

BAKER DONELSON

100 LIGHT STREET · BALTIMORE, MARYLAND 21202 · 410.685.1120 · bakerdonelson.com

HOWARD L. SOLLINS, SENIOR COUNSEL

Direct Dial: 410-862-1101

Direct Fax: 443-263-7569

E-Mail Address: hsollins@bakerdonelson.com

June 30, 2025

VIA HAND DELIVERY
AND E-MAIL TO MHCC.CONFILINGS@MARYLAND.GOV

Ewurama Shaw-Taylor, Ph.D., Chief
Certificate of Need
Center for Health Care Facilities Planning and Development
Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, Maryland 21215-2299

Re: Anne Arundel SCA SurgiCenter, LLC d/b/a AAMC Surgery Center - Annapolis
Certificate Of Need Application

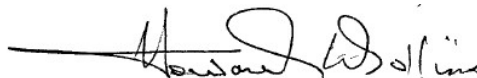
Dear Dr. Shaw-Taylor:

Enclosed please find four copies of a Certificate of Need Application being filed on behalf of Anne Arundel SCA SurgiCenter, LLC d/b/a AAMC Surgery Center - Annapolis regarding its request to add a third operating room and one procedure room to its current ambulatory surgery center in Anne Arundel County. A full copy of the application will also be emailed to you in searchable PDF, Word and Excel forms as appropriate. Enclosed is one full size copy of the project drawings for the renovations that will occur.

I hereby certify that a copy of the CON application has been sent to the affected local health department.

If any further information is needed, please let us know.

Sincerely,



Howard L. Sollins

HLS/tjr
Enclosures

Ewurama Shaw-Taylor, PhD, Chief of CON
Center for Health Care Facilities Planning and Development
Maryland Health Care Commission
June 30, 2025
Page 2

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



Randolph S. Sergent, Esq, Chairman
Ben Steffen, Executive Director

UPDATED APRIL 2024

**AMBULATORY SURGICAL FACILITY
APPLICATION FOR CERTIFICATE OF NEED (CON)**

ALL APPLICATIONS MUST FOLLOW THE FORMATTING REQUIREMENTS DESCRIBED IMMEDIATELY BELOW. NOT FOLLOWING THESE FORMATTING INSTRUCTIONS WILL RESULT IN THE APPLICATION BEING RETURNED.

Required Format:

Table of Contents. The application must include a Table of Contents referencing the location of application materials. Each section in the hard copy submission should be separated with tabbed dividers. Any exhibits, attachments, etc. should be similarly tabbed, and pages within each should be numbered independently and consecutively. **The Table of Contents must include:**

- **Responses to PARTS I, II, III, and IV of this application form**

Responses to PART IV must include responses to the Review Criteria listed at COMAR 10.24.01.08G. The first Review Criteria requires the Applicant to respond to all applicable standards in the State Health Plan chapter, COMAR 10.24.11.

- **Identification of each Attachment, Exhibit, or Supplement.**

Application pages must be consecutively numbered at the bottom of each page. Exhibits attached to subsequent correspondence during the completeness review process shall use a consecutive numbering scheme, continuing the sequencing from the original application. For example, if the last exhibit in the application is Exhibit 5, any exhibits used in subsequent responses should begin with Exhibit 6. However, a replacement exhibit that merely replaces an exhibit to the application should have the same number as the exhibit it is replacing, noted as a replacement.

SUBMISSION FORMATS. We require submission of application materials and the applicant's responses to completeness questions in three forms: hard copy; searchable PDF; and in Microsoft Word.

- **Hard copy:** Applicants must submit four (4) hard copies of the application to:

Health Care Facilities Coordinator
Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, Maryland 21215

- **PDF:** Applicants must also submit *searchable* PDF files of the application, supplements, attachments, and exhibits. All subsequent correspondence should also be submitted both by paper copy and as *searchable PDFs*.
- **Microsoft Word:** Responses to the questions in the application and the applicant's responses to completeness questions should also be electronically submitted in Word. Applicants are strongly encouraged to submit any spreadsheets or other files used to create the original tables (the native format). This will expedite the review process.

PDFs, Microsoft Word files, and spreadsheets should be submitted to mhcc.confilings@maryland.gov

Note that there are certain actions that may be taken regarding either a health care facility or an entity that does not meet the definition of a health care facility where CON review and approval are not required. Most such instances are found in the Commission's procedural regulations at COMAR 10.24.01.03, .04, and .05. Instances listed in those regulations require the submission of specified information to the Commission and may require approval by the full Commission. Contact CON staff at (410) 764-3276 for more information.

A pre-application conference will be scheduled by Commission Staff to cover this and other topics. Applicants are encouraged to contact Staff with any questions regarding an application.

TABLE OF CONTENTS

| | <u>PAGE</u> |
|---|-------------|
| TABLE OF CONTENTS..... | 3 |
| LIST OF EXHIBITS..... | 5 |
| PART I – PROJECT IDENTIFICATION AND GENERAL INFORMATION..... | 7 |
| 1. Facility | 7 |
| 2. Name of Owner | 7 |
| 3. Applicant..... | 7 |
| 4. Name of Licensee or Proposed License..... | 8 |
| 5. Legal Structure of Applicant..... | 8 |
| 6. Person(s) to whom Questions Regarding this Application should be Directed..... | 8 |
| 7. Name of Owner of Real Property | 10 |
| 8. Management Company | 10 |
| 9. Type of Project..... | 11 |
| 10. Project Description..... | 12 |
| 11. Current Capacity and Proposed Changes..... | 15 |
| 12. Community-Based Services..... | 15 |
| 13. Required Approvals and Site Control..... | 15 |
| 14 Project Implementation Schedule | 16 |
| 15. Project Drawings..... | 17 |
| 16. Features of Project Construction..... | 18 |
| PART II – PROJECT BUDGET..... | 21 |
| PART III – APPLICANT HISTORY, STATEMENT OF RESPONSIBILITY, AUTHORIZATION AND RELEASE OF INFORMATION, AND SIGNATURE | 22 |
| PART IV – CONSISTENCY WITH GENERAL REVIEW CRITERIA AT COMAR 10.24.01.08G(3) | 27 |
| 10.24.01.08G(3) The State Health Plan | 27 |
| SURGERY Standards | |
| A. General Standards | 27 |
| Standard .05(A)(1) Information Regarding Charges and Network Participation..... | 27 |
| Standard .05(A)(2) Information Regarding Procedure Volume | 29 |
| Standard .05(A)(3) Charity Care and Financial Assistance Policy..... | 29 |
| Standard .05(A)(4) Quality of Care | 34 |
| Standard .05(A)(5) Transfer Agreements | 37 |
| B. Project Review Standards | 37 |
| Standard .05(B)(1) Service Area..... | 38 |
| Standard .05(B)(2) Need – Minimum Utilization for Establish of a New or Replacement Facility..... | 41 |

| | |
|--|--------|
| Standard .05(B)(3) Need – Minimum Utilization for Expansion of an Existing Facility | 46 |
| Standard .05(B)(4) Design Requirements | 46 |
| Standard .05(B)(5) Support Services | 47 |
| Standard .05(B)(6) Patient Safety | 48 |
| Standard .05(B)(7) Construction Costs | 49 |
| Standard .05(B)(8) Financial Feasibility..... | 50 |
| Standard .05(B)(9) Impact | 52 |
| Other Criteria | 57 |
| 10.24.01.08G(3)(b) Need | 57 |
| 10.24.01.08G(3)(c) Alternatives to the Project | 59 |
| 10.24.01.08G(3)(d) Project Financial Feasibility and Facility or Program Viability | 61 |
| 10.24.01.08G(3)(e) Compliance with Terms and Conditions of Previous Certificates of Need | 66 |
| 10.24.01.08G(3)(f) Project Impact..... | 67 |
| 10.24.01.08G(3)(g) Health Equity | 68 |
| 10.24.01.08G(3)(h) Character and Competence | 74 |
| ADDENDUM A: GUIDANCE FOR CHARITY CARE AND FINANCIAL ASSISTANCE POLICY STANDARD | 79 |
| ADDENDUM B; PROVIDING INDIVIDUAL PHYSICIAN VOLUME DATA | 83 |

List of Exhibits

1. Complete Ownership Structure
2. Lease Agreement (Excerpts)
3. Project Drawings
4. Project Budget
5. Ownership, Development, Other SCA Health Facilities
6. Financial Assistance and Charity Care Program Policy and Application
7. Notice of Financial Assistance and Charity Care program
8. Maryland Department of Health License – Annapolis
9. Centers for Medicare and Medicaid Services Approval Letter
10. AAAHC Accreditation Certificate - Annapolis
11. Quality Net Reporting – Annapolis
12. Maryland Department of Health License – Pasadena
13. AAAHC Accreditation Certificate – Pasadena
14. Quality Net Reporting – Pasadena
15. Transfer Agreement
16. Patient Transfer to Hospital Policy
17. Individual Physician Submissions
18. FGI Compliance Letter
19. CLIA Waiver and State Letter of Permit Exception– Annapolis
20. Pathology Specimens, Formalin in OR, Handling of Biohazard Waste, Competency Verification Tool – Practice: Specimen Management, All Specimens Policies
21. Radiation Safety Program, Monthly radiation Exposure Monitoring (Dosimeter), Radiation Exposure patients Policies
22. Table L – Manpower

23. Audited Financial Statements, Previous Two Years
24. Letters of Support for Proposed Project
25. Non- Discrimination/Equal Employment Opportunity policy
26. Interpreter Services Policy
27. Affirmations

PART I - PROJECT IDENTIFICATION AND GENERAL INFORMATION

1. FACILITY

Name of Facility: Anne Arundel – SCA Surgicenter, LLC d/b/a AAMC
 Surgery Center - Annapolis

Address:

904 Commerce Rd. Annapolis 21401 Anne Arundel
 Street City Zip County

2. NAME OF OWNER Anne Arundel – SCA Surgicenter, LLC d/b/a AAMC Surgery Center - Annapolis

If Owner is a Corporation, Partnership, or Limited Liability Company, attach a description of the ownership structure identifying all individuals that have or will have at least a 5% ownership share and any related parent entities. Attach a chart that completely delineates this ownership structure.

| Owner | Ownership % |
|---|-------------|
| Anne Arundel-SCA Holdings, LLC (Ownership Structure Listed in Exhibit 1) | 61.26% |
| Individual Physician Ownership Listed Below in Part III, Question 1 | 38.74% |

Please see Exhibit 1 for a complete description of the ownership structure.

3. APPLICANT. If the application has a co-applicant, provide the following information in an attachment.

Legal Name of Project Applicant (Licensee or Proposed Licensee): _____

Address:

| | | | | |
|-------------------|------|-----|-------|--------|
| Street | | | | |
| | City | Zip | State | County |
| Telephone: | | | | |

4. NAME OF LICENSEE OR PROPOSED LICENSEE, if different from the applicant:

Applicant is licensee.

5. LEGAL STRUCTURE OF APPLICANT (and LICENSEE, if different from applicant).

Check or fill in applicable information below and attach an organizational chart showing the owners of applicant (and licensee, if different).

Response:

| Owner | Ownership % |
|---|-------------|
| Anne Arundel-SCA Holdings, LLC (Ownership Structure Listed in Exhibit 1) | 61.26% |
| Individual Physician Ownership Listed Below in Part III, Question 1 | 38.74% |

Please see Exhibit 1 for a complete description of the ownership structure.

| | | | |
|----|---------------------------------------|-------------------------------------|-------------------------------|
| A. | Governmental | <input type="checkbox"/> | |
| B. | Corporation | | |
| | (1) Non-profit | <input type="checkbox"/> | |
| | (2) For-profit | <input checked="" type="checkbox"/> | |
| | (3) Close | <input type="checkbox"/> | State & Date of Incorporation |
| C. | Partnership | | |
| | General | <input type="checkbox"/> | |
| | Limited | <input type="checkbox"/> | |
| | Limited Liability Partnership | <input type="checkbox"/> | |
| | Limited Liability Limited Partnership | <input type="checkbox"/> | |
| | Other (Specify): | | |
| D. | Limited Liability Company | <input checked="" type="checkbox"/> | |
| E. | Other (Specify): | | |
| | | | |

6. PERSON(S) TO WHOM QUESTIONS REGARDING THIS APPLICATION SHOULD BE DIRECTED

A. Lead or primary contact:

C. Additional or alternate contact:

| | | | |
|--|-----------|--|-------|
| Name and Title: | | Howard L. Sollins, Senior Counsel | |
| Company Name | | Baker, Donelson, Bearman, Caldwell & Berkowitz, PC | |
| Mailing Address: | | | |
| 100 Light Street, 19 th Floor | Baltimore | MD | 21202 |
| Street | City | State | Zip |
| Telephone: 410-862-1101 | | | |
| E-mail Address (required): hsollins@bakerdonelson.com | | | |
| Fax: 443-263-7569 | | | |
| If company name is different than applicant briefly describe the relationship | | Legal Counsel for Applicant | |

7. NAME OF THE OWNER OF THE REAL PROPERTY and Improvements (if different from the licensee or proposed licensee)

Legal Name of the Owner of the Real Property
The Bernstein Companies

Address:
 3299 K Street NW, Suite 700 Washington DC 20007
 Street City State Zip

Telephone: 202-333-9000

8. If a management company or companies is or will be involved in the clinical or financial management of the facility or will provide oversight of any construction or renovations proposed as part of this APPLICATION, identify each company or individual that will provide the services and describe the services that will be provided. Identify any ownership relationship between the management company and the owner of the facility, bed rights, and/or the real property or any related entity.

Name of Management Company SCA Health

Address:

569 Brookwood Village, Birmingham AL 35209 Jefferson
 Suite 901

Street City State Zip County

Telephone: 872-267-3800

***Please provide a chart showing the breakdown of ownership that includes the owners of the real property, and operations. Please include the management company if applicable.**

| Owner | Ownership % | Role |
|---|-------------|---|
| The Bernstein Companies | 0% | Owners of the Real Property (Only) Landlord |
| Anne Arundel – SCA Holding , LLC | 61.26% | Operations – Management Company |
| Individual Physician Ownership Listed Below in Part III, Question 1 | 38.74% | Operations |

9. TYPE OF PROJECT

The following list includes all project categories that require a CON pursuant to COMAR 10.24.01.02(A). Please mark all that apply in the list below.

If approved, this CON would result in (check as many as apply):

- (1) A new health care facility built, developed, or established
- (2) An existing health care facility moved to another site
- (3) A change in the bed capacity of a health care facility

- (4) A change in the type or scope of any health care service offered by a health care facility
- (5) A hospital making a capital expenditure, as defined in Health-General Article, §19-120(k), Annotated Code of Maryland, and in this chapter, that exceeds the hospital capital threshold, including a capital expenditure:
 - (a) For the relocation of an existing health care facility owned or controlled by a merged asset system, except as provided in Regulation .03E of this chapter; and
 - (b) By a relocated health care facility to permit the facility to offer a new health care service for which CON is otherwise required.

10. PROJECT DESCRIPTION

A. Executive Summary of the Project: The purpose of this BRIEF executive summary is to convey to the reader a holistic understanding of the proposed project: what it is, why you need to do it, and what it will cost. A one-page response will suffice. Please include:

- (1) Brief Description of the project – what the applicant proposes to do
- (2) Rationale for the project – the need and/or business case for the proposed project
- (3) Cost – the total cost of implementing the proposed project

(1) Brief Description of the Project

Anne Arundel – SCA Surgicenter, LLC d/b/a AAMC Surgery Center – Annapolis is an existing freestanding ambulatory surgery center, currently licensed by the State of Maryland as an ASC – 2 with two operating rooms and no procedure rooms. The center is operational 6am – 6pm Monday thru Friday, and surgeries are scheduled between the hours of 7:30am thru 5pm. AAMC Surgery Center – Annapolis proposes to operate the center as an ambulatory surgical facility (‘ASF’) with three total operating rooms and one procedure room through the addition of one operating room that will be utilizing adjacent space available for renovation into an operating room and one procedure room that is utilizing existing space that would be converted into a procedure room.

AAMC Surgery Center – Annapolis started its outpatient total joint, orthopedic spine, sports medicine, and GYN program in 2020 and has experienced great success. Ensuring the continued delivery of outpatient total joint arthroplasty, sports medicine, and GYN cases, while providing the capacity to accommodate increasing patient volumes, a third operating room is needed at AAMC Surgery Center – Annapolis to accommodate outpatient surgical cases from existing volume increases and projected population increases in our direct service area. The procedure room conversion will allow AAMC Surgery Center – Annapolis to perform lower acuity cases that do not require general anesthesia.

Additional capacity in the form of a third operating room is an essential component in providing safe, high-quality outpatient surgical care in the most cost-effective and medically appropriate practice setting. Due to the high acuity of total joint arthroplasty cases requiring extended operating room times and lengthy recovery times as compared to non-total joint cases, the addition of a third operating room and one procedure room will allow the migration of existing volume that is critical to supporting patients in the future.

(2) Rationale for the Project

Background

AAMC Surgery Center - Annapolis has experienced a 214.73% increase in total facility volume from 2021 to present. We are experiencing an increase in outpatient surgical volume across all specialties; however, there is a significant increase in Total Joint Arthroplasty. We are currently performing approximately 925 total joint arthroplasties (“TJAs”) annually and have experienced a 254.58% increase in TJA procedures performed from 2021 to 2024. From 2023 to 2024, AAMC Surgery Center - Annapolis experienced a 28.14% increase in TJA procedures. Projections and affidavits demonstrate the surgeons have the current patient volume and request to bring additional patients to AAMC Surgery Center – Annapolis.

With the increase in TJA procedures, these patients have longer surgery times and longer post operative recovery times. It is essential to have these cases completed by 5:00 pm in the afternoon to allow for an adequate post operative recovery period. Recovery of these cases consists of adequate and appropriate recovery from anesthesia, pain management, mobility assessments, and patient education.

Ensuring a safe transition to home from the outpatient ambulatory surgery setting requires that patients be discharged from the ambulatory surgery setting at a reasonable time of day to obtain additional community-based resources as necessary.

Additionally, the conversion of an existing space for a procedure room that opens to a cross corridor separated by double doors from the sterile corridor to the nonsterile pre- and post-operative areas will allow AAMC Surgery Center – Annapolis to perform lower acuity cases that do not require general anesthesia.

The addition of a third operating room and one procedure room will allow us to accommodate existing and projected volume increases to AAMC Surgery Center – Annapolis, providing needed services to patients and surgeons requesting care in the outpatient surgical setting.

(3) Cost

The total cost of the proposed project is expected to be \$4,198,499, as follows:

| | |
|--------------------------------------|--------------------|
| Construction/Contingency/Escalation: | \$2,309,869 |
| Architect/Engineering/Permits: | \$695,048 |
| Additional Owner’s Work: | <u>\$1,193,582</u> |

| | |
|---------------------|--------------------|
| Total Project Cost: | <u>\$4,198,499</u> |
|---------------------|--------------------|

B. Comprehensive Project Description: The description should include details regarding:

- (1) Construction, renovation, and demolition plans
- (2) Changes in square footage of departments and units
- (3) Physical plant or location changes
- (4) Changes to affected services following completion of the project
- (5) Outline the project schedule.

| |
|---|
| <p>(1) Construction, renovation, and demolition plans</p> <p>This project requires renovation of the current bay 7 to a new procedure room, consisting of 182 square feet. The renovation would include upgrades to ensure laminar flow, air filtration, and pressure monitoring of the procedure room. In addition, the plumbing is already in place to add a sink to the procedure room during renovation. The renovation of the existing bay 7 for a procedure room will open to a cross corridor separated by double doors from the sterile corridor to the nonsterile pre- and post-operative areas.</p> <p>Adjacent space will be renovated to accommodate the addition of the third operating room. Currently, the space is unoccupied and requires renovation as shown in Exhibit 3. If approved, the third operating room would be 522 square feet, directly off the semi-restricted corridor, connecting the existing space to the adjacent space. This will allow cohesive movement of patients through the semi-restricted corridor. Additionally, a new HVAC system will be added that meets the requirements for laminar flow, air filtration, and pressure monitoring as specified.</p> <p>(2) Changes in square footage of departments and units</p> <p>OR #3 – 522 square feet Scrub sink – 20 square feet Electrical Room – 80 square feet Humidifier Room – 60 square feet Medical Gas Room – 74 square feet Emergency Equipment Area – 49 square feet Dictation Area – 69 square feet Clean Alcove – 70 square feet Pre-Op/PACU Area – 671 square feet Equipment Room – 100 square feet Nourishment Room – 40 square feet Staff Toilet – 51 square feet Patient Toilet – 51 square feet Nurses Station – 136 square feet</p> <p>Total additional square footage: 1,993</p> |
|---|

(3) Physical plant or location changes

The physical plant and location will remain the same, with renovation only occurring inside the adjacent space, expanding the existing site. Two ingresses that connect the existing surgery center space to the adjacent space will be created. One ingress will be in the semi-restricted corridor and the other ingress will be in the nutrition area. See Exhibit 3, Project Drawings for visualization of ingresses.

Additionally, an existing pre-operative/PACU bay will be converted from a pre-operative/post-anesthesia care room bay, into a Procedure Room.

(4) Changes to affected services following completion of the project

There are no expected changes to services following completion of the project.

(5) Outline the project schedule

The project is planned to take 72 weeks in total, with work to the adjacent space being completed during business hours (9am – 5pm Monday – Friday) with no impact to current operations. Build out of the procedure room will occur during non-business hours (6am-4pm on Saturday and Sunday). Upon CON approval, the construction contract will be signed within 120 days of receipt. Work is intended to start within 4 months of the signed construction contract.

11. CURRENT CAPACITY AND PROPOSED CHANGES

| Unit Description | Currently Licensed/ Certified | Units to be Added or Reduced | Total Units if Project is Approved |
|------------------|----------------------------------|---------------------------------|---------------------------------------|
| Operating Rooms | 2 | 1 | 3 |
| Procedure Rooms | 0 | 1 | 1 |

12. Identify any community based services that are or will be offered at the facility and explain how each one will be affected by the project.

Response:

No community-based services are or will be offered at the AAMC Surgery Center – Annapolis.

13. REQUIRED APPROVALS AND SITE CONTROL

- A. Site size: 4.487 acres, ASC 8,925 Square Feet

- B. Have all necessary State and local land use and environmental approvals, including zoning and site plan, for the project as proposed been obtained? YES _____ NO X (If NO, describe below the current status and timetable for receiving each of the necessary approvals.)

All necessary permits will be obtained once approval of this proposed application has been received. Submission to Anne Arundel County for the building permit and the Office of Facilities Management and Development for the state of Maryland will occur once approval has been received by the architecture and engineering firm.

- C. Form of Site Control (Respond to the one that applies. If more than one, explain.):

- (1) Owned by: The Bernstein Companies
- (2) Options to purchase held by: _____
Please provide a copy of the purchase option as an attachment.
- (3) Land Lease held by: _____
Please provide a copy of the land lease as an attachment.
- (4) Option to lease held by: _____
Please provide a copy of the option to lease as an attachment.
- (5) Other: Lease
Explain and provide legal documents as an attachment.

Anne Arundel – SCA Surgicenter, LLC d/b/a AAMC Surgery Center – Annapolis, leases the premises from The Bernstein Companies.

Excerpts of the Lease Agreement By and Between The Bernstein Companies, as the Lessor, and AAMC Surgery Center – Annapolis, as Lessee, at 904 Commerce Road Annapolis, MD 21401 are provided in Exhibit 2 to this application. Full copy will be provided upon request.

14. PROJECT IMPLEMENTATION SCHEDULE (COMAR 10.24.01.12A)

In completing this section, please note applicable obligation deadlines set forth in Commission regulations, COMAR 10.24.01.12. Ensure that the information presented reflects information presented in Application Item 10 (Project Description).

Project Implementation Schedule

An application for a CON or other Commission approval shall propose a schedule for implementation of the project in accordance with COMAR 10.24.01.12A(1) that specifies the estimated time for, at a minimum, the following project implementation steps: Obligation of Capital Expenditure, Beginning Construction, Complete Construction and Full Operation.

In developing the schedule, please note that COMAR 10.24.01.12C requires a holder to obligate at least 51 percent of the approved capital expenditure for a project involving building construction, renovation, or both, as documented by a binding construction contract or equipment purchase order, within the following specified time periods:

- (a) An approved new hospital has up to 36 months;
- (b) A project involving an approved new non-hospital health care facility or involving a building addition or replacement of building space of a health care facility has up to 24 months;
- (c) A project limited to renovation of existing building space of a health care facility has up to 18 months; and
- (d) A project that does not involve construction or renovation shall document that the approved project is complete and operational within 18 months.

In a multiphase plan of construction with more than one construction contract approved for an existing health care facility, a holder has:

- (a) Up to 12 months after approval to obligate 51 percent of the capital expenditure for the first phase of construction; and
- (b) Up to 12 months after completion of the immediately preceding phase of construction to obligate 51 percent of the capital expenditure for any subsequent approved phase.

Response:

The construction contract will be signed within 120 days of receipt of approval for the Certificate of Need.

Construction will begin within four months of signing the construction contract to allow for construction contractor to assign designated team to perform the necessary work and order necessary supplies.

Duration of the project is expected not to exceed 72 weeks, with work being performed in the adjacent space during normal business hours and weekends if necessary to avoid disruptions in current case volumes. Renovations for the procedure room conversion to be performed after hours on Saturdays and Sundays.

Upon completion of construction and completion of regulatory filings, the Operating Room and Procedure Room will be put into immediate use following all regulatory approvals and First Use approval due to our current utilization.

15. PROJECT DRAWINGS

Projects involving new construction and/or renovations should include scalable schematic drawings of the facility at least a 1/16" scale. Drawings should be completely legible and include dates.

These drawings should include the following before (existing) and after (proposed), as applicable:

- A. Floor plans for each floor affected with all rooms labeled by purpose or function, number of beds, location of bathrooms, nursing stations, and any proposed space for future expansion to be constructed, but not finished at the completion of the project, labeled as “shell space”.
- B. For projects involving new construction and/or site work a Plot Plan, showing the "footprint" and location of the facility before and after the project.
- C. Specify dimensions and square footage of patient rooms.

Response:

Project Drawings are provided in Exhibit 3. The drawings include those that were included in the 2021 submission to the Commission when the ASC became authorized to convert a procedure room to an OR, resulting in a two-OR center. The center was built out according to these plans, hence these plans provide the “before” picture, i.e, what exists presently.

Exhibit 3 also contains several drawings that together constitute the “after” plans. These include a “Site Plan” which shows that the existing space and added space are both rectangular, consisting of shaded spaces identified as Suites 904, 904A and 906, and highlights the area involving both spaces that will be affected by the renovation. Specifically, there is a dark gray area on the site plan showing the new space, and an area in the existing space marked with diagonal lines, where the renovations will occur. Also included are a First Floor Demolition Plan, and an Overall First Floor Plan showing the center following the renovations.

16. FEATURES OF PROJECT CONSTRUCTION

- A. If the project involves new construction or renovation, complete **Tables C and D of the Hospital CON Application Package**

Response:

Table C of the Hospital CON package:

TABLE C. CONSTRUCTION CHARACTERISTICS

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

| BASE BUILDING CHARACTERISTICS | NEW CONSTRUCTION | RENOVATION |
|---|--------------------------|-------------------------------------|
| | Check if applicable | |
| Class of Construction (for renovations the class of the building being renovated)* | | |
| Class A | <input type="checkbox"/> | <input type="checkbox"/> |
| Class B | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Class C | <input type="checkbox"/> | <input type="checkbox"/> |
| Class D | <input type="checkbox"/> | <input type="checkbox"/> |
| Type of Construction/Renovation* | | |
| Low | <input type="checkbox"/> | <input type="checkbox"/> |
| Average | <input type="checkbox"/> | <input type="checkbox"/> |
| Good | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Excellent | <input type="checkbox"/> | <input type="checkbox"/> |
| Number of Stories | | 1-Story |

*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 | 3,379 |
| 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 | | 342'-7" |
| Average Linear Feet | | |
| Wall Height (floor to eaves) | Feet | |
| Basement | | N/A |
| First Floor | | ~13'-0" |
| Second Floor | | N/A |
| Third Floor | | N/A |
| Fourth Floor | | N/A |
| Average Wall Height | | ~13'-0" |

| OTHER COMPONENTS | List Number | |
|---|--|-------|
| Elevators | | |
| Passenger | | N/A |
| Freight | | N/A |
| Sprinklers | Square Feet Covered | |
| Wet System | | 3,379 |
| Dry System | | N/A |
| Other | Describe Type | |
| Type of HVAC System for proposed project | The proposed hvac system is a rooftop variable volume direct expansion (DX) air handling unit with electric reheat | |
| Type of Exterior Walls for proposed project | No new exterior walls | |

Table D of the Hospital CON package:

AAMC Surgery Center - Annapolis

TABLE D. ONSITE AND OFF SITE COSTS INCLUDED AND EXCLUDED IN MARSHALL VALUATION COSTS

| <i>INSTRUCTION: If project includes non-hospital space structures (e.g., parking garages, medical office buildings, or energy plants), complete an additional Table D for each structure.</i> | | |
|---|-------------------------------|-------------------------|
| | 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 | | \$6,500 |
| OFF SITE 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 <u>not</u> 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.

- B. Discuss the availability and adequacy of utilities (water, electricity, sewage, natural gas, etc.) for the proposed project and identify the provider of each utility. Specify the steps that will be necessary to obtain utilities.

All utilities exist on site.

PART II - PROJECT BUDGET

Complete Table E of the Hospital CON Application Package

Response:

Table E Project Budget. *See* Exhibit 4.

PART III - APPLICANT HISTORY, STATEMENT OF RESPONSIBILITY, AUTHORIZATION AND RELEASE OF INFORMATION, AND SIGNATURE

1. List names and addresses of all owners and individuals responsible for the proposed project and its implementation.

| Owner | Address | Ownership Share (%) |
|---------------------------------|--|----------------------------|
| Anne Arundel – SCA Holding, LLC | 2001 Medical Parkway Annapolis, MD 21401 | 61.26% |
| Adreinne Spirt, M.D. | 4 Farragut Road Annapolis, MD 21403 | 1.50% |
| Alessandro Speciale, M.D. | 1243 Cherry Tree Lane Annapolis, MD 21403 | 2.00% |
| Alexander Shushan, M.D. | 459 Brickworks Lane Severna Park, MD 21146 | 2.00% |
| Aneesh Goel, M.D. | 6010 Bricker Road Dayton, MD 21036 | 2.00% |
| Benjamin Petre, M.D. | 225 Winter Crest Lane Severna Park, MD | 2.00% |
| Benjamin Solomon, M.D. | 8211 Stauffer Avenue Fulton, MD 20759 | 0.36% |
| Chad Patton, M.D. | 24 Belleview Drive Severna Park, MD 21146 | 2.00% |
| Christopher Jones, M.D. | 284 Oak Court Severna Park, MD 21146 | 2.00% |
| Cyrus Lashgari, M.D. | 921 Placid Court Arnold, MD 21012 | 2.00% |
| Daniel Redziniak, M.D. | 1406 Colonial Manor Court Annapolis, MD 21409 | 2.00% |
| Davis Keblish, M.D. | 563 Shore Acres Road Arnold, MD 21012 | 2.00% |
| Frederick Guckes, M.D. | 532 6th Street Annapolis, MD 21403 | 2.00% |
| Ifeyinwa Stitt, M.D. | 11406 Dairy Street Fulton, MD 20759 | 0.36% |
| James MacDonald, M.D. | 234 Westwood Road Annapolis, MD 21401 | 2.00% |
| Janelle Cooper, M.D. | 5232 Winding Star Circle Columbia, MD 21044 | 0.36% |
| Jeffrey Gelfand, M.D. | 10 White Oak Court Severna Park, MD 21146 | 2.00% |
| Juan Rodriguez Alfonso, M.D. | 1 Tolson Street Annapolis, MD 21401 | 0.36% |
| Julia Lubsky, M.D. | 9 Hunt Cup Circle Owings Mills, MD 21117 | 0.36% |
| Justin Hoover, M.D. | 3301 Hidden River View Road Annapolis, MD 21403 | 2.00% |
| Karen Hardart, M.D. | 16 River Drive Annapolis, MD 21403 | 0.36% |
| Laura Merkel, M.D. | 1204 Penderbrooke Court Crownsville, MD 21032 | 0.36% |
| Marc Brassard, M.D. | 723 White Swan Drive Arnold, MD 21012 | 2.00% |
| Mark Denzine, D.O. | 211 Olivia Lane | 2.00% |

| Owner | Address | Ownership Share (%) |
|----------------------------|--|---------------------|
| | Severna Park, MD 21146 | |
| Parabh Gill, M.D. | 2035 Maidstone Farm Road Annapolis, MD 21409 | 0.36% |
| Paul King, M.D. | 1165 Old County Road Arnold, MD 21012 | 2.00% |
| Peter Ove, M.D. | 278 Joyce Lane W Arnold, MD 21012 | 2.00% |
| Victoria Moore Wolfe, M.D. | 1015 Howard Grove Court Davidsonville, MD 21035 | 0.36% |
| Total: | | 100% |

| Owner | Ownership % |
|---|-------------|
| Anne Arundel-SCA Holdings, LLC (Ownership Structure Listed in Exhibit 1) | 61.26% |
| Individual Physician Ownership Listed Below in Part III, Question 1 | 38.74% |

See Exhibit 1 for ownership structure identifying all individuals that have or will have at least a 5% ownership share and any related parent entities, that completely delineates this ownership structure.

