeline Proposed Project



b. Depending on the beginning of the operations of the new OR during or after CY 2026, please update the Need projections on pp. 42 through 45 and Table 1 and 2 on pp. 58 - 59, and Financial Statements (Tables 3 and 4) on pp. 63 through 65 to reflect the Project Implementation Schedule for this CON application.

RESPONSE:

The aspirational timeline for initiating operations of the proposed third operating room during CY 2026 is reflected in the Need Projections on pages 42 through 45, Tables 1 and 2 on pages 58–59, and the Financial Statements (Tables 3 and 3) on pages 63 through 65 of this application.

In parallel, the Project Implementation Schedule included in the originally submitted CON application accounts for potential contingencies that may impact the aspirational timeline. This schedule was developed in accordance with the performance requirements and obligation deadlines outlined in COMAR 10.24.01.12, which governs the effective duration of a CON and the applicant's responsibilities.

Both timelines are therefore accurate and appropriate: The aspirational timeline reflects the applicant's goal for early operational readiness and The Implementation Schedule ensures compliance with regulatory expectations and accommodates unforeseen delays, while maintaining the project in good standing.

PART II PROJECT BUDGET

10. Provide the assumption(s) and/or basis for the following:

Contingency -	$292,591
Inflation Allowance -	$57,278
Non-consulting Fees -	$132,000
Project Administration -	$251,100

RESPONSE:

The Contingency Allowance of $292,591 has been incorporated into the project budget to account for potential cost variations and unforeseen conditions that may arise during the course of design, procurement, and construction. This figure represents a prudent percentage of the total project cost and is based on the following assumptions:

1. Design Development Adjustments
    - Minor scope refinements or design modifications may be required as construction documents are finalized, potentially impacting material quantities, finishes, or systems integration.

2. Market Volatility
    - Fluctuations in labor rates, material costs, and supply chain availability may affect procurement pricing, particularly for specialty items.

3. Permit or Regulatory Compliance
    - Additional costs may be incurred to meet evolving code requirements or to address comments from permitting authorities or regulatory agencies.

4. Schedule Impacts
    - Delays due to weather, inspections, or coordination with vendors may result in extended general conditions or escalation costs.

The Inflation Allowance of $57,278 has been included in the project budget to account for anticipated cost escalation due to economic and market conditions over the duration of the project. This figure is based on the following assumptions:

1. Project Timeline
    - The allowance reflects expected inflation over the projected design, procurement, and construction period, recognizing that costs may rise between initial budgeting and actual expenditure.

2. Construction Cost Index Trend
    - Historical and forecasted increases in construction cost indices have been considered, particularly for healthcare-related materials and labor.

3. Material Price Escalation
    - Volatility in the cost of key construction materials (e.g., steel, concrete, electrical components) is expected to continue, contributing to overall inflationary pressure.

4. Vendor and Supplier Pricing
    - Inflationary trends in vendor pricing for furniture, fixtures, equipment, and specialty systems are included, especially for items with long lead times or international sourcing.

5. Regulatory and Compliance Costs
    - Potential increases in costs related to evolving building codes, healthcare regulations, and environmental standards are considered.

The Non-Consulting fees budget includes $132,000, which represent costs associated with essential services and administrative requirements not classified under architectural, engineering, or other professional consulting categories. These fees are based on the following assumptions:

1. Permitting and Regulatory Fees
    - Includes costs for building permits, occupancy certificates, health department reviews, and other jurisdictional approvals required for project execution.

2. Insurance and Bonding
    - Assumes costs for builder's risk insurance, general liability coverage, and any required performance or payment bonds.

3. Third-Party Testing and Inspections
    - Includes fees for independent testing agencies to verify materials, systems, and construction quality (e.g., concrete testing, fire alarm certification).

4. Owner's Internal Project Management Costs
    - May include allocations for internal staff time, travel, or resources dedicated to overseeing the project outside of contracted consulting

services.

The Project Administration fees budget includes $251,000, which cover the oversight, coordination, and execution of the project from inception through completion. These fees are essential to maintaining schedule, budget, compliance, and quality standards. The following assumptions support this allocation:

1. Owner's Project Management Oversight
    - Internal staff time dedicated to managing the project lifecycle
    - Coordination with consultants, contractors, vendors, and regulatory bodies

2. Procurement and Contract Administration
    - Bid management, vendor selection, and contract negotiations
    - Monitoring of deliverables and compliance with contractual obligations

3. Change Management and Issue Resolution
    - Identification and resolution of scope changes, delays, or conflicts
    - Coordination of contingency use and budget adjustments

These assumptions reflect industry norms for healthcare construction projects and ensure that all necessary services are accounted for to support a compliant and successful project delivery.

PART IV – CONSISTENCY WITH GENERAL REVIEW CRITERIA at COMAR 10.24.01.08G(3)

11. The applicant has not labelled or numbered all of the tables or maps within its CON application, making it difficult for staff to cite or identify tables in the completeness questions. For future submitted documents, the applicant must label each table, chart, or map, as indicated in the CON application instructions. In addition, ensure that all charts, tables, and maps cite the source of the data or information referenced.

RESPONSE:

We appreciate the feedback regarding the labeling and sourcing of tables, charts, and maps within our CON application. We are committed to maintaining clarity and compliance with all documentation and appreciate the opportunity to improve the quality and usability of our submitted materials.

12. Charity Care and Financial Assistance Policy:

a. The state health plan requires that an applicant commit to provide at least the average amount of charitable surgical services to indigent patients provided by ambulatory surgical facilities in the most recent

year reported, if that data are available. The applicant can propose its level of charity care (e.g., 1 percent of operating expenses) based on a review of its service population, comparison of charity care for other ASFs in the service area, and other factors deemed relevant.

RESPONSE:

AAMC – Annapolis affirms its commitment to providing charity care at the level equal to one percent of total operating expenses, as stated on p 33 under Standard .05(A) (3) Charity Care and Financial Assistance Policy subcategory (i) This commitment is reflected in the financial projections included in this application and is consistent with AAMC – Annapolis' mission to ensure equitable access to care for all patients, regardless of their ability to pay.

The Charity Care and Financial Assistance Policy, as referenced earlier in this proposal, and provided in Exhibit 6 and Exhibit 7 of the original CON application, outlines the procedures for identifying and assisting eligible patients. Compliance with this policy will be monitored as part of AAMC – Annapolis's Quality Assessment and Performance Improvement (QAPI) program, ensuring accountability and continuous oversight.

Additionally, AAMC – Annapolis has implemented strategies to effectively communicate the charity care policy to the community, including multilingual materials, digital access, and partnerships with local organizations to broaden outreach.

This proposal demonstrates AAMC – Annapolis's operational and financial commitment to uphold its charity care obligations and support the health needs of the broader community.

b. The notice of financial assistance and charity care program includes the link, https://www.luminishealth.org/en/financial-assistance, which has a webpage that lists providers excluded from the Luminis Health Financial Assistance policy. Commission staff reviewed this list, and 25 of the 27 physician owners for AAMC – Annapolis (nearly 93%) are on this exclusion list. Clarify whether these physician owners will also provide surgical services in the proposed facility and will be exempt from AAMC – Annapolis' charity care policy. If so, please describe how AAMC – Annapolis plans to achieve the level of charitable care to which it has committed.

RESPONSE:

The 27 physician owners of AAMC – Annapolis will actively provide surgical services at the proposed facility. These physician owners will not be exempt from

AAMC – Annapolis's Charity Care and Financial Assistance Policy, as outlined in Exhibit 6 of the originally submitted application.

This ensures that all services provided within the facility, including those rendered by physician owners, are subject to the same standards of financial accessibility and community responsibility. Compliance with this policy will be monitored as part of the facility's ongoing quality and performance oversight processes.

13. Need – Minimum Utilization for Establishment of a New or Replacement Facility.
Please respond to the following:

a. Provide in an Excel spreadsheet the assumptions and calculations used to determine the need for the third OR on pp. 42 through 45.

RESPONSE:

The assumptions used to determine the need for an additional operating room were derived from AAMC – Annapolis's internal data tracking system, HST Pathways. This platform is designed to capture and analyze detailed patient flow metrics, including:

- In-room time
- Surgery start and stop times
- Out-of-room time

These event timestamps allow for precise calculation of operating room utilization. Turnover times can be excluded to isolate actual surgical minutes and then reintroduced to determine total operating room time, ensuring flexibility and accuracy in capacity modeling.

Table 5 (Corrected): Operating Room Capacity and Needs Assessment (COMAR 10.24.11.06) Entire Facility and Table 7 (Corrected): Statistical Projections Entire Facility have been corrected as requested. Table 6 Operating Room Capacity and Needs Assessment (COMAR 10.24.11.06) Project ONLY and Table 8 Source of Projected Surgical Cases have been included for convenience of the MHCC without changes.

TABLE 5 (Corrected): Operating Room Capacity and Needs Assessment (COMAR 10.24.11.06) Entire Facility

AAMC Surgery Center - Annapolis
Operating Room Capacity and Needs Assessment (COMAR 10.24.11.06)
Entire Facility

	Actual		Projected				
	CY2023	CY2024	CY2025	CY2026	CY2027	CY2028	CY2029
Total Cases	1807	2140	1943	2561	3102	3179	3179
Total Surgical Minutes in OR	162,396	182,638	170,867	225,214	272,789	279,561	279,561
OR Turnaround Minutes, 20 minutes per case	36,140	42,800	38,860	51,220	62,040	63,580	63,580
Total OR minutes, including Turnover	198,536	225,438	209,727	276,434	334,829	343,141	343,141
Total Hours (minutes/60)	3,301.47	3,751.35	3,495.45	4,607.23	5,580.48	5,719.02	5,719.02
Optimal Capacity, Hours	3,264.00	3,264.00	3,264.00	4,896.00	4,896.00	4,896.00	4,896.00
Utilization Percent	101.1%	114.9%	107.1%	94.1%	114.0%	116.8%	116.8%
OR Need (Total Hours/1,632)	2.02	2.30	2.14	2.82	3.00	3.50	3.50

Note: Optimmal Capacity is 1,632 hours per year.

TABLE 6: Operating Room Capacity and Needs Assessment (COMAR 10.24.11.06) Project ONLY

AAMC Surgery Center - Annapolis
Operating Room Capacity and Needs Assessment (COMAR 10.24.11.06)
Project ONLY

	Projected			
	CY2026	CY2027	CY2028	CY2029
Total Cases	618	1159	1236	1236
Total minutes (includes turnaround time @ 20 minutes)	66,706.9	125,102.5	133,413.8	133,413.8
Total Hours (minutes/60)	1111.8	2085.0	2223.6	2223.6
OR Need (Based on Optimal Capacity)	68.1%	127.8%	136.2%	136.2%
Utilization, Percent	0.68	1.28	1.36	1.36

Note: Optimal Capacity is 1,632 hours per year.

TABLE 7(Corrected): Statistical Projections Entire Facility

AAMC Surgery Center - Annapolis
Statistical Projections
Entire Facility

	Two Most Recent Years (Actual)		Current Year Projected	Projected Years			
	CY 2023	CY 2024	CY 2025	CY 2026	CY 2027	CY 2028	CY 2029
Number of Operating Rooms (ORs)	2	2	2	3	3	3	3
Total Procedures in ORs	0	0	0	0	0	0	0
Total Surgical Cases in ORs	1807	2140	1943	2561	3102	3179	3179
Total Surgical Minutes in ORs **	162,396	182,638	170,867	225,214	272,789	279,561	279,561
Number of Procedure Rooms (PRs)	0	0	0	1	1	1	1
Total Procedures in PRs	0	0	0	450	844	900	900
Total Cases in PRs**	0	0	0	0	0	0	0
Total Minutes in PRs**	0	0	0	4,941	9,267	9,882	9,882
Total Procedures	0	0	0	450	844	900	900
Total Cases	1807	2140	1943	3011	3946	4079	4079

** *Does not include turnover time*

TABLE 8: Source of Projected Surgical Cases

AAMC Surgery Center - Annapolis
Source of Projected Surgical Cases

		Projected			
	CY 2025	CY 2026	CY 2027	CY 2028	CY 2029
Total Surgical Cases	1943	3179	4261	4415	4415
Future Growth and Shift from Other Sources		618	1159	1236	1236
Cases, Baseline		2561	3102	3179	3179

b. Regarding the Need tables on p. 42 and p. 44, staff notes that the applicant assumes and uses an optimal capacity at 1,824 hours per year for a single OR, which differs from COMAR 10.24.11.06A(1)(b) of 1,632 hours per year for a dedicated outpatient general purpose OR. Provide the applicant's assumptions and basis for using 1,824 hours per year.