2. Are the applicant, owners, or the responsible persons listed in response to Part 1, questions 2, 3, 4, 7, and 8 above now involved, or have they ever been involved, in the ownership, development, or management of another health care facility? If yes, provide a listing of these facilities, including facility name, address, and dates of involvement.

YES

| Physician | Facility | City/State |
|---------------------------|--|--------------------|
| Adreinne Spirt, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| Alessandro Speciale, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| Alexander Shushan, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| Aneesh Goel, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| Benjamin Petre, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| Benjamin Solomon, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| Chad Patton, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - | Pasadena, Maryland |

| Physician | Facility | City/State |
|------------------------------|--|--------------------|
| | Pasadena | |
| Christopher Jones, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| Cyrus Lashgari, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| Daniel Redziniak, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| Davis Keblish, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| Frederick Guckes, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| Ifeyinwa Stitt, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| James MacDonald, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| Janelle Cooper, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| Jeffrey Gelfand, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| Juan Rodriguez Alfonso, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| Julia Lubsky, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| Justin Hoover, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| Karen Hardart, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| Laura Merkel, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| Marc Brassard, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| Mark Denzine, D.O. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| Parabh Gill, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| Paul King, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - | Pasadena, Maryland |

| Physician | Facility | City/State |
|----------------------------|--|--------------------|
| | Pasadena | |
| Peter Ove, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| Victoria Moore Wolfe, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |

| Entity | Facility | City/State |
|---|--|--------------------|
| Luminis Health Care Services, Inc. f/k/a Anne Arundel Health Enterprises, Inc. Luminis Health Anne Arundel Medical Center | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| Luminis Health Care Services, Inc. f/k/a Anne Arundel Health Enterprises, Inc. Luminis Health Doctors Community Medical Center | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Lanham, Maryland |

Ownership, Development, or Management of Other Health Care Facilities are provided in Exhibit 5 for SCA Health.

3. Has the Maryland license or certification of the applicant facility, or any of the facilities listed in response to Question 2, above, been suspended or revoked, or been subject to any disciplinary action (such as a ban on admissions) in the last 5 years? If yes, provide a written explanation of the circumstances, including the date(s) of the actions and the disposition. If the applicant, owners or individuals responsible for implementation of the Project were not involved with the facility at the time a suspension, revocation, or disciplinary action took place, indicate in the explanation.

No

4. Other than the licensure or certification actions described in the response to Question 3, above, has any facility with which any applicant is involved, or has any facility with which any applicant has in the past been involved (listed in response to Question 2, above) received inquiries in last from 10 years from any federal or state authority, the Joint Commission, or other regulatory body regarding possible non-compliance with any state, federal, or Joint Commission requirements for the provision of, the quality of, or the payment for health care services that have resulted in actions leading to the possibility of penalties, admission bans, probationary status, or other sanctions at the applicant facility or at any facility listed in response to Question 2? If yes, provide for each such instance, copies of any settlement reached, proposed findings or final findings of non-compliance and related documentation

including reports of non-compliance, responses of the facility, and any final disposition or conclusions reached by the applicable authority.

No

5. Have the applicant, owners or responsible individuals listed in response to Part 1, questions 2, 3, 4, 7, and 8, above, ever pled guilty to or been convicted of a criminal offense in any way connected with the ownership, development or management of the applicant facility or any of the health care facilities listed in response to Question 2, above? If yes, provide a written explanation of the circumstances, including as applicable the court, the date(s) of conviction(s), diversionary disposition(s) of any type, or guilty plea(s).

No

One or more persons shall be officially authorized in writing by the applicant to sign for and act for the applicant for the project which is the subject of this application. Copies of this authorization shall be attached to the application. The undersigned is the owner(s), or Board-designated official of the proposed or existing facility.

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.

Date

See Affirmation of Kristine Lowther, VP of
Operations, in Exhibit 27

Signature of Owner or Board-designated Official

Position/Title

Printed Name

PART IV - CONSISTENCY WITH GENERAL REVIEW CRITERIA AT COMAR 10.24.01.08G(3):

INSTRUCTION: Each applicant must respond to all criteria included in COMAR 10.24.01.08G(3), listed below.

An application for a Certificate of Need shall be evaluated according to all relevant State Health Plan standards and other review criteria.

If a particular standard or criteria is covered in the response to a previous standard or criteria, the applicant may cite the specific location of those discussions in order to avoid duplication. When doing so, the applicant should ensure that the previous material directly pertains to the requirement and to the directions included in this application form. Incomplete responses to any requirement will result in an information request from Commission Staff to ensure adequacy of the response, which will prolong the application's review period.

10.24.01.08G(3)(a). The State Health Plan.

Every applicant must address each applicable standard from COMAR 10.24.11: State Health Plan for Facilities and Services: General Surgical Services.¹

Please provide a direct, concise response explaining the project's consistency with each standard. In cases where demonstrating compliance with a standard requires the provision of specific documentation, please include the documentation as a part of the application as an exhibit.

SURGERY Standards

A. General Standards.

The following general standards reflect Commission expectations for the delivery of surgical services by all health care facilities in Maryland, as defined in Health-General §19-114(d). Each applicant that seeks a Certificate of Need for a project covered by COMAR 10.24.11: State Health Plan for Facilities and Services: General Surgical Services shall address and document its compliance with each of the following general standards as part of its application.

Standard .05(A) (1) Information Regarding Charges and Network Participation.

Information regarding charges for surgical services shall be available to the public.

(a) Each ambulatory surgery center, ambulatory surgical facility, and hospital shall provide to the public, upon inquiry or as required by applicable regulations or law, information concerning charges for the full range of surgical services provided.

¹Copies of all applicable State Health Plan chapter are available on the Commission's web site at <https://mhcc.maryland.gov/mhcc/pages/home/regulations/regulations.aspx>

Response:

AAMC Surgery Center – Annapolis maintains a list of charges that is routinely updated. This list is made available to the general public, upon inquiry, information regarding charges for the full range of surgical services that is provided as required by applicable regulations or law.

(b) Each ambulatory surgery center, ambulatory surgical facility, and general hospital shall provide to the public, upon inquiry or as required by applicable regulations, the names of the health carrier networks in which it currently participates.

Response:

AAMC Surgery Center – Annapolis participates in the health carrier networks listed in the following table. AAMC Surgery Center- Annapolis will provide to the public, upon inquiry, the names of all the health network carriers in which each surgeon and other health care practitioners providing services at the facility currently participates.

AAMC Surgery Center – Annapolis Contracted Carriers

| | |
|------------------------|-------------------------|
| Blue Cross Blue Sheild | United Healthcare |
| Medicare | Tricare |
| Cigna | Humana |
| Aetna | Well Point |
| Johns Hopkins | Maryland Physician Care |
| Medicaid | Workers Comp |

(c) Each ambulatory surgery center, ambulatory surgical facility, and general hospital shall provide to the public, upon inquiry, the names of the health carrier networks in which each surgeon and other health care practitioner that provides services at the facility currently participates.

Response:

AAMC Surgery Center – Annapolis participates in the health carrier networks listed in the above table included in the response to criterion (c) above. AAMC Surgery Center- Annapolis, furthermore, will provide to the general public, upon inquiry, the names of all the health network carriers in which each surgeon and other health care practitioners providing services at the facility currently participates.

(d) The Commission shall consider complaints to the Consumer Protection Division in the Office of the Attorney General of Maryland or to the Maryland Insurance Administration when evaluating an applicant’s compliance with this standard in addition to evaluating other sources of information.

Response:

AAMC Surgery Center – Annapolis is not aware of any complaints that have been filed with the Consumer Protection Division in the Office of the Attorney General of Maryland or to the Maryland Insurance Administration regarding current operations.

(e) Providing a patient with an estimate of out-of-pocket charges prior to arrival for surgery shall be a condition of any CON issued by the Commission.

Response:

AAMC Surgery Center – Annapolis provides all patients with an out-of-pocket estimate prior to arrival at the surgery center through our centralized billing office (CBO) and internal business office. AAMC Surgery Center – Annapolis is committed to continuing to provide patients with out-of-pocket estimates when it has been issued a CON to operate as an ASF.

Standard .05(A) (2) Information Regarding Procedure Volume.

Each hospital, ambulatory surgical facility, and ambulatory surgery center shall provide to the public upon inquiry information concerning the volume of specific surgical procedures performed at the location. A hospital, ambulatory surgical facility, or ASC shall provide the requested information on surgical procedure volume for the most recent 12 months available, updated at least annually.

Response:

AAMC Surgery Center – Annapolis will provide, upon inquiry, information concerning the volume of specific surgical procedures it has performed over the most recent previous 12 months available, updated at least annually.

Standard .05(A) (3) Charity Care and Financial Assistance Policy. (See ADDENDUM A: ADDRESSING THE CHARITY CARE STANDARD, attached.)

Each hospital and ambulatory surgical facility shall have a written policy for the provision of charity care and financial assistance regarding free and reduced-cost care to uninsured, underinsured, or indigent patients and shall provide ambulatory surgical services on a charitable basis to qualified persons consistent with the policy. The policy shall include, as applicable below, at a minimum:

(a) Determination of Eligibility for Charity Care or Financial Assistance. Within two business days following a patient's request for charity care services, application for medical assistance, or both, the hospital or ambulatory surgical facility shall make a determination of probable eligibility and notify the patient of that determination.

Response:

AAMC Surgery Center – Annapolis has in place a Financial Assistance Program (FAP) that assists qualified patients to pay for care provided at the center. A written Policy for the provision of complete and partial financial assistance for indigent patients exists to promote access to all services regardless of an individual’s ability to pay. The Financial Assistance and Charity Care Program Policy on the provision of uncompensated care is included in Exhibit 6. The Charity Care and Financial Assistance policy describes in detail the criteria for eligibility.

A patient may express to AAMC Surgery Center – Annapolis either directly or through a referral source a patient’s need for financial assistance at the facility. Once the request for financial assistance is received, within two business days, AAMC Surgery Center – Annapolis’ Business Office Manager, in collaboration with the Medical Executive Committee, shall make a decision about probable eligibility and notify the person by telephone or other primary contact noted on the application.

A patient’s eligibility for financial assistance is based on four criteria:

1. Persons with family income below 100 percent of the current poverty level guideline, has no health insurance coverage, and are not eligible for a public program providing coverage for medical expenses shall be eligible for services free of charge.
2. Persons above 100 percent of the current poverty guideline, but below 200 percent of the federal poverty guideline shall be eligible for services at a discounted charge, based on a sliding scale for family.
3. Proof of income verification of the number of dependents is based upon the previous year’s tax return must be provided. If this is not available, the last two months paycheck stubs will be accepted. Dependents must meet Internal Revenue Service (IRS) definition of dependents to qualify as household members.
4. If the request for assistance is declined and is based on income, AAMC Surgery Center – Annapolis’ MEC shall review the application and consider eligibility on a case-by-case basis.

(b) Notice of Charity Care Policy and Financial Assistance Policy. Public notice and information regarding the hospital or ambulatory surgical facility’s charity care policy shall be disseminated, on an annual basis, through methods designed to best reach the facility’s service area population in a format understandable by the service area population. Notices regarding the facility’s charity care policy shall be posted in the registration area and business office of the facility. This notice shall include general information about who qualifies and how to obtain a copy of the policy or may include a posted copy of the policy. Prior to a patient’s arrival for surgery, the facility shall address any financial concerns of the patient, and individual notice regarding the facility’s charity care policy shall be provided.

Response:

AAMC Surgery Center – Annapolis’ Financial Assistance and Charity Care Policy, described in the preceding response and included in Exhibit 6 includes a plan for achieving the charity care goals that states:

1. Public notice and information regarding the program shall be published on an annual basis on the AAMC Surgery Center website located within www.luminishealth.org, in English and Spanish.
2. The Financial Assistance Program policy and application shall be published on the AAMC website www.luminishealth.org for AAMC Surgery Center – Annapolis, in English and Spanish.
3. Notices shall also be posted in AAMC Surgery Center’s registration and business office, in the reception areas of associate surgeons, and on AAMC’s website – www.luminishealth.org, annually, in English and Spanish.
4. Notice of the program shall be provided to individuals having surgery, by staff of associate surgeon’s, with pre-operative education materials and paperwork.

An example of the public notice is provided in Exhibit 7, Notice of Financial Assistance and Charity Care Program. The Financial Assistance and Charity Care Program is reviewed annually, as stated in the policy, to obtain feedback related to the effectiveness of the communication related to the program and determine if alternative avenues are necessary to disseminate The Financial Assistance and Charity Care Program policy to best suite the needs of the communities served.

(c) Criteria for Eligibility. A hospital shall comply with applicable State statutes and HSCRC regulations regarding financial assistance policies and charity care eligibility. A health maintenance organization, acting as both the insurer and provider of health care services for members, shall have a financial assistance policy for its members that is consistent with the minimum eligibility criteria for charity care required of ambulatory surgical facilities described in these regulations. An ambulatory surgical facility, at a minimum, shall include the following eligibility criteria in its charity care policies:

(i) Persons with family income below 100 percent of the current federal poverty guideline who have no health insurance coverage and are not eligible for any public program providing coverage for medical expenses shall be eligible for services free of charges; and

Response:

AAMC Surgery Center – Annapolis, in this application to establish a new ASF has presented a Charity Care and Financial Assistance Policy, Exhibit 6 that conforms precisely to the criterion of paragraph (i):

1. Eligibility Criteria
 - a. Persons with family income below 100 percent of the current poverty guideline, who have no health insurance coverage and are not eligible for public program providing coverage for medical expenses shall be eligible for services free of

charge.

(ii) Persons with family income above 100 percent of the federal poverty guideline but below 200 percent of the federal poverty guideline shall be eligible for services at a discounted charge, based on a sliding scale of discounts for family income bands.

Response:

AAMC Surgery Center – Annapolis, in this application to establish a new ASF, have presented a Financial Assistance and Charity Care Policy, Exhibit 6 that conforms to the criterion of paragraph (ii):

1. Eligibility Criteria

- a. Persons above 100 percent of the current poverty guideline, but below 200 percent of the federal poverty guideline shall be eligible for services at a discounted charge, based on a sliding scale for family income.

(d) A hospital with a level of charity care, defined as the percentage of total operating expenses that falls within the bottom quartile of all hospitals, as reported in the most recent HSCRC Community Benefit Report, shall demonstrate that its level of charity care is appropriate to the needs of its service area population.

Response:

This criterion is not applicable to the current proposal, as AAMC Surgery Center – Annapolis is not a hospital.

(e) A hospital shall be able to demonstrate that its historic level of charity care or its projected level of charity care is appropriate to the needs of its actual or projected service area population. This demonstration shall include an analysis of the socio-economic conditions of the hospital's actual or projected service area population, a comparison of those conditions with those of Maryland's overall socio-economic indicators, and a comparative analysis of charity care provision by the applicant hospital and other hospitals in Maryland. The socio-economic indicators evaluated shall include median income and type of insurance by zip code area, when available. The analysis provided may also include an analysis of the social determinants of care affecting use of health care facilities and services and the health status of the actual or projected hospital service area population.

Response:

This criterion is not applicable to the current proposal, as AAMC Surgery Center – Annapolis is not a hospital.

(f) An applicant submitting a proposal to establish or expand an ambulatory surgical facility for which third party reimbursement is available, shall commit to provide charitable surgical services to indigent patients that are equivalent to at least the average amount

of charity care provided by ambulatory surgical facilities in the most recent year reported, measured as a percentage of total operating expenses. The applicant shall demonstrate that:

(i) Its track record in the provision of charitable health care facility services supports the credibility of its commitment;

Response:

AAMC Surgery Center – Annapolis has been operating initially as an ASC -1 and currently as an ASC -2 and has not explicitly tracked the amount of charitable care that has been provided. The financial statements reflect an allowance for doubtful accounts as “bad debt” and payor mix also includes patients that are classified as “self-pay.” As a result, AAMC Surgery Center – Annapolis does not have the ability to extract “charity care” from the historical record. We believe AAMC Surgery Center– Annapolis’ charity care is reflected in our “bad debt”.

AAMC Surgery Center – Annapolis bad debt in 2024 was \$141,200, which equates to 1.02 percent of our net patient revenue, and exceeds 1 percent of our total operating expenses, with 1 percent of our total operating expenses being calculated at \$96,500.

AAMC Surgery Center – Annapolis is committed to provide at least 1 percent of operating expenses in charity care percentage with annual review by the Governing Board.

(ii) It has a specific plan for achieving the level of charitable care provision to which it is committed; and

Response:

AAMC Surgery Center – Annapolis seeks approval to establish an ASF. A copy of the Charity Care and Financial Assistance Policy is included in Exhibit 6 that conforms to the applicable standards for ASFs. The Charity Care and Financial Assistance Policy is published on our website, located at https://www.luminishealth.org/en/policies/outpatient-surgery-centers-financial-assistance?language_content_entity=en, to include both English and Spanish versions.

AAMC Surgery Center – Annapolis is committed to monitoring adherence to achieving the level of charitable care as measured as a percentage of total operating expenses as a standard agenda item at quarterly Quality Assurance (QI) meetings and reported to the Governing Board, MEC, and partnership in scheduled quarterly meetings as a standard agenda item. Data for reporting will be extrapolated from AAMC Surgery Center – Annapolis’ healthcare systems and technologies platform, which will provide documentation of charity care performance standards. In addition, AAMC Surgery Center – Annapolis has instituted mechanisms to disseminate information to the community, informing the community of The Financial Assistance and Charity Care Program offered. Notice of Financial Assistance and Charity Care Program is posted on our website, located at https://www.luminishealth.org/en/policies/outpatient-surgery-centers-financial-assistance?language_content_entity=en, in our Business Office, at our front reception area, and in our physician offices.

(iii) If an existing ambulatory surgical facility has not met the expected level of charity care for the two most recent years reported to the Commission, the applicant shall demonstrate that its historic level of charity care was appropriate to the needs of its service area

population.

Response:

This criterion is not applicable to the current proposal, as AAMC Surgery Center – Annapolis is not an existing ambulatory surgical facility.

(g) A health maintenance organization, acting as both the insurer and provider of health care services for members, if applying for a Certificate of Need for a surgical facility project, shall make a commitment to provide charitable services to indigent patients. Charitable services may be surgical or non-surgical and may include charitable programs that subsidize health plan coverage. At a minimum, the amount of charitable services provided as a percentage of total operating expenses for the health maintenance organization will be equivalent to the average amount of charity care provided statewide by ambulatory surgical facilities, measured as a percentage of total ambulatory surgical facility expenses, in the most recent year reported. The applicant shall demonstrate that:

Response:

This criterion is not applicable to the current proposal, as AAMC Surgery Center – Annapolis is not a health maintenance organization.

(i) Its track record in the provision of charitable health care facility services supports the credibility of its commitment;

(ii) It has a specific plan for achieving the level of charitable care provision to which it is committed; and

(iii) If the health maintenance organization’s track record is not consistent with the expected level for the population in the proposed service area, the applicant shall demonstrate that its historic level of charity care was appropriate to the needs of the population in the proposed service area.

Standard .05(A)(4) Quality of Care.

A facility providing surgical services shall provide high quality care.

(a) An existing hospital or ambulatory surgical facility shall document that it is licensed, in good standing, by the Maryland Department of Health.

Response:

Anne Arundel – SCA Surgicenter, LLC, d/b/a AAMC Surgery Center – Annapolis, located at 904 Commerce Road, Annapolis, Maryland 21401, is licensed by the State of Maryland Department of Health as a Freestanding Ambulatory Surgical Facility: State License #A1727. AAMC Surgery Center – Annapolis operates as a two operating room facility.

A copy of the Maryland Department of Health License is provided in Exhibit 8.

(b) A hospital shall document that it is accredited by the Joint Commission or other accreditation organization recognized by the Centers for Medicare and Medicaid and the Maryland Department of Health as acceptable for obtaining Medicare certification and Maryland licensure.

Response:

This criterion is not applicable. AAMC Surgery Center – Annapolis is not a hospital.

(c) An existing ambulatory surgical facility or ASC shall document that it is:

(i) In compliance with the conditions of participation of the Medicare and Medicaid programs;

Response:

AAMC Surgery Center – Annapolis is in compliance with the conditions of participation of the Medicare and Medicaid programs.

A copy of the Centers for Medicare & Medicaid Services letter of approval is attached in Exhibit 9.

(ii) Accredited by the Joint Commission, the Accreditation Association for Ambulatory Health Care, the American Association for Accreditation of Ambulatory Surgery Facilities, or another accreditation agency recognized by the Centers for Medicare and Medicaid Services as acceptable for obtaining Medicare certification; and

Response:

AAMC Surgery Center – Annapolis is accredited by the Accreditation Association for Ambulatory Health Care.

A copy of the Accreditation Notification certificate, Accreditation Term to expire April 24, 2026, is provided in Exhibit 10.

(iii) A provider of quality services, as demonstrated by its performance on publicly reported performance measures, including quality measures adopted by the Centers for Medicare and Medicaid Services. The applicant shall explain how its ambulatory surgical facility or each ASC, as applicable, compares on these quality measures to other facilities that provide the same type of specialized services in Maryland.

Response:

AAMC Surgery Center – Annapolis is enrolled in the Quality Net Program. Exhibit 11 contains the report of Publicly Reported Data, which demonstrates successful submission and compliance for the required reporting period.

The Publicly Reported Data for each measure demonstrates the high quality of services that are delivered at AAMC Surgery Center – Annapolis.

(d) An applicant seeking to establish an ambulatory surgical facility shall:

(i) Demonstrate that the proposed facility will meet or exceed the minimum requirements for licensure in Maryland in the areas of administration, personnel, surgical services provision, anesthesia services provision, emergency services, hospitalization, pharmaceutical services, laboratory and radiologic services, medical records, and physical environment;

(ii) Agree that, within two years of initiating service at the facility, it will obtain accreditation by the Joint Commission, the Accreditation Association for Ambulatory Health Care, or the American Association for Accreditation of Ambulatory Surgery Facilities or another accreditation organization recognized by the Centers for Medicare and Medicaid Services as acceptable for obtaining Medicare certification and approved by the State of Maryland; and

(iii) Acknowledge in writing that, if the facility fails to obtain the accreditation in subparagraph (ii) on a timely basis, it shall voluntarily suspend operation of the facility.

Response:

AAMC Surgery Center – Annapolis currently meets the minimum requirements for licensure in the state of Maryland in areas to include administration, personnel, surgical services provision, anesthesia services provision, emergency services, hospitalization, pharmaceutical services, laboratory and radiologic services, medical records, and physical environment for an ASC – 2. AAMC Surgery Center – Annapolis will continue to meet the minimum requirements of an ASF if approved.

In response to subpart (ii), AAMC Surgery Center – Annapolis is accredited by the Accreditation Association for Ambulatory Health Care. Our accreditation term is due to expire on April 24, 2026, and AAMC Surgery Center – Annapolis is committed to renew the accreditation at the end of the current term. Failure to renew the accreditation on a timely basis, in response to subpart (iii), AAMC Surgery Center agrees to voluntarily suspend operation of the facility.

(e) An applicant or a related entity that currently or previously has operated or owned one or more ASCs or ambulatory surgical facilities in or outside of Maryland, in the five years prior to the applicant’s filing of an application to establish an ambulatory surgical facility, shall provide details regarding the quality of care provided at each such ASC or ambulatory surgical facility including information on licensure, accreditation, performance metrics, and other relevant information.

Response:

AAMC Surgery Center – Annapolis currently operates Anne Arundel – SCA Surgicenter, LLC d/b/a AAMC Surgery Center – Pasadena, located at 8109 Ritchie Highway, Suite 250, Pasadena, Maryland 21122, is licensed by the State of Maryland Department of Health as a Freestanding Ambulatory Surgical Facility: State License #A1613. AAMC Surgery Center – Pasadena operates as a two operating room and one procedure room facility.

A copy of the Maryland Department of Health License is provided in Exhibit 12.

AAMC Surgery Center – Pasadena currently meets the minimum requirements for licensure in the state of Maryland in areas to include administration, personnel, surgical services provision, anesthesia services provision, emergency services, hospitalization, pharmaceutical services, laboratory and radiologic services, medical records, and physical environment for an ASC – 2.

AAMC Surgery Center – Pasadena is accredited by the Accreditation Association for Ambulatory Health Care.

A copy of the Accreditation Notification, Accreditation Term to expire April 10, 2028, is provided in Exhibit 13.

AAMC Surgery Center – Pasadena is enrolled in the Quality Net Program. Exhibit 14 contains the report of Publicly Reported Data, which demonstrates successful submission and compliance for performance metrics for the required reporting period, January 01, 2025 – May 15, 2025.

Standard .05(A) (5) Transfer Agreements.

(a) Each hospital shall have arrangements for transfer of surgical patients to another hospital that comply with the requirements of Health-General Article §19-308.2.

Response:

This criterion is not applicable. AAMC Surgery Center – Annapolis is not a hospital.

(b) Each ambulatory surgical facility shall have a process for assuring the emergency transfer of surgical patients to a hospital that complies with the requirements of COMAR 10.05.05.09.

Response:

AAMC Surgery Center – Annapolis has a well-defined policy and procedure for the transfer of all emergent and non-emergent transfers from the facility when care exceeds the capabilities of the facility. Exhibit 15 is the written transfer agreement between AAMC Surgery Center - Annapolis and Luminis Health Anne Arundel Medical Center (Hospital), requiring physicians to have admitting privileges at a Medicare participating hospital, a mechanism for notifying the hospital of a pending emergency case, a mechanism for arranging appropriate transport to the hospital, and a manner in which the facility sends a copy of the patient’s medical record to the hospital. AAMC Surgery Center – Annapolis’ policy 10412_Patient Transfer to a Hospital is provided in Exhibit 16.

B. Project Review Standards.

The standards in this regulation govern reviews of Certificate of Need applications involving surgical facilities and services. An applicant for a Certificate of Need shall demonstrate consistency with all applicable review standards.

Standard .05B (1) Service Area.

An applicant proposing to establish a new hospital providing surgical services or an ambulatory surgical facility shall identify its projected service area. An applicant proposing to expand the number of operating rooms at an existing hospital or ambulatory surgical facility shall document its existing service area, based on the origin of patients served.

Response:

AAMC Surgery Center – Annapolis is located in Anne Arundel County Maryland. The Service Area of AAMC Surgery Center – Annapolis lies within the state of Maryland. Recent patient data reflects those patients residing in 184 ZIP codes located within 21 counties, plus Baltimore City, and account for 98% of cases performed at AAMC Surgery Center – Annapolis. The total number of patients accounted for was 2137 and includes all surgeries and procedures performed in the operating room in calendar year 2024. The following data table represents data for a twelve-month period from January 01, 2024, through December 31, 2024.

AAMC Surgery Center - Annapolis
 Patient Origin
 January 01, 2024 through December 31, 2024

| State | County | Case Count | Pct Total |
|-----------------------------|------------------|-------------|-------------|
| MD | Anne Arundel | 1250 | 58.49% |
| MD | Baltimore City | 16 | 0.75% |
| MD | Baltimore County | 18 | 0.84% |
| MD | Calvert | 151 | 7.07% |
| MD | Caroline | 31 | 1.45% |
| MD | Carroll | 6 | 0.28% |
| MD | Cecil | 1 | 0.05% |
| MD | Charles | 17 | 0.80% |
| MD | Dorchester | 10 | 0.47% |
| MD | Fredrick | 6 | 0.28% |
| MD | Garrett | 1 | 0.05% |
| MD | Harford | 4 | 0.19% |
| MD | Howard | 25 | 1.17% |
| MD | Kent | 18 | 0.84% |
| MD | Montgomery | 15 | 0.70% |
| MD | Prince Georges | 265 | 12.40% |
| MD | Queen Annes | 163 | 7.63% |
| MD | Saint Marys | 28 | 1.31% |
| MD | Talbot | 49 | 2.29% |
| MD | Washington | 1 | 0.05% |
| MD | Wicomico | 6 | 0.28% |
| MD | Worcester | 5 | 0.23% |
| Total Service Area | | 2086 | 97.62% |
| Outside Service Area | | 51 | 2.40% |
| Total Cases | | 2137 | 100% |

| | | | |
|----------------|--|-------------|-------------|
| MD | | 2070 | 97.61% |
| Baltimore City | | 16 | 0.75% |
| CA | | 2 | 0.09% |
| Canada | | 1 | 0.05% |
| DC | | 8 | 0.37% |
| DE | | 16 | 0.74% |
| FL | | 4 | 0.19% |
| NC | | 1 | 0.05% |
| NJ | | 1 | 0.05% |
| PA | | 6 | 0.28% |
| SD | | 1 | 0.05% |
| VA | | 6 | 0.28% |
| WV | | 5 | 0.23% |
| | | 2137 | 100% |

Source: Internal Records HST Pathways

Classified as Confidential

As the information in the table shows, more than 70 percent of patients treated at AAMC Surgery Center – Annapolis during the reference period resided in ZIP codes in just two counties in Maryland. The preponderance of these patients (58.49 percent) resided in Anne Arundel County, Maryland.

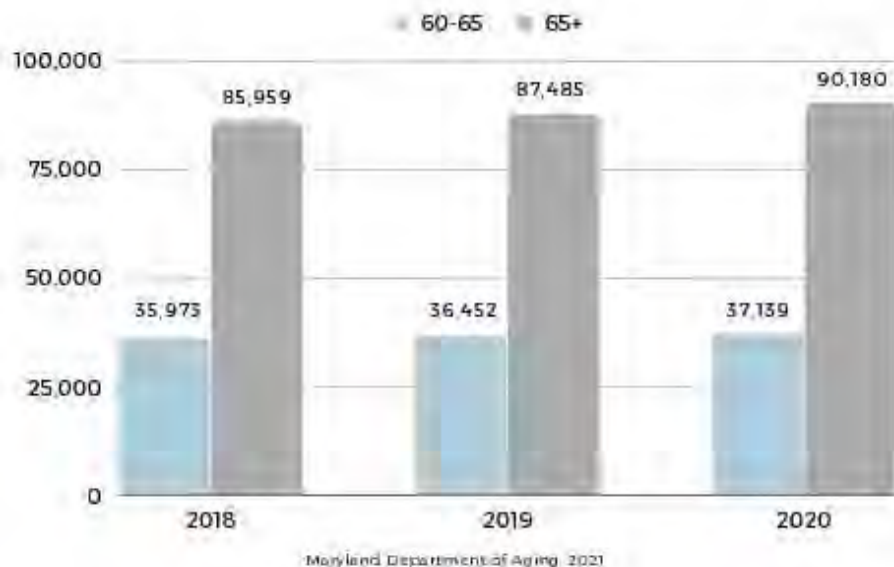
A map of the Service Area is depicted below to include the total population per county in Maryland.



Anne Arundel County is geographically the Maryland county most proximate to AAMC Surgery Center – Annapolis, accounting for more than half (58.49 percent) of all procedures performed.