RESPONSE:

The optimal operating room capacity of 1,632 hours per year for a dedicated outpatient general-purpose operating room, as defined in COMAR 10.24.11.06A(1)(b), is the correct benchmark for assessing surgical capacity needs.

An unforeseen error in our internal data system resulted in the use of an incorrect capacity figure, which inadvertently skewed the initial projections. This discrepancy has since been identified and corrected.

The Excel spreadsheet, provided in response to Question 13(a) above, outlines the accurate assumptions and calculations used to determine the need for a third operating room. These calculations are based on the corrected 1,632-hour annual capacity standard, ensuring compliance with COMAR and alignment with the Maryland Health Care Commission's guidelines.

c. The Table on p. 42 indicates a projected decrease (of about 9.1%) in surgical case volumes between CY 2024 (2,137) and CY 2025 (1,943). Explain the decline in surgical case volume.

RESPONSE:

The projected decrease in surgical case volumes between CY 2024 and CY 2025 is attributed to a minor and temporary HVAC issue that occurred at our sister facility, AAMC – Pasadena.

To avoid canceling scheduled surgical procedures and to uphold our commitment to patient care and community service, AAMC – Annapolis temporarily absorbed surgical cases from AAMC – Pasadena during the servicing period. This strategic migration of cases resulted in a temporary increase in volume at AAMC – Annapolis, which is reflected in the CY 2024 data.

When AAMC – Pasadena resumed full operation, surgical volumes at AAMC – Annapolis normalized, resulting in the projected decrease for CY 2025. This fluctuation is operationally managed and does not reflect a reduction in service capacity or demand at AAMC – Annapolis.

d. Exhibit 17 provides historical and projected surgical volumes for 29 physicians and the tables on pp. 53-54 report projected surgical cases to be performed by 33 physicians. Provide documentation of the caseload for the 4 physicians missing from Exhibit 17. Identify which years are represented, by Year 1, Year 2, and Year 3.

Through an email exchange, AAMC—Annapolis requested clarification of certain

aspects of this question, and Commission staff responded. That email exchange follows.

AAMC-Annapolis Query Re Question 13(d): This question asks the Applicant to update Exhibit 17 and provide caseload data for physicians missing from the exhibit. One of the physicians missing from the exhibit is no longer practicing at the current ASC and is in the process of retiring. That physician will not be providing services once the project is complete. Do you agree that projections for this retiring physician may be omitted from the data?

Commission Staff Reply:

Staff would like to better understand the status of this one physician and the "process of retiring." Is this physician currently performing surgical procedures and when will this surgeon retire? Will the omission of this surgeon's historical surgical volume have an adverse impact on the volumes of surgical cases and surgical minutes reported for CY 2023, CY 2024, and CY 2025 at AAMC - Annapolis, and in meeting the optimal capacity for the two existing ORs at AAMC - Annapolis for these two historical and current years.

If this surgeon's surgical volume will not have an impact, then staff will revise Question 13(d) "to provide the caseload for the 3 physicians missing (out of a total of 32 remaining physicians with surgical privileges) from Exhibit 17."

RESPONSE:

Dr. Karen Hardart ceased performing surgical cases as of December 31, 2024, and has not conducted any procedures at AAMC – Annapolis during calendar year (CY) 2025. Accordingly, the omission of her historical surgical volume will not adversely impact the reported surgical case volumes or surgical minutes for CY 2025.

The data reported for CY 2023 and CY 2024 remains accurate and reflects actual surgical activity. AAMC – Annapolis has not experienced any decline in surgical case volumes or surgical minutes attributable to its existing two operating rooms.

Exhibit 30 provides updated projections of surgical case volumes for additional physicians who were not included in Exhibit 17 of the originally submitted Certificate of Need (CON) application. This supplemental data offers a more complete and accurate representation of the anticipated surgical activity at AAMC – Annapolis.

The projections are organized by calendar year as follows:

- Year 1: CY 2026
- Year 2: CY 2027

- Year 3: CY 2028

It is important to note that Dr. Hardart's data is not included in these projections, as she is retiring from practice and her partial share sale is currently pending. Her exclusion reflects the most current and accurate operational forecast for the facility.

e. For the tables on pp. 42 through 45 and Exhibit 17, cite the source for the utilization data (i.e., surgical cases, surgical minutes, turn around time, etc.).

RESPONSE:

The data presented in the tables on pages 42 through pages 45 and in Exhibit 17 was sourced from AAMC – Annapolis's internal data platforms, specifically HST Pathways and EPIC's Data Bay Analytics Platform.

14. Impact. Cite the source for the AAMC – Annapolis referral data reported in the two tables on pp. 55-56.

RESPONSE:

The referral data presented for AAMC – Annapolis in the tables on pages 55–56 was obtained from our hospital partners' internal data collection systems, specifically embedded within Data Bay, a module of the EPIC electronic health record system. These data reflect accurate and comprehensive patterns and support the analysis provided in this application.

15. Need. The applicant cited a 214.73% increase in total volume since 2021 and increase in surgical volume across all specialties. How is the facility currently managing this increase in volume?

RESPONSE:

AAMC – Annapolis has experienced a 214.73% increase in total volume since 2021, with growth observed across all surgical specialties. To effectively manage this surge, the facility has implemented a series of strategic and operational measures:

1. Expanded Staffing and Scheduling

    - Additional clinical and support staff have been onboarded to meet increased demand.

    - Surgical schedules have been optimized to include staggered shifts, to maximize operating room utilization without compromising

patient care.

2. Enhanced Workflow Efficiency

    - Lean process improvements have been introduced to streamline patient flow, reduce turnaround times, and improve coordination between pre-op, intra-op, and post-op services.

    - Technology upgrades, including enhancements to the EPIC system, have supported better scheduling, documentation, and communication.

3. Infrastructure and Space Optimization

    - Existing clinical spaces have been reconfigured to accommodate higher patient volumes.

    - Plans for proposed facility expansion are described in the application, with construction scheduled to occur in a manner that minimizes disruption to ongoing services (as detailed in the construction mitigation plan).

4. Quality and Safety Oversight

    - The Quality Assessment and Performance Improvement (QAPI) program continues to monitor key performance indicators to ensure that increased volume does not compromise patient safety or care standards.

    - Infection control protocols have been reinforced, particularly in light of construction activities.

5. Community and Referral Coordination

    - Strong collaboration with referring providers and hospital partners has helped manage patient expectations and streamline referrals.

    - Data-driven insights from EPIC's Data Bay module have informed capacity planning and resource allocation.

16. Project Financial Feasibility and Facility or Program Viability:

a. Based on Table 3 Revenues and Expenses, the totals published under Table 3 and 4 do not tally with the numbers therein; for e.g. under Table 3 for CY23 Net Operating Revenue which is Gross PSR - Bad Debt - Contra Allowance - Charity Care + Other Operating Revenue should add

up to $11,783,691 and not
$12,013,519. Same is the case with Operating Expenses, Income from Operations and Net Income in Table 3 and 4. Please reconcile and if possible share in a spreadsheet format.

RESPONSE:

Net Operating Revenue, as presented in Tables 3 and 4, is calculated using the following formula:

Gross Patient Service Revenue (PSR) – Contractual Allowances – Charity Care + Other Operating Revenue

This methodology excludes Allowance for Bad Debt from the Net Operating Revenue calculation. Instead, Bad Debt is reported as an operating expense below the revenue line, consistent with standard financial reporting practices.
Using this approach, the Net Operating Revenue for CY 2023 is accurately reported as $12,013,519, and the same methodology has been applied consistently across all reported years.

b. The number of surgical cases identified in line 1b. Outpatient Services for CY 2023 and CY 2024 do not match the numbers reported in the tables on p. 42 through p. 45. Please reconcile these tables.

RESPONSE:

The discrepancy in the number of surgical cases reported in Line 1b. Outpatient Services for CY 2023 and 2024, compared to the figures presented in the tables on pages 42 through 45, has been addressed. All tables have now been reconciled, and the surgical case volumes are consistent across all referenced sections of the application.

c. Table 3 and Table 4 report the same amounts for Interest on Current Debt, Current Depreciation, and Current Amortization. Please revise these figures to differentiate Entire Facility vs. Proposed Project or clarify why these amounts remain the same.

RESPONSE:

The amounts reported for Interest on Current Debt, Current Depreciation, and Current Amortization in Tables 3 and 4 are the same for both the Entire Facility

and the Proposed Project. This consistency is intentional and reflects the following financial realities:

1. Consistent Asset Base

    - AAMC - Annapolis has not added or disposed of significant assets during the reporting period. Most existing assets are depreciated and amortized using straight-line methods, which result in uniform expense amounts year over year.

2. Low Volume of Capital Expenditures

    - Any new assets acquired during this time were of relatively low value and therefore had minimal impact on total depreciation and amortization. Minor additions or disposals did not materially affect the overall expense figures.

3. Long Useful Lives of Assets

    - Many of the assets have long useful lives. As a result, their annual depreciation and amortization expenses are relatively small and spread evenly over time. Even when new assets are added, their financial impact is distributed across many years, contributing to the consistency in reported figures.

Given these factors, the identical amounts reported in Tables 3 and 4 accurately reflect the financial structure of both the Entire Facility and the Proposed Project.

d. The values on Table 3, line item 2b. Contractual Services show unusual variability from CY 2023 through CY 2029. Please explain the variability and various shifts down and up in Contractual Services during this time period.

RESPONSE:

The fluctuations in Contractual Services reported in Table 3 from CY 2023 through CY 2029 reflect a combination of operational, transitional, and strategic factors associated with both current facility operations and the implementation of the proposed project. The variability is based on the following assumptions:

1. Pre-Project Baseline (CY 2023-2025)

Contractual services during these years reflect existing service agreements

and operational needs prior to the implementation of the proposed project. Variability is attributed to annual renegotiations, service scope changes, and temporary outsourcing needs.

- The bulk of the change from CY 2023 to CY 2024 is due to the removal of Physical Therapy services.

- Other minor fluctuations are attributed to contractual services such as linens, maintenance contracts, and overall contract services, which were calculated consistently across CY 2023, CY 2024, and CY 2025.

2. Project Implementation Phase (CY 2026)

   Contractual services may increase due to:

   - Temporary outsourcing during construction or transition
   - Specialized vendor support for equipment installation, IT integration, or training
   - Short-term consulting or staffing contracts to support ramp-up operations

3. Post – Implementation Stabilization (CY2027-2029)

   As the project reaches full operational maturity, contractual service costs are expected to stabilize due to:

   - Internalization of previously outsourced services
   - Expiration of transitional vendor contracts
   - Efficiency gains from new systems and workflows

   This variability is consistent with the lifecycle of capital projects and reflects prudent financial planning to ensure continuity of operations and support during transitional phases.

e. Based on Table 3 Revenues and Expenses Line Item 2d "Interest on Project Debt" and details of the term loan given on p61, staff constructed a proforma Amortization schedule for the $2M loan at 6% interest rate for a term of 10 years with an assumed timeframe of Jan 01, 2026 to Dec 31, 2035. Staff proforma shows similar interest expenses as that of Line item 2d starting CY 28 as opposed to CY 26 stated by the applicant. Please confirm the assumed loan origination date and expected start of the new OR for the staff to approximate Interest Expenses for the project and update Table 3 and 4 as required.

RESPONSE:

Tables 3 and 4 correctly reflect the initiation of Line Item 2d "Interest on Current Debt" beginning in CY 2026, not CY 2028 as referenced in question (e) above. No updates to these tables are necessary, as the figures presented accurately align with the expected financial timeline of the proposed project.

The loan origination date is currently projected for calendar year 2026; however, this timeline remains flexible to accommodate the timing of CON approval. Interest expenses are calculated based only on the funds drawn and allocated toward the loan, ensuring that financial reporting reflects actual utilization rather than the full loan amount. This approach supports accurate and conservative financial planning throughout the project lifecycle.

f. Table 3 (p. 63) Please submit Part 4B. Percent of Patient Days/Visits/Procedures, which is missing.

RESPONSE:

Table 3 (p. 63), Part 4B is included with this submission. Please note that the category labeled "Other (Specify)" refers to Workman's Compensation. Additionally, the figures presented in Table 3 Part 4B and Table 4 Part 4B are intentionally identical. This alignment is deliberate and based on the reasonable assumption that AAMC – Annapolis will retain its existing physician cohort and serve a consistent patient population throughout calendar years 2026 through 2029.

Table 3 Cont.	Two Most Recent Years Actual		Current Year Projected	Projected Years (ending with first full year at full utilization)			
	2023	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
B. Percent of Patient Days/Visits/Procedures (as applicable)							
1. Medicare	27.0%	26.4%	24.7%	26.7%	26.7%	26.7%	26.7%
2. Medicaid	2.6%	5.6%	3.1%	5.5%	5.5%	5.5%	5.5%
3. Commercial Insurance	68.8%	66.7%	69.9%	66.1%	66.1%	66.1%	66.1%
4. Self-Pay	0.1%	0.1%	0.4%	0.2%	0.2%	0.2%	0.2%
5. Other (Specify)	1.5%	1.2%	1.9%	1.4%	1.4%	1.4%	1.4%
6. TOTAL	100%	100%	100%	100%	100%	100%	100%

17. Exhibit 22 Table L: Workforce Information. Respond to the following:

a. Current Year Total Cost of Entire Facility (CY 25 in case of AAMC) reported in Exhibit 22 (Table L) of $1,711,818 does not match with Table 3, Line Item 2a. – Salaries, Wages, and Professional Fees (including fringe benefits) which reports $1,830,161 for CY 2025. Please reconcile these two numbers.

RESPONSE:

Table L presents salary data based solely on Full-Time Equivalent (FTE) counts and average salary figures. It is important to note that this table does not include fringe benefits or other forms of compensation beyond base salary.

The figures reflected in Table L are based on the FTE counts as reported at the time of compilation. However, FTE levels may fluctuate over time due to staffing changes, which can impact overall totals. Additionally, the salary amounts shown are averaged across applicable roles and do not represent individual compensation levels.

For clarity, the FTE calculation methodology used in Table L excludes fringe benefits and is intended to provide a standardized view of staffing and salary averages for planning and reporting purposes.

Exhibit 31, Table L: Workforce Information has been provided and includes supplemental reconciliation in cells L47 and L48, which serve to align and clarify the two primary data points.

b. Total projected cost as result of the proposed project through last year of projection (middle columns in Table L) is expected to tally with last year of projection line item 2a. Salaries & Wages including benefits under Table 4 (CY 29 in case of AAMC); at present it reports $0 for 7.6 FTEs whereas Table 4 reports $717,744 for CY 29.

RESPONSE:

The amount of $599,039 reflects salary costs only and does not include fringe benefits. The difference between this figure and the $717,744 reported in Table 4 for CY 2029 is attributable to the inclusion of fringe benefits in the latter.

Exhibit 31, Table L: Workforce Information has been updated in this resubmittal.

c. Total cost projected through the final year of projections for the entire

facility is expected to tally with last year of projection line item 2a. Salaries & Wages including benefits under Table 3 (CY 29 in case of AAMC); at present it reports $1,711,818 for 28.4 FTEs where Table 3 reports $2,547,906.

RESPONSE:

The total amount of $1,711,818 for 28.4 FTEs represents salary costs only and does not include fringe benefits. The variance between this figure and the $2,547,906 reported in Table 3 is attributable to the inclusion of fringe benefits in the latter.

Exhibit 31, Table L: Workforce Information has been updated in this resubmittal.

d. Clarify whether the Total Costs in all three above a, b and c includes the amount for fringe benefits and if not, provide the percentage of benefits over and above the staffing costs. Please revise Table L to reconcile a, b, and c and preferably submit in a spreadsheet attachment along with assumptions for calculations.

RESPONSE:

The total cost figures presented in sections a, b, and c exclude fringe benefits. The applicable fringe benefit rate is 10.26%, which accounts for the variance between salary-only totals and comprehensive personnel costs. This rate is detailed in rows L47 and L48 of Table L: Workforce Information, included in Exhibit 31.

18. Exhibit 23.

a. To comply with COMAR 10.24.01.08G(3)(d), the signed letter by the independent certified public accountant (CPA) must conclude in writing that the applicant has adequate funds available for the project. Otherwise, the applicant must provide audited financial statements for the past two years for entities and parent companies to demonstrate the financial condition of the entities involved and the availability of the equity contribution.

RESPONSE:

The required CPA letter is attached as Exhibit 34.

b. The financial statements are for Anne Arundel – SCA SurgiCenter, LLC, which operates two ambulatory surgery centers, one located in Annapolis

and the other in Pasadena. With regard to the equity portion for this project, show whether the applicant has identified as restricted funds or set aside in a specific account the $2 million in cash for this project. If not, will the applicant finance the cash portion of this project from the cash and revenue generated from the surgical services provided at the two ASCs.

RESPONSE:

Anne Arundel – SCA Surgicenter, LLC, operating across two ambulatory surgery centers, consistently generates strong quarterly cash flows and maintains healthy cash reserves. Over the past year, we have strategically retained additional cash in anticipation of allocating $2 million toward the proposed project.

On average, over the last four quarters, the centers have sustained a positive cash position, with quarterly collections averaging approximately $6.5 million and total operating cash outflows averaging $4.72 million. This results in an average positive operating cash flow of $1.92 million per quarter.

While the required $2 million could be generated within one to two quarters based on historical performance, proactive cash management measures have positioned us favorably. As of June 2025, we reported a positive cash balance of $3,348,798, providing ample capacity to designate $2 million in restricted funds for the project from existing cash reserves.

c. On the Balance Sheet on p. 5, discuss the basis or cause for:

1. The increase in Cash and Cash Equivalents from $8.2M in 2023 to
$23.8M in 2024, a 290% increase

RESPONSE:

In the fourth quarter of 2023, a procedural change was implemented within our internal Treasury Department that affected the treatment of intercompany cash transactions. Specifically, the automated cash sweep process previously used to reconcile the intercompany “Due to/Due from” accounts was discontinued. As a result, cash was no longer being routinely swept and applied toward the “Due to related party” liability account.

SCA as the managing partner and designated “related party,”

oversees and administers all financial transactions for the center, including the management of operating expenses and intercompany balances. This change in process led to a significant increase in both Cash and Cash Equivalents and the "Due to related party" liability on the balance sheet.

As of December 31, 2024, cash and cash equivalents increased to $23,829,188, while the "Due to related party" liability rose from $6,057,317 in 2023 to $21,380,779 in 2024. This increase is directly attributable to the accumulation of unreconciled intercompany transactions.

To address this, a corrective action was taken at the end of 2024, with full implementation effective January 1, 2025. The cash sweep process was reinstated to ensure that the cash and cash equivalents account is regularly reconciled against the intercompany "Due to related party" account. This adjustment ensures accurate financial reporting and alignment of cash balances with outstanding intercompany obligations.

2. The decrease in property and equipment, net, from $7.2M to $5.7M, a decrease of over 20.1%

RESPONSE:

Of the total decrease, $1,171,818 is attributable to a change in accumulated depreciation for leasehold improvements (LHI), primarily resulting from the 2024 upgrades to the Building Automation System (BAS) controls for HVAC and the installation of new pressure monitors in all critical spaces at AAMC Pasadena. An additional $320,000 is associated with a reduction in accumulated depreciation for medical equipment across both ambulatory surgery centers.

3. An increase under Current Liabilities due to Related Party from $6.0M to $21.4M, an increase of 357%

RESPONSE:

Refer to the above response provided under Section C "On the Balance Sheet on p. 5", Part 1, which also addresses this question in full.

19. Health Equity. What are the racial/ethnic demographics or distribution of the applicant's patient population? How does it compare to the racial and ethnic

diversity of the two counties where patients predominantly reside?

Through an email exchange, AAMC-Annapolis requested clarification of certain aspects of this question, and Commission staff responded. That email exchange follows.

AAMC-Annapolis Query re Question 19: This question asks the Applicant to provide racial/ethnic demographics or distribution of the Applicant's patient population and a comparison of how that information compares with the racial and ethnic diversity of the two counties where patients predominately reside.

The Commission's guide to the CON criteria does not require these data to be collected. It states in nonregulatory guidance that a response to COMAR 10.24.01.08G(3)(g) should include information that describes the disparities such as geographic, demographic (e.g., race/ethnicity, age, immigration status), and linguistic.

The Applicant does not maintain racial or ethnic data as it relates to the patients it serves and is not aware of any federal or state regulation that would require it to obtain and maintain such data such that the application is incomplete without it. Also, we request clarification of a request for data to perform a racial or ethnic comparison to areas of these two counties that are not part of the Applicant's historical service area. Can you please provide guidance as to where the Commission identifies requirements that these data be collected by an ambulatory surgical facility to docket this CON application?

Commission Staff Reply:

With the passage of the Shirley Nathan Pulliam Health Equity Act of 2021 and the subsequent inclusion of "Health Equity" as one of the criteria included in the review of CON applications in 2024, staff is evaluating how the applicant and the proposed project will address health care disparities for the population that reside in the area it serves. One area that staff is evaluating is how AAMC - Annapolis serves the underserved population who reside in the ASC's current service area, and how the approval of the third OR and procedure room will help to address health care disparities regarding surgical services offered in Anne Arundel and Prince George's Counties. Submit a response to this request for additional information, or provide a response as to why AAMC - Annapolis cannot respond to this criteria regarding the applicant addressing underserved populations in its health service area.

The 2023 Annual Report from the Maryland Health Equity Commission may help provide some guidance in AAMC - Annapolis response to this question.
https://acrobat.adobe.com/id/urn:aaid:sc:va6c2:a52eb842-32d5-4959-8ba6-d8753914b234?viewer%21megaVerb=group-discover

RESPONSE

AAMC – Annapolis is deeply committed to advancing health equity and ensuring that all individuals regardless of background, socioeconomic status, or other social determinants have access to high-quality, compassionate, and culturally responsive care.

While the organization does not currently collect race or ethnicity demographic data, AAMC – Annapolis recognizes that health equity is a multifaceted issue that extends beyond any single demographic indicator. Equitable care is rooted in understanding and addressing the broader spectrum of factors that influence health outcomes. Our approach is holistic, focusing on removing barriers to care, improving access, and tailoring services to meet the diverse needs of our patient population.

As may be required as part of the CON approval we would collect race and ethnicity data in the future. AAMC – Annapolis believes that a thoughtful, inclusive, and evidence-based approach will yield the most meaningful and sustainable improvements in health outcomes for all members of our community.

Importantly, on pages 68 through 74 of the originally submitted CON application under section 10.24.01.08G(3)(g) Health Equity, AAMC – Annapolis does address the ethnic and racial composition of Anne Arundel County and Prince George's County (specifically on pages 69 and 70). Additionally, on page 74, AAMC – Annapolis describes its current relationship with Luminis Health COOR and highlights the use of the Enhanced Preoperative Education Pathway (EPrEP) and nurse navigators as targeted interventions to support at-risk minority and high-risk White patients. These efforts reflect our commitment to culturally responsive care.

We have reviewed and understand both the Shirley Nathan-Pulliam Health Equity Act of 2021 and the 2023 Annual Report from the Maryland Health Equity Commission. AAMC – Annapolis reaffirms its commitment to health equity and expresses its willingness to begin collecting race and ethnicity data upon receipt of approval from the MHCC to operate an Ambulatory Surgical Facility (ASF).

20. Provide details on the specific steps and actions that AAMC - Annapolis will make to demonstrate its commitment to increasing accessibility to care as well as improving the availability and quality of care for underserved communities, such as those identified in the application (e.g., Lothian, Brooklyn Park).

RESPONSE:

AAMC – Annapolis is deeply committed to expanding access to high-quality

surgical care for underserved populations, including those identified in this application (e.g., Lothian, Brooklyn Park). The following strategic actions demonstrate this commitment:

1. Charity Care and Financial Assistance

    - AAMC – Annapolis is committed to provide charity care equal to one percent of total operating expenses, ensuring that financial barriers do not prevent access to necessary surgical services.

    - The Charity Care and Financial Assistance Policy is actively disseminated through community outreach, multilingual materials, and partnerships with local organizations.