Furthermore, the number of older Marylanders is increasing, with 22.62 percent aged 60 and over. The Anne Arundel County sixty and older population is expected to rise over 27 percent between 2020 and 2045. In 2020, 62.8 percent of Marylander’s aged sixty and older reside in Baltimore City, Anne Arundel, Baltimore, Montgomery and Prince George’s counties. This accounts for 73.18 percent of all patients served at AAMC Surgery Center – Annapolis.

Anne Arundel Senior Population Growth, 2018-2020



Based on the Service Area and associated population and population growth, AAMC Surgery Center offers a wide variety of orthopedic surgical procedures, addressing the needs of the Service Area and lending to probable continued growth in utilization, especially in the sixty and older cohort.

Standard .05B (2) Need - Minimum Utilization for Establishment of a New or Replacement Facility.

An applicant proposing to establish or replace a hospital or ambulatory surgical facility shall:

- (a) Demonstrate the need for the number of operating rooms proposed for the facility, consistent with the operating room capacity assumptions and other guidance included in Regulation .06 of this Chapter.

Response:

The following table demonstrates the need for the proposed OR capacity at AAMC Surgery Center – Annapolis. The data reflects, AAMC Surgery Center – Annapolis, by the first full year after implementation of the proposal (2027) the projected volume supports the need for three operating rooms, consistent with the standards of COMAR 10.24.11.06.

**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 | 1802 | 2137 | 1943 | 2561 | 3102 | 3179 | 3179 |
| Total Surgical Minutes in OR | 162,048 | 182,341 | 170,867 | 225,214 | 272,789 | 279,561 | 279,561 |
| OR Turnaround Minutes, 20 minutes per case | 36,040 | 42,740 | 38,860 | 51,220 | 62,040 | 63,580 | 63,580 |
| Total OR minutes, including Turnover | 198,088 | 225,081 | 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 | 3,648.00 | 3,648.00 | 3,648.00 | 5,472.00 | 5,472.00 | 5,472.00 | 5,472.00 |
| Utilization Percent | 90.5% | 102.8% | 95.8% | 84.2% | 102.0% | 104.5% | 104.5% |
| OR Need (Total Hours/1,824) | 1.81 | 2.06 | 1.92 | 2.53 | 3.06 | 3.14 | 3.14 |

Note: Optimal Capacity is 1,824 hours per year.

Discussion of the assumptions and additional supporting information for the projections are provided in the response to paragraph (d) below.

(b) Provide a needs assessment demonstrating that each proposed operating room is likely to be utilized at optimal capacity or higher levels within three years of the initiation of surgical services at the proposed facility, consistent with Regulation .06 of this Chapter.

Response:

The proposed additional operating room will be identical to the existing two operating rooms in functionality and basic equipment. AAMC Surgery Center – Annapolis will share equally in current surgical cases and future cases. The following table demonstrates the need for the proposed additional OR capacity being requested at AAMC Surgery Center- Annapolis. As calculations indicate, the projected volume supports the need for the additional operating room, exceeding the standards of COMAR 10.24.11.06, which only require that the proposed operating room will be utilized at optimal capacity by the third year of operation.

**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) | 61.0% | 114.0% | 122.0% | 122.0% |
| Utilization, Percent | 0.61 | 1.14 | 1.22 | 1.22 |

Note: Optimal Capacity is 1,824 hours per year.

Discussion of the assumptions and additional supporting information for the projections are provided in the response to paragraph (d) below.

(c) An applicant proposing to establish or replace a hospital shall submit a needs assessment that includes the following:

- (i) Historic trends in the use of surgical facilities for inpatient and outpatient surgical procedures by the new or replacement hospital’s likely service area population;
- (ii) The operating room time required for surgical cases projected at the proposed new or replacement hospital by surgical specialty or operating room category; and
- (iii) In the case of a replacement hospital project involving relocation to a new site, an analysis of how surgical case volume is likely to change as a result of the relocation.

Response:

The criteria of paragraphs (i) through (iii) are not applicable to the current proposal as AAMC Surgery Center – Annapolis is not a hospital.

(d) An applicant proposing the establishment of a new ambulatory surgical facility shall submit a needs assessment that includes the following:

- (i) Historic trends in the use of surgical facilities for outpatient surgical procedures by the proposed facility’s likely service area population;
- (ii) The operating room time required for surgical cases projected at the proposed facility by surgical specialty or, if approved by Commission staff, another set of categories; and
- (iii) Documentation of the current surgical caseload of each physician

likely to perform surgery at the proposed facility.

Response:

AAMC Surgery Center - Annapolis has been in continuous operation since 2020, initially as an ASC-1, currently as an ASC -2, with two operating rooms and no procedure rooms. The data presented in the below table shows that AAMC Surgery Center – Annapolis has experienced a steadily increasing volume. It is expected that AAMC Surgery Center – Annapolis will continue to experience growth following the approval of a third operating room. It is important to clarify that AAMC Surgery Center – Annapolis tracks surgical activity by the number of cases rather than by the number of individual procedures performed. While multiple procedures can be performed within a single case, our reporting systems are configured to capture case counts only. As such, the total number of procedures performed in the operating rooms is recorded as zero in our system, which reflects this data tracking methodology rather than an absence of surgical activity.

**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 | 1802 | 2137 | 1943 | 2561 | 3102 | 3179 | 3179 |
| Total Surgical Minutes in ORs ** | 162,048 | 182,341 | 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 | 1802 | 2137 | 1943 | 3011 | 3946 | 4079 | 4079 |

*** Does not include turnover time*

The projection for utilization of AAMC Surgery Center – Annapolis after implementation of the third operating room and addition of one procedure room is based on two components:

- Baseline of current case volumes being performed at AAMC Surgery Center – Annapolis in the current year.
- The anticipated market growth in population of AAMC Surgery Center – Annapolis’ direct Service Area, specifically in the sixty and older age cohort.

Historically, based on the preceding information presented of the population of AAMC Surgery Center – Annapolis’ Service Area, 58.49 percent of overall case volumes currently being performed are from Anne Arundel County, the closest county in proximity to AAMC Surgery Center – Annapolis. The older population of sixty and older is expected to increase in Anne Arundel County, and with this population being most susceptible to injury or condition that requires surgical intervention, it is probable that AAMC Surgery Center – Annapolis will see a volume utilization increase. The Advisory Board projects outpatient orthopedics in the direct Service Area of AAMC Surgery Center – Annapolis to increase 6.4 percent in five years; Joint Replacement is due to increase 35 percent in five years (2024 – 2029). The market growth is expected to be 2,600 cases and statewide growth in Joint Replacement by 2029 is expected to be 7,400 additional cases.

The following Table below will demonstrate the projected utilization from the current year (2025) through the year ending December 31, 2029, separated into the projected stream of patients to the ASC.

**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 |

The addition of cases from the current Service Area is inferred based on the projected population growth and some acute care patient’s eligibility to have surgical procedure in the ASC setting. The baseline volume captures the support currently and in the future of the AAMC Surgery Center – Annapolis surgeons.

The surgeons of AAMC Surgery Center – Annapolis perform surgeries primarily at

- Luminis Health Anne Arundel Medical Center
- AAMC Surgery Center - Pasadena

Emphasis is placed on the anticipated market growth in outpatient orthopedic patients in AAMC Surgery Center – Annapolis’ direct Service Area, and existing volume increases and utilization. To a lesser degree, migration of cases from the acute care hospital setting to the ASC that are identified as ASC eligible, primary patients identifying factors as the American Society of Anesthesiologists (ASA) Physical Classification System that is used to identify a patient’s health status and predict perioperative risk was utilized to determine patient’s eligibility. Patients with an ASA classification of one or two were identified as appropriate based on eligibility and

perioperative risk. Furthermore, efficiency, staff familiarity, and patient safety are enhanced by the consolidation of cases to AAMC Surgery Center – Annapolis.

As a component of this application, each AAMC Surgery Center – Annapolis surgeon has provided an Individual Provider Submission. The Submissions include, but are not limited to, the projected case volumes and the originating facilities for these anticipated cases. The Individual Physician Submissions have been included in Exhibit 17. The thirty-three AAMC Surgery Center – Annapolis physicians demonstrate their commitment to the ASC by the sustained volume on their current levels of service.

Standard .05B (3) Need - Minimum Utilization for Expansion of An Existing Facility.

An applicant proposing to expand the number of operating rooms at an existing hospital or ambulatory surgical facility shall:

(a) Demonstrate the need for each proposed additional operating room, utilizing the operating room capacity assumptions and other guidance included at Regulation .06 of this Chapter;

(b) Demonstrate that its existing operating rooms were utilized at optimal capacity in the most recent 12-month period for which data has been reported to the Health Services Cost Review Commission or to the Maryland Health Care Commission; and

(c) Provide a needs assessment demonstrating that each proposed operating room is likely to be utilized at optimal capacity or higher levels within three years of the completion of the additional operating room capacity, consistent with Regulation .06 of this chapter. The needs assessment shall include the following:

(i) Historic and projected trends in the demand for specific types of surgery among the population in the proposed service area;

(ii) Operating room time required for surgical cases historically provided at the facility by surgical specialty or operating room category; and

(iii) Projected cases to be performed in each proposed additional operating room.

Response:

The criteria of Standard 05B (3) are not applicable to the current proposal as AAMC Surgery Center – Annapolis’ proposal is to establish a new ASF.

Standard .05B (4) Design Requirements.

Floor plans submitted by an applicant must be consistent with the current FGI Guidelines:

(a) A hospital shall meet the requirements in current Section 2.2 of the FGI

Guidelines.

(b) An ambulatory surgical facility shall meet the requirements in current Section 3.7 of the FGI Guidelines.

(c) Design features of a hospital or ambulatory surgical facility that are at variance with the current FGI Guidelines shall be justified. The Commission may consider the opinion of staff at the Facility Guidelines Institute, which publishes the FGI Guidelines, to help determine whether the proposed variance is acceptable.

Response:

AAMC Surgery Center – Annapolis’ architects have confirmed that the design and construction of the proposed renovation of adjacent space will adhere to the most up to date requirements of the FGI guidelines presented in Exhibit 18.

Standard .05B (5) Support Services.

Each applicant seeking to establish or expand an ambulatory surgical facility shall provide or agree to provide laboratory, radiology, and pathology services as needed, either directly or through contractual agreements, in compliance with COMAR 10.05.05.

Response:

AAMC Surgery Center – Annapolis has established procedures to provide laboratory services for patients through contractual agreements with Luminis Health – Anne Arundel Medical Center and by way of a CLIA waived certification and State Letter of Permit Exception provided in Exhibit 19.

Staff complete annual competencies on the safe handling and labeling of laboratory specimens. The procedure defines the process for obtaining a specimen and notification of pick-up of that specimen. Competencies are completed via annual written competency maintained at the facility.

Notification of Stat/Critical results are called to the Licensed Independent Practitioner (LIP) within 24-hours upon determination that the value of the test is at critical limits. The Procedure defines the process for surgeon notification of test results and documentation in the electronic health record.

See Exhibit 20:

- 10144_Pathology Specimens
- 13010_Formalin Use in the OR
- 9037_Handling of Biohazardous Waste
- SS_10416_Critical Results of Tests and Diagnostic Procedures Reporting Of
- Competency Verification Tool-Specimen Management, All Specimens – RN or Non-RN

Diagnostic radiology services are provided through the provision of C-Arm's that are available within the operating room suites.

Staff complete annual competencies related to Radiation Safety. Competencies are completed on a platform called UKG Pro Learning, titled Radiation Safety on an annual basis and as necessary. The surgeon is responsible for operating the foot pedal, controlling the emission for radiation or a certified X-Ray technician will be available.

Radiation safety techniques include but are not limited to lead shields and lead aprons to reduce exposure to both patients and staff alike.

Annual competency is measured for staff. Competencies are assigned annually, with a due date. Failure to complete assigned competencies by the specified due date results in the inability to perform clinical tasks, up and until competencies are completed with 100 percent completion percentage.

Exhibit 21:

13006_Radiation Safety Program

13006A_ Monthly Radiation Exposure Monitoring (Dosimeter)

10150_Radiation Exposure - Patients

Standard .05B (6) Patient Safety.

The design of proposed surgical facilities or changes to existing surgical facilities shall include features that enhance and improve patient safety. An applicant shall:

(a) Document the manner in which the planning of the project took patient safety into account; and

Response:

An initial risk assessment was completed to define potential risks that may be incurred by patients related to the renovations proposed. AAMC Surgery Center – Annapolis has developed strict limitations and restrictions during renovations to ensure the highest level of patient safety. The risk assessment defined an area in the semi-sterile corridor that will be used to access the adjacent space, allowing continuity between the existing space. Anteroom walls will be utilized as a temporary barrier to isolate contaminated areas to prevent the spread of any particulate, harmful debris, and potential airborne pathogens that could be generated during renovation. Additionally, terminal cleaning schedules will be modified to accommodate the renovation schedule and ensure cleanliness of operational spaces during renovation.

AAMC Surgery Center – Annapolis will continue to provide surgical services to patients in the community during the renovation period. AAMC Surgery Center – Annapolis is licensed by the Maryland Department of Health and accredited by AAAHC and is committed to adhering to standards for patient safety as defined by licensure and accreditation requirements. The renovation will be conducted in a fashion so as not to be in violation of these standards.

Defined Infection Control Plan:

1. Work in the adjacent space is to be completed prior to opening the wall to provide continuity between the existing space and renovated space. Only after work has been completed in the adjacent space will the opening be cut and the formation of an anteroom wall will be utilized as a temporary barrier.
2. While the anteroom wall barrier is in place, work will be completed on the weekends as to avoid disruption in patient flow and decrease the risk for infection while patients are present in the surgery center.
3. Upon completion of work on Sundays, a scheduled terminal cleaning will occur, and a checklist will be completed by the cleaning staff.
4. Prior to the resumption of cases on Monday mornings, the facility administrator or designee will complete a walk through the spaces to ensure all areas are free from particulate and harmful debris and ensure air flow and systems are in working order.
5. Once the construction contract is signed, bi-weekly meetings will be held with all parties involved to include the construction and design team, facility administrator, clinical staff, infection control coordinator, and Director of Nursing with a standing agenda item for infection control, allowing review of all impacted areas, review of the infection control plan, and address any infection control concerns that arise during the construction/renovations phase.

(b) Provide an analysis of patient safety features included in the design of proposed new, replacement, or renovated surgical facilities.

Response:

Renovation of adjacent space and procedure room conversion follow all accreditation and Maryland safety standards and guidelines available. Exhibit 18 serves as confirmation of AAMC Surgery Center – Annapolis ‘steadfast commitment to maintaining and full compliance with accreditation and Maryland safety standards and regulatory guidelines.

Standard .05B (7) Construction Costs.

The cost of constructing surgical facilities shall be reasonable and consistent with current industry cost experience.

(a) Hospital projects.

(i) The projected cost per square foot of a hospital construction or renovation project that includes surgical facilities shall be compared to the benchmark cost of good quality Class A hospital construction given in the Marshall Valuation Service® guide, updated using Marshall Valuation Service® update multipliers, and adjusted as shown in the Marshall

Valuation Service® guide as necessary for site terrain, number of building levels, geographic locality, and other listed factors.

(ii) If the projected cost per square foot exceeds the Marshall Valuation Service® benchmark cost, any adjustment of the hospital's global budget revenue authorized for the hospital related to the capital cost of the project shall not include:

1. The amount of the projected construction cost and associated capitalized construction cost that exceeds the Marshall Valuation Service® benchmark; and

2. Those portions of the contingency allowance, inflation allowance, and capitalized construction interest expenditure that are based on the excess construction cost.

Response:

The preceding criteria are not applicable to the current proposal as AAMC Surgery Center – Annapolis is not a hospital.

(b) Ambulatory Surgical Facilities.

(i) The projected cost per square foot of new construction shall be compared to the benchmark cost of good quality Class A construction given in the Marshall Valuation Service® guide, updated using Marshall Valuation Service® update multipliers, and adjusted as shown in the Marshall Valuation Service® guide as necessary for site terrain, number of building levels, geographic locality, and other listed factors. This standard does not apply to the costs of renovation or the fitting out of shell space.

(ii) If the projected cost per square foot of new construction exceeds the Marshall Valuation Service® benchmark cost by 25% or more, then the applicant's project shall not be approved unless the applicant demonstrates the reasonableness of the construction costs. Additional independent construction cost estimates or information on the actual cost of recently constructed surgical facilities similar to the proposed facility may be provided to support an applicant's analysis of the reasonableness of the construction costs.

Response:

The provisions of the criteria (i) and (ii) are not applicable to the current proposal as AAMC Surgery Center – Annapolis does not propose to undertake any new construction, only renovation of adjacent space in connection with this project.

Standard .05B (8) Financial Feasibility.

A surgical facility project shall be financially feasible. Financial projections filed as part of an application that includes the establishment or expansion of surgical facilities and services shall be accompanied by a statement containing each assumption used to develop the projections.

(a) An applicant shall document that:

(i) Utilization projections are consistent with observed historic trends in use of each applicable service by the likely service area population of the facility;

Response:

As reported in response to Standard .05B (2), the utilization projections for AAMC Surgery Center – Annapolis align with historical utilization trends, and reflect anticipated population growth within the defined service area.

(ii) Revenue estimates are consistent with utilization projections and are based on current charge levels, rates of reimbursement, contractual adjustments and discounts, bad debt, and charity care provision, as experienced by the applicant facility or, if a new facility, the recent experience of similar facilities.

Response:

AAMC Surgery Center – Annapolis’ revenue estimates are consistent with its utilization projections and are based on the current charge levels, rates of reimbursement, contractual adjustments and discounts, bad debt, and charity care provision, as experienced by AAMC Surgery Center – Annapolis.

(iii) Staffing and overall expense projections are consistent with utilization projections and are based on current expenditure levels and reasonably anticipated future staffing levels as experienced by the applicant facility, or, if a new facility, the recent experience of similar facilities; and

Response:

AAMC Surgery Center – Annapolis’ staffing and overall expense projections are consistent with its utilization projections and are based on current expenditure levels and reasonably anticipated future staffing levels as experienced by AAMC Surgery Center – Annapolis.

(iv) The hospital or ambulatory surgical facility will generate excess revenues over total expenses for the specific services affected by the project (including debt service expenses and plant and equipment depreciation), if utilization forecasts are achieved for the specific services affected by the project within five years of initiating operations.

Response:

As demonstrated in the financial schedules, the proposed ASF will generate excess revenue over total expenses for the specific services affected by the project (including debt service expenses and plant and equipment depreciation), utilization forecasts are achieved for the specific services affected by the project within five years of initiating operation.

(b) A project that does not generate excess revenues over total expenses even if utilization forecasts are achieved for the services affected by the project may be approved upon

demonstration that overall facility financial performance will be positive and that the services will benefit the facility's primary service area population.

Response:

This standard is not applicable as AAMC Surgery Center – Annapolis projects excess revenue over total expenses.

Standard .05B (9) Impact. (See addendum B: providing individual physician volume data.)

(a) An application to establish a new ambulatory surgical facility shall present the following data as part of its impact assessment, in addition to addressing COMAR 10.24.01.08G(3)(f):

(i) The number of surgical cases projected for the facility and for each physician and other practitioner;

Response:

The below Table will show the number of projected surgical cases to be performed in the operating rooms and the number of procedures projected to be performed in the procedure room at AAMC Surgery Center – Annapolis through 2028. A separate projection for the thirty-three physicians who currently practice at AAMC Surgery Center – Annapolis is also displayed in the below tables.

AAMC Surgery Center - Annapolis
 Projected Surgery Cases, By Physician

| Operating Room (Surgery) Cases | | | | | |
|--------------------------------|------------|------|-----------|------|------|
| | Historical | | Projected | | |
| Physician | 2023 | 2024 | 2025 | 2026 | 2027 |
| | 139 | 143 | 145 | 175 | 180 |
| | 0 | 18 | 21 | 26 | 26 |
| | 32 | 35 | 40 | 48 | 50 |
| | 265 | 271 | 292 | 353 | 362 |
| | 42 | 39 | 56 | 68 | 70 |
| | 4 | 47 | 40 | 48 | 50 |
| | 96 | 103 | 108 | 131 | 134 |
| | 0 | 42 | 49 | 60 | 61 |
| | 16 | 24 | 28 | 34 | 35 |
| | 15 | 31 | 29 | 36 | 37 |
| | 0 | 1 | 1 | 1 | 1 |
| | 47 | 45 | 42 | 51 | 53 |
| | 39 | 57 | 75 | 91 | 93 |
| | 150 | 150 | 206 | 249 | 256 |
| | 76 | 52 | 71 | 85 | 88 |
| | 35 | 34 | 41 | 50 | 51 |
| | 0 | 22 | 27 | 33 | 34 |
| | 27 | 26 | 38 | 46 | 47 |
| | 36 | 24 | 39 | 47 | 48 |
| | 209 | 282 | 329 | 399 | 409 |
| | 52 | 54 | 41 | 50 | 51 |
| | 38 | 25 | 34 | 41 | 42 |
| | 35 | 104 | 132 | 160 | 164 |
| | 99 | 157 | 173 | 209 | 215 |
| | 49 | 59 | 66 | 80 | 82 |
| | 232 | 236 | 292 | 353 | 362 |
| | 14 | 14 | 16 | 20 | 20 |
| | 0 | 8 | 8 | 10 | 10 |
| | 24 | 17 | 14 | 17 | 18 |
| | 26 | 16 | 25 | 30 | 31 |
| | 0 | 0 | 41 | 50 | 51 |
| | 0 | 0 | 40 | 48 | 50 |
| Total: | 1797 | 2136 | 2561 | 3102 | 3179 |

**AAMC Surgery Center - Annapolis
Projected Procedure Room Cases, By Physician**

| Procedure Room Cases | | | | | |
|----------------------|------------|------|-----------|------|------|
| | Historical | | Projected | | |
| Physician | 2023 | 2024 | 2025 | 2026 | 2027 |
| | 0 | 0 | 450 | 844 | 900 |

(ii) A minimum of two years of historic surgical case volume data for each physician or other practitioner, identifying each facility at which cases were performed and the average operating room time per case. Calendar year or fiscal year data may be provided as long as the time period is identified and is consistent for all physicians and other practitioners; and

Response:

The below Table shows the number of cases performed by physicians credentialed to perform cases at AAMC Surgery Center – Annapolis at hospital outpatient surgery departments and ambulatory surgery centers.

The data encompasses calendar years 2023 and 2024, the most recent past two years AAMC Surgery Center – Annapolis operated as an ASC -2.

AAMC Surgery Center – Annapolis does not have access to operating rooms times per case for cases performed at other facilities.

All hospital outpatient surgery departments and ambulatory surgery centers are located in the state of Maryland, where all thirty-three physicians have privileges.

AAMC Surgery Center - Annapolis
 Cases Performed at Other ASC and HOPDL locations by Physicians at AAMC Surgery Center - Annapolis
 2024

| Physician | HOPD | | Other ASC Locations | Total Cases Eligible for Migration from Other Sites |
|---------------|--|---|--------------------------------|---|
| | Luminis Health Anne Arundel Medical Center | Luminis Health Doctors Community Medical Center | AAMC Surgery Center - Pasadena | |
| | 128 | | | 20 |
| | 200 | | 29 | 118 |
| | 148 | | 453 | 94 |
| | 25 | | | 2 |
| | | 423 | 1360 | 423 |
| | 81 | | 182 | 28 |
| | 48 | | | 21 |
| | 36 | | | 22 |
| | 32 | | | 3 |
| | 192 | | | 20 |
| | 52 | | 484 | 22 |
| | 144 | | 208 | 80 |
| | 79 | | 280 | 42 |
| | 141 | | 175 | 68 |
| | 227 | 87 | 17 | 111 |
| | 22 | | | 3 |
| | 33 | | | 3 |
| | 329 | | | 35 |
| | 109 | | 87 | 68 |
| | 10 | | 0 | 2 |
| | 122 | | 376 | 82 |
| | 22 | | | 4 |
| | 24 | | | 6 |
| | 297 | | | 45 |
| | 36 | | | 4 |
| | 27 | | | 9 |
| | 367 | | | 89 |
| | 248 | | | 20 |
| | 35 | | | 4 |
| | 436 | | | 23 |
| | 78 | | 120 | 74 |
| | | 80 | 9 | 60 |
| Total: | 3728 | 590 | 3780 | 1605 |

**AAMC Surgery Center - Annapolis
Cases Performed at Other ASC and HOPDL Locations By Physicians at AAMC Surgery Center - Annapolis
2023**

| Physician | HOPD | | Other ASC Locations | Total Cases Eligible for Migration from Other Sites |
|--------------|--|---|--------------------------------|---|
| | Luminis Health Anne Arundel Medical Center | Luminis Health Doctors Community Medical Center | AAMC Surgery Center - Pasadena | |
| | 160 | | | 15 |
| | 131 | | 49 | 96 |
| | 120 | 6 | 459 | 79 |
| | 7 | | | |
| | | 233 | 1199 | 233 |
| | 100 | | 145 | 36 |
| | 42 | | | 7 |
| | 46 | | | 4 |
| | 188 | | | 15 |
| | 57 | | 507 | 29 |
| | 131 | | 210 | 64 |
| | 89 | | 303 | 59 |
| | 132 | | 183 | 83 |
| | 183 | 88 | 29 | 70 |
| | 40 | | | 6 |
| | 32 | | | 2 |
| | 414 | | | 50 |
| | 106 | | 35 | 69 |
| | 21 | | 0 | 3 |
| | 141 | | 429 | 103 |
| | 30 | | | 10 |
| | 21 | | | 7 |
| | 318 | | | 50 |
| | 39 | | | 3 |
| | 44 | | | 8 |
| | 367 | | | 84 |
| | 280 | | 1 | 40 |
| | 46 | | | 6 |
| | 487 | | | 72 |
| | 77 | | 179 | 75 |
| | | | 9 | |
| Total | 3849 | 327 | 3737 | 1378 |

(iii) The proportion of case volume expected to shift from each existing facility to the proposed facility.

Response:

Data presented in the affidavits provided by the AAMC Surgery Center – Annapolis physicians in Exhibit 17, and the data Tables presented in Standard .05B (9) Impact (i) and (ii), best show the anticipated growth in case volumes to be managed by these physicians at AAMC Surgery Center – Annapolis, and the projected number of cases these physicians will continue to perform at their current facility.

(b) An application shall assess the impact of the proposed project on surgical case volume at hospitals:

(i) If the applicant’s needs assessment includes surgical cases performed by one or more physicians who currently perform cases at a hospital within the defined service area of the proposed ambulatory surgical facility that, in the aggregate, account for 18 percent or more of the operating room time in use at that hospital, the applicant shall include, as part of its impact assessment, a projection of the levels of use at the affected hospital for at least three years following the anticipated opening of the proposed ambulatory surgical facility.

(ii) The operating room capacity assumptions in Regulation .06A of this Chapter and the operating room inventory rules in Regulation .06C of this Chapter shall be used in the impact assessment.

Response:

The criteria for (b) subtitles (i) and (ii) do not apply as there is no intention that the migration of cases in aggregate account for eighteen percent or more of the operating room time in use at the hospital.

Other Criteria:

10.24.01.08G(3)(b). Need. The Commission shall consider the applicable need analysis in the State Health Plan. If no State Health Plan need analysis is applicable, the Commission shall consider whether the applicant has demonstrated a need for the proposed project.

INSTRUCTIONS: Please discuss the need of the population served or to be served by the Project.

Responses should include a quantitative analysis that, at a minimum, describes the Project's expected service area, population size, characteristics, and projected growth. If the relevant chapter of the State Health Plan includes a need standard or need projection methodology, please reference/address it in your response. For applications proposing to address the need of special population groups, please specifically identify those populations that are underserved and describe how this Project will address their needs.

If the project involves modernization of an existing facility through renovation and/or expansion, provide a detailed explanation of why such modernization is needed by the service area population. Identify and discuss relevant building or life safety code issues, age of physical plant issues, or standard of care issues that support the need for the proposed modernization.

Please assure that all sources of information used in the need analysis are identified. List all assumptions made in the need analysis regarding demand for services, utilization rate(s), and the relevant population, and provide information supporting the validity of the assumptions.

Response:

A detailed analysis of the need for an additional operating room at AAMC Surgery Center – Annapolis is addressed in the responses to Standard .05B(1) Service Area and Standard .05B(2) Need. Our proposal has been developed according to the identified need for an additional operating room capacity at AAMC Surgery Center – Annapolis and the desire of the surgeons to perform ASC eligible cases in the most appropriate healthcare setting.

There are no identified issues that relate to life safety code, age of the physical plant, or standard of care as AAMC Surgery Center – Annapolis is a newer facility that meets current code for building standards.

Complete Tables 1 and/or 2 below, as applies.

(INSTRUCTION: Complete Table 1 for the Entire Facility, including the proposed project, and Table 2 for the proposed project only using the space provided on the following pages. Only existing facility applicants should complete Table 1. All Applicants should complete Table 2. Please indicate on the Table if the reporting period is Calendar Year (CY) or Fiscal Year (FY)

TABLE 1: STATISTICAL PROJECTIONS - ENTIRE FACILITY

| | 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 |
| <u>CY</u> or FY (Circle) | | | | | | | |
| a. Number of operating rooms (ORs) | 2 | 2 | 2 | 3 | 3 | 3 | 3 |
| ● Total Procedures in ORs | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ● Total Cases in ORs | 1802 | 2137 | 1943 | 2561 | 3102 | 3179 | 3179 |
| ● Total Surgical Minutes in ORs** | 158,216 | 187,629 | 170,595 | 224,856 | 272,356 | 279,116 | 279,116 |
| b. Number of Procedure Rooms (PRs) | 0 | 0 | 0 | 1 | 1 | 1 | 1 |
| ● Total Procedures in PRs | 0 | 0 | 0 | | | | |
| ● Total Cases in PRs | 0 | 0 | 0 | 450 | 844 | 900 | 900 |
| ● Total Minutes in PRs** | 0 | 0 | 0 | 4,941 | 9,267 | 9,882 | 9,882 |

**Do not include turnover time.

It is important to reiterate that AAMC Surgery Center – Annapolis tracks surgical activity based on the number of cases rather than individual procedures. While multiple procedures may be performed within a single case, the reporting system is designed to capture case counts only. Consequently, the total number of procedures performed in the operating rooms is recorded as zero, reflecting this methodology rather than an absence of surgical activity.

TABLE 2: STATISTICAL PROJECTIONS - PROPOSED PROJECT
(INSTRUCTION: All applicants should complete this table.)

| CY or FY (Circle) | Projected Years (Ending with first full year at full utilization) | | | |
|------------------------------------|--|---------|---------|---------|
| | 2024 | 2025 | 2026 | 2027 |
| a. Number of operating rooms (ORs) | 2 | 2 | 3 | 3 |
| • Total Procedures in ORs | 0 | 0 | 0 | 0 |
| • Total Cases in ORs | 2137 | 1943 | 2561 | 3102 |
| • Total Surgical Minutes in ORs** | 187,216 | 170,595 | 224,856 | 272,356 |
| b. Number of Procedure Rooms (PRs) | 0 | 0 | 1 | 1 |
| • Total Procedures in PRs | 0 | 0 | | |
| • Total Cases in PRs | 0 | 0 | 450 | 844 |
| • Total Minutes in PRs** | 0 | 0 | 4,941 | 9,267 |

*Do not include turnover time

In response to Table 1 Statistical Projections – Entire Facility and Table 2 Statistical Projections – Proposed Project, it is important to reiterate that AAMC Surgery Center – Annapolis tracks surgical activity based on the number of cases rather than individual procedures. While multiple procedures may be performed within a single case, the reporting system is designed to capture case counts only. Consequently, the total number of procedures performed in the operating rooms is recorded as zero, reflecting this methodology rather than an absence of surgical activity. For this reason, Total Procedures in ORs for both Table 1 and Table 2 are reported as zero.

10.24.01.08G(3)(c). Alternatives to the Project. The Commission shall consider the alternative approaches to meeting the need identified for the project that were considered by the applicant in planning the project and the basis for the applicant’s choice of the project among considered alternatives. In a comparative review of applications within the same review cycle, the Commission shall compare the costs and the likely effectiveness of alternative projects in meeting identified needs, improving the availability and accessibility of care, and improving the quality of care.

INSTRUCTIONS: Please describe the planning process that was used to develop the proposed project. This should include a full explanation of the primary goals or objectives of the project or the problem(s) being addressed by the project. It should also identify the alternative approaches to achieving those goals or objectives or solving those problem(s) that were considered during the

project planning process, including the alternative of the services being provided by existing facilities.