2. Community Outreach and Education

    - Targeted outreach initiatives will be conducted in underserved areas to raise awareness of available services, eligibility for financial assistance, and how to access care.

    - Collaboration with community health workers, local clinics, and faith-based organizations will help bridge gaps in health literacy and trust.

3. Access Support

    - Telehealth consultations and pre-operative assessments are offered where appropriate to reduce travel burdens.

4. Workforce and Cultural Competency

    - Recruitment efforts will prioritize hiring staff from diverse backgrounds and communities served, enhancing cultural competency and patient trust.

    - Ongoing training in equity, inclusion, and culturally responsive care will be provided to all clinical and administrative staff.

5. Data-Driven Monitoring and Improvement

    - Using EPIC's Data Bay analytics and SCA Health HST platform, AAMC – Annapolis will monitor referral patterns, patient demographics, and service utilization to identify gaps and opportunities for improvement.

- These insights will inform targeted interventions and resource allocation to better serve high-need areas.

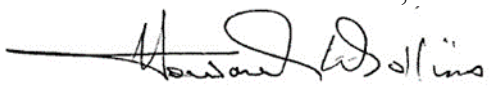
6. Strategic Partnerships

- AAMC – Annapolis will strengthen relationships with local hospitals, primary care providers, and community health centers to ensure seamless referrals and coordinated care for patients from underserved communities.

If any further information is required, please let us know, and it will be provided promptly.

Thank you for your assistance in this matter.

Sincerely,
BAKER, DONELSON, BEARMAN,
CALDWELL & BERKOWITZ, P.C.



Howard L. Sollins

HLS/tjr
Enclosures
cc: Kristine Lowther, SCA
Mari Shade, SCA
Wynee Hawk, MHCC
Jeanne-Marie Gawel, MHCC
Deanna Dunn, MHCC
Dr. Tonii Gedin, RN, DNP, Health Officer Anne Arundel County
John J. Eller, Esquire

EXHIBIT LIST

28. Proposed Lease Agreement For The Adjacent Space
29. Annapolis Surgery Center OR Expansion: Aegis Budget
30. Updated Projections of Surgical Case Volumes for Additional Physicians who are not included in Exhibit 17
31. Table L Workforce Information
32. CPA letter
33. Affirmations

EXHIBIT 28

SCA Draft 7/23/2025

THIRD AMENDMENT TO LEASE AGREEMENT

THIS THIRD AMENDMENT TO LEASE AGREEMENT (this "**Amendment**") is made as of _____, 2025 (the "**Effective Date**"), by and between **ANNAPOLIS COMMERCE PARK LIMITED PARTNERSHIP**, a Maryland limited partnership ("**Landlord**"), and **ANNE ARUNDEL-SCA SURGICENTER, LLC**, a Maryland limited liability company ("**Tenant**").

RECITALS

R-1 Pursuant to that certain Lease Agreement dated as of October 9, 2018 (the "**Initial Lease**"), as amended by that certain First Amendment to Lease Agreement dated as of September 1, 2022 (the "**First Amendment**"), and as amended by that certain Second Amendment to Lease Agreement dated as of September 15, 2023 (the "**Second Amendment**") (collectively, as amended, the "**Lease**"), Landlord is leasing to Tenant and Tenant is leasing from Landlord approximately eight thousand nine hundred twenty-five (8,925) square feet of rentable area known as Suites 904, 904A, and 906 (the "**Initial Premises**") in the building located at located at 900-912 Commerce Road, Annapolis, Maryland 21401 (the "**Building**"), as more particularly described in the Lease.

R-2 Pursuant to that certain Guaranty of Lease dated as of October 9, 2018 (the "**Guaranty**"), each Guarantor (as defined in the Guaranty), individually and severally with respect to each Guarantor's Pro-Rata Share (as defined in the Guaranty), guaranteed Tenant's obligations under the Lease.

R-3 The term of the Lease (the "**Lease Term**") currently is scheduled to expire on December 31, 2026 (the "**Original Expiration Date**").

R-4 Landlord and Tenant desire to amend the Lease to add certain additional space to the Initial Premises, to extend the Lease Term, and to otherwise amend the Lease, subject to and in accordance with the terms and conditions set forth in this Amendment.

R-5 Except as otherwise defined herein, all terms used in this Amendment that are defined in the Lease shall have the same meanings as set forth in the Lease. In the event of any conflict between the Lease and this Amendment, the terms of this Amendment shall control.

COVENANTS

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

1. Recitals. The foregoing Recitals are true and correct and are incorporated herein by reference.

2. Expansion Space. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord approximately two thousand eight hundred seventy (2,870) square feet of rentable

area known as Suite 906-A, as depicted on the diagram attached hereto as Attachment A (the "**Expansion Space**"), subject to and in accordance with the terms and conditions of this Amendment. On the Expansion Space Commencement Date (as defined below), the Expansion Space shall become part of the Premises and, except as otherwise provided below, be subject to all the terms and conditions of the Lease for the remainder of the Lease Term (as extended pursuant to Paragraph 4 below). From and after the Expansion Space Commencement Date, the Initial Premises and the Expansion Space shall be referred to collectively as the "**Premises**" and shall consist of approximately eleven thousand seven hundred ninety-five (11,795) square feet of rentable area in the Building. Pursuant to the First Amendment and the Second Amendment, Tenant previously licensed the Expansion Space as storage space and the parties expressly acknowledge that all provisions of this Amendment supersede the provisions of the First Amendment and the Second Amendment.

3. Expansion Space Commencement Date. The Lease Term with respect to the Expansion Space shall (a) commence on the date that is nine (9) months following the Effective Date (the "**Expansion Space Commencement Date**"), and (b) be coterminous with the Lease Term for the Initial Premises (as extended pursuant to this Amendment). Promptly after the Expansion Space Commencement Date is ascertained, at the request of either party, Landlord and Tenant shall execute a certificate confirming such date. Any failure to execute such certificate in accordance with the foregoing shall not affect the Expansion Space Commencement Date.

4. Lease Term.

(a) Notwithstanding anything in the Lease to the contrary, the Lease Term with respect to the entire Premises is hereby extended for the eighty-seven (87) month period (the "**Extension Period**") commencing on January 1, 2027 (the "**Extension Period Commencement Date**") and expiring on March 31, 2034 (the "**Revised Expiration Date**"), subject to and in accordance with the terms and conditions set forth in this Amendment. Unless otherwise terminated sooner in accordance with the terms of the Lease (as amended hereby), the Lease Term shall expire on the Revised Expiration Date. Tenant acknowledges that the Lease (as amended hereby) contains no right or option whatsoever for Tenant to terminate the Lease Term prior to the Revised Expiration Date, except as set forth in Section 17.2 of the Lease.

(b) As of the Extension Period Commencement Date, the term "**Lease Year**" shall mean a period of twelve (12) consecutive months commencing on the Extension Period Commencement Date, and each successive twelve (12) month period thereafter.

(c) Tenant's option to further extend the Lease Term set forth in Article XXV of the Initial Lease shall remain in full force and effect, subject to the following revisions:

(i) The reference in the first sentence of Section 25.1 to "the end of the initial Lease Term" is revised to "the end of the Extension Period."

(ii) The reference in Section 25.1(a) to "one hundred twenty (120) days" is revised to "nine (9) months."

5. Base Rent.

(a) Expansion Space. From and after the Expansion Space Commencement Date, Tenant shall pay Landlord, in the manner and at the time required to be paid pursuant to Article IV of the Lease, without setoff, deduction or demand, Base Rent for the Expansion

Space. For the period commencing on the Expansion Space Commencement Date and ending on the Original Expiration Date (both dates inclusive), the monthly Base Rent for the Expansion Space shall be an amount equal to Five Thousand Eight Hundred Eleven and 75/100 Dollars ($5,811.75) (based on an annual Base Rent amount of $24.30 per square foot of rentable area of the Expansion Space), which amount shall be pro-rated on a per diem basis if Tenant's obligations to pay Base Rent for the Expansion Space begins on other than the first day of a month. Notwithstanding anything to the contrary set forth in the Lease (as amended hereby), provided no default by Tenant has occurred under the Lease that is continuing, Landlord grants to Tenant an abatement of the Base Rent otherwise payable with respect to only the Expansion Space for the first three (3) months[1] following the Expansion Space Commencement Date. As of the Extension Period Commencement Date, Base Rent for the Expansion Space shall be paid in accordance with Paragraph 5(c) below.

(b) Initial Premises. Tenant shall continue to pay Base Rent with respect to the Initial Premises in accordance with the terms of Article IV of the Lease through the Original Expiration Date.

(c) Extension Period (entire Premises). Notwithstanding anything in the Lease to the contrary, the Base Rent for the entire Premises during the Extension Period be paid in equal monthly installments in advance on the first day of each month in accordance with the following schedule.

Period	**Base Rent Per Rentable Square Foot**	**Annual Base Rent**	**Monthly Base Rent**
1/1/27 – 12/31/27	$24.91	$293,813.45	$24,484.45
1/1/28 – 12/31/28	$25.53	$301,158.79	$25,096.57
1/1/29 – 12/31/29	$26.17	$308,687.76	$25,723.98
1/1/30 – 12/31/30	$26.83	$316,404.95	$26,367.08
1/1/31 – 12/31/31	$27.50	$324,315.07	$27,026.26
1/1/32 – 12/31/32	$28.18	$332,422.95	$27,701.91
1/1/33 – 12/31/33	$28.89	$340,733.52	$28,394.46
1/1/34 – 3/31/34	$29.61	NA (partial year)	$29,104.32

Except as specifically set forth in this Amendment, Tenant shall continue to pay during the Extension Period all other amounts required to be paid pursuant to the terms of the Lease (including, but not limited to, increases in Operating Charges as set forth in Article V of the Lease (as amended hereby)). No abatement or concession whatsoever shall apply during the

[1] Subject to reduction if amendment is not signed by August 15.

Extension Period. Tenant is and shall remain liable for any and all sums due and payable under the Lease through the Revised Expiration Date.

6. Additional Rent.

(a) Expansion Space. From and after the Expansion Space Commencement Date, Tenant shall pay Tenant's proportionate share of increases in Operating Charges with respect to the Expansion Space; provided, however, that for the period commencing on the Expansion Space Commencement Date and ending on the Original Expiration Date (both dates inclusive), the Operating Charges Base Year shall mean calendar year 2025 with respect to only the Expansion Space and, accordingly, Tenant shall have no obligation to pay increases in Operating Charges with respect to only the Expansion Space until January 1, 2026.

(b) Initial Premises. Tenant shall continue to pay Tenant's proportionate share of increases in Operating Charges with respect to the Initial Premises in accordance with the terms of Article V of the Lease through the Original Expiration Date.

(c) Extension Period (entire Premises). Commencing on the Extension Period Commencement Date, (i) the Operating Charges Base Year shall be calendar year 2027 and (ii) increases in Operating Charges with respect to the entire Premises shall be computed based on the Operating Charges Base Year set forth in this Paragraph. Accordingly, Tenant shall have no obligation to pay increases in Operating Charges for the first Lease Year of the Extension Period (i.e., calendar year 2027).

7. Condition. Tenant shall accept the Expansion Space in its "as is" condition as of the Expansion Space Commencement Date, the Initial Premises in its "as is" condition as of the Effective Date and the entire Premises in its "as is" condition as of the Extension Period Commencement Date. The original improvement of the Expansion Space and improvements to the Initial Premises shall be accomplished by Tenant in accordance with the provisions of Attachment B. Landlord is under no obligation to make any Alterations (as defined in Section 9.1 of the Lease) in or to any part of the Expansion Space, the Initial Premises or to the Building. No improvements or other allowance or rent credit whatsoever shall be applicable to the Expansion Space, the Premises or this Amendment, except as expressly set forth in Attachment B.