For all alternative approaches, provide information on the level of effectiveness in goal or objective achievement or problem resolution that each alternative would be likely to achieve and the costs of each alternative. The cost analysis should go beyond development cost to consider life cycle costs of project alternatives. This narrative should clearly convey the analytical findings and reasoning that supported the project choices made. It should demonstrate why the proposed project provides the most effective goal and objective achievement or the most effective solution to the identified problem(s) for the level of cost required to implement the project, when compared to the effectiveness and cost of alternatives including the alternative of providing the service through alternative existing facilities, or through an alternative facility that has submitted a competitive application as part of a comparative review.

Response:

Upon opening the AAMC Surgery Center – Annapolis in April 2020 the growth in utilization and patient volume exceeded initial expectations. Impacts from the COVID pandemic impacted operations at the ASC, as initial opening was during the height of the pandemic. The table below depicts total case volume by year and percentage increase in total volume year over year.

**AAMC Surgery Center - Annapolis
Total Case Volume and Percentage Increase YOY**

| Year | Case Volume Total | Percentage Change |
|-------------|--------------------------|--------------------------|
| 2020 | 409 | |
| 2021 | 679 | 66.01% |
| 2022 | 1236 | 82.03% |
| 2023 | 1802 | 45.79% |
| 2024 | 2137 | 18.59% |

With the identified volume increases from opening in 2020 to last full year of completed surgical cases in 2024 there is a 422.49 percent increase in case volumes, AAMC Surgery Center – Annapolis undertook a planning process with the goal of identifying the best means to accommodate the increasing volume of cases, while being able to offer timely services and care to our identified patient population. The two operating rooms currently in operation can no longer accommodate the demand. Alternatives were identified in the planning process:

1. Add an additional operating room to accommodate increased demand and timely scheduling of surgical cases.
2. Conversion of current space into a procedure room to accommodate lower acuity cases, not utilizing general anesthesia.

3. Maintain the current two operating rooms' available capacity, with increasing time from identified surgical need to scheduling of case.

It was determined that maintaining the current two operating rooms' available capacity ignores the capacity constraints at AAMC Surgery Center – Annapolis, thereby by causing delays in scheduling cases and patients receiving surgical care in the acute care hospital setting, resulting in higher costs, less convenient and delayed care, and a greater safety risk.

The chosen alternatives to renovate adjacent space adding an additional operating room and converting existing space into a procedure room will allow AAMC Surgery Center – Annapolis to accommodate the increased volume demand, while reducing cost of receiving care in the acute care setting, and timely scheduling of identified surgical patients.

10.24.01.08G(3)(d). Project Financial Feasibility and Facility or Program Viability:
The Commission shall consider the availability of resources necessary to implement the project and the availability of revenue sources and demand for the proposed services adequate to ensure ongoing viability and sustainability of the facility to be established or modified or the service to be introduced or expanded.

INSTRUCTIONS: Please provide a complete description of the funding plan for the project, documenting the availability of equity, grant(s), or philanthropic sources of funds and demonstrating, to the extent possible, the ability of the applicant to obtain the debt financing proposed. Describe the alternative financing mechanisms considered in project planning and provide an explanation of why the proposed mix of funding sources was chosen.

Response:

AAMC Surgery Center - Annapolis currently has positive cash flows to support the proposed project fully out of cash withholdings; however, the strategy to fund this project will be 50% cash and 50% financing through a bank. AAMC Surgery Center – Annapolis currently has a request for proposal for financing terms from our current bank. The anticipated loan terms will be for two-million-dollar principal amount with an estimated six percent interest rate over ten years. This assumption is what was used in our financial projections. AAMC Surgery Center - Annapolis - will finalize the debt financing to support the project upon approval of the CON application.

Complete Tables 3 and/or 4 below, as applicable. Attach additional pages as necessary detailing assumptions with respect to

- Identify the performance requirements applicable to the proposed project (Part 1, Question 14, “Project Schedule”) and explain how the applicant will be able to implement the project in compliance with those performance requirements. Explain the process for completing the project design, obtaining State and local land use, environmental, and design approvals, contracting and obligating the funds within the prescribed time frame. Describe the construction process or refer to a description elsewhere in the application that demonstrates that the project can be completed within the applicable time frame.

Response:

Tables 3 Revenues and Expenses – Entire Facility and Table 4 Revenues and Expenses – Proposed Project are completed and attached below in this application.

- Complete Table L (Workforce) from the Hospital CON Application Table Package.

Response:

Table L (Manpower) is provided in Exhibit 22.

- Audited financial statements for the past two years should be provided by all applicant entities and parent companies to demonstrate the financial condition of the entities involved and the availability of the equity contribution. If audited financial statements are not available for the entity or individuals that will provide the equity contribution, submit documentation of the financial condition of the entities and/or individuals providing the funds and the availability of such funds. Acceptable documentation is a letter signed by an independent Certified Public Accountant. Such letter shall detail the financial information considered by the CPA in reaching the conclusion that adequate funds are available.

Response:

Exhibit 23 confirms the financial status of AAMC Surgery Center – Annapolis.

- If debt financing is required and/or grants or fund raising is proposed, detail the experience of the entities and/or individuals involved in obtaining such financing and grants and in raising funds for similar projects. If grant funding is proposed, identify the grant that has been or will be pursued and document the eligibility of the proposed project for the grant.

Response:

The entities and individuals involved in this project have full confidence in the entity's operational and financial performance that this project can be funded fully out of cash flows and cash withholdings if necessary. Future outlooks and opportunities through this project have strong backing by all shareholders who will bring success to this project. There is confidence in being able to seek debt financing as was done at the initial startup of this venture. The entity and individuals are in great standing with our key banking partner that securing financing through them or another banking institution will be accomplished easily upon approval of the CON application.

- Describe and document relevant community support for the proposed project.

Response:

AAMC Surgery Center – Annapolis is committed to providing safe, high-quality outpatient surgical care for patients and improving healthcare in our communities. AAMC Surgery Center –

Annapolis is a visible example of excellent value through high-quality outcomes and lower cost care being the right choice for the right patients at the right price.

The physician owners of AAMC Surgery Center – Annapolis are engaged in the community, actively participating in activities that focus on improving public health and well-being. Dr. Peter Ove, Dr. Marc Brassard, Dr. Benjamin Petre, and Dr. Daniel Redziniak volunteer as team physicians for various high schools, collegiate, and professional sports teams. Additionally, multiple physicians also participate in research to advance clinical outcomes in their area of specialty. This community engagement lends to improving overall health and well-being of the local population, fostering stronger communities.

Letters of support for the proposed project are presented in Exhibit 24.

TABLE 3: REVENUES AND EXPENSES - ENTIRE FACILITY (including proposed project)

(INSTRUCTION: ALL EXISTING FACILITY APPLICANTS MUST SUBMIT AUDITED FINANCIAL STATEMENTS)

| CY or FY (Circle) | 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 |
| 1. Revenue | | | | | | | |
| a. Inpatient services | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b. Outpatient services | 1807 | 2140 | 1943 | 3011 | 3946 | 4079 | 4079 |
| c. Gross Patient Service Revenue | \$64,356,301 | \$75,258,168 | \$71,126,633 | \$88,537,791 | \$102,876,228 | \$104,924,576 | \$104,924,576 |
| d. Allowance for Bad Debt | \$136,420 | \$141,213 | \$148,301 | \$181,893 | \$211,455 | \$215,665 | \$217,012 |
| e. Contractual Allowance | \$52,409,980 | \$61,934,840 | \$57,487,502 | \$71,792,737 | \$83,420,694 | \$85,081,831 | \$85,613,395 |
| f. Charity Care | \$93,399 | \$96,525 | \$93,467 | \$100,536 | \$115,303 | \$117,412 | \$117,412 |
| g. Net Patient Services Revenue | \$11,946,330 | \$13,863,328 | \$13,639,132 | \$16,736,822 | \$19,474,302 | \$19,834,513 | \$19,958,421 |
| h. Other Operating Revenues (Specify) | \$67,189 | \$4,798 | \$8,231 | \$8,231 | \$8,231 | \$8,231 | \$8,231 |
| i. Net Operating Revenue | \$12,013,519 | \$13,868,126 | \$13,647,363 | \$16,745,054 | \$19,455,533 | \$19,842,745 | \$19,966,652 |
| 2. Expenses | | | | | | | |
| a. Salaries, Wages, and Professional Fees, (including fringe benefits) | \$1,998,672 | \$1,924,765 | \$1,830,161 | \$2,189,033 | \$2,503,047 | \$2,547,906 | \$2,547,906 |
| b. Contractual Services | \$498,809 | \$348,131 | \$311,586 | \$179,046 | \$234,615 | \$242,554 | \$242,554 |
| c. Interest on Current Debt | \$187,000 | \$144,828 | \$93,289 | \$57,958 | \$21,685 | \$144.05 | \$0 |
| d. Interest on Project Debt | N/A | N/A | N/A | \$102,583 | \$92,476 | \$81,746 | \$70,354 |
| e. Current Depreciation | \$851,808 | \$838,615 | \$763,064 | \$763,064 | \$763,064 | \$763,064 | \$763,064 |
| f. Project Depreciation | N/A | N/A | N/A | \$42,353 | \$42,353 | \$42,353 | \$42,353 |
| g. Current Amortization | \$255,174 | \$255,174 | \$255,174 | \$255,174 | \$255,174 | \$255,174 | \$255,174 |

| CY or FY (Circle) | 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 |
| h. Project Amortization | N/A | N/A | N/A | \$52,894 | \$52,894 | \$52,894 | \$52,894 |
| i. Supplies | \$4,644,467 | \$5,332,286 | \$5,261,166 | \$6,457,464 | \$7,504,225 | \$7,653,762 | \$7,653,762 |
| j. Other Expenses (Specify) | \$588,900 | \$617,541 | \$586,647 | \$817,932 | \$848,765 | \$853,169 | \$853,169 |
| k. Total Operating Expenses | \$9,339,859 | \$9,652,470 | \$9,346,724 | \$10,053,631 | \$11,530,279 | \$11,741,229 | \$11,742,576 |
| 3. Income | | | | | | | |
| a. Income from Operation | \$3,945,735 | \$5,275,050 | \$5,281,329 | \$6,059,309 | \$7,288,364 | \$7,459,778 | \$7,577,418 |
| b. Non-Operating Income | \$25,364 | \$34,395 | \$37,548 | \$34,368 | \$34,368 | \$34,368 | \$34,368 |
| c. Subtotal | \$3,971,099 | \$5,309,445 | \$5,318,877 | \$6,093,677 | \$7,322,732 | \$7,494,146 | \$3,611,786 |
| d. Income Taxes | \$300,000 | \$309,068 | \$342,863 | \$318,410 | \$323,186 | \$328,034 | \$332,954 |
| e. Net Income (Loss) | \$2,673,659 | \$3,906,589 | \$3,957,777 | \$6,051,324 | \$7,280,379 | \$7,567,433 | \$7,567,433 |
| 4. Patient Mix: | | | | | | | |
| A. Percent of Total Revenue | | | | | | | |
| 1. Medicare | 24.60% | 26.00% | 26.00% | 26.00% | 26.00% | 26.00% | 26.00% |
| 2. Medicaid | 4.50% | 5.80% | 5.80% | 5.80% | 5.80% | 5.80% | 5.80% |
| 3. Blue Cross | 42.80% | 41.60% | 41.60% | 41.60% | 41.60% | 41.60% | 41.60% |
| 4. Commercial Insurance | 26.70% | 25.20% | 25.20% | 25.20% | 25.20% | 25.20% | 25.20% |
| 5. Self-Pay | 0.10% | 0.10% | 0.10% | 0.10% | 0.10% | 0.10% | 0.10% |
| 6. Other (Specify) | 1.20% | 1.30% | 1.30% | 1.30% | 1.30% | 1.30% | 1.30% |
| 7. TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

TABLE 4: REVENUES AND EXPENSES - PROPOSED PROJECT

(INSTRUCTION: Each applicant should complete this table for the proposed project only)

| CY or FY (Circle) | Projected Years (Ending with first full year at full utilization) | | | |
|--------------------------------------|---|--------------|--------------|--------------|
| | 2026 | 2027 | 2028 | 2029 |
| 1. Revenues | | | | |
| a. Inpatient Services | 0 | 0 | 0 | 0 |
| b. Outpatient Services | 1,068 | 2,003 | 2,136 | 2,136 |
| c. Gross Patient Services Revenue | \$16,386,784 | \$30,725,212 | \$32,773,569 | \$33,429,041 |
| d. Allowance for Bad Debt | \$33,682 | \$63,153 | \$67,364 | \$68,711 |
| e. Contractual Allowance | \$13,289,093 | \$24,917,051 | \$26,578,187 | \$27,109,750 |
| f. Charity Care | \$16,876 | \$31,642 | \$33,752 | \$33,765 |
| g. Net Patient Care Service Revenues | \$3,097,691 | \$5,808,170 | \$6,195,382 | \$6,319,289 |
| h. Total Net Operating Revenue | \$3,097,697 | \$5,808,170 | \$6,195,382 | \$6,319,289 |
| 2. Expenses | | | | |
| a. Salaries, Wages, and Professional | \$358,872 | \$672,885 | \$717,744 | \$717,744 |

| | Projected Years (Ending with first full year at full utilization) | | | |
|---|--|-------------|-------------|-------------|
| CY or FY (Circle) | 2026 | 2027 | 2028 | 2029 |
| Fees, (including fringe benefits) | | | | |
| b. Contractual Services | \$63,508 | \$119,077 | \$127,015 | \$127,015 |
| c. Interest on Current Debt | \$57,958 | \$21,685 | \$144.05 | \$0 |
| d. Interest on Project Debt | \$102,583 | \$92,476 | \$81,746 | \$70,354 |
| e. Current Depreciation | \$83,828.38 | \$83,828.38 | \$83,828.38 | \$83,828.38 |
| f. Project Depreciation | \$42,353 | \$42,353 | \$42,353 | \$42,353 |
| g. Current Amortization | \$255,174 | \$255,174 | \$255,174 | \$255,174 |
| h. Project Amortization | \$52,894 | \$52,894 | \$52,894 | \$52,894 |
| i. Supplies | \$1,196,298 | \$2,243,059 | \$2,243,059 | \$2,243,059 |
| j. Other Expenses (Specify) | \$35,238 | \$66,071 | \$70,476 | \$70,476 |
| k. Total Operating Expenses | \$1,653,916 | \$3,101,092 | \$3,101,092 | \$3,101,092 |
| 3. Income | | | | |
| a. Income from Operation | \$1,091,684 | \$2,320,739 | \$2,492,153 | \$2,609,793 |
| b. Non-Operating Income | \$0 | \$0 | \$0 | \$0 |
| c. Subtotal | \$1,091,684 | \$2,320,739 | \$2,492,153 | \$2,609,793 |
| d. Income Taxes | \$0 | \$0 | \$0 | \$0 |
| e. Net Income (Loss) | \$1,091,684 | \$2,320,739 | \$2,492,153 | \$2,609,793 |
| 4. Patient Mix: | | | | |
| A. Percent of Total Revenue | | | | |
| 1. Medicare | 26.7% | 26.7% | 26.7% | 26.7% |
| 2. Medicaid | 5.5% | 5.5% | 5.5% | 5.5% |
| 3. Commercial Insurance | 67.6% | 67.6% | 67.6% | 67.6% |
| 4. Self-Pay | 0.2% | 0.2% | 1.2% | 0.2% |
| 5. Other (Specify) | 1.4% | 1.4% | 1.4% | 1.4% |
| 6. TOTAL | 100% | 100% | 100% | 100% |
| B. Percent of Patient Days/Visits/Procedures (as applicable) | | | | |
| 1. Medicare | 26.7% | 26.7% | 26.7% | 26.7% |
| 2. Medicaid | 5.5% | 5.5% | 5.5% | 5.5% |
| 3. Commercial Insurance | 66.1% | 66.1% | 66.1% | 66.1% |
| 4. Self-Pay | 0.2% | 0.2% | 0.2% | 0.2% |
| 5. Other (Specify) | 1.4% | 1.4% | 1.4% | 1.4% |
| 6. TOTAL | 100% | 100% | 100% | 100% |

10.24.01.08G(3)(e). Compliance with Terms and Conditions of Previous Certificates of Need. An applicant shall demonstrate compliance with all terms and conditions of each previous CON granted to the applicant.

INSTRUCTIONS: List all of the Maryland Certificates of Need that have been issued to the project applicant, its parent, or its affiliates or subsidiaries over the prior 15 years, including their terms and conditions, and any changes to approved Certificates that needed to be obtained. Document that these projects were or are being implemented in compliance with all of their terms and conditions or explain why this was not the case.

Response:

Below is the list of the Maryland Certificates of Need that have been issued to the project applicant, its parent or affiliates or subsidiaries, over the prior 15 years. To the best of our knowledge, these projects were completed in compliance with all the terms and conditions.

SCA Health has been issued the following CON's and has complied with all conditions:

1. Anne Arundel – SCA Surgicenter, LLC d/b/a AAMC Surgery Center – Pasadena
8109 Ritchie Highway
Suite 250
Pasadena, Maryland 21122
2. 2017 Thomas Johnson Surgery Center – Matter No. 17-10-2410

Luminis Health DCMC has been issued the following CONs since 2000 and has complied with all conditions:

1. 2006 CON-Waiver to provide Primary PCI without Cardiac Surgery On-Site – Docket No. 06-16-0011
2. 2007 CON Renewal of the Primary PCI without Cardiac Surgery Waiver – Docket No. 07-16-0025

Granted extension for six months then recommended to cease Primary PCI.

3. 2021 CON – Application to provide inpatient Mental Health – Docket No. 21-16-2448
4. 2023 CON - Application to provide inpatient Obstetrics - Docket No. 23-16-2466

Luminis Health AAMC has been issued the following CONs since 200 and has complied with all conditions:

1. 2016 CON – Application to build an inpatient Mental Health Hospital – Docket No. 16-02-2375
2. 2015 CON - Application to provide Cardiac Surgery – Docket No. 15-02-2360
3. 2004 CON - Application to Construct a Patient Tower - Docket No. 04-02-2153

10.24.01.08G(3)(f). Project Impact. The Commission shall consider the impact of the proposed project on the costs and charges of existing providers of the facilities and services included in the project and on access to those facilities and services in the service area of the project.

INSTRUCTIONS: Please provide an analysis of the impact of the proposed project. Please assure that all sources of information used in the impact analysis are identified and identify all the assumptions made in the impact analysis with respect to demand for services, payer mix, access to service and cost to the health care delivery system including relevant populations considered in the analysis, and changes in market share, with information that supports the validity of these assumptions. Provide an analysis of the following impacts:

- a) On the volume of service provided by all other existing health care providers that are likely to experience some impact as a result of this project;
- b) On the payer mix of all other existing health care providers that are likely to experience some impact on payer mix as a result of this project. If an applicant for a new nursing home claims no impact on payer mix, the applicant must identify the likely source of any expected increase in patients by payer.
- c) On access to health care services for the service area population that will be served by the project. (State and support the assumptions used in this analysis of the impact on access);
- d) On costs to the health care delivery system.

If the applicant is an existing facility or program, provide a summary description of the impact of the proposed project on the applicant's costs and charges, consistent with the information provided in the Project Budget, the projections of revenues and expenses, and the work force information.

Response:

The proposed project is expected to have a minimal impact on the volume of service provided by all other existing health care providers. With Anne Arundel County's population projections, specifically in the age sixty and older cohort and relative to the overall population in the state, the expansion of a third operating room will only contribute to meeting the needs of outpatient surgical services and increasing demand for orthopedic surgeries and/or procedures in the defined Service Area.

AAMC Surgery Center – Annapolis intends to draw patients from the same sources of payment it has historically. No alterations in payor mix are expected by other area facilities.

As stated previously in Service Area, the third operating room proposal for AAMC Surgery Center – Annapolis will improve access to healthcare services, decrease wait times related to full surgical schedules, increase efficiency of the physician practices related to consistency and availability, provide more cost-effective healthcare, and improve patient satisfaction related to timely access to healthcare in the outpatient surgical setting.

AAMC Surgery Center – Annapolis has no intention to change its current charge structure utilized in response to the addition of a third operating room space. Utilization of adjacent space for renovation allows for minimal impact to existing operations, while the benefit of outpatient surgical services provided to our communities far outweighs the cost associated to add additional operating room capacity. Furthermore, the impact of minimal additional staffing in the form of nurses and surgical technicians to meet the operating needs of an additional operating room will have a minor impact on the competition to achieve qualified healthcare personnel.

10.24.01.08G(3)(g) Health Equity. The Commission shall consider how a proposed project will address health care disparities in availability, accessibility, and quality of care among different populations within the service area. The Commission shall consider how social determinants of health within the service area of the proposed project create disparities in the delivery of health care.

INSTRUCTIONS: In evaluating proposed projects for health equity, the Commission will scrutinize the project’s impact on health care disparities and social determinants within the service area. Health equity involves the fair distribution of resources and opportunities, ensuring individuals, regardless of background, have the chance to achieve their highest level of health. It further encompasses addressing disparities and systemic barriers that affect different populations.

With health equity in mind, the applicant shall identify the specific medically underserved area(s)/group(s)² within the designated service area and outline how the proposed project will address the unique health needs and quality of care for each identified group.

Applicants are expected to furnish a detailed overview of their organization’s expertise and experience in health care access and service delivery. Emphasis should be placed on highlighting any relevant background that underscores the organization’s commitment to equitable health care. This encompasses efforts to integrate implicit bias and cultural competency training within the health facility and among current staff members.

Please provide a comprehensive account of how the applicant planned with the community during the preparations for this project and how it will continue to engage with the community. Include a description of any specific initiatives and programs aimed at improving community well-being that are relevant to the proposed project. If applicable, the applicant should acknowledge any unintended barriers caused by the project that may have been identified through community discourse and propose proactive solutions to mitigate and rectify potential issues.

Response:

Diversity, Equity, and Inclusion

² According to HRSA, medically underserved populations and areas are identified as those which lack access to primary care services. These groups may face economic, cultural, or language barriers to health care. Some examples include: People experiencing homelessness, people who are low-income, people who are eligible for Medicaid, Native Americans and other historically disadvantaged populations of color, migrant farm workers, etc. (<https://bhw.hrsa.gov/workforce-shortage-areas/shortage-designation#mups>)

Anne Arundel County is geographically the Maryland county most proximate to AAMC Surgery Center – Annapolis, accounting for more than half (58.49 percent) of all procedures performed. Most recent census estimates, according to the U.S. Decennial Census 2010 and 2020, the diversity of Anne Arundel County illustrate a diminishing White, Caucasian population with a negative percentage change of -5.5 percent since 2010. The Hispanic population of Anne Arundel County has increase 48.6 percent since 2010 and African American population increased 25.3 percent since 2010. This becomes statistically significant when addressing health disparities and social determinants of health within the Service Area population.

Anne Arundel County Ethnic and Racial Composition (2010-2020)

| | 2010 | | 2016 | | 2020 | | % Change 2010-2020 |
|--------------------------------|--------|-------|--------|-------|--------|-------|--------------------|
| | Amount | % | Amount | % | Amount | % | % |
| Total | 537656 | 100% | 568346 | 100% | 589261 | 100% | 9.4% |
| Non-Hispanic Whites | 389386 | 72.4% | 392285 | 69.0% | 367893 | 62.5% | -5.5% |
| Other Races/Ethnicities | 148270 | 27.6% | 176061 | 31.0% | 220368 | 37.5% | 48.6% |
| Hispanic or Latino | 32902 | 6.1% | 42802 | 7.5% | 56796 | 9.7% | 72.6% |
| Black/African American | 81819 | 15.2% | 89798 | 15.8% | 102555 | 17.4% | 25.3% |
| Other* | 33549 | 6.2% | 43461 | 7.6% | 61077 | 10.4% | 81.9% |

*Includes: "American Indian and Alaskan Native", "Asian", "Native Hawaiian or other Pacific Islander", "Some other race", or "Two or more races". Therefore, the "White" and "Black" figures are those who were counted as "White alone" or "Black alone".

Source: U.S. Decennial Census 2010 and 2020 Table P2; 2016 ACS 1-Year Estimates DP03

Health disparities and the social determinants of health in Anne Arundel County bear significance to the Service Area population of AAMC Surgery Center – Annapolis, with the U.S. Department of Health and Human Services (2021) defining social determinant of health as “the conditions in the environments where people are born, live, learn, work, play, worship, and age that affect a wide range of health, functioning, and quality-of-life outcomes and risks”. Health Disparities are apparent throughout the life cycle of all county residents, from inequities to lack of access, and affordable care. According to the U.S. Census Quick Facts, the two counties that comprise more than 70 percent of the Service Area Population for AAMC Surgery Center – Annapolis are both racially and ethnically diverse:

Race and Hispanic Origin

Prince George's County, Maryland | Anne Arundel County, Maryland | United States

Population estimates, July 1, 2024, (V2024)

966,629 | 602,350 | 340,110,988

PEOPLE

Race and Hispanic Origin

| | | | |
|---|-------|-------|-------|
| White alone, percent | 28.1% | 70.7% | 75.3% |
| Black alone, percent (a) (a) | 62.9% | 20.2% | 13.7% |
| American Indian and Alaska Native alone, percent (a) (a) | 1.6% | 0.6% | 1.3% |
| Asian alone, percent (a) (a) | 4.3% | 4.7% | 6.4% |
| Native Hawaiian and Other Pacific Islander alone, percent (a) (a) | 0.2% | 0.1% | 0.3% |
| Two or More Races, percent | 2.9% | 3.7% | 3.1% |
| Hispanic or Latino, percent (b) (b) | 22.8% | 10.7% | 19.5% |
| White alone, not Hispanic or Latino, percent | 11.0% | 62.1% | 58.4% |

According to the U.S. Census American Community Survey 5-Year Estimates 2015-2019, there continue to be small community subsets within Anne Arundel County where many negative social and health indicators continue to polarize in Annapolis, Glen Burnie, Severn, Brooklyn Park, and Lothian ZIP codes, all located in the primary Service Area identified for AAMC Surgery Center – Annapolis.

All Demographic, Socioeconomic, and Health Indicators by Zip Code in Anne Arundel County, 2019

| ZIP Code | Area | Poverty Percentage | Percent Without High School | Percent of Household on SNAP | ED Visit Rate per 1,000 | Percent Low Birth Weight Infants (2015-2019) | Minority Population |
|----------|---------------------|--------------------|-----------------------------|------------------------------|-------------------------|--|---------------------|
| 20711 | Lothian | 9.4% | 10.6% | 9.8% | 333.2 | 7.3% | 32.4% |
| 20724 | Laurel | 7.3% | 8.9% | 3.5% | 250.0 | 8.6% | 67.6% |
| 20765 | Galesville | 23.6% | 11.3% | 25.5% | 289.9 | 0.0% | 45.7% |
| 20776 | Harwood | 13.5% | 13.0% | 14.2% | 311.8 | 5.8% | 29.8% |
| 21060 | Glen Burnie (East) | 7.5% | 12.9% | 9.2% | 356.2 | 7.7% | 33.4% |
| 21061 | Glen Burnie (West) | 8.4% | 11.8% | 11.8% | 404.4 | 8.9% | 43.0% |
| 21122 | Pasadena | 6.1% | 7.8% | 6.5% | 255.2 | 8.2% | 16.3% |
| 21144 | Severn | 6.4% | 6.0% | 9.0% | 279.9 | 8.7% | 55.2% |
| 21225 | Brooklyn | 24.8% | 20.6% | 29.3% | 732.4 | 11.1% | 60.9% |
| 21226 | Curtis Bay | 9.6% | 15.4% | 12.3% | 576.8 | 8.3% | 27.6% |
| 21401 | Annapolis | 8.1% | 7.3% | 7.5% | 344.5 | 7.0% | 30.1% |
| 21403 | Eastport | 7.4% | 9.2% | 7.8% | 308.1 | 7.9% | 38.1% |
| | Anne Arundel | 5.8% | 7.9% | 6.1% | 310.3 | 7.7% | 31.8% |

 = Higher than County Average

Source: U.S. Census American Community Survey 5-Year Estimates 2015-2019; Maryland Health Services Cost Review Outpatient Files 2019

AAMC Surgery Center – Annapolis is thoroughly committed to meeting the needs of the identified Service Area population by way of providing increased access to affordable care and minimizing health disparities in the counties and ZIP codes we serve, further engaging the community and empowering informed healthcare decision making.

Additionally, AAMC Surgery Center – Annapolis employs a racially and ethnically diverse group of individuals that are committed to fostering an environment that strictly upholds our value of inclusivity and appreciates diversity and the differences amongst our teammates. This is defined on our Non-Discrimination/Equal Employment Opportunity (EEO) Policy provided in Exhibit 25.

Equal Employment Opportunity (EEO)

The purpose of the Non-discrimination/Equal Employment Opportunity policies to ensure that discrimination of any kind is not tolerated and serves as a guide in ensuring identification and avoidance of prohibited behavior, locate resources on inclusion and diversity, and report unfair treatment in the workplace. In accordance with and directly stated in the EEO Policy, AAMC Surgery Center – Annapolis will not discriminate against any applicant or teammate based on person's sex or gender, age, race (including traits historically associated with race, such as hair texture and protective hair styles), color, creed, religion, public assistance, national origin or ancestry, citizenship status, disability (physical or mental), pregnancy, childbirth or a related medical condition (including lactation), marital status, familial status, sexual orientation, gender identity and/or expression, genetic information, or status as a special disabled Veteran, Veteran of the Vietnam era, other eligible protected veteran, status with regards to public assistance, or any other characteristics protected under federal, state or local law.

Staff Development: Unconscious Bias and Cultural Competence Training

AAMC Surgery Center – Annapolis recognizes the critical importance in providing annual competency training for all teammates and medical providers that addresses Unconscious Bias and Cultural Competence.

As part of AAMC Surgery Center – Annapolis' commitment to diversity, equity, and inclusion, required annual competency training is assigned through our learning module platform, UKG Pro Learning, on Unconscious Bias and Cultural Competence. Training is described and primary objectives identified for each course, demonstrating our continued commitment to provide culturally competent care and promoting an inclusive healthcare delivery system and environment.

Blind Spots – Unconscious Bias Training

Introduction:

Experts tell us that our unconscious mind makes a majority of our decisions. It creates blind spots — unconscious biases that can narrow our vision and potentially influence our behaviors. This course provides insights into how the human mind operates and offers a shared vocabulary to discuss potential blind spots in the workplace. Blind Spots contains four brief yet powerful videos and an accompanying workbook/discussion guide which can be used by individual learners or with groups.

Primary Objectives:

To address unconscious bias blind spots, this course focuses on how to:

1. Challenge assumptions
2. Enhance objectivity
3. Overcome stereotypes
4. Broaden perspectives

Cultural Competence Training

Introduction:

Reviews cultural competence required by Centers for Medicare and Medicaid Services for to provide culturally competent care.

Primary Objectives:

1. Discuss why cultural competence is important.
2. Describe cultural factors that may impact care including age, ethnicity, race, physical ability, education/profession, religion, socioeconomics, sexual orientation/gender, language, and geography.
3. Describe techniques to offer culturally competent care.

Background in Health Care Service Provision

AAMC Surgery Center – Annapolis sustains an unwavering commitment to maintaining the highest standards of healthcare delivery, with a strong focus on equity and patient-centered care.

Minimizing barriers to providing patient-centered care and focusing on equity can be demonstrated in our use of interpretative and language services. As part of our pre-operative assessment and evaluation completed by our Pre-Admission Testing nurse, patients are screened to determine the need for interpretation or language services.

To address this need, AAMC Surgery Center – Annapolis provides interpreter and language services to all of our patients at no additional cost. In addition, the facility also has multilingual teammates, where daily assignments are adjusted to accommodate patients that are identified as needing interpretation services.

AAMC Surgery Center – Annapolis' Policy for Interpretation Services is included in Exhibit 26.

By taking these proactive steps, AAMC Surgery Center – Annapolis affirms our dedication to promoting equity and inclusivity as part of our health care delivery.