8. Security Deposit.

(a) Simultaneously with Tenant's execution of this Amendment, Tenant shall deposit with Landlord Twenty-Four Thousand Four Hundred Eighty-Four and 45/100 Dollars ($24,484.45) (the "**Security Deposit Amount**") as a security deposit, which shall be security for the performance by Tenant of all of Tenant's obligations, covenants, conditions and agreements under the Lease (as amended hereby). Landlord shall not be required to maintain such security deposit in a separate account. Except as may be required by law, Tenant shall not be entitled to interest on the security deposit. Within approximately thirty (30) days after the later of the expiration or earlier termination of the Lease Term (as extended hereby) or Tenant's vacating the Premises, Landlord shall return such security deposit to Tenant, less such portion thereof as Landlord shall have appropriated to satisfy any of Tenant's obligations, or any default by Tenant, under the Lease and such portion as Landlord reasonably believes will be payable by Tenant in connection with the reconciliation of Operating Charges for the calendar year in which the Lease Term expires. If there shall be any default under the Lease by Tenant beyond any applicable

notice and cure period, then Landlord shall have the right, but shall not be obligated, to use, apply or retain all or any portion of the security deposit for the payment of any (i) Base Rent, additional rent or any other sum as to which Tenant is in default, or (ii) amount Landlord may spend or become obligated to spend out-of-pocket, or for the compensation of Landlord for any actual losses incurred, by reason of Tenant's default (including, but not limited to, any damage or deficiency arising in connection with the reletting of the Premises). If any portion of the security deposit is so used or applied, then within ten (10) days after Landlord gives written notice to Tenant of such use or application, Tenant shall deposit with Landlord cash in an amount sufficient to restore the security deposit to the original Security Deposit Amount, and Tenant's failure to do so shall constitute an Event of Default under the Lease.

(b) If Landlord transfers the security deposit to any purchaser or other transferee of Landlord's interest in the Building, then Tenant shall look only to such purchaser or transferee for the return of the security deposit, and Landlord shall be released from all liability to Tenant for the return of such security deposit. Tenant acknowledges that the holder of any Mortgage (as defined in Section 20.1 of the Lease) shall not be liable for the return of any security deposit made by Tenant hereunder unless such holder actually receives such security deposit. Tenant shall not pledge, mortgage, assign or transfer the security deposit or any interest therein.

(c) Upon Landlord's receipt of the full Security Deposit Amount, each of the personal Guarantors (as defined in the Lease) shall be released from liability under the Guaranty for claims arising from and after such date and the Guaranty shall be of no further force and effect with respect to the personal Guarantors.

9. Right of First Offer. If any demised space contiguous to the Premises ("**ROFO Space**") becomes available during the Lease Term, then Tenant shall have a first right to lease such space, subject to and in accordance with the following terms and conditions:

(a) After Landlord determines that ROFO Space will be available and before offering such space to the public, Landlord shall notify Tenant in writing of the availability of any ROFO Space and the base rent and other terms and conditions upon which such space is to be offered to the general public. If fewer than three (3) years remain in the Lease Term from the anticipated availability date and Tenant has the right to further extend the Lease Term pursuant to Article XXV of the Lease (as amended hereby), then Tenant may elect to so extend the Lease Term in connection with its lease of any ROFO Space pursuant to this Paragraph. If fewer than three (3) years remain in the Lease Term from the anticipated availability date and Tenant does not have the right to further extend the Lease Term pursuant to Article XXV of the Lease, then Landlord shall not be obligated to notify Tenant of the availability of the space and such space shall not constitute ROFO Space.

(b) At such time as Landlord elects, Landlord shall notify Tenant in writing of the availability of any ROFO Space and the base rent and other terms and conditions upon which such space is to be offered to the general public. For a period of thirty (30) days after Tenant's receipt of any such notice from Landlord, Tenant shall have the right to negotiate with Landlord regarding the base rent and all other terms and conditions of a lease for such space. If during such thirty (30) day period the parties are unable, for any reason whatsoever, to agree upon the base rent and all other terms and conditions of a lease for such space, then Tenant's right to lease such space shall lapse and be of no further force or effect, however, if the ROFO Space is still

available twelve (12) months after the expiration of such 30-day period, then Tenant's rights under this Paragraph 9 shall again apply (subordinate however to Landlord's right to lease the ROFO Space to a third party with whom Landlord is then in negotiations). If during such thirty (30) day period the parties agree on the base rent and all other terms and conditions of a lease for such space, then they shall promptly execute an amendment to the Lease adding the ROFO Space on such terms.

(c) Tenant's rights under this Paragraph are subject and subordinate to (i) expansion and other rights of all present tenants of the Building that exist as of the Effective Date, and (ii) Landlord's right to renew expiring leases pursuant to rights contained in such expiring leases or pursuant to the mutual agreement of Landlord and tenants under such leases. In addition to the foregoing, and notwithstanding anything in the Lease to the contrary, delivery of possession of the ROFO Space to Tenant and commencement of Tenant's leasing thereof is and shall be subject to Landlord's obtaining possession from any prior tenant or occupant who holds over beyond the applicable lease expiration date, and Tenant shall have no claim against Landlord (for damages or otherwise) and Landlord shall have no obligation or liability for, on account of or with respect to any holdover in all or any portion of the ROFO Space.

(d) If an Event of Default beyond any applicable notice and cure period exists on the date written notice is given to Tenant by Landlord or at any time thereafter prior to the date the ROFO Space is occupied by Tenant, then, at Landlord's option, Tenant's rights pursuant to this Paragraph shall lapse and be of no further force or effect.

(e) Tenant's rights under this Paragraph may be exercised by Tenant only or an assignee that is a Permitted Transferee, and may not be exercised by any transferee, sublessee or other assignee of Tenant.

(f) If at any time thirty percent (30%) or more of the square feet of rentable area of the Premises has been subleased or assigned, then Tenant's rights pursuant to this Paragraph shall lapse and be of no further force or effect.

(g) Tenant has the right under this Paragraph to lease the entire ROFO Space identified in Landlord's notice only. Tenant has no right to lease less nor more than the entire ROFO Space so identified.

(h) If any ROFO Space is offered to Tenant hereunder and Tenant fails to lease such ROFO Space, then the rights granted to Tenant under this Paragraph shall immediately lapse and expire, and Tenant shall have no rights hereunder with respect to any space that may thereafter become available for a period of twelve (12) months thereafter.

(i) If any ROFO Space is currently available, the Tenant shall have no rights under this Paragraph unless and until the ROFO Space has been leased by Landlord to an initial tenant or tenants other than Tenant.

(j) If any ROFO Space is offered to Tenant hereunder and Tenant fails to lease such ROFO Space, then Landlord shall have the right to enter into a lease with another tenant for a base rent and other incentives at a base rent and incentives that is no less than ninety-five percent (95%) of the base rent and incentives offered to Tenant. In the event that Landlord desires to enter into a lease with another tenant for a base rent and other incentives equal to or less than ninety-five percent (95%) of the base rent and incentives offered to Tenant, Landlord shall deliver written notice to Tenant of the base rent and other terms and conditions offered to

such other tenant. Tenant shall thereafter have ten (10) days within which to accept such offer. If Tenant accepts such offer, then Landlord and Tenant shall promptly execute an amendment to the Lease adding the ROFO Space on such terms. If Tenant fails to accept such offer within such 10-day period, Landlord shall have the right to enter into a lease with another tenant.

10. Brokerage. Landlord and Tenant each represents and warrants to the other that in connection with this Amendment it has not employed or dealt with any broker, agent or finder, other than Cushman & Wakefield (representing Landlord) and CBRE, Inc. (representing Tenant) (each, a "**Broker**"). Landlord acknowledges that Landlord shall pay a commission to the Brokers pursuant to separate agreements between Landlord and each such Broker. Landlord shall have no obligation whatsoever to pay any fee or commission except to the Brokers as set forth in the aforesaid separate agreements. Tenant shall indemnify and hold Landlord harmless from and against any claim for brokerage or other commissions asserted by any broker, agent or finder employed by Tenant or with whom Tenant has dealt, other than the Brokers, and for all reasonable attorneys' fees and costs incurred by Landlord in connection with any breach by Tenant of the representations set forth in this Paragraph and/or enforcing this indemnity. Landlord shall indemnify and hold Tenant harmless from and against any claim for brokerage or other commissions asserted by any broker, agent or finder employed by Landlord, and for all reasonable attorneys' fees and costs incurred by Tenant in connection with any breach by Landlord of the representations set forth in this Paragraph and/or enforcing this indemnity, or any claim made by a Broker, but Landlord's liability under this Paragraph shall exist only to the extent Landlord fails to pay each Broker pursuant to the aforesaid separate agreements.

11. Ratification. Except as otherwise expressly modified by the terms of this Amendment, the Lease shall remain unchanged and continue in full force and effect. All terms, covenants and conditions of the Lease not expressly modified herein are hereby confirmed and ratified and remain in full force and effect, and, as further amended hereby, constitute valid and binding obligations of Tenant enforceable according to the terms thereof. Tenant hereby acknowledges that Landlord is not in default under the Lease as of the date hereof, and that it is unaware of any condition or circumstance which, but for the passage of time or delivery of notice, or both, would constitute an event of default by Landlord under the Lease. Tenant has no claims, defenses or set-offs of any kind to the payment or performance of Tenant's obligations under the Lease. Nothing contained herein shall be deemed to waive any sums due from Tenant to Landlord, or any default or event which, with the passage of time or delivery of notice, or both, would constitute a default by Tenant under the Lease as of the date hereof.

12. Authority. Tenant hereby covenants and warrants that Tenant is a duly organized, authorized and existing business entity in good standing under the laws of the State of Maryland, that Tenant has full right and authority to enter into this Amendment, and that the person signing on behalf of Tenant is authorized to do so on behalf of Tenant.

13. Binding Effect. This Amendment shall not be effective and binding unless and until fully executed and delivered by each of the parties hereto. All of the covenants contained in this Amendment, including, but not limited to, all covenants of the Lease as modified hereby, shall be binding upon and inure to the benefit of the parties hereto, their respective heirs, legal representatives, and permitted successors and assigns.

14. Counterparts. This Amendment may be executed in multiple counterparts, each of which shall be an original, but all of which shall constitute one and the same Amendment.

The exchange of signed copies of this Amendment by facsimile transmission or electronic mail transmission (e.g., in .PDF format or by DocuSign© or other similar electronic e-signature application) will constitute effective execution and delivery of this Amendment and may be used in lieu of the original Amendment for all purposes.

15. Entire Agreement. This Amendment contains and embodies the entire agreement of the parties with respect to the matters addressed herein and supersedes all prior agreements, negotiations, letters of intent, proposals, representations, warranties, understandings, suggestions and discussions, whether written or oral, between the parties with respect thereto. This Amendment may not be modified or changed in any manner except by an instrument signed by both parties.

[signatures appear on the following page]

IN WITNESS WHEREOF, Landlord and Tenant have caused this Amendment to be executed under seal as of the date first above written.

LANDLORD:

ANNAPOLIS COMMERCE PARK LIMITED PARTNERSHIP, a Maryland limited partnership

By: Annapolis Commerce Park GP, LLC, General Partner

By: Bernstein Bestgate Inc., Managing Member

By: _____[SEAL]
Name: _____
Title: _____

TENANT:

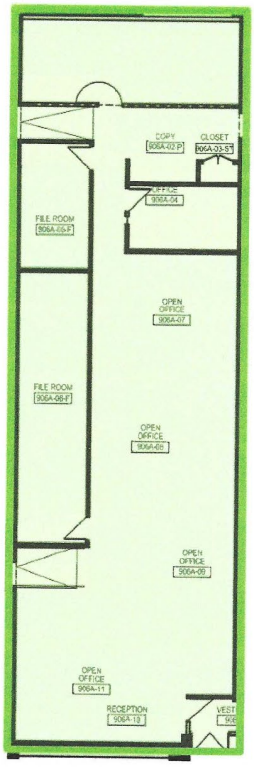
ANNE ARUNDEL-SCA SURGICENTER, LLC, a Maryland limited liability company

By: _____[SEAL]
Name: _____
Title: _____

ATTACHMENT A
EXPANSION SPACE

906A COMMERCE ROAD

2,870 RSF AVAILABLE



BUILDING 4
906A COMMERCE ROAD

ATTACHMENT B

WORK AGREEMENT

This Attachment (the "Work Agreement") is attached to and made a part of that certain Third Amendment to Lease Agreement dated as of _____, 2025 (the "Amendment"), by and between ANNAPOLIS COMMERCE PARK LIMITED PARTNERSHIP, a Virginia limited partnership ("Landlord"), and ANNE ARUNDEL-SCA SURGICENTER, LLC, a Maryland limited liability company ("Tenant"). Terms used but not defined in this Work Agreement shall have the meaning ascribed to them in the Amendment. In the event of any conflict between the terms hereof and the terms of the Amendment, the terms hereof shall prevail for the purposes of design and construction of the Tenant Improvements.