Enhancing Community Wellness

AAMC Surgery Center – Annapolis is committed to advancing access to high-quality care for underserved populations and underserved communities, including individuals who are uninsured or living in poverty, as part of our mission to improve health outcomes for all patients.

Review of the data from the U.S. Census Bureau QuickFacts website for the top two counties in AAMC Surgery Center – Annapolis’ service area, we find that on average 8.05 % of the population 65 and under are without health insurance and 8.65% of the population lives in poverty.

| | Prince George's County, Maryland | Anne Arundel County, Maryland | United States |
|--|----------------------------------|-------------------------------|---------------|
| Health | | | |
| Population estimates, July 1, 2024, (V2024) | 966,629 | 602,350 | 340,110,988 |
| PEOPLE | | | |
| Health | | | |
| With a disability, under age 65 years, percent, 2019-2023 | 7.0% | 7.4% | 9.1% |
| Persons without health insurance, under age 65 years, percent | 10.9% | 5.2% | 9.5% |
| Income & Poverty | | | |
| Population estimates, July 1, 2024, (V2024) | 966,629 | 602,350 | 340,110,988 |
| PEOPLE | | | |
| Income & Poverty | | | |
| Median households income (in 2023 dollars), 2019-2023 | \$100,708 | \$120,324 | \$78,538 |
| Per capita income in past 12 months (in 2023 dollars), 2019-2023 | \$45,287 | \$58,462 | \$43,289 |
| Persons in poverty, percent | 11.0% | 6.3% | 11.1% |

Our commitment to advancing access to high- quality care for underserved populations and underserved communities, including individuals who are uninsured or living in poverty is demonstrated in our Financial Assistance and Charity Care policy, presented previously in this application. Our partnership with Luminis Health Anne Arundel Medical Center and the Orthopedic and Sports Medicine practices allows us the opportunity to identify patients who are uninsured or living in poverty in need of surgical services and provide this population with the appropriate surgical services.

In addition, AAMC Surgery Center – Annapolis supports One World Surgery, Martin Luther King Jr. (MLK) Day of Service, and the Healing Hands Foundation of Maryland.

One World Surgery is a nonprofit organization confronting the global health crisis by partnering with communities, healthcare providers, and leaders in healthcare to deliver high-quality surgical care, coupled with training and education, and a continuum of care to deliver life-changing outcomes, both to patients and participants globally.

MLK Day of Service is a month-long community outreach initiative where AAMC Surgery Center – Annapolis identifies a community-based need and volunteers to improve our service area community. In 2025, AAMC Surgery Center – Annapolis collected personal hygiene and care package items, assembled kits, and delivered the kits to the YWCA of Annapolis and Anne Arundel County, supporting women and children who are victims of domestic violence. In previous years, AAMC Surgery Center – Annapolis has participated in a pet food drive, gathering donations of food and supplies, a toy drive to collect new, unwrapped toys to distribute to children

in need, and collected non-perishable food items for donation to local food pantry in the Annapolis community.

Healing Hands Foundation of Maryland is a non-profit organization, founded in 2005 by one of our physicians that provides surgical services to uninsured patients that require upper extremity surgery, globally.

Moreover, AAMC Surgery Center – Annapolis in their partnership with the local community hospital, Luminis Health Anne Arundel Medical Center, has recently begun to explore community-based wellness opportunities that provide preventative care, health education, and health screenings to individuals within the community who face barriers in accessing health care. AAMC Surgery Center – Annapolis is exploring the option of expanding these community-based wellness opportunities to surgical patients to improve health literacy and pre-surgical health optimization. Currently, AAMC Surgery Center – Annapolis is engaged with key contributors at the Luminis Health Center for Orthopedic Outcomes and Research (COOR).

COOR, by design, takes a systematic approach to identifying and addressing racial and ethnic disparities. Using national and local data sets, evaluation of treatment outcomes that are stratified by race and ethnicity identify where disparities exist. Once disparities are identified, evaluation of social determinants of health and geographic socioeconomic data elicit potential root causes that may be addressed. Using this approach, novel interventions such as Enhanced Preoperative Education Pathway (EPrEP) for total joint replacement patients have been developed and implemented. This novel approach, identified through EPrEP has been carried over and implanted at AAMC Surgery Center – Annapolis. In this specific program, a nurse navigator performs a risk assessment to identify medical, socioeconomic, and psychological risk factors on a patient-by-patient basis. Minority and high-risk White patients are provided with individualized counseling and connected with community-based resources aimed specifically at mitigating potential negative effects of these risk factors prior to surgery. EPrEP, has been an invaluable tool in our attempts to close the gap in outcome disparities between African American and White patients undergoing total joint replacement.

We are presently engaged with our hospital partner to identify future community-based wellness opportunities aimed at surgical patients, and we are firmly committed to refining and implementing our vision as we strive to enhance access to care for underserved populations within our community.

10.24.01.08G(3)(h) Character and Competence. The Commission shall assess the character and competence of an applicant based upon experience and past performance, including any records of violation in operating a health care service or facility.

INSTRUCTIONS: In evaluating proposed projects for Character/Competence, the Commission will review the information provided in response to Part III of the application and look for a detailed narrative response highlighting any past issues and how any issues have now been corrected or addressed. If there have not been any past issues, please include in your narrative any history that has been a positive reflection of character/competence. The response should include, at minimum:

- Names/addresses of all owners and individuals responsible for the proposed project and its implementation. This includes any person with 5% or more ownership interest in the facility

Response:

The table below lists the names and addresses of all owners and individuals responsible for the proposed project, including any person with 5% or more ownership interest in the facility.

| Owner | Ownership % |
|---|--------------------|
| Anne Arundel-SCA Holdings, LLC (Ownership Structure Listed in Exhibit 1) | 61.26% |
| Individual Physician Ownership Listed in Part III, Question 1 | 38.74% |

| Owner | Address | Ownership Share (%) |
|---------------------------------|--|----------------------------|
| Anne Arundel – SCA Holding, LLC | 2001 Medical Parkway Annapolis, MD 21401 | 61.26% |
| Adreinne Spirt, M.D. | 4 Farragut Road Annapolis, MD 21403 | 1.50% |
| Alessandro Speciale, M.D. | 1243 Cherry Tree Lane Annapolis, MD 21403 | 2.00% |
| Alexander Shushan, M.D. | 459 Brickworks Lane Severna Park, MD 21146 | 2.00% |
| Aneesh Goel, M.D. | 6010 Bricker Road Dayton, MD 21036 | 2.00% |
| Benjamin Petre, M.D. | 225 Winter Crest Lane Severna Park, MD | 2.00% |
| Benjamin Solomon, M.D. | 8211 Stauffer Avenue Fulton, MD 20759 | 0.36% |
| Chad Patton, M.D. | 24 Belleview Drive Severna Park, MD 21146 | 2.00% |
| Christopher Jones, M.D. | 284 Oak Court Severna Park, MD 21146 | 2.00% |
| Cyrus Lashgari, M.D. | 921 Placid Court Arnold, MD 21012 | 2.00% |
| Daniel Redziniak, M.D. | 1406 Colonial Manor Court Annapolis, MD 21409 | 2.00% |
| Davis Keblish, M.D. | 563 Shore Acres Road Arnold, MD 21012 | 2.00% |
| Frederick Guckes, M.D. | 532 6th Street Annapolis, MD 21403 | 2.00% |
| Ifeyinwa Stitt, M.D. | 11406 Dairy Street Fulton, MD 20759 | 0.36% |
| James MacDonald, M.D. | 234 Westwood Road Annapolis, MD 21401 | 2.00% |
| Janelle Cooper, M.D. | 5232 Winding Star Circle Columbia, MD 21044 | 0.36% |
| Jeffrey Gelfand, M.D. | 10 White Oak Court Severna Park, MD 21146 | 2.00% |

| Owner | Address | Ownership Share (%) |
|------------------------------|--|---------------------|
| Juan Rodriguez Alfonso, M.D. | 1 Tolson Street Annapolis, MD 21401 | 0.36% |
| Julia Lubsky, M.D. | 9 Hunt Cup Circle Owings Mills, MD 21117 | 0.36% |
| Justin Hoover, M.D. | 3301 Hidden River View Road Annapolis, MD 21403 | 2.00% |
| Karen Hardart, M.D. | 16 River Drive Annapolis, MD 21403 | 0.36% |
| Laura Merkel, M.D. | 1204 Penderbrooke Court Crownsville, MD 21032 | 0.36% |
| Marc Brassard, M.D. | 723 White Swan Drive Arnold, MD 21012 | 2.00% |
| Mark Denzine, D.O. | 211 Olivia Lane Severna Park, MD 21146 | 2.00% |
| Parabh Gill, M.D. | 2035 Maidstone Farm Road Annapolis, MD 21409 | 0.36% |
| Paul King, M.D. | 1165 Old County Road Arnold, MD 21012 | 2.00% |
| Peter Ove, M.D. | 278 Joyce Lane W Arnold, MD 21012 | 2.00% |
| Victoria Moore Wolfe, M.D. | 1015 Howard Grove Court Davidsonville, MD 21035 | 0.36% |
| Total: | | 100% |

- For each individual identified disclose any involvement in the ownership, development, or management of another health care facility

Response:

The table below consists of those individuals who have any involvement in the ownership, development, or management of another health care facility.

| Physician | Facility | City/State |
|---------------------------|--|--------------------|
| Adreinne Spirt, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| Alessandro Speciale, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| Alexander Shushan, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| Aneesh Goel, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| Benjamin Petre, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| Benjamin Solomon, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |

| Physician | Facility | City/State |
|------------------------------|--|--------------------|
| Chad Patton, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| Christopher Jones, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| Cyrus Lashgari, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| Daniel Redziniak, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| Davis Keblish, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| Frederick Guckes, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| Ifeyinwa Stitt, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| James MacDonald, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| Janelle Cooper, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| Jeffrey Gelfand, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| Juan Rodriguez Alfonso, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| Julia Lubsky, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| Justin Hoover, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| Karen Hardart, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| Laura Merkel, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| Marc Brassard, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| Mark Denzine, D.O. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| Parabh Gill, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |

| Physician | Facility | City/State |
|----------------------------|--|--------------------|
| Paul King, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| Peter Ove, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |
| Victoria Moore Wolfe, M.D. | Anne Arundel – SCA Surgicenter, LLC d/b/d AAMC Surgery Center - Pasadena | Pasadena, Maryland |

- For each individual and facility identified disclose if any license has been suspended or revoked, or been subject to any disciplinary action (such as a ban on admissions) in the last 5 years

Response:

None.

- For each individual and facility identified disclose inquiries in the last from 10 years from any federal (CMS) or state authority (OHCQ), or other regulatory body regarding possible non-compliance with any state, or federal requirements for the provision of, the quality of, or the payment for health care services that have resulted in actions leading to the possibility of penalties, admission bans, probationary status, or other sanctions

Response:

None.

- Disclose if any owners and individuals responsible for the project have identified above have ever pled guilty to or been convicted of a criminal offense in any way connected with the ownership, development, or management of the applicant facility or any of the health care facilities

Response:

None.

ADDENDUM A: GUIDANCE FOR CHARITY CARE AND FINANCIAL ASSISTANCE POLICY STANDARD

| | |
|--|---|
| <p>(3) Charity Care Policy. Each hospital and ambulatory surgical facility shall have a written policy for the provision of charity care and financial assistance regarding free and reduced-cost care to uninsured, underinsured, or indigent patients and shall provide ambulatory surgical services on a charitable basis to qualified persons consistent with the policy. The policy shall include, as applicable below, at a minimum:</p> | <p>Provide a copy of the policy</p> |
| <p>(a) Determination of Eligibility for Charity Care or Financial Assistance. Within two business days following a patient's request for charity care services, application for medical assistance, or both, the hospital or ambulatory surgical facility shall make a determination of probable eligibility and notify the patient of that determination.</p> | <p>Quote the specific language from the policy that describes the determination <u>of probable eligibility</u> within 2 business days (as well as a citation to the location within the policy).</p> <p>Provide a copy of your policy regarding a determination of probable eligibility within two business days of request for charity/reduced fee care or application for Medicaid</p> <p>Quote the specific language from the policy that describes the determination <u>of probable eligibility</u> (and give a citation to the location within the policy).</p> <p>Provide copies of any application and/or other forms involved in the process for making a determination of probable eligibility within two business days.</p> <p>Provide a copy of your procedures, if any, and other documents that detail your process for making a determination of probable eligibility and your procedures, if any, for making a final determination.</p> <p><i>Note that requiring a completed application with documentation does not comply with this standard, which is intended to ensure that a procedure is in place to inform a potential charity/reduced fee care recipient of his/her probable eligibility within two business days of initial inquiry or application for Medicaid based on a simple and expeditious process.</i></p> <p><i>A two-step process that allows for a probable determination to be communicated within two days based on an abridged set of information, followed by a final determination based on a completed application with the required documentation is permissible. But the</i></p> |

| | |
|---|---|
| | <i>policy must include the more easily navigated determination of probable eligibility.</i> |
| (b) Notice of Charity Care Policy and Financial Assistance Policy. Public notice and information regarding the hospital or ambulatory surgical facility's charity care policy shall be disseminated, on an annual basis, through methods designed to best reach the facility's service area population in a format understandable by the service area population. Notices regarding the facility's charity care policy shall be posted in the registration area and business office of the facility. This notice shall include general information about who qualifies and how to obtain a copy of the policy or may include a posted copy of the policy. Prior to a patient's arrival for surgery, the facility shall address any financial concerns of the patient, and individual notice regarding the facility's charity care policy shall be provided. | Quote the specific language from the policy that describes the method of implementation, and provide a sample for each communication vehicle(s). |
| (c) Criteria for Eligibility. A hospital shall comply with applicable State statutes and HSCRC regulations regarding financial assistance policies and charity care eligibility. A health maintenance organization, acting as both the insurer and provider of health care services for members, shall have a financial assistance policy for its members that is consistent with the minimum eligibility criteria for charity care required of ambulatory surgical facilities described in these regulations. An ambulatory surgical facility, at a minimum, shall include the following eligibility criteria in its charity care policies: (j) Persons with family income below 100 percent of the current federal poverty guideline who have no health insurance coverage and are not eligible for any public program providing coverage for medical expenses shall be eligible for services free of charges; and (iii) Persons with family income above 100 percent of the federal poverty guideline but below 200 percent of the federal poverty guideline shall be eligible for services at a discounted charge, based on a sliding scale of discounts for family income bands. | Quote the specific language from the policy that describes the provisions for the sliding fee scale and time payment plans...also provide a citation to the location within the policy where the language can be found. |
| (d) A hospital with a level of charity care, defined as the percentage of total operating expenses that falls within the bottom quartile of all hospitals, as reported in the most recent HSCRC Community Benefit Report, shall demonstrate that its level of charity care is appropriate to | Offer a complete explanation describing why its level of charity care is appropriate to the needs of its service area population. |

| | |
|---|--|
| the needs of its service area population. | |
| <p>(e) A hospital shall be able to demonstrate that its historic level of charity care or its projected level of charity care is appropriate to the needs of its actual or projected service area population. This demonstration shall include an analysis of the socio-economic conditions of the hospital's actual or projected service area population, a comparison of those conditions with those of Maryland's overall socio-economic indicators, and a comparative analysis of charity care provision by the applicant hospital and other hospitals in Maryland. The socio-economic indicators evaluated shall include median income and type of insurance by zip code area, when available. The analysis provided may also include an analysis of the social determinants of care affecting use of health care facilities and services and the health status of the actual or projected hospital service area population.</p> | <p>Submit an analysis that compares the socio-economic conditions of the hospital's actual or projected service area population with the socio-economic conditions in Maryland overall, and include a comparison of charity care provided by the applicant hospital and other hospitals in Maryland.</p> <p>The analysis shall include median income and type of insurance by zip code area, when available, and any social determinants of care affecting the use of health care facilities and services and the health status of the actual or projected hospital service area population.</p> |
| <p>(f) An applicant submitting a proposal to establish or expand an ambulatory surgical facility for which third party reimbursement is available, shall commit to provide charitable surgical services to indigent patients that are equivalent to at least the average amount of charity care provided by ambulatory surgical facilities in the most recent year reported, measured as a percentage of total operating expenses. The applicant shall demonstrate that:</p> | |
| <p>(i) Its track record in the provision of charitable health care facility services supports the credibility of its commitment;</p> | <p>Provide data on history of charity care provision.</p> |
| <p>(ii) It has a specific plan for achieving the level of charitable care provision to which it is committed. and</p> | <p>Describe the plan to meet the charity care commitment. An "ideal" response for demonstrating a serious <i>"specific plan for achieving the level of charitable care provision to which it is committed"</i> would:</p> <p>a) name the specific social service organizations/agencies that an applicant has contacted or plans to contact to inform them of the availability of charity care, and;</p> <p>b) incorporate a real-time reporting mechanism that will alert management regarding its progress toward its charity care commitment, and a statement of what actions will then be taken.</p> |
| <p>(iii) If an existing ambulatory surgical facility has not met the expected level of charity care for the two most recent years reported to Commission, the applicant shall demonstrate that its historic level of charity care was appropriate to the needs of the service area population.</p> | |

(g) A health maintenance organization, acting as both the insurer and provider of health care services for members, if applying for a Certificate of Need for a surgical facility project, shall make a commitment to provide charitable services to indigent patients. Charitable services may be surgical or non-surgical and may include charitable programs that subsidize health plan coverage. At a minimum, the amount of charitable services provided as a percentage of total operating expenses for the health maintenance organization will be equivalent to the average amount of charity care provided statewide by ambulatory surgical facilities, measured as a percentage of total ambulatory surgical facility expenses, in the most recent year reported. The applicant shall demonstrate that:

- (i) Its track record in the provision of charitable health care facility services supports the credibility of its commitment;
- (ii) It has a specific plan for achieving the level of charitable care provision to which it is committed; and
- (iii) If the health maintenance organization's track record is not consistent with the expected level for the population in the proposed service area, the applicant shall demonstrate that its historic level of charity care was appropriate to the needs of the population in the proposed service area.

Please see the response in Paragraph (f)(i) – (iii) above.

ADDENDUM B: PROVIDING INDIVIDUAL PHYSICIAN VOLUME DATA

Volume projections – ambulatory surgery facility applications

This forms package has been prepared to assist CON applicants for Ambulatory Surgical Facilities in providing information required for the CON review (see below). Each potentially involved physician should be asked to complete an individual submission, and the project sponsor (applicant) should aggregate that data (final table in this package). The information requested in this form will enable the applicant to comply with the regulations (listed immediately below) that prescribe data an applicant must provide.

The State Health Plan: General Surgical Services
Excerpted from COMAR 10.24.11. 05B (9) Impact.

(a) An application to establish a new ambulatory surgical facility shall present the following data as part of its impact assessment, in addition to addressing COMAR 10.24.01.08G(3)(f):

(i) The number of surgical cases projected for the facility and for each physician and other practitioner;

(ii) A minimum of two years of historic surgical case volume data for each physician or other practitioner, identifying each facility at which cases were performed and the average operating room time per case. Calendar year or fiscal year data may be provided as long as the time period is identified and is consistent for all physicians and other practitioners; and

(iii) The proportion of case volume expected to shift from each existing facility to the proposed facility.

(b) An application shall assess the impact of the proposed project on surgical case volume at hospitals:

(i) If the applicant's needs assessment includes surgical cases performed by one or more physicians who currently perform cases at a hospital within the defined service area of the proposed ambulatory surgical facility that, in the aggregate, account for 18 percent or more of the operating room time in use at that hospital, the applicant shall include, as part of its impact assessment, a projection of the levels of use at the affected hospital for at least three years following the anticipated opening of the proposed ambulatory surgical facility.

(ii) The operating room capacity assumptions in Regulation .06A of this Chapter and the operating room inventory rules in Regulation .06C of this Chapter shall be used in the impact assessment.

Note: duplicate and/or expand these forms as needed to accommodate providers.

EXHIBIT 1

Organization Chart: Anne Arundel—SCA Surgicenter, LLC d/b/a AAMC Surgery Center---Annapolis

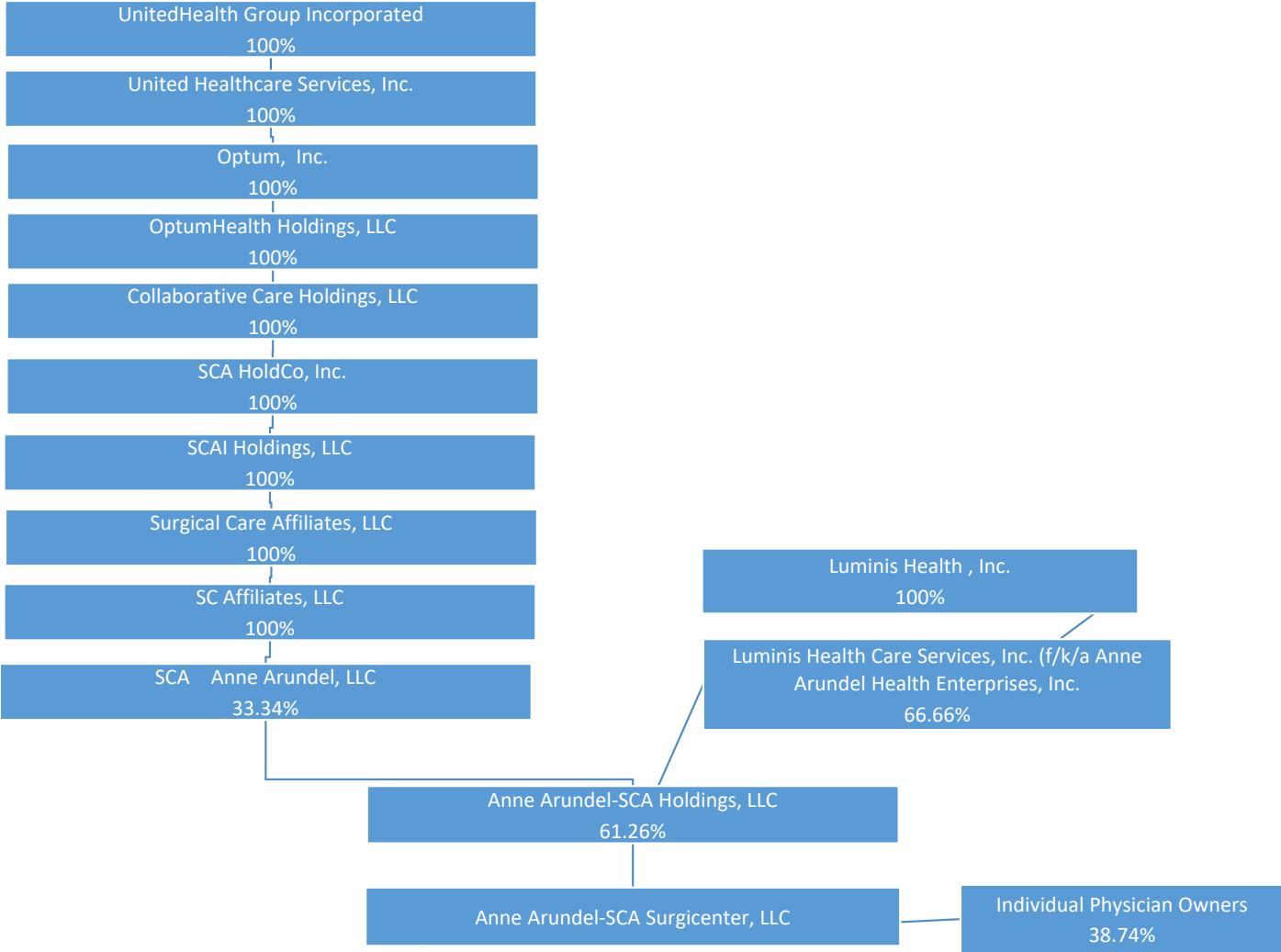


EXHIBIT 2

EXECUTION VERSION

**LEASE AGREEMENT
BY AND BETWEEN
ANNAPOLIS COMMERCE PARK LIMITED PARTNERSHIP
(as "Landlord")
AND
ANNE ARUNDEL-SCA SURGICENTER, LLC
(as "Tenant")**

**900-912 Commerce Road, Building 4
Annapolis, Maryland 21401**

TABLE OF CONTENTS

| | |
|--|----|
| ARTICLE I DEFINITIONS | 1 |
| ARTICLE II PREMISES | 2 |
| ARTICLE III TERM | 3 |
| ARTICLE IV BASE RENT | 3 |
| ARTICLE V INCREASES IN OPERATING CHARGES AND REAL ESTATE TAXES | 4 |
| ARTICLE VI USE OF PREMISES | 7 |
| ARTICLE VII ASSIGNMENT AND SUBLETTING..... | 11 |
| ARTICLE VIII MAINTENANCE AND REPAIRS | 14 |
| ARTICLE IX ALTERATIONS | 16 |
| ARTICLE X SIGNS | 18 |
| ARTICLE XI GUARANTY | 19 |
| ARTICLE XII INSPECTION | 19 |
| ARTICLE XIII INSURANCE | 19 |
| ARTICLE XIV SERVICES AND UTILITIES..... | 21 |
| ARTICLE XV LIABILITY OF LANDLORD..... | 23 |
| ARTICLE XVI RULES | 25 |
| ARTICLE XVII DAMAGE OR DESTRUCTION..... | 25 |
| ARTICLE XVIII DEFAULT | 26 |
| ARTICLE XIX BANKRUPTCY | 30 |
| ARTICLE XX SUBORDINATION..... | 31 |
| ARTICLE XXI HOLDING OVER..... | 33 |
| ARTICLE XXII COVENANTS OF LANDLORD | 33 |
| ARTICLE XXIII PARKING..... | 34 |
| ARTICLE XXIV GENERAL PROVISIONS | 35 |
| ARTICLE XXV RENEWAL OPTION | 39 |
| ARTICLE XXVI GENERATOR | 41 |
| | |
| EXHIBIT A – Plan Showing Premises | |
| EXHIBIT B – Work Agreement | |
| EXHIBIT C – Rules | |
| EXHIBIT D – Certificate Affirming Lease Commencement Date | |
| EXHIBIT E – Form of Guaranty | |
| EXHIBIT F – Location of Reserved Parking Spaces | |
| EXHIBIT G – Location and Specification of Generator | |
| EXHIBIT H – Form of Landlord’s Waiver | |

LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Lease") is dated as of the 9th day of October, 2018 (the "Effective Date"), by and between ANNAPOLIS COMMERCE PARK LIMITED PARTNERSHIP ("Landlord"), and ANNE ARUNDEL-SCA SURGICENTER, LLC, a Maryland limited liability company ("Tenant").

ARTICLE I
DEFINITIONS

- 1.1 **Building:** a one (1) story building containing approximately fifty-nine thousand two hundred thirteen (59,213) square feet of rentable area as of the date hereof and located at 900-912 Commerce Road, Annapolis, Maryland 21401. The Building is located within a business park (the "Complex") known as Annapolis Commerce Park, which Complex currently includes four (4) buildings owned by Landlord.
- 1.2 **Premises:** approximately eight thousand nine hundred twenty-five (8,925) square feet of rentable area, known as Suites 904, 904A, and 906, located in the Building, as more particularly designated on Exhibit A.
- 1.3 **Lease Term:** eighty-eight (88) full calendar months commencing on the Lease Commencement Date.
- 1.4 **Lease Commencement Date:** the date that the Tenant Improvements to be constructed by Tenant pursuant to Exhibit B are substantially completed, but not later than the date that is three hundred sixty-five (365) days following the full execution and delivery of this Lease. Landlord shall make the Premises available to Tenant promptly after this Lease is fully executed and delivered and Landlord receives the advance rent payment due hereunder. On the Lease Commencement Date, Landlord shall ensure that the base Building sprinkler system in the Premises is in good working condition and in compliance with all applicable Laws.
- 1.5 **Base Rent:** as provided in Section 4.1 below.
- 1.6 **Operating Charges Base Year:** Calendar year 2019.
- 1.7 **Intentionally omitted.**
- 1.8 **Intentionally omitted.**
- 1.9 **Brokers:** Cushman & Wakefield ("Landlord's Broker") and MacKenzie Commercial Real Estate Services ("Tenant's Broker").
- 1.10 **Tenant Notice Address:** 2001 Medical Parkway, Annapolis, MD 21401, until Tenant has commenced beneficial use of the Premises, and the Premises, after Tenant has commenced beneficial use of the Premises. A copy of all such notices shall be sent to Tenant at 569 Brookwood Village, Suite 901, Birmingham, AL 35209, Attention: Real Estate Department.

1.11 Landlord Notice Address: c/o Bernstein Consortium Management Inc., 3299 K Street NW, Washington, DC 20007, Attn: Property Manager – Annapolis Commerce Park.

1.12 Guarantors: The individuals and entities listed on Schedule 1 to Exhibit E attached hereto.

1.13 Landlord Payment Address: Annapolis Commerce Park Limited Partnership, c/o The Bernstein Companies, 3299 K Street N.W., Suite 700, Washington, D.C. 20007, Attention: Lease Administrator.

1.14 Renewal Options: two (2) periods of five (5) years each, to be exercised in accordance with the provisions of Article XXV below.

ARTICLE II PREMISES

2.1 Tenant leases the Premises from Landlord for the term and upon the conditions and covenants set forth in this Lease. Tenant will have the non-exclusive right to use the common and public areas of the Complex as designated by Landlord. Except as may otherwise be expressly provided in this Lease, the lease of the Premises does not include the right to use the roof, mechanical rooms, electrical closets, janitorial closets, telephone rooms, parking areas or other non-common or non-public areas of the Building or the Land.

2.2 At such time as Landlord's architect reasonably determines the exact number of rentable square feet included in the Premises (using its reasonable professional judgment), Landlord shall promptly notify Tenant in writing thereof and all calculations based on square footage shall be adjusted retroactively to the Lease Commencement Date, including but not limited to, Base Rent and Tenant's proportionate share of Operating Charges. Such rentable area calculation with respect to the Premises only shall be subject to confirmation, within thirty (30) days after Tenant's receipt of Landlord's determination, by Tenant's architect, at Tenant's sole cost. If Tenant fails timely to verify the rentable square footage and notify Landlord thereof in writing within such thirty (30) day period, then Landlord's calculation shall be deemed final and conclusive. In the event the rentable area figure determined by Tenant's architect differs by no more than three percent (3%) (higher or lower) from Landlord's figure, then Landlord's figure shall be controlling. In the event the rentable area figure determined by Tenant's architect differs by more than three percent (3%) (higher or lower) from Landlord's figure, then Landlord and Tenant (in coordination with their respective architects) shall endeavor in good faith to resolve the discrepancy, and in the event they are not able to resolve such discrepancy within fifteen (15) days after Tenant notifies Landlord of its determination, then within five (5) business days after expiration of such fifteen (15) day period Landlord and Tenant shall jointly appoint an independent architect to resolve such discrepancy and the determination of such independent architect shall be binding on both Landlord and Tenant. During any such dispute Tenant shall pay Base Rent to Landlord based on Landlord's determination. If such independent architect determines that the rentable area differs by no more than three percent (3%) from Landlord's figure, then the fees of such independent architect shall be borne by Tenant, otherwise such fees shall be borne by Landlord. Within ten (10) business days after determination of the rentable

area of the Premises in accordance with this Section 2.2, Landlord and Tenant shall confirm the same in writing by executing a certificate in the form attached as Exhibit D hereto.

ARTICLE III
TERM

3.1 All of the provisions of this Lease shall be in full force and effect from and after the date first above written. The Lease Term shall commence on the Lease Commencement Date. If the Lease Commencement Date is not the first day of a month, then the Lease Term shall be the period set forth in Section 1.3 plus the partial month in which the Lease Commencement Date occurs. The Lease Term shall also include any properly exercised renewal or extension of the term of this Lease.

3.2 Promptly after the Lease Commencement Date is ascertained, Landlord and Tenant shall execute the certificate confirming the Lease Commencement Date attached to this Lease as Exhibit D, however, any failure of the parties to execute said certificate shall not affect the Lease Commencement Date or other matters set forth thereon.

3.3 "Lease Year" shall mean a period of twelve (12) consecutive months commencing on the Lease Commencement Date, and each successive twelve (12) month period thereafter; provided, however, that if the Lease Commencement Date is not the first day of a month, then the second Lease Year shall commence on the first day of the month following the month in which the first anniversary of the Lease Commencement Date occurs.

ARTICLE IV
BASE RENT

4.1 From and after the one hundred twentieth (120th) day after the Lease Commencement Date (the "Rent Commencement Date"), Tenant shall pay the Base Rent in an amount equal to the product of the Base Rent Per Rentable Square Foot in effect from time to time in accordance with the following schedule, multiplied by the number of rentable square feet in the Premises. Base Rent shall be paid in equal monthly installments in advance on the first day of each month during a Lease Year.

| <u>Period</u> | <u>Base Rent Per Rentable Square Foot</u> |
|--|---|
| Lease Commencement Date to day preceding Rent Commencement Date | \$0.00 |
| Rent Commencement Date through end of 1 st Lease Year | \$19.95 (annualized) |
| 2 nd Lease Year | \$20.45 |
| 3 rd Lease Year | \$20.96 |
| 4 th Lease Year | \$21.48 |

| | |
|--------------------------------------|----------------------|
| 5 th Lease Year | \$22.02 |
| 6 th Lease Year | \$22.57 |
| 7 th Lease Year | \$23.13 |
| 8 th Lease Year (partial) | \$23.71 (annualized) |

4.2 Concurrently with Tenant's execution of this Lease, Tenant shall pay an amount equal to one (1) monthly installment of the Base Rent payable during the first Lease Year, which amount shall be credited toward the first full monthly installment of the Base Rent payable hereunder. If the Rent Commencement Date is not the first day of a month, then the Base Rent from the Rent Commencement Date until the first day of the following month shall be prorated on a per diem basis at the rate of one-thirtieth (1/30th) of the monthly installment of the Base Rent payable during the first Lease Year, and Tenant shall pay such prorated installment of the Base Rent on the Rent Commencement Date.

4.3 All sums payable by Tenant under this Lease, whether or not stated to be Base Rent, additional rent or otherwise, shall be paid to Landlord in legal tender of the United States, without setoff, deduction or demand, at the Landlord Payment Address, or to such other party or such other address as Landlord may designate in writing. Landlord's acceptance of rent after it shall have become due and payable shall not excuse a delay upon any subsequent occasion or constitute a waiver of any of Landlord's rights hereunder. If any sum payable by Tenant under this Lease is paid by check which is returned due to insufficient funds, stop payment order, or otherwise, then: (a) such event shall be treated as a failure to pay such sum when due; and (b) in addition to all other rights and remedies of Landlord hereunder, Landlord shall be entitled (i) to impose, as additional rent, a returned check charge of Fifty Dollars (\$50.00) to cover Landlord's administrative expenses and overhead for processing, and (ii) from and after the second such occurrence in any twelve (12) month period, to require that all future payments be remitted by wire transfer, money order, or cashier's or certified check.

ARTICLE V
INCREASES IN OPERATING CHARGES AND REAL ESTATE TAXES

5.1 For the purposes of this Article V, the term "Building" shall be deemed to include the site upon which the Building is constructed (which site is sometimes referred to herein as the "Land"). The Building is operated as a part of the Complex. Accordingly, Landlord shall prorate the common expenses and costs with respect to each such building in such manner as Landlord, in its sole but reasonable judgment, shall determine.

~~5.2~~(a) From and after the later of (i) January 1, 2019, and (ii) the Rent Commencement Date, Tenant shall pay as additional rent Tenant's proportionate share of the amount by which Operating Charges (as defined in Section 5.2(b)) for each calendar year falling entirely or partly within the Lease Term exceed a base amount (the "Operating Charges Base Amount") equal to the Operating Charges incurred during the Operating Charges Base Year. Tenant's proportionate share with respect to Operating Charges shall be that percentage which is equal to a fraction, the numerator of which is the number of square feet of rentable area in the

Premises, and the denominator of which is the number of square feet of rentable area from time to time in the Building (excluding storage, roof and parking areas). Notwithstanding anything to the contrary herein, for purposes of calculating the amount due from Tenant under this Article, the Operating Charges Base Amount shall not include market-wide cost increases due to extraordinary circumstances including, but not limited to, force majeure events or conditions, extraordinary snow removal requirements, terrorist acts or acts of war, boycotts, strikes, conservation surcharges, embargoes or other shortages, or amortized costs relating to capital improvements.

(b) "Operating Charges" shall mean the sum of all expenses incurred by Landlord in the ownership, operation, maintenance, repair and cleaning of the Building (including the parking facilities serving the Building), including, but not limited to, the following: (1) electricity to the common areas and gas, water, HVAC, sewer and other utility charges of every type and nature; (2) premiums and other charges for insurance and deductibles under such insurance policies; (3) management fees (not to exceed four percent (4%) of the Building's gross revenues) and personnel costs of the Building; (4) costs of service and maintenance contracts relating to the Building as a whole; (5) maintenance, repair and replacement expenses and supplies which are deducted by Landlord in computing its federal income tax liability; (6) depreciation for capital expenditures made by Landlord to reduce operating expenses or to comply with legal or insurance requirements applicable to the Building after the date hereof or to replace existing equipment or machinery used in connection with the operation or maintenance of the Building, such capital costs to be amortized over such reasonable period as Landlord shall determine, together with interest at the rate paid by Landlord on any funds borrowed for such expenditures; (7) charges for janitorial, trash removal, and cleaning services and supplies furnished to the common areas of the Building and the Land; (8) any business, professional and occupational license tax payable by Landlord with respect to the Building; (9) [intentionally omitted]; (10) costs of snow removal; (11) capital expenditures due to breakage, casualty or normal wear and tear to the extent the capital replacement cost is less than the costs of repair then required provided such capital costs are amortized as provided in clause (6) above;; (12) Real Estate Taxes, and (13) any other expense incurred by Landlord in maintaining, repairing, operating or cleaning the Complex. Operating Charges shall not include: (i) principal or interest payments on any Mortgages (as defined in Section 21.1); (ii) leasing commissions or legal fees with respect to the negotiation of leases; (iii) capital expenditures and depreciation and amortization thereof, except as specified above; (iv) the costs of special services and utilities separately paid by particular tenants of the Complex; (v) costs which are reimbursed to Landlord by insurers or by governmental authorities in eminent domain proceedings or by other third parties except that payments by other tenants as Operating Charges reimbursements shall not be excluded from Operating Charges; (vi) advertising for vacant space in the Complex; (vii) the cost of tenant improvements; (viii) salaries, wages, or other compensation paid to employees of Landlord above the level of general manager, property manager, and on-site engineer; (ix) rental payments made under any ground lease except to the extent such rental payments represent Real Estate Taxes or the provision of goods and/or services that, if provided by Landlord, would be includable in Operating Charges; (x) costs of Landlord's general overhead and general administrative expenses, which would not be chargeable to operating expenses of the Building in accordance with generally accepted accounting principles, consistently applied; and (xi) the profit component of any amount paid to a corporation or entity which controls, is controlled by, or is in common control with Landlord for goods or services, to the extent such

amount is not reasonably comparable to the amount paid for similar goods or services provided to similar class office buildings in the submarket in which the Building is located providing services similar to, and to the same level as, those provided for the Building.

(c) If the average occupancy rate for the Building during any calendar year (including the Operating Charges Base Year) is less than ninety-five percent (95%), or if any tenant is separately paying for (or does not require) electricity or other services furnished to its premises the cost of which is included in Operating Charges, then Operating Charges for such year shall be deemed to include all additional expenses, as reasonably estimated by Landlord, which would have been incurred during such year if such average occupancy rate had been ninety-five percent (95%) and if Landlord paid for electricity and such other services furnished to such premises.

(d) From and after the later of (i) January 1, 2019, and (ii) the Rent Commencement Date, Tenant shall make estimated monthly payments to Landlord on account of the amount by which Operating Charges that are expected to be incurred during each calendar year (or portion thereof) would exceed the Operating Charges Base Amount. At the beginning of calendar year 2019 and at the beginning of each calendar year thereafter, Landlord may submit a statement setting forth Landlord's reasonable estimate of such excess and Tenant's proportionate share thereof. Tenant shall pay to Landlord on the first day of each month following receipt of such statement, until Tenant's receipt of the succeeding annual statement, an amount equal to one-twelfth (1/12) of each such share (estimated on an annual basis without proration pursuant to Section 5.4). Not more often than twice per calendar year, Landlord may revise Landlord's estimate and adjust Tenant's monthly payments to reflect Landlord's revised estimate. Within approximately one hundred twenty (120) days after the end of each calendar year, or as soon thereafter as is feasible, Landlord shall submit a statement showing (1) Tenant's proportionate share of the amount by which Operating Charges incurred during the preceding calendar year exceeded the Operating Charges Base Amount, and (2) the aggregate amount of Tenant's estimated payments made on account of Operating Charges during such year. If such statement indicates that the aggregate amount of such estimated payments exceeds Tenant's actual liability, then Landlord shall credit the net overpayment toward Tenant's next estimated payment(s) due pursuant to this Section. If such statement indicates that Tenant's actual liability exceeds the aggregate amount of such estimated payments, then Tenant shall pay the amount of such excess as additional rent.

(e) For a period of ninety (90) days after Tenant's receipt of such statement, Tenant, or an independent, certified public accountant who is hired by Tenant on a noncontingent fee basis and who offers a full range of accounting services and is reasonably acceptable to Landlord, shall have the right, during regular business hours and after giving at least ten (10) days' advance written notice to Landlord, to inspect and complete an audit of Landlord's books and records relating to Operating Charges for the immediately preceding calendar year; or, at Landlord's sole discretion and in lieu of such audit, Landlord will provide Tenant with an audited statement. Tenant shall (and shall cause its employees, agents and consultants to) keep the results of any such audit or audited statement strictly confidential. If based on Landlord's review of such audit Landlord reasonably agrees that the amounts paid by Tenant to Landlord on account of increases in Operating Charges exceed the amounts to which Landlord is entitled hereunder, Landlord shall credit the amount of such excess toward the next monthly payments of

Operating Charges due hereunder. All costs and expenses of any such audit or audited statement shall be paid by Tenant. If Tenant does not notify Landlord in writing of any objection to any statement within ninety (90) days after receipt thereof, then Tenant shall be deemed to have waived such objection.

(f) "Real Estate Taxes" shall mean (1) all real estate taxes, personal property taxes, vault and/or public space rentals, business district or arena taxes, special user fees, rates, and assessments (including general and special assessments, if any), ordinary and extraordinary, foreseen and unforeseen, which are imposed upon Landlord or assessed against the Building or the Land or Landlord's personal property used in connection therewith, (2) any other present or future taxes or governmental charges that are imposed upon Landlord or assessed against the Building or the Land which are in the nature of or in substitution for real estate taxes, including any tax levied on or measured by the rents payable by tenants of the Building, and (3) reasonable expenses (including, without limitation, attorneys' and consultants' fees and court costs) incurred in reviewing, protesting or seeking a reduction of real estate taxes, whether or not such protest or reduction is ultimately successful. Subject to the foregoing, Real Estate Taxes shall not include any inheritance, estate, gift, franchise, corporation, net income or net profits tax assessed against Landlord from the operation of the Building.

5.3 Intentionally omitted.

5.4 If the Lease Term expires on a day other than the last day of a calendar year, then Tenant's liabilities pursuant to this Article for such calendar year shall be apportioned by multiplying the respective amount of Tenant's proportionate share thereof for the full calendar year by a fraction, the numerator of which is the number of days during such calendar year falling within the Lease Term, and the denominator of which is three hundred sixty-five (365).

ARTICLE VI USE OF PREMISES

6.1 (a) Tenant shall use and occupy the Premises solely for the operation of a medical surgical center for licensed physicians to perform outpatient surgery and medical procedures on human beings (the "Permitted Use") and for no other use or purpose. Notwithstanding the foregoing, provided Tenant shall continue to timely pay rent and maintain the Premises as set forth in the Lease, Tenant's cessation of operations within, or failure to continuously occupy, the Premises shall not alone violate the foregoing sentence or constitute an Event of Default hereunder. Subject to the restrictions set forth below, medical surgical center uses shall include professional outpatient medical surgeries and services together with incidental laboratory and diagnostic services directly related to and a part of Tenant's surgical practice in the Building. For the purposes of this paragraph, "incidental" shall mean anything that is subordinate to, and dependent on, and follows the existence of, Tenant's principal medical surgical practice. Landlord makes no representation as to whether the Permitted Use complies with applicable Laws, it being Tenant's sole responsibility to satisfy itself that the Permitted Use is in fact authorized by applicable Laws. Tenant and each individual conducting the practice of medicine in the Premises shall not discriminate on the basis of race, color or creed in the care and treatment of patients. Notwithstanding anything above to the contrary, Tenant shall not permit the Premises to be used for (1) any use or purpose which, in Landlord's reasonable

discretion, will permit any infectious disease to spread or will impair the value of the Building as a first class office building, (2) abortions or euthanasia, (3) animal testing or research requiring the use of animals, (4) in-patient surgery, (5) commercial sale or dispensation of drugs, prescriptions, or pharmaceutical items, or (6) drug or alcohol abuse treatment. Tenant shall not store specimen or waste products in the corridors or other common areas of the Building or the Complex. Tenant shall store such items, whether for pickup, delivery or disposal, within the Premises and in accordance with applicable Laws (as defined below). Tenant shall not use or occupy the Premises for any unlawful purpose, or in any manner that will violate the certificate of occupancy for the Premises or the Building or that will constitute waste, nuisance or unreasonable annoyance to Landlord or any other tenant or user of the Building, or in any manner that will increase the number of parking spaces required for the Building or its full occupancy as required by law. Tenant shall comply with all present and future laws (including, without limitation, laws related to the storage and handling of pharmaceuticals, Medical Waste Laws (as defined below), the Americans with Disabilities Act (the "ADA") and the regulations promulgated thereunder, and the Occupational Safety and Health Act and the regulations promulgated thereunder, as the same may be amended from time to time), ordinances (including without limitation, zoning ordinances and land use requirements), regulations, orders and recommendations (including, without limitation, those made by any public or private agency having authority over insurance rates) (collectively, "Laws") concerning the use, occupancy and condition of the Premises and all machinery, equipment, furnishings, fixtures and improvements therein or requiring Tenant's employees to obtain licenses or permits to conduct business in the Premises, all of which shall be complied with in a timely manner at Tenant's sole expense. If any such Law requires an occupancy or use permit or license or certificate of any kind for the Premises or the operation of the business conducted therein (including, without limitation, a certificate of occupancy or zoning certificate), then Tenant shall obtain (prior to the date required under applicable Laws) and keep current such permits or licenses at Tenant's expense and shall promptly deliver a copy thereof to Landlord. Use of the Premises is subject to all covenants, conditions and restrictions of record, however no such covenants, conditions or restrictions prohibit Tenant's use of the Premises for the Permitted Use. Tenant shall not use any space in the Building for the sale of goods to the public at large or for the sale at auction of goods or property of any kind. Tenant shall not conduct any operations, sales, promotions, advertising or special events outside the Premises. Notwithstanding the foregoing, Landlord, at its expense (subject to reimbursement pursuant to Article V to the extent permitted thereby), shall take steps necessary to comply with applicable Laws to the extent the same apply directly to the Building Structure (as defined in Section 8.2); provided, however, that to the extent any non-compliance is a result of the specific use or occupancy of the Premises by Tenant (i.e., as opposed to general office use) or any action or inaction of Tenant or any Invitee, or if any improvements made by Landlord to comply with the Laws benefit solely the Premises, then such compliance shall be at Tenant's cost. Landlord represents that as of the Lease Commencement Date, the Premises shall be in compliance with all applicable Laws.

(b) For purposes of this Lease, "Medical Waste" shall mean any and all waste commonly produced by medical or surgical care facilities, including, but not limited to: blood and blood products; body parts and tissue; laboratory wastes; discarded cultures, specimens, vaccines and associated items; hypodermic needles, syringes, scalpel blades and similar equipment or devices; and all other medical wastes listed at 42 U.S.C. §6992 (1988) and any regulations promulgated thereunder, as the same may be amended from time to time

(collectively, the "Medical Waste Laws"). Tenant shall be solely responsible for disposing of all Medical Waste so as to protect waste handlers and the public from exposure thereto, and such disposal shall comply with the requirements set forth in the Medical Waste Laws. Notwithstanding anything in this Lease to the contrary, Tenant's disposal of Medical Waste and removal thereof from the Premises and the Building shall be provided by Tenant's contractors, at Tenant's sole cost and expense. Under no condition shall Tenant deposit any Medical Waste in trash receptacles serviced by the Building char service provided by Landlord or in the dumpster (if any) servicing the Land or in or on any other part of the Building. Tenant shall, at Tenant's sole cost and expense, comply with the requirements of any federal or state law, regulation, rule, order or directive, now or hereinafter in effect, which regulates the disposal of Medical Waste, whether or not such obligation is thereby imposed upon Tenant or Landlord. Except for Landlord's gross negligence or willful misconduct, Landlord shall not be liable for any damage, injury, loss, liability, charge, demand or claim (collectively, a "Claim") based on or arising out of the presence or removal of Medical Waste in or about the Building or Tenant's use or occupancy of the Premises.

(c) Tenant shall not suffer, allow or permit any vibration or offensive or obnoxious noise, odor or other undesirable effect to emanate from the Premises or any machine or other installation therein, or otherwise suffer, allow or permit the same to constitute a disturbance to occupants of the Building. Tenant shall neither use nor allow any of its employees, patients, or invitees to use any restroom in the Building located outside the Premises (i) for a laboratory or any laboratory purpose; for the giving of any urine, fecal, blood, or other specimens; for the giving of any injections or other treatments; or for any other medical or business purpose; (ii) for the storage or disposal of any drugs, medical waste, or medical equipment; or (iii) for the discharge or deposit of any drugs, medical waste, chemicals, or other business fluids, liquids, or materials. Tenant shall use commercially reasonable efforts to cause its employees, agents, patients, guests or other invitees not to loiter in or around the common areas of the Complex. If any such loitering continues after Landlord notifies Tenant thereof in writing, then, in addition to any rights and remedies Landlord may have, Landlord may hire a guard or other security professional and the cost thereof shall be deemed to be additional rent and Tenant shall reimburse Landlord therefor at Tenant's sole cost and expense. In addition, if Landlord reasonably determines that such guard or security professional is an insufficient remedy, then Landlord can require Tenant to provide reasonable additional security measures (reasonably acceptable to Landlord). Landlord shall have access to all portions of the Premises whether secured or unsecured. Tenant covenants and agrees that it will not allow or permit any patient to reside in or remain in the Premises overnight.

(d) No x-ray machine or other electrical or electronic or electromagnetic or other similar or dissimilar medical equipment or machines or devices now existing or hereafter invented shall be installed or used in the Premises unless installed completely at Tenant's sole cost and expense, in accordance with all the terms and conditions of this Lease, including, without limitation, rules and regulations and requirements of the local board of fire underwriters, the local fire insurance exchange and all Laws; and, in any event, not unless the same is properly electrically filtered and insulated so that there is no interference in the Building with telephonic, video, fiber optic, data processing, radio, television or other similar or dissimilar communication, transmission or reception whether now existing or hereafter invested. All walls, ceilings, floors and doors of any room used for examination, diagnosis, testing, or therapy shall be properly

shielded and shall comply with all rules, regulations, ordinances and other requirements from time to time in effect whether now or in the future of any and all federal, state and municipal authorities having jurisdiction thereof.

6.2 Tenant shall pay before delinquency any business, rent or other taxes or fees that are now or hereafter levied, assessed or imposed upon Tenant's use or occupancy of the Premises, the conduct of Tenant's business at the Premises, or Tenant's equipment, fixtures, furnishings, inventory or personal property. If any such tax or fee is enacted or altered so that such tax or fee is levied against Landlord or so that Landlord is responsible for collection or payment thereof, then Tenant shall pay as additional rent the amount of such tax or fee.

6.3 (a) Tenant shall not cause or permit any Hazardous Materials to be generated, used, released, stored or disposed of in or about the Building by Tenant or any Invitees, provided that Tenant may use and store reasonable quantities of standard cleaning materials as may be reasonably necessary for Tenant to conduct normal general use operations in the Premises provided the same are handled, stored and disposed of in accordance with all Laws. Except to the extent any Hazardous Materials are present in or about the Premises upon Tenant taking possession of the Premises or as a result of any act or omission of Landlord, or Landlord's agents, employees, or contractors, at the expiration or earlier termination of this Lease, Tenant shall surrender the Premises to Landlord free of Hazardous Materials and in compliance with all Environmental Laws. "Hazardous Materials" means (a) asbestos and any asbestos containing material and any substance that is then defined or listed in, or otherwise classified pursuant to, any Environmental Law or any other applicable Law as a "hazardous substance," "hazardous material," "hazardous waste," "infectious waste," "toxic substance," "toxic pollutant" or any other formulation intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, reproductive toxicity, or Toxicity Characteristic Leaching Procedure (TCLP) toxicity, (b) any petroleum and drilling fluids, produced waters, and other wastes associated with the exploration, development or production of crude oil, natural gas, or geothermal resources, and (c) any petroleum product, polychlorinated biphenyls, urea formaldehyde, radon gas, radioactive material (including any source, special nuclear, or by-product material), medical waste, chlorofluorocarbon, lead or lead-based product, and any other substance whose presence could be detrimental to the Building or the Land or hazardous to health or the environment. "Environmental Law" means any present and future Law and any amendments (whether common law, statute, rule, order, regulation or otherwise), permits and other requirements or guidelines of governmental authorities applicable to the Building or the Land and relating to the environment and environmental conditions or to any Hazardous Material (including, without limitation, CERCLA, 42 U.S.C. § 9601 et seq., the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 et seq., the Hazardous Materials Transportation Act, 49 U.S.C. § 5101 et seq., the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., the Clean Air Act, 42 U.S.C. § 7401 et seq., the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., the Safe Drinking Water Act, 42 U.S.C. § 300f et seq., the Emergency Planning and Community Right-To-Know Act, 42 U.S.C. § 11001 et seq., the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq., and any so-called "Super Fund" or "Super Lien" law, any Law requiring the filing of reports and notices relating to hazardous substances, environmental laws administered by the Environmental Protection Agency, and any similar state and local Laws, all amendments thereto and all regulations, orders, decisions, and

decrees now or hereafter promulgated thereunder concerning the environment, industrial hygiene or public health or safety).

(b) Notwithstanding any termination of this Lease, Tenant shall indemnify and hold Landlord, its employees and agents harmless from and against any damage, injury, loss, liability, charge, demand or claim based on or arising out of the presence or removal of, or failure to remove, Hazardous Materials generated, used, released, stored or disposed of by Tenant or any Invitee in or about the Building, whether before or after Lease Commencement Date. In addition, Tenant shall give Landlord immediate verbal and follow-up written notice of any actual or threatened Environmental Default, which Environmental Default Tenant shall cure in accordance with all Environmental Laws and to the satisfaction of Landlord and only after Tenant has obtained Landlord's prior written consent, which shall not be unreasonably withheld. An "Environmental Default" means any of the following by Tenant or any Invitee: a violation of an Environmental Law; a release, spill or discharge of a Hazardous Material on or from the Premises, the Land or the Building; an environmental condition requiring responsive action; or an emergency environmental condition. Upon any Environmental Default, in addition to all other rights available to Landlord under this Lease, at law or in equity, Landlord shall have the right but not the obligation to immediately enter the Premises, to supervise and approve any actions taken by Tenant to address the Environmental Default, and, if Tenant fails to immediately address same to Landlord's satisfaction, to perform, at Tenant's sole cost and expense, any lawful action necessary to address same. If any lender or governmental agency shall require testing to ascertain whether an Environmental Default is pending or threatened, then if it is determined that an Environmental Default has occurred, Tenant shall pay the reasonable costs therefor as additional rent. Promptly upon request, Tenant shall execute from time to time affidavits, representations and similar documents concerning Tenant's best knowledge and belief regarding the presence of Hazardous Materials at or in the Building, the Land or the Premises.

(c) As of the date hereof, Landlord represents that to its actual knowledge (with no additional inspection or inquiry having been made) it has not received any written notice of violation of any Environmental Law with respect to the Premises or the Building that remains uncured.

ARTICLE VII ASSIGNMENT AND SUBLETTING

7.1 Except as expressly set forth herein with respect to Permitted Transfers (as defined in Section 7.7), Tenant shall not assign, transfer or otherwise encumber (collectively, "assign") this Lease or all or any of Tenant's rights hereunder or interest herein, or sublet or permit anyone to use or occupy (collectively, "sublet") the Premises or any part thereof, without obtaining the prior written consent of Landlord, which consent may be withheld or granted in Landlord's sole and absolute discretion (except as otherwise provided herein). Notwithstanding the foregoing, provided that no Event of Default then exists and subject to Landlord's rights pursuant to Sections 7.4 and 7.5 hereinbelow, Landlord shall not unreasonably withhold, condition, or delay its consent to any proposed assignment or subletting of the Premises during the Lease Term, provided that (i) the use of the Premises pursuant to such assignment or sublease is in compliance with Article VI hereof; (ii) the proposed assignee or subtenant is of a type and quality consistent and compatible with a comparable class building and with the Building and its

tenants; (iii) Landlord is reasonably satisfied with the financial condition of the assignee under any such assignment or the sublessee under any such sublease; (iv) the initial Tenant remains fully liable as a primary obligor for the payment of all rent and other charges hereunder and for the performance of all its other obligations hereunder and each Guarantor shall remain fully liable under the terms of its Guaranty; (v) the proposed subtenant or assignee is not a governmental or quasi-governmental agency; (vi) the proposed use of the Premises shall not increase the pedestrian traffic in the Building above the level of traffic generated by normal and customary usage; and (vii) the proposed subtenant or assignee is not a current tenant in the Building or a potential tenant in the Building with whom Landlord is engaged in active negotiations. No assignment or right of occupancy hereunder may be effectuated by operation of law or otherwise without the prior written consent of Landlord. Any attempted assignment, transfer or other encumbrance of this Lease or all or any of Tenant's rights hereunder or interest herein, and any sublet or permission to use or occupy the Premises or any part thereof not in accordance with this Article VII shall be void and of no force or effect. Any assignment or subletting, Landlord's consent thereto, or Landlord's collection or acceptance of rent from any assignee or subtenant shall not be construed either as waiving or releasing Tenant from any of its liabilities or obligations under this Lease as a principal and not as a guarantor or surety, or as relieving Tenant or any assignee or subtenant from the obligation of obtaining Landlord's prior written consent to any subsequent assignment or subletting. As security for this Lease, Tenant hereby assigns to Landlord the rent due from any assignee or subtenant of Tenant. For any period during which Tenant is in default hereunder, Tenant hereby authorizes each such assignee or subtenant to pay said rent directly to Landlord upon receipt of notice from Landlord specifying same. Landlord's collection of such rent shall not be construed as an acceptance of such assignee or subtenant as a tenant. Tenant shall not mortgage, pledge, hypothecate or encumber (collectively "mortgage") this Lease without Landlord's prior written consent, which consent may be granted or withheld in Landlord's sole and absolute discretion. Tenant shall pay to Landlord an administrative fee equal to five hundred dollars (\$500) plus all other reasonable, out-of-pocket expenses (including attorneys' fees and accounting costs) incurred by Landlord in connection with Tenant's request for Landlord to give its consent to any assignment, subletting, or mortgage. Tenant shall notify Landlord prior to engaging a real estate broker in connection with any proposed assignment or sublease. Any sublease, assignment or mortgage shall, at Landlord's option, be effected on forms reasonably approved by Landlord. Tenant shall deliver to Landlord a fully-executed copy of each agreement evidencing a sublease, assignment or mortgage within ten (10) days after Tenant's execution thereof.

7.2 Except to the extent otherwise specifically set forth in this Article VII, if Tenant is a partnership, then any event (whether voluntary, concurrent or related) resulting in a dissolution of Tenant, any withdrawal or change (whether voluntary, involuntary or by operation of law) of partners owning a controlling interest in Tenant (including each general partner), or any structural or other change having the effect of limiting the liability of the partners shall be deemed a voluntary assignment of this Lease subject to the provisions of this Article. Except to the extent otherwise specifically set forth in this Article VII, if Tenant is a corporation (or a partnership with a corporate general partner), then any event (whether voluntary, concurrent or related) resulting in a dissolution, merger, consolidation or other reorganization of Tenant (or such corporate general partner), or the sale or transfer or relinquishment of the interest of shareholders who, as of the date of this Lease, own a controlling interest of the capital stock of Tenant (or such corporate general partner), shall be deemed a voluntary assignment of this Lease

subject to the provisions of this Article; provided, however, that the foregoing portion of this sentence shall not apply to corporations whose stock is traded through a national or regional exchange or over-the-counter market. Except to the extent otherwise specifically set forth in this Article VII, if Tenant is a limited liability company, then any dissolution of Tenant or a withdrawal or change, whether voluntary, involuntary or by operation of law, of members owning a controlling interest in Tenant shall be deemed a voluntary assignment of this Lease; provided, however, that each of the following transfer of interests shall not alone constitute a voluntary assignment of this Lease: transfers (a) by and among members of Tenant, (b) for estate planning purposes, (c) in connection with the death of a member, and (d) to employees of Tenant. In addition, a transfer of all or substantially all of the assets of Tenant, either by merger, consolidation, or otherwise shall be deemed to be an assignment under this Article VII. Notwithstanding anything herein to the contrary, no withdrawal or change of members in Tenant shall be considered an assignment as long as Anne Arundel Health Care Enterprises, Inc. and SCA-Anne Arundel, LLC continue to own at least 50% (in the aggregate) of the membership interests in Tenant.

7.3 If at any time during the Lease Term Tenant desires to assign, sublet or mortgage all or part of this Lease or the Premises, then in connection with Tenant's request to Landlord for Landlord's consent thereto, Tenant shall give notice to Landlord in writing ("Tenant's Request Notice") containing: the identity of the proposed assignee, subtenant or other party and a description of its business; the terms of the proposed assignment, subletting or other transaction; the commencement date of the proposed assignment, subletting or other transaction (the "Proposed Sublease Commencement Date"); the area proposed to be assigned, sublet or otherwise encumbered (the "Proposed Sublet Space"); the most recent financial statement or other evidence of financial responsibility of such proposed assignee, subtenant or other party; and a certification executed by Tenant and such party stating whether or not any premium or other consideration is being paid for the assignment, sublease or other transaction.

7.4 [Intentionally Omitted].

7.5 If any sublease or assignment (whether by operation of law or otherwise, including without limitation an assignment pursuant to the provisions of the Bankruptcy Code or any other Insolvency Law) provides that the subtenant or assignee thereunder is to pay any amount in excess of the rental and other charges due under this Lease, then whether such excess be in the form of an increased monthly or annual rental, a lump sum payment, payment for the sale, transfer or lease of Tenant's fixtures, leasehold improvements, furniture and other personal property, or any other form (and if the subleased or assigned space does not constitute the entire Premises, the existence of such excess shall be determined on a pro-rata basis), Tenant shall pay to Landlord fifty percent (50%) of any such excess or other premium applicable to the sublease or assignment, which amount shall be paid by Tenant to Landlord as additional rent upon such terms as shall be specified by Landlord and in no event later than ten (10) days after any receipt thereof by Tenant. Acceptance by Landlord of any payments due under this Section shall not be deemed to constitute approval by Landlord of any sublease or assignment, nor shall such acceptance waive any rights of Landlord hereunder. Landlord shall have the right to inspect and audit Tenant's books and records relating to any sublease or assignment.

7.6 All restrictions and obligations imposed pursuant to this Lease on Tenant shall be deemed to extend to any subtenant, assignee, licensee, concessionaire or other occupant or transferee, and Tenant shall cause such person to comply with such restrictions and obligations. Any assignee shall be deemed to have assumed obligations as if such assignee had originally executed this Lease and at Landlord's request shall execute promptly a document confirming such assumption. Each sublease is subject to the condition that if the Lease Term is terminated or Landlord succeeds to Tenant's interest in the Premises by voluntary surrender or otherwise, at Landlord's option the subtenant shall be bound to Landlord for the balance of the term of such sublease and shall attorn to and recognize Landlord as its landlord under the then executory terms of such sublease or, at Landlord's sole option, the subtenant shall execute a direct lease with Landlord on Landlord's then-current standard form.