A. **TENANT IMPROVEMENTS.**

1. **As Is Condition.** Landlord shall have no obligation to perform or cause the performance or construction of any improvements in or to the Expansion Space or Initial Premises and Landlord shall deliver the Expansion Space to Tenant in an "as is" broom clean condition. Specifically, without limitation, all HVAC units in and/or serving the Expansion Space, if any, are delivered to Tenant in "as-is" condition, without representation or warranty of any kind as to their condition or fitness for use. Tenant hereby acknowledges that except as specifically provided in this Lease Landlord has made no representations or warranties to Tenant with respect to the condition of the Premises or the working order of any systems or improvements therein existing as of the date of delivery.

2. **Tenant Improvements.** Tenant, at its sole cost and expense, shall furnish and install in the Premises in accordance with the terms of this Work Agreement, the improvements set forth in the Tenant's Plans (hereinafter defined), which have been approved by Landlord in accordance with Paragraph B.3 below (the "Tenant Improvements"). All costs of all design, space planning, and architectural and engineering work for or in connection with the Tenant Improvements, including without limitation all drawings, plans, specifications, licenses, permits or other approvals relating thereto, and all insurance and other requirements and conditions hereunder, and all costs of construction, including supervision thereof, shall be at Tenant's sole cost and expense, subject to the application of the Improvement Allowance in accordance with the terms of this Work Agreement.

3. **HVAC Work.** Tenant, at its sole cost and expense, shall furnish and install in the Expansion Space in accordance with the terms of this Work Agreement, new heating, ventilation, and air conditioning equipment and systems (the "HVAC Work"). All costs for the HVAC Work, including without limitation all permits or other approvals relating thereto, and all insurance and other requirements and conditions hereunder, and all costs of procurement and installation, including supervision thereof, shall be at Tenant's sole cost and expense, subject to the application of the HVAC Allowance in accordance with the terms of this Work Agreement. Tenant shall be responsible, at its sole cost, for maintenance, repair and replacement of any such HVAC equipment in accordance with the Lease.

B. **PLANS AND SPECIFICATIONS.**

1. **Space Planner.** Tenant shall retain the services of an architect (who shall be subject to Landlord's reasonable approval) (the "Space Planner"), to design the Tenant Improvements in the Premises and prepare the Final Space Plan and the Contract Documents (all as hereinafter defined). The Space Planner shall meet with the Construction Supervisor (hereinafter defined) from time to time to obtain information about the Building and to ensure that the improvements envisioned in the Contract Documents do not interfere with and/or adversely affect the Building or any systems therein. The Space Planner shall prepare all space plans, working drawings, and plans and specifications described in Paragraph B.3, below, in conformity with the base Building plans and systems, and the Space Planner shall coordinate its plans and specifications with the Engineers (hereinafter defined) and the Construction Supervisor. All fees of the Space Planner shall be borne solely by Tenant, subject to application of the Improvement Allowance as hereinafter provided.

2. **Engineers.** Tenant shall retain the services of mechanical, electrical, plumbing and structural engineers approved in writing by Landlord (the "Engineers") to (i) design the type, number and location of all mechanical systems in the Premises, including without limitation the heating, ventilating and air conditioning system therein, fire alarm system and to prepare all of the mechanical plans, (ii) to assist Tenant and the Space Planner in connection with the electrical design of the Premises, including the location and capacity of light fixtures, electrical receptacles and other electrical elements, and to prepare all of the electrical plans, and (iii) to assist Tenant and the Space Planner in connection with plumbing-related issues involved in designing the Premises and to prepare all of the plumbing plans. All fees of the Engineers shall be borne solely by Tenant, subject to application of the Improvement Allowance as hereinafter provided.

3. **Time Schedule.**

a. Following the full execution and delivery of the Amendment, Tenant shall furnish to Landlord for its review and approval a proposed detailed space plan for the Tenant Improvements (the "Final Space Plan") prepared by the Space Planner, in consultation with the Construction Supervisor and the Engineers. The Final Space Plan shall contain the information and otherwise comply with the requirements therefor described in Schedule B-1 attached hereto. Landlord shall advise Tenant of Landlord's approval or disapproval of the Final Space Plan within five (5) business days after Tenant submits the Final Space Plan to Landlord. Tenant shall promptly revise the proposed Final Space Plan to meet Landlord's objections, if any, and resubmit the Final Space Plan to Landlord for its review and approval.

b. After Landlord approves the Final Space Plan, Tenant shall furnish to Landlord for its review and approval, all architectural plans, working drawings and specifications and construction drawings (the "Contract Documents") necessary and sufficient (i) for the construction of the Tenant Improvements; and (ii) to enable Tenant to obtain a building permit for the construction of the Tenant Improvements by the Contractor (hereinafter defined). The Contract Documents shall contain the information and otherwise comply with the requirements therefore described in Schedule B-2 attached hereto and shall set forth the location of any core drilling by Tenant (the approval of same shall be subject to Landlord's approval in its sole discretion). Landlord shall advise Tenant of Landlord's approval or disapproval of the

Contract Documents, or any of them, within ten (10) business days after Tenant submits the Contract Documents to Landlord. Tenant shall revise the Contract Documents to meet Landlord's objections, if any, and resubmit the Contract Documents to Landlord for its review and approval. Landlord shall advise Tenant of Landlord's approval or disapproval of the revised Contract Documents within five (5) business days after Tenant submits same. Notwithstanding anything herein to the contrary, approval by Landlord of the Contract Documents shall not constitute an assurance by Landlord that the Contract Documents: (a) satisfy Laws, (b) are sufficient to enable Tenant to obtain a building permit for the undertaking of the Tenant Improvements in the Premises, or (c) will not interfere with, and/or otherwise adversely affect, base Building or base Building systems.

c. The Final Space and the Contract Documents as finally approved by Landlord are referred to collectively herein as the "Tenant's Plans."

d. The Tenant Improvements shall be of first class quality, commensurate with the level of improvements for first class tenant in a comparable building in the submarket in which the Building is located. The Tenant's Plans shall be prepared in accordance with a Data Cadd or convertible DXF format for working drawings (using 1/8" reproducible drawings) in conformity with the base Building plans and Building systems and with information furnished by and in coordination with the Construction Supervisor and Engineers. Tenant's Plans shall comply with all applicable building codes, laws and regulations (including without limitation the Americans with Disabilities Act), shall not contain any improvements which interfere with or require any changes to or modifications of the Building's HVAC, mechanical, electrical, plumbing, life safety or other systems or to other Building operations or functions, and, unless Tenant agrees in writing to pay all such excess costs or charges, shall not increase maintenance or utility charges for operating the Building in excess of the standard requirements for comparable buildings. Notwithstanding anything to the contrary contained in this Work Agreement, Landlord shall have the right to disapprove, in its sole discretion, any portion of the Tenant's Plans that Landlord believes will or may affect the exterior or structure of the Building, or any other space in the Building, or will or may materially affect the mechanical, electrical, plumbing, life safety, HVAC or other base Building systems.

4. **Base Building Changes**. If Tenant requests work to be done in the Premises or for the benefit of the Premises that necessitates revisions or changes in the design or construction of the base Building or materially or adversely Building systems, any such changes shall be subject to the prior written approval of Landlord, in its sole discretion. Tenant shall be responsible for all costs and delays resulting from such design revisions or construction changes, including architectural and engineering charges, and any special permits or fees attributed thereto.

5. **Changes.** In the event that Tenant requests any changes to the Contract Documents or the Final Space Plan after Landlord has approved same, or if it is determined that the Contract Documents prepared in accordance with the Final Space Plan do not conform to the plans for the base Building, deviate from applicable Laws or contain improvements which will or may interfere with and/or adversely affect the base Building or any of the base Building systems, or in the event of any change orders, Tenant shall be responsible for all costs and expenses incurred by Tenant and all delay resulting therefrom, including without limitation costs or

expenses relating to (i) any additional architectural or engineering services and related design expenses, (ii) any changes to materials in process of fabrication, (iii) cancellation or modification of supply or fabricating contracts, (iv) removal or alteration of work or plans completed or in process, or (v) delay claims made by any subcontractor. No changes (other than immaterial de minimis changes) shall be made to the Contract Documents without the prior written approval of Landlord, which approval shall not be unreasonably withheld, conditioned or delayed, provided, however, that Landlord shall have the right to disapprove, in its sole discretion, any such change that Landlord believes will affect the exterior or structure of the Building, or any other space in the Building or will affect the mechanical, electrical, plumbing, life safety, HVAC or other base Building systems. Tenant shall be required to pay to Landlord any reasonable, out of pocket costs incurred by Landlord in connection with Landlord's review of the Contract Documents or any changes to the Contract Documents or Final Space Plan, in full, within thirty (30) days after invoice, subject however to application of the Improvement Allowance in accordance with Paragraph C.2 below.

C. **COST OF TENANT IMPROVEMENTS/ALLOWANCES.**

1. **Construction Costs.** All costs of design and construction of the Tenant Improvements, including without limitation the costs of all space planning, architectural and engineering work related thereto, all governmental and quasi-governmental approvals and permits required therefor, any costs incurred by Landlord because of changes to the base Building, the Building systems, all construction costs, contractors' overhead and profit, insurance and other requirements, the Construction Supervision Fee and all other costs and expenses incurred by Tenant in connection with the Tenant Improvements (collectively, "Construction Costs"), shall be paid by Tenant, subject, however, to the application of the Improvement Allowance in accordance with Paragraph C.2 below, not previously disbursed pursuant to this Work Agreement (the "Available Allowance").

2. **Improvement Allowance.** Landlord agrees to provide to Tenant an allowance (the "Improvement Allowance") in an amount up to One Hundred Sixty-One Thousand Dollars ($161,000.00), to be applied solely to the Construction Costs. Provided that no Event of Default exists hereunder, Tenant has fully performed all of its obligations under the Lease, and this Work Agreement and opened its business to the public, Construction Costs shall be disbursed by Landlord from the Available Allowance as a credit against Base Rent as further described below. Tenant shall submit to Landlord, from time to time as such costs are incurred, but not more often than once per calendar month, requests for reimbursement to Tenant for Construction Costs incurred by Tenant out of the Available Allowance, which requests shall be accompanied by lien waivers from the party supplying the services or materials for which payment is sought. Provided Tenant delivers to Landlord such lien waivers, Landlord shall credit the costs covered by such payment request against the next monthly installment of Base Rent then due. Notwithstanding the foregoing, in no event shall Landlord be obligated to credit against Base Rent, in the aggregate, an amount in excess of ninety percent (90%) of the Improvement Allowance until satisfaction of the following conditions: (A) Tenant's opening the Premises for business with the public; and (B) receipt by Landlord of a final lien waiver from each subcontractor and supplier covering all work performed by the subcontractors and all materials used in connection with the construction of the Tenant Improvements. If Tenant does not request (as provided herein) all of the Improvement Allowance for Construction Costs as

permitted hereunder within two years after the Effective Date, any unused portion of the Improvement Allowance not so used shall be retained by Landlord.

3. **Costs Exceeding Available Allowance.** All Construction Costs in excess of the Available Allowance shall be paid solely by Tenant on or before the date such costs are due and payable (or if previously paid by Landlord, shall be reimbursed to Landlord by Tenant within ten (10) days of receipt by Tenant of invoices therefor from Landlord), and Tenant agrees to indemnify Landlord from and against any such costs. All amounts payable by Tenant pursuant to this Work Agreement shall be deemed to be Additional Rent for purposes of the Lease. If required by Landlord, Tenant shall provide evidence satisfactory to Landlord that Tenant has sufficient funds available to pay all Construction Costs in excess of the Improvement Allowance.

4. **HVAC Allowance.** In addition to the Improvement Allowance, Landlord agrees to provide Tenant an allowance (the "HVAC Allowance") in an amount up to Twenty Thousand Dollars ($20,000.00), to be applied solely to costs to complete the HVAC Work ("HVAC Costs"). The HVAC Allowance shall be disbursed in the same manner for HVAC Costs as the Improvement Allowance is for Construction Costs as described above.

D. **CONSTRUCTION**

1. **General Contractor**. Tenant shall retain a general contractor licensed in the State of Maryland and approved by Landlord to undertake construction of the Tenant Improvements (the "Contractor"). The Contractor shall be responsible for obtaining, at Tenant's cost, all permits and approvals required for the construction of the Tenant Improvements, which may include the hiring of an expediter at Tenant's cost.

2. **Construction By The Contractor.** In undertaking the Tenant Improvements, Tenant and the Contractor shall strictly comply with the following conditions:

a. No work involving or affecting the Building's structure or the plumbing, mechanical, electrical or life/safety systems of the Building shall be undertaken without (i) the prior written approval of Landlord in its sole but reasonable discretion, whether pursuant to its approval of Tenant's Plans or otherwise, (ii) the supervision of Landlord's building engineer, the actual out-of-pocket cost (i.e. for overtime charges, but not if Landlord incurs no additional charges for such supervision) of which shall be borne by Tenant; (iii) compliance by Tenant with the insurance requirements set forth below; and (iv) compliance by Tenant with all of the terms and provisions of this Work Agreement;

b. All Tenant Improvement work shall be performed in strict conformity with (i) the final approved Tenant's Plans; (ii) all applicable codes and regulations of governmental authorities having jurisdiction over the Building and the Premises; (iii) valid building permits and other authorizations from appropriate governmental agencies, when required, which shall be obtained by Tenant at Tenant's expense; and (iv) Landlord's construction policies, rules and regulations attached hereto as Schedule B-3, as the same may be reasonably modified by Landlord from time to time ("Construction Rules"). Any work not acceptable to the appropriate governmental agencies or not reasonably satisfactory to Landlord shall be promptly

replaced at Tenant's sole expense. Notwithstanding any failure by Landlord to object to any such work, Landlord shall have no responsibility therefor; and

c. Before any work is commenced or any of Tenant's or any subcontractor's equipment is moved onto any part of the Building, Tenant shall deliver to Landlord policies or certificates evidencing the following types of insurance coverage in the following minimum amounts, which policies shall be issued by companies approved by Landlord, shall be maintained by Tenant at all times during the performance of the Tenant Improvements, and which shall name Landlord, its managing agent, the Mortgagee and any other persons having an interest in the Building as additional insureds as their interest may appear:

d. Worker's compensation coverage in the maximum amount required by law and employer's liability insurance in an amount not less than $500,000.00 and $500,000.00 per disease;

e. Comprehensive general liability policy to include products/completed operations, premises/operations, blanket contractual broad form property damage and contractual liability with limits in an amount per occurrence of not less than $1,000,000.00 Combined Single Limit for bodily injury and property damage and $1,000,000.00 for personal injury; and

f. Automobile liability coverage, with bodily injury limits of at least $1,000,000.00 per accident.

3. **Construction Supervision.** All Tenant Improvements shall be performed by the Contractor. Landlord may retain a construction supervisor (the "Construction Supervisor") as Landlord's construction supervisor in connection with the construction of the Tenant Improvements, and Tenant shall pay the Construction Supervisor a construction supervision fee ("Construction Supervision Fee") equal to Twenty Thousand Dollars ($20,000.00) to cover the costs of coordination and supervision of the Tenant Improvements work on Landlord's behalf. The Construction Supervision Fee shall be deducted from the Improvement Allowance.

E. **PERMITS AND LICENSES**. Tenant shall be solely responsible for procuring, at its sole cost and expense, all permits and licenses necessary to undertake the Tenant Improvements (and Tenant shall deliver copies of such permits and licenses prior to commencing the Tenant Improvements) and, upon completion of the Tenant Improvements, to occupy the Premises (and Tenant shall promptly deliver copies of same to Landlord). Tenant's inability to obtain, or delay in obtaining, any such license or permit shall not delay or otherwise affect the Expansion Space Commencement Date or any of Tenant's obligations under this Lease.

F. **INSPECTION**. Landlord is authorized, at its sole cost and expense, to make such inspections of the Premises during construction as it deems reasonably necessary or advisable.

G. **INDEMNIFICATION**. Tenant shall indemnify Landlord and hold it harmless from and against all claims, injury, damage or loss (including reasonable attorneys' fees) sustained by Landlord as a result of the undertaking by Tenant and the subcontractors of the

Tenant Improvements in the Premises, except to the extent attributable to the negligence or willful misconduct of Landlord, its agents or employees.

Schedule B-1 Requirements for Final Space Plan
Schedule B-2 Requirements for Contract Documents
Schedule B-3 Construction Rules and Regulations

SCHEDULE B-1

REQUIREMENTS FOR FINAL SPACE PLAN

Floor plans, together with related information for mechanical, electrical and plumbing design work, showing partition arrangement and reflected ceiling plans (three (3) sets), including without limitation the following information:

a. identify the location of conference rooms and density of occupancy;

b. indicate the density of occupancy for all rooms;

c. identify the location of any food service areas or vending equipment rooms;

d. identify areas, if any, requiring twenty-four (24) hour air conditioning;

e. indicate those partitions that are to extend from floor to underside of structural slab above or require special acoustical treatment;

f. identify the location of rooms for, and layout of, telephone equipment other than building core telephone closet;

g. identify the locations and types of plumbing required for toilets (other than core facilities), sinks, drinking fountains, etc.;

h. indicate light switches in offices, conference rooms and all other rooms in the Premises;

i. indicate the layouts for specially installed equipment, including computer and duplicating equipment, the size and capacity of mechanical and electrical services required and heat rejection of the equipment;

j. indicate the dimensioned location of: (A) electrical receptacles (one hundred twenty (120) volts), including receptacles for wall clocks, and telephone outlets and their respective locations (wall or floor), (B) electrical receptacles for use in the operation of Tenant's business equipment which requires two hundred eight (208) volts or separate electrical circuits, (C) electronic calculating and CRT systems, etc., and (D) special audio-visual requirements;

k. indicate proposed layout of sprinkler and other life safety and fire protection equipment, including any special equipment and raised flooring;

l. indicate the swing of each door;

m. indicate a schedule for doors and frames, complete with hardware, if applicable; and

n. indicate any special file systems to be installed.

SCHEDULE B-2

REQUIREMENTS FOR CONTRACT DOCUMENTS

Final architectural detail and working drawings, finish schedules and related plans (three (3) reproducible sets) including without limitation the following information and/or meeting the following conditions:

a. materials, colors and designs of wallcoverings, floor coverings and window coverings and finishes;

b. paintings and decorative treatment required to complete all construction;

c. complete, finished, detailed mechanical, electrical, plumbing and structural plans and specifications for the Tenant Improvements, including but not limited to the fire and life safety systems and all work necessary to connect any special or non-standard facilities to the Building's base mechanical systems;

d. all final drawings and blueprints must be drawn to a scale of one-eighth (1/8) inch to one (1) foot. Any architect or designer acting for or on behalf of Tenant shall be deemed to be Tenant's agent and authorized to bind Tenant in all respects with respect to the design and construction of the Premises; and

e. notwithstanding anything to the contrary set forth herein, in the Work Agreement or in the Lease, Tenant shall not request any work which would: (1) require changes to structural components of the Building or the exterior design of the Building; (2) require any material modification to the Building's mechanical installations or installations outside the Premises; (3) not comply with all applicable laws, rules, regulations and requirements of any governmental department having jurisdiction over the construction of the Building and/or the Premises, including specifically, but without limitation, the Americans with Disabilities Act; (4) be incompatible with the building plans filed with the appropriate governmental agency from which a building permit is obtained for the construction of the Tenant Improvements or with the occupancy of the Building as a first-class building; or (5) delay the completion of the Premises or any part thereof. Tenant shall not oppose or delay changes required by any governmental agency affecting the construction of the Building and/or the Tenant Improvements in the Premises.

SCHEDULE B-3

CONSTRUCTION RULES AND REGULATIONS

1. Tenant and/or the general contractor will supply Landlord with a copy of all permits prior to the start of any work.

2. Tenant and/or the general contractor will post the building permit on a wall of the construction site while work is being performed.

3. Public area corridor, and carpet, is to be protected by plastic runners or a series of walk-off mats from the elevator to the suite under reconstruction.

4. Walk-off mats are to be provided for any entry to the Premises through the rear of the Premises.

5. Tenant and subcontractors will remove their trash and debris daily, or as often as necessary to maintain reasonable cleanliness in the Building. Building trash containers are not to be used for construction debris. Landlord reserves the right to bill Tenant for any cost incurred to clean up debris left by the general contractor or any subcontractor. Further, the building staff is instructed to hold the driver's license of any employee of the contractor while using the freight elevator to ensure that all debris is removed from the elevator.

6. No utilities (electricity, water, gas, plumbing) or services to the tenants are to be cut off or interrupted without first having requested, in writing, and secured, in writing, the permission of the Landlord.

7. No electrical services are to be put on the emergency circuit, without specific written approval from the Landlord.

8. When utility meters are installed, the general contractor must provide the property manager with a copy of the operating instructions for that particular meter.

9. The Landlord will be notified of all work schedules of all workmen on the job and will be notified, in writing, of names of those who may be working in the building after "normal" business hours.

10. All core and hammer drilling will be performed after 6:00 p.m. and before 8:00 a.m.

11. Passenger elevators shall not be used for moving building materials and shall not be used for construction personnel except in the event of an emergency. The designated freight elevator is the only elevator to be used for moving materials and construction personnel. This elevator may be used only when it is completely protected as determined by Landlord's building engineer.

12. Tenant and subcontractors or personnel will use loading dock area and the front entrance of the Premises for all deliveries and will not use loading dock for vehicle parking.

13. Tenant and subcontractors will be responsible for daily removal of waste foods, milk and soft drink containers, etc. to trash room and will not use any building trash receptacles but trash receptacles supplied by them.

14. No building materials are to enter the Building by way of main lobby, and no materials are to be stored in any lobbies at any time.

15. Construction personnel are not to eat in the lobby or in front of building nor are they to congregate in the lobby or in front of building.

16. Construction supplies or personnel are not to be transported with the handicapped lift.

17. The freight elevator must remain available to other tenants of the Building during all Building hours.

18. Electricians must verify with the engineer each day that all existing electrical service is operational prior to leaving the property.

19. Construction personnel are not to yell or make excessive noise during Building hours.

20. Construction personnel are not to enter or exit the Building using the main lobby at any time.

21. The Landlord is to be contacted by Tenant when work is completed for inspection. All damage to building will be determined at that time.

22. All key access, fire alarm work, or interruption of security hours must be arranged with the Landlord's building engineer.

23. There will be no radios allowed on job site.

24. All workers are required to wear a shirt, shoes, and full length trousers or shorts.

25. Protection of hallway carpets, wall coverings, and elevators from damage with masonite board, carpet, cardboard, or pads is required.

26. Public spaces -- corridors, elevators, bathrooms, lobby, etc. -- must be cleaned immediately after use. Construction debris or materials found in public areas will be removed at Tenant's cost.

27. There will be no smoking, eating, or open food containers in the elevators, carpeted areas or public lobbies.

28. There will be no yelling or boisterous activities.

29. All construction materials or debris must be stored within the project confines or in an approved lock-up.

30. There will be no alcohol or controlled substances allowed or tolerated.

31. The general contractor and Tenant shall be responsible for all loss of their materials and tools and shall hold Landlord harmless for such loss and from any damages or claims resulting from the work.