7.7 Notwithstanding anything contained in this Article VII to the contrary, and provided that no default has occurred hereunder, Tenant may, upon at least fifteen (15) days' prior written notice to Landlord, but without Landlord's prior written consent, may assign or transfer its entire interest in this Lease or sublease the entire Premises: (a) to a corporation or other business entity (herein sometimes referred to as a "successor corporation") into or with which Tenant shall be merged or consolidated, or to which substantially all of the assets or ownership interests of Tenant may be transferred or sold, provided that such successor corporation shall have a net worth and liquidity factor at least equal to the net worth and liquidity factor of Tenant as of the Lease Commencement Date, and provided that the successor corporation shall assume in writing all of the obligations and liabilities of Tenant under this Lease; or (b) to a corporation or other business entity (herein sometimes referred to as a "related corporation") which shall control, be controlled by or be under common control with Tenant. Any successor corporation or related corporation as defined above shall be referred to herein as "Permitted Transferee" and any such transaction a "Permitted Transfer." In the event of any such assignment or subletting, Tenant and Guarantor shall remain fully liable as a primary obligor for the payment of all rent and other charges required hereunder and for the performance of all obligations to be performed by Tenant hereunder and shall confirm the same in writing at Landlord's request. For purposes of clause (b) above, "control" shall be deemed to be ownership of more than fifty percent (50%) of the stock or other voting interest of the controlled corporation or other business entity. Together with Tenant's notice to Landlord pursuant to this Section, Tenant shall submit to Landlord sufficient information regarding the transaction as is reasonably necessary for Landlord to confirm that the transaction meets the qualifications set forth in this Section.

ARTICLE VIII **MAINTENANCE AND REPAIRS**

8.1 Except to the extent the same is specifically provided as Landlord's responsibility under this Lease, Tenant, at Tenant's sole cost and expense, shall promptly make all repairs, perform all maintenance, and make all replacements in and to the Premises that are necessary or desirable to keep the Premises in first class condition and repair, in a clean, safe and tenable condition, and otherwise in accordance with all Laws and the requirements of this Lease. Tenant shall maintain all fixtures, furnishings and equipment located in, or exclusively serving, the Premises in clean, safe and sanitary condition, shall take good care thereof and make all required repairs and replacements thereto. Tenant shall give Landlord prompt written notice of any

defects or damage to the structure of, or equipment or fixtures in, the Building or any part thereof. Tenant shall suffer no waste or injury to any part of the Premises, and shall, at the expiration or earlier termination of the Lease Term, surrender the Premises in an order and condition equal to or better than their order and condition on the Lease Commencement Date, except for ordinary wear and tear and as otherwise provided in Article XVII. Except as otherwise provided in Article XVII, all injury, breakage and damage to the Premises and to any other part of the Building or the Land caused by any act or omission of any invitee, agent, employee, subtenant, assignee, contractor, client, family member, licensee, customer or guest of Tenant (collectively, "Invitees") or Tenant, shall be repaired by and at Tenant's expense, except that Landlord shall have the right at Landlord's option to make any such repair and to charge Tenant for all costs and expenses incurred in connection therewith.

8.2 Except as otherwise provided in this Lease, Landlord shall (subject to reimbursement pursuant to Article V) keep the exterior and demising walls, load bearing elements, foundations, and roof (collectively, the "Building Structure") and common areas that form a part of the Complex, clean and in good operating condition and, promptly after becoming aware of any item needing repair, will make repairs thereto. Notwithstanding any of the foregoing to the contrary: (a) maintenance and repair of special tenant areas, facilities, finishes and equipment (including, but not limited to, any special fire protection equipment, medical and surgical equipment, telecommunications and computer equipment, kitchen/galley equipment, air-conditioning equipment serving the Premises only and all other furniture, furnishings and equipment of Tenant and all Alterations) shall be the sole responsibility of Tenant and shall be deemed not to be a part of the Building Structure; and (b) Landlord shall have no obligation to make any repairs brought about by any negligent or intentional act or omission of Tenant or any Invitee.

8.3 Tenant shall maintain, at Tenant's sole cost and expense, in good working order and condition all heating, ventilation, and air conditioning and other equipment and systems in and/or serving the Premises (and all utilities consumed by such equipment and/or systems shall be separately metered and Tenant shall be responsible for the cost of utilities consumed thereby). Tenant shall, at its sole cost and expense, obtain, procure and keep in full force and effect, throughout the Lease Term, a full service maintenance agreement by a contractor approved by Landlord, which agreement shall be in form, content and at a level of service acceptable to Landlord, and provide, among other things, for the contractor to furnish the parts and labor necessary to repair and maintain such systems and equipment in good working order and to provide inspections and maintenance services on at least quarterly intervals, a copy of which service contract shall be given to Landlord within thirty (30) days after the execution of this Lease, and thereafter at least thirty (30) days prior to the expiration date of the then current contract. Notwithstanding the foregoing, Landlord may by written notice to Tenant elect to maintain such units at Tenant's expense. In addition, Landlord reserves the right to establish an inspection and maintenance program for all equipment maintained by Tenant. Tenant, at its expense, shall install and maintain fire extinguishers and other fire protection devices as may be required from time to time by any agency having jurisdiction thereof and/or the underwriters insuring the Building.

8.4 Tenant will keep clean the inside and outside of all glass in the doors and windows of the Premises; will replace promptly, at Tenant's own expense, with glass of like-kind and quality, any window glass of the Premises which may become cracked or broken.

8.5 Tenant shall maintain all fixtures, furnishings and equipment located in, or exclusively serving, the Premises (including without limitation all overhead loading doors, dock levelers, and dock bumpers) in clean, safe and sanitary condition, shall take good care thereof and make all required repairs and replacements thereto. Tenant, at Tenant's sole cost and expense, shall promptly make all repairs and replacements to any pipes, lines, ducts, wires or conduits contained within the Premises and/or serving exclusively the Premises.

ARTICLE IX ALTERATIONS

9.1 The original improvement of the Premises, which shall be constructed in two (2) phases, shall be accomplished by Tenant or its designated contractor(s) in accordance with Exhibit B. Landlord is under no obligation to make any structural or other alterations, decorations, additions, improvements or other changes (collectively, "Alterations") in or to the Premises or the Building except as set forth in Exhibit B or as otherwise expressly provided in this Lease.

9.2 Tenant shall not make or permit anyone to make any Alterations in or to the Premises or the Building, without the prior written consent of Landlord, which consent may be withheld or granted in Landlord's sole and absolute discretion with respect to all structural Alterations and to those non-structural Alterations which are visible from the exterior of the Premises or for which a building permit is required, and which consent shall not be unreasonably withheld with respect to all other non-structural Alterations. "Structural Alterations" shall be deemed to include without limitation any Alteration that will or may necessitate any changes, replacements or additions to the walls, ceilings, partitions, columns or floor, or to the water, electrical, mechanical, plumbing, fire and life safety, or HVAC systems, of the Premises or the Building and any Alteration that requires the issuance of a building permit. Any Alterations made by Tenant shall be made: (a) in a good, workmanlike, first-class and prompt manner; (b) using new materials only; (c) by a contractor, on days, at times and under the supervision of an architect approved in writing by Landlord; (d) in accordance with plans and specifications prepared by an engineer or architect reasonably acceptable to Landlord, which plans and specifications shall be approved in writing by Landlord at Landlord's standard charge; (e) in accordance with all Laws and the requirements of any insurance company insuring the Building or any portion thereof; (f) after having obtained any required consent of the holder of any Mortgage; (g) after obtaining public liability and worker's compensation insurance policies approved in writing by Landlord, which policies shall cover every person who will perform any work with respect to such Alteration; (h) after Tenant has obtained and delivered to Landlord written, unconditional waivers of mechanics' and materialmen's liens against the Premises and the Building from all proposed contractors, subcontractors, laborers and material suppliers for all work, labor and services to be performed and materials to be furnished in connection with Alterations; and (i) upon request, after Tenant has delivered to Landlord documentation reasonably satisfactory to Landlord evidencing Tenant's financial ability to complete the Alteration in accordance with the provisions of this Lease. If any lien (or a petition to establish

such lien) is filed in connection with any Alteration, such lien (or petition) shall be discharged by Tenant within ten (10) business days thereafter, at Tenant's sole cost and expense, by the payment thereof or by the filing of a bond acceptable to Landlord. If Landlord gives its consent to the making of any Alteration, such consent shall not be deemed to be an agreement or consent by Landlord to subject its interest in the Premises or the Building to any liens which may be filed in connection therewith. All Alterations involving the Building Structure, all structural, electrical, mechanical or plumbing work, fire and life safety systems, the roof of the Building, and the heating, ventilation and air conditioning system of the Premises or the Building shall, at Landlord's election, be performed by Landlord's designated contractor or subcontractor at Tenant's expense. If Landlord elects not to so perform such work, then except as expressly provided in Exhibit B with respect to the Tenant Improvements, Landlord shall be paid a reasonable construction supervision fee (not to exceed three percent (3%) of the cost of such work). Promptly after the completion of an Alteration (other than Cosmetic Changes, as defined below), Tenant at its expense shall deliver to Landlord three (3) sets of accurate as-built drawings showing such Alteration in place. For purposes hereof, "Cosmetic Changes" shall mean those minor, non-Structural Alterations (as defined below) of a decorative nature that are not visible from the exterior of the Premises, do not result in a material modification to the physical layout of the Premises, do not require the issuance of a building permit, and the cost or value of which in the aggregate is less than Ten Thousand Dollars (\$10,000) per Alteration (as reasonably determined by Landlord), such as painting, carpeting and hanging pictures. "Structural Alterations" shall be deemed to include, without limitation, any Alterations that will or may necessitate any changes, replacements or additions to walls, ceilings, partitions (other than free-standing partitions), columns, or floors or to the water, electrical, mechanical, plumbing or HVAC systems of the Premises or the Building or any Alteration that will require the issuance of a building permit.

9.3 If any Alterations are made without the prior written consent of Landlord, Landlord shall have the right at Tenant's expense to remove and correct such Alterations and restore the Premises and the Building to their condition immediately prior thereto, or to require Tenant to do the same. All Alterations to the Premises or the Building made by either party shall immediately become the property of Landlord and shall remain upon and be surrendered with the Premises as a part thereof at the expiration or earlier termination of the Lease Term; provided, however, that (a) if Tenant is not in default under this Lease, then Tenant shall have the right to remove, prior to the expiration or earlier termination of the Lease Term, all movable furniture, furnishings and equipment installed in the Premises solely at the expense of Tenant, and (b) Tenant shall remove all Tenant Improvements, Alterations and other items in the Premises or the Building which Landlord designates in writing for removal. Promptly after Landlord's receipt of a written request by Tenant specifically requesting Landlord to indicate to Tenant whether Landlord will require the removal of any Alterations, and provided such request is given to Landlord together with Tenant's request for Landlord's approval of any Alterations, Landlord will indicate to Tenant whether Landlord will require the removal of any such Alterations. Notwithstanding the foregoing, at the expiration or earlier termination of the Lease Term, Tenant shall not be required to remove any low voltage cabling or wiring installed by or for the benefit of Tenant provided the same was installed pursuant to the terms of this Lease. Movable furniture, furnishings and trade fixtures shall be deemed to exclude without limitation any item the removal of which might cause damage to the Premises or the Building or which would normally be removed from the Premises with the assistance of any tool or machinery other than a

dolly. Landlord shall have the right at Tenant's expense to repair all damage and injury to the Premises or the Building caused by such removal or to require Tenant to do the same. If such furniture, furnishings and equipment are not removed by Tenant prior to the expiration or earlier termination of the Lease Term, the same shall at Landlord's option become the property of Landlord and shall be surrendered with the Premises as a part thereof; provided, however, that Landlord shall have the right at Tenant's expense to remove from the Premises such furniture, furnishings and equipment and any Alteration which Landlord designates in writing for removal or to require Tenant to do the same. If Tenant fails to return the Premises to Landlord as required by this Section, then Tenant shall pay to Landlord, as additional rent, all costs (including a construction management fee) incurred by Landlord in effecting such return.

ARTICLE X SIGNS

10.1 Except as provided in this Article X, no sign, advertisement or notice referring to Tenant shall be inscribed, painted, affixed or otherwise displayed on any part of the exterior or interior of the Building (including windows and doors) without the prior written approval of Landlord, which may be granted or withheld in Landlord's sole and absolute discretion. If any such item that has not been approved by Landlord is so displayed, then Landlord shall have the right to remove such item at Tenant's expense or to require Tenant to do the same. Landlord reserves the right to install and display signs, advertisements and notices on any part of the exterior or interior of the Building; provided, however that Landlord shall only affix, install, or display signs on the interior of the Premises which pertain to the management or operation of the Building.

10.2 Notwithstanding any of the foregoing to the contrary, provided Tenant is occupying all or substantially all of the Premises for its own business purposes and no Event of Default exists hereunder, Tenant shall have the nonexclusive right to affix a sign to the exterior of the Building displaying Tenant's trade name; provided, however, that (a) Tenant shall, at its sole cost, fabricate, install, and maintain such sign in first class condition and repair, (b) Tenant shall, at Tenant's sole cost, obtain all necessary government, community and other permits and approvals (including, without limitation, the approval of any tenant, business or other association) and deliver the same to Landlord prior to commencing to install the signage; (c) the size, materials, color, design, location, manner of installation and other aspects of such sign shall be acceptable to Landlord in its sole discretion (however Landlord shall not unreasonably withhold its consent provided the sign complies with the signage program in effect within the Complex); (d) all costs related to such sign shall be borne by Tenant; (e) Tenant shall at Tenant's expense remove such sign (including, at Landlord's option, any panels and other appurtenances thereto) at the expiration or earlier termination of the Lease Term (or at such earlier time that Tenant's signage rights may expire) and repair any damage caused by the sign, or removal thereof, and restore the affected area to the condition that existed prior to the installation of the sign; and (f) Tenant shall reimburse Landlord for the cost of all electricity consumed by such signage as reasonably determined by Landlord (Landlord hereby reserving the right to require Tenant to submeter such use). The right to place any and all signage on the Building is non-exclusive and shall be exercised in accordance with the requirements of all local regulatory authorities, in compliance with all Laws and subject to any and all owner's association and other covenants, conditions and restrictions affecting the Building. Tenant's rights under this Section

are personal to the initial Tenant named hereunder and may not be exercised by (i) any subtenant, or (ii) any assignee of the initial Tenant named hereunder that does not use the Premises for the Permitted Use. Provided no Event of Default exists hereunder and Tenant is operating within the Premises for the Permitted Use, Landlord, at Landlord's cost, shall place Tenant's name on the Building's monument sign.

ARTICLE XI **GUARANTY**

11.1 As a material inducement to Landlord's entering into this Lease, simultaneously with Tenant's delivery of this Lease, Tenant shall cause each Guarantor to execute and deliver to Landlord a Guaranty in the form of Exhibit E attached hereto.

ARTICLE XII **INSPECTION**

12.1 At all times after reasonable advance notice (except in the event of an emergency or in connection with routine maintenance service, when no such notice shall be required), Tenant shall permit Landlord, its agents and representatives, and the holder of any Mortgage, to enter the Premises without charge therefor and without diminution of the rent payable by Tenant in order to examine, inspect or protect the Premises and the Building, to make such alterations and/or repairs as in the sole and absolute judgment of Landlord may be deemed necessary or desirable, or to exhibit the same to brokers, prospective tenants, lenders, purchasers and others. Except in the event of an emergency, Landlord shall use reasonable efforts to minimize disruption to Tenant's normal business operations in the Premises in connection with any such entry. Tenant shall furnish Landlord at all times with a key to unlock all of the doors in the Premises.

ARTICLE XIII **INSURANCE**

13.1 Tenant shall not conduct or permit to be conducted any activity, or place or permit to be placed any equipment or other item in or about the Premises or the Building, which will in any way increase the rate of fire insurance or other insurance on the Building. If any increase in the rate of fire insurance or other insurance is due to any activity, equipment or other item of Tenant, then (whether or not Landlord has consented to such activity, equipment or other item) Tenant shall pay as additional rent due hereunder the amount of such increase. The statement of any applicable insurance company or insurance rating organization (or other organization exercising similar functions in connection with the prevention of fire or the correction of hazardous conditions) that an increase is due to any such activity, equipment or other item shall be conclusive evidence thereof.

13.2 (a) Throughout the Lease Term, Tenant shall obtain and maintain (1) commercial general liability insurance (written on an occurrence basis) including contractual liability coverage, premises and operations coverage, broad form property damage coverage, independent contractors coverage, and coverage for claims related to storage and disposal of Medical Waste, and containing an endorsement for personal injury, (2) business interruption

insurance, (3) all-risk property insurance, (4) worker's compensation insurance, and (5) employer's liability insurance. Such commercial general liability insurance shall be in minimum amounts typically carried by prudent tenants engaged in similar operations, but in no event shall be in an amount less than Two Million Dollars (\$2,000,000) combined single limit per occurrence with a Four Million Dollar (\$4,000,000) annual aggregate. Such business interruption insurance shall be in minimum amounts typically carried by prudent tenants engaged in similar operations, but in no event shall be in an amount less than the Base Rent then in effect during any Lease Year. Such property insurance shall be in an amount not less than that required to replace all of the original tenant improvements installed in the Premises above the base building shell, all Alterations and all other contents of the Premises (including, without limitation, Tenant's trade fixtures, decorations, furnishings, equipment and personal property). Such worker's compensation insurance shall carry minimum limits as defined by the law of the jurisdiction in which the Building is located (as the same may be amended from time to time). Such employer's liability insurance shall be in an amount not less than One Million Dollars (\$1,000,000) for each accident, One Million Dollars (\$1,000,000) disease-policy limit, and One Million Dollars (\$1,000,000) disease-each employee.

(b) All such insurance shall: (1) be issued by a company that is licensed to do business in the jurisdiction in which the Building is located, that has been approved in advance by Landlord and that has a rating equal to or exceeding A:XI from Best's Insurance Guide; (2) name Landlord, the managing agent of the Building and the holder of any Mortgage as additional insureds, loss payees and mortgagee (as determined by Landlord); (3) contain an endorsement that such policy shall remain in full force and effect notwithstanding that the insured may have waived its right of action against any party prior to the occurrence of a loss (Tenant hereby waiving its right of action and recovery against and releasing Landlord and its employees and agents from any and all liabilities, claims and losses for which they may otherwise be liable to the extent Tenant is covered by insurance carried or required to be carried under this Lease); (4) provide that the insurer thereunder waives all right of recovery by way of subrogation against Landlord, its partners, agents, employees, and representatives, in connection with any loss or damage covered by such policy; (5) be acceptable in form and content to Landlord; (6) be primary and non-contributory; (7) contain an endorsement for cross liability and severability of interests; and (8) contain an endorsement prohibiting cancellation, failure to renew, reduction of amount of insurance or change in coverage without the insurer first giving Landlord thirty (30) days' prior written notice (by certified or registered mail, return receipt requested) of such proposed action. No such policy shall contain any deductible provision except as otherwise approved in writing by Landlord, which approval shall not be unreasonably withheld. Landlord reserves the right from time to time to require Tenant to obtain higher minimum amounts or different types of insurance if it becomes customary for other landlords of first-class buildings in the Washington, D.C., metropolitan area to require similar sized tenants in similar industries with similar financial creditworthiness to carry insurance of such higher minimum amounts or of such different types of insurance; provided, however, that Landlord shall not be entitled to so adjust Tenant's coverage hereunder more than once in any three (3) Lease Year period and in no event during the initial three (3) Lease Years. Tenant shall deliver a certificate (on Accord Form 27) of all such insurance and receipts evidencing payment therefor to Landlord concurrently with Tenant's execution of this Lease and at least annually thereafter. Tenant shall give Landlord immediate notice in case of fire, theft or accident in the Premises, and in the case of fire, theft or accident in the Building if involving Tenant, its agents, employees or Invitees. Neither the

issuance of any insurance policy required under this Lease nor the minimum limits specified herein shall be deemed to limit or restrict in any way Tenant's liability arising under or out of this Lease.

13.3 Landlord agrees to carry and maintain all-risk property insurance (with replacement cost coverage) covering the Building and Landlord's property therein in an amount required by its insurance company to avoid the application of any coinsurance provision. Landlord hereby waives its right of recovery against Tenant and releases Tenant from any and all liabilities, claims and losses for which Tenant may otherwise be liable to the extent Landlord is covered by property insurance therefor. Landlord shall use reasonable efforts to secure a waiver of subrogation endorsement from its insurance carrier. Landlord also agrees to carry and maintain commercial general liability insurance in limits it reasonably deems appropriate (but in no event less than the limits required of Tenant pursuant to Section 13.2).

ARTICLE XIV SERVICES AND UTILITIES

14.1 Subject to Tenant's obligations specified in this Lease, Landlord will provide water for lavatory and drinking purposes. Tenant shall install a submeter to measure Tenant's water consumption and Tenant shall reimburse Landlord for the cost of Tenant's water consumption within thirty (30) days after receipt of an invoice therefor. Tenant shall have access to the Building twenty-four (24) hours per day each day of the year (except in the event of an emergency). Landlord shall not be required to furnish any service or utility not specifically provided for in this Lease. Tenant, at Tenant's expense, shall arrange for and provide security and access control to the Premises using a contractor reasonably acceptable to Landlord. Any Alterations required to the Premises to install such access control devices shall be performed in accordance with Article IX hereof.

14.2 The Premises shall be separately metered to measure electricity and gas consumption therein. Tenant shall arrange for electricity and gas service directly with the electricity and gas providers, as applicable, and shall pay directly to the applicable provider as and when due for all costs incurred therefor.

14.3 Tenant, at Tenant's expense, shall arrange for and provide daily (or more often as reasonably necessary) janitorial and cleaning service for the Premises sufficient to maintain a standard of cleanliness and hygiene customary for comparable surgical uses, in compliance with all Laws and otherwise reasonably satisfactory to Landlord using a contractor reasonably acceptable to Landlord. Landlord shall have the right to inspect the Premises, and if Landlord determines that the Premises are not being kept clean in a first-class manner, then Tenant shall take all measures reasonably required by Landlord for the proper cleanliness of the Premises. If Tenant fails to institute such measures promptly after notice from Landlord, Landlord shall have the right at its option to perform such janitorial, cleaning and exterminating services and charge Tenant for all costs and expenses incurred in connection therewith. Landlord shall provide a dumpster for Tenant's use for disposal of office waste only, but not for medical and surgical waste. The cost of providing such dumpster service shall be included in Operating Charges, however, if Tenant's use of the dumpster increases Landlord's cost, whether due to the nature or

volume of Tenant's waste, then Tenant shall pay directly to Landlord for any such increased costs.

14.4 Landlord acknowledges that Tenant desires to install supplemental HVAC units to serve the Premises (together with associated concrete pads, connection lines, utility lines, tanks and apparatus attached thereto or used in connection therewith, each, a "Supplemental HVAC Unit"). In the event that Tenant installs a Supplemental HVAC Unit, it shall be installed pursuant to the provisions of Article IX of the Lease. Subject to compliance with all applicable Laws, ordinances and governmental approvals (the compliance with which, including the procurement of all necessary permits and licenses, is Tenant's responsibility), and subject to the approval of the Building's engineer, Tenant shall have the non-exclusive right to install the Supplemental HVAC Unit. The location for the Supplemental HVAC Unit (the "Supplemental HVAC Unit Space") shall be designated by Landlord, which space shall be deemed to be part of the Premises under the terms of the Lease for purposes of Tenant's indemnity, insurance and other obligations under this Lease (other than the obligations to pay Base Rent and Operating Charges and except that the use made of the Supplemental HVAC Unit Space shall only be for the installation, maintenance and removal, if required, of the Supplemental HVAC Unit). Tenant must obtain the prior approval of Landlord for the location, appearance of, exact design and specifications of, and plans for the installation (including screening) of the Supplemental HVAC Unit, which approval shall not be unreasonably withheld, conditioned or delayed. Tenant shall install, at its sole cost and expense, a separate meter for the Supplemental HVAC Unit and be responsible for the cost of all electricity consumed in connection with the operation of the Supplemental HVAC Unit. Tenant shall maintain Supplemental HVAC Unit in good condition, subject to Landlord's reasonable approval as to Tenant's maintenance plan and implementation. All costs of installation (which cost and expense shall include, but shall not be limited to, the cost to pour a concrete pad on which the Supplemental HVAC Unit will be placed and the cost of any required screening), maintenance and removal, if required, and any required repairs to the Building due to such removal shall be paid by Tenant. Tenant shall carry out its obligations hereunder in accordance with such reasonable standards for the installation, maintenance and removal, if required, thereof as Landlord may from time to time reasonably designate. Any fuel associated therewith must be stored, transported and disposed of in accordance with all applicable Laws, ordinances and governmental approvals. Tenant hereby indemnifies Landlord from all claims, damages, costs and expenses arising out of the installation, maintenance, use or removal, if required, of the Supplemental HVAC Unit by Tenant, unless claims, damages, costs and expenses are caused by the negligence or willful misconduct of Landlord or its agents. Tenant shall not be obligated to pay Landlord for the rights granted by this Section (other than a reimbursement of any utility or other direct costs associated with the Supplemental HVAC Unit), but Tenant may use any such Supplemental HVAC Unit for its own personal use only and may not allow any third party, other than an permitted assignee or sublessee, to use or share any Supplemental HVAC Unit facilities. The restoration of the Supplemental HVAC Unit following a casualty shall be borne by Tenant; provided, however, in no event shall Tenant be obligated to restore same following a casualty. Upon either: (i) the occurrence of an Event of Default by Tenant, (ii) the expiration or earlier termination of the Lease, or (iii) the assignment of the Lease or sublet of the Premises, Tenant shall, at Landlord's election (to be made within thirty (30) days prior to the expiration of the Lease), relinquish the Supplemental HVAC Unit to Landlord or shall at Tenant's sole cost remove the Supplemental HVAC Unit, repair all injury or damage resulting from such removal and restore the Premises and the Building to their original condition,

reasonable wear and tear and casualty excepted, at Tenant's sole cost and expense. Notwithstanding the foregoing to the contrary, Landlord shall have the right to elect to have Tenant abandon the Supplemental HVAC Unit, or in the alternative abandon only the connection lines and other infrastructure connecting the Supplemental HVAC Unit to the Premises at Landlord's election, in which event the unit or such lines and infrastructure, as applicable, shall be deemed to be the property of Landlord upon the expiration or earlier termination of this Lease. In the event Tenant fails to so perform as required hereunder, Landlord shall have the right, but not the obligation, to perform on Tenant's behalf and Tenant shall reimburse Landlord for the reasonable costs incurred in connection therewith as Additional Rent hereunder, which obligations shall survive the expiration or earlier termination of the Lease. Upon completion of the connection of such HVAC system to the Building's HVAC systems, Tenant shall be responsible for the cost to test and balance such system by Landlord's designated testing and balancing engineer for the Building. Tenant, at Tenant's expense, shall at all times maintain a Supplemental HVAC Unit(s) service contract with a firm and upon such terms as may be reasonably satisfactory to Landlord. Tenant shall provide Landlord with such documentation and other evidence as Landlord might reasonably request from time to time to demonstrate Tenant's proper maintenance of the Supplemental HVAC Unit(s) including, without limitation, Tenant's compliance with all of equipment manufacturer's warranties, rules and requirements with respect to the Supplemental HVAC Unit(s).

14.5 Subject to applicable regulatory prohibitions and restrictions, the availability of insurance at commercially reasonable rates, and Landlord's reasonable rules and regulations with respect thereto, Landlord agrees that, throughout the Lease Term, Tenant and its employees shall have the right to use the conference center located in the Complex on a "first-come, first-served" basis on the same terms and conditions on which the conference center is made available to other office tenants of the Complex and their employees. Landlord agrees that the standard use of the conference center shall not be a direct charge to Tenant or other tenants of the Complex, but the cost of operating the conference center will be included in Operating Charges; provided, however, Tenant shall reimburse Landlord as additional rent for all costs associated therewith including, but not limited to, clean up and security. All of such area shall be designated as non-smoking. Tenant shall use such area at its own risk and Landlord shall not be liable to Tenant or any of its employees for injuries received by Tenant or its employees or invitees while using the conference center.

ARTICLE XV LIABILITY OF LANDLORD

15.1 Except as otherwise expressly set forth in this Lease, Landlord, its employees and agents shall not be liable to Tenant, any Invitee or any other person or entity for any damage (including indirect and consequential damage), injury, loss or claim (including claims for the interruption of or loss to business) based on or arising out of any cause whatsoever (except as otherwise provided in this Section), including without limitation the following: repair to any portion of the Premises or the Building; interruption in the use of the Premises or any equipment therein; any accident or damage resulting from any use or operation (by Landlord, Tenant or any other person or entity) of elevators or heating, cooling, electrical, sewerage or plumbing equipment or apparatus; termination of this Lease by reason of damage to the Premises or the Building; any fire, robbery, theft, vandalism, mysterious disappearance or any other casualty;

actions of any other tenant of the Building or of any other person or entity; failure or inability to furnish any service specified in this Lease; and leakage in any part of the Premises or the Building from water, rain, ice or snow that may leak into, or flow from, any part of the Premises or the Building, or from drains, pipes or plumbing fixtures in the Premises or the Building. If any condition exists which may be the basis of a claim of constructive eviction, then Tenant shall give Landlord written notice thereof and a reasonable opportunity to correct such condition, and in the interim Tenant shall not claim that it has been constructively evicted or is entitled to a rent abatement. Any property placed by Tenant or any Invitee in or about the Premises or the Building shall be at the sole risk of Tenant, and Landlord shall not in any manner be held responsible therefor. Any person receiving an article delivered for Tenant shall be acting as Tenant's agent for such purpose and not as Landlord's agent. For purposes of this Article, the term "Building" shall be deemed to include the Land. Notwithstanding the foregoing provisions of this Section, Landlord shall not be released from liability to Tenant for any physical injury to any natural person or damage to Tenant's property caused by Landlord's gross negligence or willful misconduct to the extent such injury or damage is not covered by insurance (a) carried by Tenant or such person, or (b) required by this Lease to be carried by Tenant; provided, however, that Landlord shall not under any circumstances be liable for any consequential or indirect damages.

15.2 (a) Subject to the terms of Article XIII, Tenant shall reimburse Landlord, its employees and agents for (as additional rent), and shall indemnify, defend upon request and hold them harmless from and against all costs, damages, claims, liabilities, expenses (including attorneys' fees), losses, penalties and court costs ("Claims") suffered by or claimed against them, directly or indirectly, based on or arising out of, in whole or in part, (a) use and occupancy of the Premises or the business conducted therein, (b) any negligence or willful misconduct of Tenant or any Invitee, (c) any breach of Tenant's obligations under this Lease, including failure to comply with Laws or surrender the Premises upon the expiration or earlier termination of the Lease Term, or (d) any entry by Tenant or any Invitee upon the Land prior to the Lease Commencement Date.

(b) Subject to the terms of Article XIII and the limitation on liability in Section 15.5, Landlord shall indemnify Tenant, its employees and agents and hold them harmless from any Claims for damage to any property or injury to, or death of, any person to the extent arising from Landlord's breach of its obligations under this Lease, or the gross negligence or willful misconduct of Landlord in connection with the use or control of the common areas of the Complex. In no event, however, shall Landlord have any liability to Tenant for interruption or loss to Tenant's business or for any indirect or consequential damages.

15.3 No landlord hereunder shall be liable for any obligation or liability based on or arising out of any event or condition occurring during the period that such landlord was not the owner of the Building or a landlord's interest therein. Within five (5) days after request, Tenant shall attorn to such transferee and execute, acknowledge and deliver any document submitted to Tenant confirming such attornment.

15.4 Tenant shall not have the right to set off or deduct any amount allegedly owed to Tenant pursuant to any claim against Landlord from any rent or other sum payable to Landlord.

Tenant's sole remedy for recovering upon such claim shall be to institute an independent action against Landlord, which action shall not be consolidated with any action of Landlord.

15.5 If Tenant or any Invitee is awarded a money judgment against Landlord, then recourse for satisfaction of such judgment shall be limited to execution against Landlord's estate and interest in the Building, which shall be deemed to include proceeds actually received by Landlord from any sale of the Building (net of all expenses of the sale) and insurance or condemnation proceeds (subject to the rights of any Mortgagee), but only to the extent all of the foregoing are held in an account for Landlord and have not been applied or distributed by Landlord in the ordinary course of business (i.e., not as a fraud against creditors). No other asset of Landlord, any partner, director, member, officer or trustee of Landlord (each, an "officer") or any other person or entity shall be available to satisfy or be subject to such judgment, nor shall any officer or other person or entity be held to have personal liability for satisfaction of any claim or judgment against Landlord or any officer.