EXHIBIT 29

SCA Health/Arundel Ambulatory Surgery Center
Annapolis OR Expansion & Renovation
Conceptual Project Budget

Item			Budget	Totals	Cost per Total SF	% of Total	% of Const.
SITE/BUILDING CONSTRUCTION	**SF Area**	**$/GSF**		1,960,000	$566.47	46.7%	
Construction	3,460	$566.47	1,960,000		$566.47		
	3,460						
OWNER'S WORK				1,193,582	$344.97	28.4%	60.90%
Furniture & Finishes			86,500		$25.00		
Signage & Graphics			6,500		$1.88		
Tele/Data Equipment and Accessories			248,000		$71.68		
Audio/Visual Equipment			27,680		$8.00		
Artwork and Interior Landscaping			13,840		$4.00		
Owner Miscellaneous			25,950		$7.50		
Medical Equipment			785,112		$226.91		
DESIGN				394,240	$113.94	9.4%	20.11%
Architect & Engineering Services			264,240		$76.37		
Other Consultants			130,000		$37.57		
INSURANCE / PERMITS / MISCELLANEOUS				300,808	$86.94	7.2%	15.35%
Legal			0		$0.00		
Testing & Inspection			5,000		$1.45		
Insurance & Taxes			12,614		$3.65		
Permits & Fees			32,094		$9.28		
Project Administration			251,100		$72.57		
COST ESCALATION				57,278	$16.55	1.4%	2.92%
Cost Escalation			57,278		$16.55		
PROJECT CONTINGENCY				292,591	$84.56	7.0%	14.93%
Project Contingency			292,591		$84.56		
TOTAL			**4,198,499**	**4,198,499**	**$1,213.44**	**100%**	**114%**

EXHIBIT 30

MARYLAND
Health Care
Commission

Individual Physician's Submission (provide this form for each physician who will do procedures at the proposed facility)

Physician Name	Surgical Volume Latest 2 complete years				Projections						Facility(s) from which these cases will be migrating
	Year 2023		Year 2024		Year 1		Year 2		Year 3		
	Cases	Minutes	Cases	Minutes	Cases	Minutes	Cases	Minutes	Cases	Minutes	
Adrienne Spirt, M.D.	0	0	0	0	41	3,920	50	4,748	51	4,866	Luminis Health Anne Arundel Medical Center

5 most frequently performed surgeries, two most recent years		
Surgical Procedure*	Yr1	Yr2

* List in descending order based on the cumulative 2 year volume

I hereby declare and affirm under the penalties of perjury that the facts stated in this affidavit are true and correct to the best of my knowledge, information and belief.

Signature _____

Print Name: Adrienne Spirt

MARYLAND
Health Care
Commission

Individual Physician's Submission (provide this form for each physician who will do procedures at the proposed facility)

Physician Name	Surgical Volume Latest 2 complete years				Projections						Facility(s) from which these cases will be migrating
	Year 2023		Year 2024		Year 1		Year 2		Year 3		
	Cases	Minutes	Cases	Minutes	Cases	Minutes	Cases	Minutes	Cases	Minutes	
Laura Merkel, M.D.	38	1,319	25	868	34	1,035	41	1,254	42	1,285	Luminis Health Anne Arundel Medical Center

5 most frequently performed surgeries, two most recent years		
Surgical Procedure*	Yr1	Yr2
58558	13	8
58563	7	6
58661	6	3
57522	6	3
58561	1	5

* List in descending order based on the cumulative 2 year volume

I hereby declare and affirm under the penalties of perjury that the facts stated in this affidavit are true and correct to the best of my knowledge, information and belief.

Signature _____

Print Name: Laura Merkel

Classified as Confidential

MARYLAND
Health Care
Commission

Individual Physician's Submission (provide this form for each physician who will do procedures at the proposed facility)

Physician Name	Surgical Volume Latest 2 complete years				Projections						Facility(s) from which these cases will be migrating
	Year 2023		Year 2024		Year 1		Year 2		Year 3		
	Cases	Minutes	Cases	Minutes	Cases	Minutes	Cases	Minutes	Cases	Minutes	
Breanne Bears, M.D.	4	139	47	1,631	40	1,183	48	1,433	50	1,469	Luminis Health Anne Arundel Medical Center

5 most frequently performed surgeries, two most recent years		
Surgical Procedure*	Yr1	Yr2
59820	0	13
58561	1	8
58563	0	8
58558	1	6
57522	0	5

* List in descending order based on the cumulative 2 year volume

I hereby declare and affirm under the penalties of perjury that the facts stated in this affidavit are true and correct to the best of my knowledge, information and belief.

Signature _____

Print Name: Breanne Bears, MD

EXHIBIT 31

AAMC Surgery Center - Annapolis
Workforce Information

TABLE L. WORKFORCE INFORMATION

INSTRUCTION: List the facility's existing staffing and changes required by this project. Include all major job categories under each heading provided in the table. The number of Full Time Equivalents (FTEs) should be calculated on the basis of 2,080 paid hours per year equals one FTE. In an attachment to the application, explain any factor used in converting paid hours to worked hours. Please ensure that the projections in this table are consistent with expenses provided in uninflated projections in Tables F and G.

	CURRENT ENTIRE FACILITY			PROJECTED CHANGES AS A RESULT OF THE PROPOSED PROJECT THROUGH THE LAST YEAR OF PROJECTION (CURRENT DOLLARS)			OTHER EXPECTED CHANGES IN OPERATIONS THROUGH THE LAST YEAR OF PROJECTION (CURRENT DOLLARS)			PROJECTED ENTIRE FACILITY THROUGH THE LAST YEAR OF PROJECTION (CURRENT DOLLARS) *	
Job Category	**Current Year FTEs**	**Average Salary per FTE**	**Current Year Total Cost**	**FTEs**	**Average Salary per FTE**	**Total Cost** *(should be consistent with projections in Table G, if submitted).*	**FTEs**	**Average Salary per FTE**	**Total Cost**	**FTEs**	**Total Cost** *(should be consistent with projections in Table G)*
1. Regular Employees											
Administration *(List general categories, add rows if needed)*											
Director of Nursing	1.0	$59	$117,412	0.0	$59	$0	0.0	0.0	0.0	1.0	$117,412
Charge Nurse	0.8	$46	$77,132	0.0	$46	$0	0.0	0.0	0.0	0.8	$77,132
Receptionist	1.0	$23	$47,840	1.0	$23	$47,840	0.0	$0	$0	2.0	$95,680
Total Administration	2.8		$242,383	1.0		$47,840	0.0		$0	3.8	$290,223
Direct Care Staff *(List general categories, add rows if needed)*											
RN PAT	1.0	$45	$93,600	0.0	$45	$0	0.0	$0	$0	1.0	$93,600
RN PACU	2.1	$44	$191,144	1.0	$44	$91,021	0.0	$0	$0	3.1	$282,164
RN PreOp PACU	3.0	$41	$254,592	1.0	$41	$84,864	0.0	$0	$0	4.0	$339,456
RN OR	3.2	$46	$303,580	1.6	$46	$151,790	0.0	$0	$0	4.8	$455,370
Surgical Tech	4.0	$40	$334,880	2.0	$40	$167,440	0.0	$0	$0	6.0	$502,320
Med Assistant	1.0	$24	$49,275	0.0	$24	$0	0.0	$0	$0	1.0	$49,275
Sterile Processing	2.7	$27	$151,426	1.0	$27	$56,084	0.0	$0	$0	3.7	$207,510
Total Direct Care	17.0		$1,378,497	6.6		$551,199	0.0		$0	23.6	$1,929,696
Support Staff *(List general categories, add rows if needed)*											
Materials Manager	1.0	$44	$90,938	0.0	$44	$0	0.0	$0	$0	1.0	$90,938
Total Support	1.0		$90,938	0.0		$0	0.0		$0	1.0	$90,938
REGULAR EMPLOYEES TOTAL	20.8		$1,711,818	7.6		$599,039	0.0		$0	28.4	$2,310,857
2. Contractual Employees											
Administration *(List general categories, add rows if needed)*											
N/A	0.0	$0	$0	0.0	$0	$0	0.0	$0	$0	0.0	$0
	0.0	$0	$0	0.0	$0	$0	0.0	$0	$0	0.0	$0
	0.0	$0	$0	0.0	$0	$0	0.0	$0	$0	0.0	$0
	0.0	$0	$0	0.0	$0	$0	0.0	$0	$0	0.0	$0
Total Administration			$0			$0			$0	0.0	$0
Direct Care Staff *(List general categories, add rows if needed)*											
N/A	0.0	$0	$0	0.0	$0	$0	0.0	$0	$0	0.0	$0
	0.0	$0	$0	0.0	$0	$0	0.0	$0	$0	0.0	$0
	0.0	$0	$0	0.0	$0	$0	0.0	$0	$0	0.0	$0
	0.0	$0	$0	0.0	$0	$0	0.0	$0	$0	0.0	$0
Total Direct Care Staff			$0			$0			$0	0.0	$0
Support Staff *(List general categories, add rows if needed)*											
N/A	0.0	$0	$0	0.0	$0	$0	0.0	$0	$0	0.0	$0
	0.0	$0	$0	0.0	$0	$0	0.0	$0	$0	0.0	$0
	0.0	$0	$0	0.0	$0	$0	0.0	$0	$0	0.0	$0
	0.0	$0	$0	0.0	$0	$0	0.0	$0	$0	0.0	$0
Total Support Staff			$0			$0			$0	0.0	$0
CONTRACTUAL EMPLOYEES TOTAL			$0			$0			$0	0.0	$0
Benefits *(State method of calculating benefits below) :*											
TOTAL COST	***20.8***		***$1,711,818***	***7.6***		***$599,039***	***0.0***		***$0***	***28.4***	***$2,310,857***
FRINGE BENEFITS											10.26%
TOTAL COST WITH FRINGE BENEFITS											$2,547,906

EXHIBIT 32

Ewurama Shaw-Taylor, PhD
Chief, Certificate of Need
Center for Health Care Facilities Planning and Development
Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, MD 21215

August 18, 2025

Re: Anne Arundel – SCA Surgicenter, LLC d/b/a AAMC Surgery Center – Annapolis: Application for Certificate of Need

Dear Dr. Shaw-Taylor:

We are independent accountants for Anne Arundel – SCA Surgicenter, LLC d/b/a AAMC Surgery Center – Annapolis ("AAMC-SC") located in Anne Arundel County. We have no financial interest in AAMC-SC.

We have previously reviewed, in accordance with *SSARS No. 21, Statements on Standards for Accounting and Review Services*, as issued by the American Institute of Certified Public Accountants, the financial statements of Anne Arundel – SCA Surgicenter, LLC for the years ended December 31, 2024 and 2023, and issued our report thereon dated April 29, 2025.

We are aware that AAMC-SC has applied to the Maryland Health Care Commission for a certificate of need ("CON") to develop an additional operating room at its existing freestanding ambulatory surgery center for a total of three operating rooms and one procedure room upon completion of its proposed project.

We understand that AAMC-SC is required to have sufficient funds or financial resources to support (a) the $4,198,499 in the proposed project cost, including (b) the $2,198,499 in cash equity for the proposed AAMC-SC budget.

We have performed verification procedures of the following amounts, the combined value of which exceeds the $2,198,499 required cash equity. Amounts held by Truist are in the form of cash. Amounts held by SCA Health are temporary investments held on behalf of Anne Arundel – SCA Surgicenter, LLC, and readily convertible to cash. We have also received confirmation that AAMC-SCA is in the process of applying for a term loan with Truist for $2,000,000 – finalization of which is pending approval of its application for Certificate of Need.

Held by:	As of:	Balance:
Truist bank	August 1, 2025	$1,395,071.96
SCA Health	August 1, 2025	$1,671,836.04
	Total:	**$3,066,908.00**

Sincerely,

Joshua S. Price, CPA
Senior Manager

Disclaimers required under AICPA professional standards:

We have not performed an audit, under U.S. generally accepted auditing standards, or review, under SSARS No. 21, with respect to AAMC-SC's 2025 financial information or any period after December 31, 2024.

This letter is provided solely to assist the Maryland Health Care Commission in evaluating AAMC-SC's certificate of need application and should not be used for any other purpose.

This letter does not constitute, and should not be construed as, an audit opinion, a review conclusion, or any other form of assurance, except as it relates to the specifically stated confirmation and verification procedures.

cc: Howard L. Sollins, Esq.

EXHIBIT 33

SCA Health

Affirmation Statement

I hereby declare and affirm under the penalties of perjury that the facts stated in this application and its attachments are true and correct to the best of my knowledge, information, and belief.

Jake Glombowski

Printed Name

Signature

8/12/2025

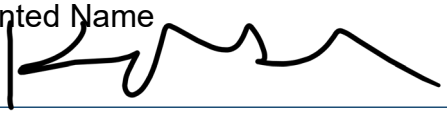
Date

Affirmation Statement

I hereby declare and affirm under the penalties of perjury that the facts stated in this application and its attachments are true and correct to the best of my knowledge, information, and belief.

Kristine Lowther

Printed Name



Signature

8/11/2025

Date

Affirmation Statement

I hereby declare and affirm under the penalties of perjury that the facts stated in this application and its attachments are true and correct to the best of my knowledge, information, and belief.

Mari Shade

Printed Name

Mari Shade

Signature

08.12.2025

Date