ARTICLE XVI RULES

16.1 Tenant and Invitees shall at all times abide by and observe the rules specified in Exhibit C. Tenant and Invitees shall also abide by and observe any other reasonable rule that Landlord may promulgate from time to time for the operation and maintenance of the Building, provided that notice thereof is given and such rule is not inconsistent with the provisions of this Lease. All rules shall be binding upon Tenant and enforceable by Landlord as if they were contained herein. Nothing contained in this Lease shall be construed as imposing upon Landlord any duty or obligation to enforce such rules, or the terms, conditions or covenants contained in any other lease, as against any other tenant, and Landlord shall not be liable to Tenant for the violation of such rules by any other tenant or its employees, agents, assignees, subtenants, invitees or licensees. Landlord shall use reasonable efforts not to enforce any rule or regulation in a manner which unreasonably discriminates among similarly situated tenants.

ARTICLE XVII DAMAGE OR DESTRUCTION

17.1 If the Premises or the Building are totally or partially damaged or destroyed thereby rendering the Premises totally or partially inaccessible or unusable, then Landlord shall diligently repair and restore the Premises and the Building to substantially the same condition they were in prior to such damage or destruction; provided, however, that if in Landlord's judgment such repair and restoration cannot be completed within ninety (90) days after the occurrence of such damage or destruction (taking into account the time needed for effecting a satisfactory settlement with any insurance company involved, removal of debris, preparation of plans and issuance of all required governmental permits), then Landlord shall have the right to terminate this Lease by giving written notice of termination within sixty (60) days after the occurrence of such damage or destruction. If this Lease is terminated pursuant to this Article, then rent shall be apportioned (based on the portion of the Premises which is usable after such damage or destruction) and paid to the date of termination. If this Lease is not terminated as a result of such damage or destruction, then until such repair and restoration of the Premises are substantially complete, Tenant shall be required to pay rent only for the portion of the Premises

that is usable while such repair and restoration are being made; provided, however, that if such damage or destruction was caused by the negligence or willful misconduct of Tenant or any Invitee, then Tenant shall not be entitled to any such rent reduction. After receipt of all insurance proceeds (including proceeds of insurance maintained by Tenant), Landlord shall proceed with and bear the expenses of such repair and restoration of the Premises and the Building; provided, however, that (a) if such damage or destruction was caused by the negligence or willful misconduct of Tenant or any Invitee, then Tenant shall pay Landlord's deductible and the amount by which such expenses exceed the insurance proceeds, if any, actually received by Landlord on account of such damage or destruction, (b) Tenant shall pay the amount by which the cost of restoring any item which Landlord is required to restore and Tenant is required to insure exceeds the insurance proceeds received with respect thereto, and (c) Landlord shall not be required to repair or restore any of the original tenant improvements above the base building shell condition, any Alterations or any other contents of the Premises (including, without limitation, Tenant's trade fixtures, decorations, furnishings, equipment or personal property).

17.2 If, within forty-five (45) days after the occurrence of the damage or destruction described in Section 17.1, Landlord, in its sole but reasonable judgment, determines that the repairs and restoration cannot be substantially completed within two hundred forty (240) days after the date of such damage or destruction, and such damage or destruction renders seventy percent (70%) of more of the Premises untenantable and provided Landlord does not elect to terminate this Lease pursuant to this Article, then Landlord shall promptly notify Tenant of such determination. For a period continuing through the later of the thirtieth (30th) day after the occurrence of the damage or destruction or the tenth (10th) day after receipt of such notice, Tenant shall have the right to terminate this Lease by providing written notice to Landlord (which date of such termination shall be not more than thirty (30) days after the date of Tenant's notice to Landlord). Notwithstanding any of the foregoing to the contrary, Tenant shall not have the right to terminate this Lease if the negligence or willful misconduct of Tenant or any Invitee shall have caused the damage or destruction.

17.3 Notwithstanding anything herein to the contrary, Landlord shall have the right to terminate this Lease if (1) insurance proceeds are insufficient to pay the full cost of such repair and restoration, (2) the holder of any Mortgage fails or refuses to make such insurance proceeds available for such repair and restoration, (3) zoning or other applicable Laws or regulations do not permit such repair and restoration, or (4) the Building is damaged by fire or casualty (whether or not the Premises has been damaged) to such an extent that Landlord decides, in its sole and absolute discretion, not to rebuild or reconstruct the Building.

ARTICLE XVIII DEFAULT

18.1 In addition to those events or circumstances described in this Lease as an Event of Default, each of the following shall constitute an "Event of Default": (a) Tenant's failure to make when due any payment of the Base Rent, additional rent or other sum; provided, however, that with respect to the first such failure in any twelve (12) month period only, no Event of Default shall be deemed to have occurred unless such failure continues for a period of five (5) business days after Landlord delivers written notice thereof to Tenant; (b) Tenant's failure to

perform or observe any covenant or condition of this Lease not otherwise specifically described in this Section 18.1; provided, however, that no Event of Default shall be deemed to have occurred unless such failure continues for twenty (20) days after Landlord delivers written notice thereof to Tenant, or such shorter period as is appropriate if such failure can be cured in a shorter period; provided, however, that if such cure cannot reasonably be effected within such twenty (20) day period and Tenant begins such cure promptly within such twenty (20) day period and is pursuing such cure in good faith and with diligence and continuity during such twenty (20) day period, then Tenant shall have such additional time (up to an additional sixty (60) days) as is reasonably necessary to effect such cure; provided, however, that such cure period shall not be applicable if, in Landlord's sole but reasonable discretion, such failure raises a life/safety issue with respect to the Building or its occupants or visitors, including but not limited to, a threat of personal injury or continuing physical injury to the Building, or if such failure is affecting another tenant's use or occupancy of the Building or its premises; (c) Tenant's failure timely to vacate and surrender the Premises in the condition required under this Lease at the expiration or earlier termination of the Lease Term; (d) an Event of Bankruptcy as specified in Article XIX; or (e) Tenant's dissolution or liquidation.

18.2 If there shall be an Event of Default (even if prior to the Lease Commencement Date), then the provisions of this Section shall apply. Landlord shall have the right, at its sole option, to terminate this Lease. In addition, with or without terminating this Lease, Landlord may re-enter, terminate Tenant's right of possession and take possession of the Premises. The provisions of this Article shall operate as a notice to quit, and Tenant hereby waives any other notice to quit or notice of Landlord's intention to re-enter the Premises or terminate this Lease. If necessary, Landlord may proceed to recover possession of the Premises under applicable Laws, or by such other proceedings, including re-entry and possession, as may be applicable. If Landlord elects to terminate this Lease and/or elects to terminate Tenant's right of possession, everything contained in this Lease on the part of Landlord to be done and performed shall cease without prejudice, however, to Tenant's liability for all Base Rent, additional rent and other sums specified herein. Whether or not this Lease and/or Tenant's right of possession is terminated, Landlord shall have the right, at its sole option, to terminate any renewal or expansion right contained in this Lease and to grant or withhold any consent or approval pursuant to this Lease in its sole and absolute discretion. Landlord may relet the Premises or any part thereof, alone or together with other premises, for such term(s) (which may extend beyond the date on which the Lease Term would have expired but for Tenant's default) and on such terms and conditions (which may include any concessions or allowances granted by Landlord) as Landlord, in its sole and absolute discretion, may determine, but Landlord shall not be liable for, nor shall Tenant's obligations hereunder be diminished by reason of, any failure by Landlord to relet all or any portion of the Premises or to collect any rent due upon such reletting. Whether or not this Lease and/or Tenant's right of possession is terminated or any suit is instituted, Tenant shall be liable for any Base Rent, additional rent, damages or other sum which may be due or sustained prior to such default, and for all costs, fees and expenses (including, but not limited to, attorneys' fees and costs, brokerage fees, expenses incurred in enforcing any of Tenant's obligations under the Lease or in placing the Premises in first-class rentable condition, advertising expenses, and any concessions or allowances granted by Landlord) incurred by Landlord in pursuit of its remedies hereunder and/or in recovering possession of the Premises and renting the Premises to others from time to time plus other actual or consequential damages suffered or incurred by Landlord on account of Tenant's default (including, but not limited to late fees or other charges incurred by

Landlord under any Mortgage). Tenant also shall be liable for additional damages which at Landlord's election shall be either one or a combination of the following: (a) an amount equal to the Base Rent and additional rent due or which would have become due from the date of Tenant's default through the remainder of the Lease Term, less the amount of rental, if any, which Landlord receives during such period from others to whom the Premises may be rented (other than any additional rent received by Landlord as a result of any failure of such other person to perform any of its obligations to Landlord), which amount shall be computed and payable in monthly installments, in advance, on the first day of each calendar month following Tenant's default and continuing until the date on which the Lease Term would have expired but for Tenant's default, it being understood that separate suits may be brought from time to time to collect any such damages for any month(s) (and any such separate suit shall not in any manner prejudice the right of Landlord to collect any damages for any subsequent month(s)), or Landlord may defer initiating any such suit until after the expiration of the Lease Term (in which event such deferral shall not be construed as a waiver of Landlord's rights as set forth herein and Landlord's cause of action shall be deemed not to have accrued until the expiration of the Lease Term), and it being further understood that if Landlord elects to bring suits from time to time prior to reletting the Premises, Landlord shall be entitled to its full damages through the date of the award of damages without regard to any Base Rent, additional rent or other sums that are or may be projected to be received by Landlord upon reletting of the Premises; or (b) an amount equal to the sum of (i) all Base Rent, additional rent and other sums due or which would be due and payable under this Lease as of the date of Tenant's default through the end of the scheduled Lease Term, plus (ii) all expenses (including broker and attorneys' fees) and value of all vacancy periods projected by Landlord to be incurred in connection with the reletting of the Premises, minus (iii) any Base Rent, additional rent and other sums which Tenant proves by a preponderance of the evidence would be received by Landlord upon reletting of the Premises from the end of the vacancy period projected by Landlord through the expiration of the scheduled Lease Term. Such amount shall be discounted using a discount factor equal to the yield of the Treasury Note or Bill, as appropriate, having a maturity period approximately commensurate to the remainder of the Term, and such resulting amount shall be payable to Landlord in a lump sum on demand, it being understood that upon payment of such liquidated and agreed final damages, Tenant shall be released from further liability under this Lease with respect to the period after the date of such payment, and that Landlord may bring suit to collect any such damages at any time after an Event of Default shall have occurred. In the event Landlord relets the Premises together with other premises or for a term extending beyond the scheduled expiration of the Lease Term, it is understood that Tenant will not be entitled to apply any base rent, additional rent or other sums generated or projected to be generated by either such other premises or in the period extending beyond the scheduled expiration of the Lease Term (collectively, the "Extra Rent") against Landlord's damages. Similarly in proving the amount that would be received by Landlord upon a reletting of the Premises as set forth in clause (iii) above, Tenant shall not take into account the Extra Rent. The provisions contained in this Section shall be in addition to, and shall not prevent the enforcement of, any claim Landlord may have against Tenant for anticipatory breach of this Lease. Nothing herein shall be construed to affect or prejudice Landlord's right to prove, and claim in full, unpaid rent accrued prior to termination of this Lease. If Landlord is entitled, or Tenant is required, pursuant to any provision hereof to take any action upon the termination of the Lease Term, then Landlord shall

be entitled, and Tenant shall be required, to take such action also upon the termination of Tenant's right of possession.

18.3 (a) Tenant hereby expressly waives, for itself and all persons claiming by, through or under it, any right of redemption, re-entry or restoration of the operation of this Lease under any present or future Law, including without limitation any such right which Tenant would otherwise have in case Tenant shall be dispossessed for any cause, or in case Landlord shall obtain possession of the Premises as herein provided.

(b) All rights and remedies of Landlord set forth in this Lease are cumulative and in addition to all other rights and remedies available to Landlord at law or in equity, including those available as a result of any anticipatory breach of this Lease. The exercise by Landlord of any such right or remedy shall not prevent the concurrent or subsequent exercise of any other right or remedy. No delay or failure by Landlord to exercise or enforce any of Landlord's rights or remedies or Tenant's obligations shall constitute a waiver of any such rights, remedies or obligations. Landlord shall not be deemed to have waived any default by Tenant unless such waiver expressly is set forth in a written instrument signed by Landlord. If Landlord waives in writing any default by Tenant, such waiver shall not be construed as a waiver of any covenant, condition or agreement set forth in this Lease except as to the specific circumstances described in such written waiver.

18.4 If Landlord shall institute proceedings against Tenant and a compromise or settlement thereof shall be made, then the same shall not constitute a waiver of the same or of any other covenant, condition or agreement set forth herein, nor of any of Landlord's rights hereunder. Neither the payment by Tenant of a lesser amount than the monthly installment of Base Rent, additional rent or of any sums due hereunder nor any endorsement or statement on any check or letter accompanying a check for payment of rent or other sums payable hereunder shall be deemed an accord and satisfaction. Landlord may accept the same without prejudice to Landlord's right to recover the balance of such rent or other sums or to pursue any other remedy. Notwithstanding any request or designation by Tenant, Landlord may apply any payment received from Tenant to any payment then due. No re-entry by Landlord, and no acceptance by Landlord of keys from Tenant, shall be considered an acceptance of a surrender of this Lease.

18.5 If Tenant fails to make any payment to any third party or to do any act herein required to be made or done by Tenant, then Landlord may, but shall not be required to, make such payment or do such act. The taking of such action by Landlord shall not be considered a cure of such default by Tenant or prevent Landlord from pursuing any remedy it is otherwise entitled to in connection with such default. If Landlord elects to make such payment or do such act, then all expenses incurred by Landlord, plus interest thereon at a rate (the "Default Rate") equal to the greater of twelve percent (12%) per annum or the rate per annum which is five (5) whole percentage points higher than the prime rate published in the Money Rates section of the Wall Street Journal, from the date incurred by Landlord to the date of payment thereof by Tenant, shall constitute additional rent due hereunder; provided, however, that nothing contained herein shall be construed as permitting Landlord to charge or receive interest in excess of the maximum rate then allowed by law.

18.6 If Tenant fails to make any payment of Base Rent, additional rent or any other sum on or before the date such payment is due and payable (without regard to any grace period specified in Section 19.1), then Tenant shall pay to Landlord a late charge of five percent (5%) of the amount of such payment. In addition, such payment and such late fee shall bear interest at the Default Rate from the date such payment or late fee, respectively, became due to the date of payment thereof by Tenant; provided, however, that nothing contained herein shall be construed as permitting Landlord to charge or receive interest in excess of the maximum rate then allowed by law. Notwithstanding the foregoing to the contrary, Landlord shall waive such late fee (but not the interest payable pursuant to the preceding sentence) the first (1st) time in each calendar year (but only up to a maximum of three (3) times during the Lease Term) that Tenant fails to make a payment when due, provided such payment is made before the expiration of the grace period specified in Section 19.1(a) and provided no other default exists under this Lease. Such late charge and interest shall constitute additional rent due hereunder without any notice or demand.

18.7 Except with respect to any personal property purchased by Landlord (or with any allowance provided by Landlord), Landlord hereby waives any statutory or common law lien rights Landlord may have with respect to Tenant's personal property which shall or may be brought or put on or into the Premises, other than such lien rights as may be applicable with respect to the enforcement or collection of any judicial judgment or decree which Landlord may obtain in the enforcement of this Lease. Simultaneously with Landlord's execution of this Lease, Landlord shall execute and deliver to Tenant a Landlord's Waiver in the form attached hereto as Exhibit H.

18.8 If more than one natural person or entity shall constitute Tenant, then the liability of each such person or entity shall be joint and several. If Tenant is a general partnership or other entity the partners or members of which are subject to personal liability, then the liability of each such partner or member shall be joint and several. No waiver, release or modification of the obligations of any such person or entity shall affect the obligations of any other such person or entity.

ARTICLE XIX BANKRUPTCY

19.1 An "Event of Bankruptcy" is the occurrence with respect to Tenant, Anne Arundel Health Care Enterprises, Inc., or SCA-Anne Arundel, LLC of any of the following: (a) such person becoming insolvent, as that term is defined in Title 11 of the United States Code (the "Bankruptcy Code") or under the insolvency laws of any state (the "Insolvency Laws"); (b) appointment of a receiver or custodian for any property of such person, or the institution of a foreclosure or attachment action upon any property of such person; (c) filing by such person of a voluntary petition under the provisions of the Bankruptcy Code or Insolvency Laws; (d) filing of an involuntary petition against such person as the subject debtor under the Bankruptcy Code or Insolvency Laws, which either (1) is not dismissed within thirty (30) days after filing, or (2) results in the issuance of an order for relief against the debtor; or (e) such person making or consenting to an assignment for the benefit of creditors or a composition of creditors; and (f) such person submitting (either before or after execution hereof) to Landlord any financial statement containing any material inaccuracy or omission. At any time upon not less than ten

(10) days' prior written notice, Tenant shall submit such information concerning the financial condition of Tenant and/or any such person as Landlord may reasonably request. Tenant warrants that all such information heretofore and hereafter submitted is and shall be correct and complete.

ARTICLE XX SUBORDINATION

20.1 This Lease is automatically subject and subordinate to the lien, provisions, operation and effect of all mortgages, deeds of trust, ground leases or other security instruments which may now or hereafter encumber the Building or the Land (collectively, "Mortgages"), to all funds and indebtedness intended to be secured thereby, and to all renewals, extensions, modifications, recastings or refinancings thereof. The holder of any Mortgage to which this Lease is subordinate shall have the right (subject to any required approval of the holders of any superior Mortgage) at any time to declare this Lease to be superior to the lien, provisions, operation and effect of such Mortgage and Tenant shall execute, acknowledge and deliver all commercially reasonable documents required by such holder in confirmation thereof. Notwithstanding anything contained herein to the contrary, the subordination of this Lease to any Mortgage entered into from and after the date of full execution of this Lease (as opposed to Mortgages which exist as of the date of full execution of this Lease) shall be expressly subject to the receipt by Tenant of a SNDA (as defined in Section 20.5 below) from the holder of such Mortgage on such holder's standard form.

20.2 Tenant shall, within ten (10) days after Landlord's request therefor, execute (or make good faith comments to) and deliver any requisite or appropriate commercially reasonable document confirming the foregoing subordination, and if Tenant fails timely to do so and if such failure to execute and deliver continues for a period of two (2) business days following a second (2nd) written request therefor from Landlord, (a) the same shall constitute an immediate Event of Default, and (b) Tenant shall pay Landlord as additional rent the sum of Five Hundred Dollars (\$500) for each day after the expiration of such two (2) business day period that Tenant has not executed and delivered such document. Tenant waives the provisions of any statute or rule of law now or hereafter in effect which may give or purport to give Tenant any right to terminate or otherwise adversely affect this Lease and Tenant's obligations hereunder in the event any foreclosure proceeding is prosecuted or completed or in the event the Building, the Land or Landlord's interest therein is transferred by foreclosure, by deed in lieu of foreclosure or otherwise. At the request of such transferee, Tenant shall attorn to such transferee and shall recognize such transferee as the landlord under this Lease. Tenant agrees that upon any such attornment, such transferee shall not be (a) bound by any payment of the Base Rent or additional rent more than one (1) month in advance, except prepayments in the nature of security for the performance by Tenant of its obligations under this Lease, but only to the extent such prepayments have been delivered to such transferee, (b) bound by any amendment of this Lease made without the consent of the holder of each Mortgage existing as of the date of such amendment, (c) liable for damages for any breach, act or omission of any prior landlord, or (d) subject to any offsets or defenses which Tenant might have against any prior landlord; provided, however, that after succeeding to Landlord's interest under this Lease, such transferee shall agree to perform in accordance with the terms of this Lease all obligations of Landlord arising after the date of transfer. Within ten (10) days after the request of such transferee, Tenant shall execute,

acknowledge and deliver any requisite or appropriate document submitted to Tenant confirming such attornment.

20.3 If any prospective or current holder of a Mortgage requires that modifications to this Lease be obtained, and provided that such modifications (a) are reasonable, (b) do not adversely affect in a material manner Tenant's use of the Premises as herein permitted, and (c) do not increase the rent and other sums to be paid by Tenant, then Landlord may submit to Tenant an amendment to this Lease incorporating such required modifications, and Tenant shall execute, acknowledge and deliver such amendment to Landlord within five (5) days after Tenant's receipt thereof.

20.4 If (i) the Building or the Land, or both, are at any time subject to a Mortgage, (ii) this Lease and rent payable hereunder is assigned to the holder of the Mortgage, and (iii) the Tenant is given notice of such assignment, including the name and address of the assignee, then, in that event, Tenant shall not terminate this Lease or make any abatement in the rent payable hereunder for any default on the part of the Landlord without first giving notice, in the manner provided elsewhere in this Lease for the giving of notices, to the holder of such Mortgage, specifying the default in reasonable detail, and affording such holder a reasonable opportunity to make performance, at its election, for and on behalf of the Landlord, except that (x) such holder shall have at least thirty (30) days to cure the default; (y) if such default cannot be cured with reasonable diligence and continuity within thirty (30) days, such holder shall have any additional time as may be reasonably necessary to cure the default with reasonable diligence and continuity; and (z) if the default cannot reasonably be cured without such holder having obtained possession of the Building, such holder shall have such additional time as may be reasonably necessary under the circumstances to obtain possession of the Building and thereafter to cure the default with reasonable diligence and continuity. If more than one such holder makes a written request to Landlord to cure the default, the holder making the request whose lien is the most senior shall have such right.

20.5 Simultaneously with its execution of this Lease, Landlord shall secure for Tenant a subordination, non-disturbance, and attornment agreement ("SNDA") recognizing Tenant's rights under this Lease from the current holder of the Mortgage now encumbering the Building and/or the Land on such holder's standard form SNDA (with such commercially reasonable changes to which such holder may agree, if any), provided that Tenant shall pay as additional rent under this Lease all costs (including reasonable attorneys' fees) incurred by Landlord in connection with Landlord's efforts to secure such SNDA. Upon written request from Tenant, Landlord shall use commercially reasonable efforts to secure for Tenant a SNDA from the holder of each Mortgage hereafter encumbering the Building and/or the Land (a "Future Holder") on such Future Holder's standard form SNDA (with such commercially reasonable changes to which such Future Holder may agree, if any), provided that Tenant shall pay as additional rent under this Lease all costs (including reasonable attorneys' fees) incurred by Landlord in connection with Landlord's efforts to secure such SNDA. Landlord shall have no liability, and this Lease shall not be rendered void or voidable if Landlord does not, after requesting the same from the Future Holder, secure such SNDA for Tenant (with such commercially reasonable changes to which such holder may agree, if any).

ARTICLE XXI
HOLDING OVER

21.1 If Tenant (or anyone claiming through Tenant) does not immediately surrender the Premises or any portion thereof upon the expiration or earlier termination of the Lease Term, then the rent payable by Tenant hereunder shall be increased to one hundred fifty percent (150%) (the "Holdover Percentage") of the Base Rent, additional rent and other sums that would have been payable pursuant to the provisions of this Lease if the Lease Term had continued during such holdover period; provided, however, that for the first three (3) months of such holdover, the Holdover Percentage shall be one hundred twenty-five percent (125%). Such rent shall be computed by Landlord and paid by Tenant on a monthly basis and shall be payable on the first day of such holdover period and the first day of each calendar month thereafter during such holdover period until the Premises have been vacated. Notwithstanding any other provision of this Lease, Landlord's acceptance of such rent shall not in any manner adversely affect Landlord's other rights and remedies, including Landlord's right to evict Tenant and to recover all damages. Any such holdover shall be deemed to be a tenancy-at-sufferance and not a tenancy-at-will or tenancy from month-to-month. In no event shall any holdover be deemed a permitted extension or renewal of the Lease Term, and nothing contained herein shall be construed to constitute Landlord's consent to any holdover or to give Tenant any right with respect thereto.

ARTICLE XXII
COVENANTS OF LANDLORD

22.1 Landlord covenants that it has the right to enter into this Lease, and that if Tenant shall perform timely all of its obligations hereunder, then, subject to the provisions of this Lease, Tenant shall during the Lease Term peaceably and quietly occupy and enjoy the full possession of the Premises without hindrance by Landlord or any party claiming through or under Landlord.

22.2 Landlord reserves the following rights: (a) to change the street address and name of the Building; (b) to change the arrangement and location of entrances, passageways, doors, doorways, corridors, elevators, stairs, toilets or other public parts of the Building; (c) to erect, use and maintain pipes, wires, structural supports, ducts and conduits in and through the Premises; (d) to grant to anyone the exclusive right to conduct any particular business in the Building not inconsistent with Tenant's permitted use of the Premises; (e) to exclusively use and/or lease the roof areas, the sidewalks and other exterior areas; (f) to resubdivide the Land or to combine the Land with other lands; (g) to relocate any parking areas designated for Tenant's use; (h) if Tenant vacates the Premises prior to the expiration of the Lease Term, to make Alterations to or otherwise prepare the Premises for reoccupancy without relieving Tenant of its obligation to pay all Base Rent, additional rent and other sums due under this Lease through such expiration; (i) to construct improvements (including kiosks) on the Land, and to construct additional rentable area on the Building and in the public and common areas of the Building; (j) to prohibit smoking in the entire Building or portions thereof (including the Premises) and on the Land, so long as such prohibitions are in accordance with applicable law; and (k) if any excavation or other substructure work shall be made or authorized to be made upon land adjacent to the Building or the Land, to enter the Premises for the purpose of doing such work as is required to preserve the walls of the Building and to preserve the land from injury or damage and to support such walls and land by proper foundations. Landlord may exercise any or all of the foregoing rights without

being deemed to be guilty of an eviction, actual or constructive, or a disturbance of Tenant's business or use or occupancy of the Premises. With respect to (b), (c), (e), (g), (i) and (k) above, Landlord shall use reasonable efforts to minimize interference with Tenant's normal business operations in the Premises (subject, however, in all cases to governmental requirements, emergencies and/or temporary maintenance and repair activities, and in no event shall Landlord have any obligation to employ contractors or labor at overtime or other premium pay rates or incur any other overtime costs).

ARTICLE XXIII PARKING

23.1 During the Lease Term, Tenant, at no additional cost, shall have the right to use the parking areas within the Complex designated by Landlord (the "Parking Area") for the unreserved parking of standard-sized passenger automobiles. In addition, Tenant, at no additional cost, shall have the right to six (6) reserved parking spaces near the front entrance to the Premises in the location specified on Exhibit F (collectively, the "Reserved Parking Spaces"). Such Reserved Parking Spaces shall be marked for Tenant's exclusive use and Tenant shall reimburse Landlord for the cost of such markers. Landlord shall have no responsibility for monitoring the use of the Reserved Parking Spaces (including, without limitation, the towing of vehicles impermissibly parked in such spaces). Truck parking and loading and unloading shall be permitted only in those areas designated by Landlord. Tenant and its employees shall observe reasonable safety precautions in the use of the Parking Area and shall at all times abide by all rules and regulations governing the use of the Parking Area promulgated by Landlord or the Parking Area operator. The storage or repair of vehicles in the Parking Area shall be prohibited. Landlord reserves the right to close the Parking Area during periods of unusually inclement weather or for repairs. Landlord does not assume any responsibility, and shall not be held liable, for any damage or loss to any automobile or personal property in or about the Parking Area, or for any injury sustained by any person in or about the Parking Area. Tenant, its officers, employees, guests, invitees and visitors shall not at any time park trucks in any of the areas designated for automobile parking.

23.2 Notwithstanding any of the foregoing to the contrary, subject to the conditions set forth in this section and provided no Event of Default exists hereunder, Tenant shall have the right to install a canopy at the rear entrance of the Premises; provided, however, that (a) Tenant shall, at its sole cost, fabricate, install, and maintain such canopy in first class condition and repair and in compliance with all applicable Laws, (b) Tenant shall, at Tenant's sole cost, obtain and maintain all necessary government, community and other permits and approvals (including, without limitation, the approval of any tenant, business or other association) and deliver the same to Landlord prior to commencing to install the canopy; (c) the size, materials, color, design, location, manner of installation and other aspects of such canopy shall be acceptable to Landlord in its sole discretion; (d) all costs related to such canopy shall be borne by Tenant; and (e) at Landlord's election, Tenant shall at Tenant's expense remove such canopy at the expiration or earlier termination of the Lease Term (or at such earlier time that Tenant's rights hereunder may expire) and repair any damage caused by the canopy, or removal thereof, and restore the affected area to the condition that existed prior to the installation of the canopy. In addition to the insurance and indemnity requirements set forth in this Lease, Tenant's liability insurance policy shall cover Tenant's and its Invitees use of the canopy.

ARTICLE XXIV
GENERAL PROVISIONS

24.1 Tenant acknowledges that neither Landlord nor any broker, agent or employee of Landlord has made any representation or promise with respect to the Premises or the Building except as herein expressly set forth, and no right, privilege, easement or license is being acquired by Tenant except as herein expressly set forth.

24.2 Nothing contained in this Lease shall be construed as creating any relationship between Landlord and Tenant other than that of landlord and tenant. Tenant shall not use the name of the Building for any purpose other than as the address of the business to be conducted by Tenant in the Premises, use the name of the Building as Tenant's business address after Tenant vacates the Premises, or do or permit to be done anything in connection with Tenant's business or advertising which in the reasonable judgment of Landlord may reflect unfavorably on Landlord or the Building or confuse or mislead the public as to any apparent connection or relationship between Landlord, the Building and Tenant.

24.3 Landlord and Tenant each represents and warrants to the other that in connection with this Lease it has not employed or dealt with any broker, agent or finder, other than the Broker(s). Landlord acknowledges that Landlord shall pay a commission to the Landlord's Broker(s) pursuant to a separate agreement between Landlord and Landlord's Broker. Pursuant to such separate agreement, Landlord's Broker is obligated to pay a fee to Tenant's Broker. Landlord shall have no obligation whatsoever to pay any fee or commission except to Landlord's Broker as set forth in the aforesaid separate agreement. 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 Broker(s), 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 Section 24.3 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 Section 24.3 and/or enforcing this indemnity, or any claim made by Tenant's Broker, but Landlord's liability under this Section shall exist only to the extent Landlord fails to pay Landlord's Broker pursuant to the aforesaid separate agreement.

24.4 At any time and from time to time, upon not less than ten (10) days' prior written notice, Tenant and each subtenant, assignee, licensee or concessionaire or occupant of Tenant shall execute, acknowledge and deliver to Landlord and/or any other person or entity designated by Landlord, a written statement certifying: (a) that this Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease is in full force and effect as modified and stating the modifications); (b) the dates to which the rent and any other charges have been paid; (c) whether or not Landlord is in default in the performance of any obligation, and if so, specifying the nature of such default; (d) the address to which notices to Tenant are to be sent; (e) that subject to the provisions of Article XX, this Lease is subject and subordinate to all Mortgages encumbering the Building or the Land; (f) that Tenant has accepted the Premises and that all work thereto has been completed (or if such work has not been completed, specifying

the incomplete work); and (g) such other matters as Landlord may reasonably request. Any such statement may be relied upon by any owner of the Building or the Land, any prospective purchaser of the Building or the Land, any holder or prospective holder of a Mortgage or any other person or entity. Tenant acknowledges that time is of the essence to the delivery of such statements. If any such statement is not delivered timely by Tenant, and if Tenant fails to execute and deliver any such statement within two (2) business days following a second (2nd) written request therefor from Landlord, then (i) such failure shall constitute an immediate Event of Default, (ii) all matters contained in such statement shall be deemed true and accurate, and (iii) Tenant shall pay Landlord as additional rent the sum of Five Hundred Dollars (\$500) for each day after the expiration of such two (2) business day period that Tenant has not executed and delivered such statement.

24.5 LANDLORD, TENANT, ALL GUARANTORS AND ALL GENERAL PARTNERS EACH WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM BROUGHT IN CONNECTION WITH ANY MATTER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT HEREUNDER, TENANT'S USE OR OCCUPANCY OF THE PREMISES, AND/OR ANY CLAIM OF INJURY OR DAMAGE. TENANT CONSENTS TO SERVICE OF PROCESS AND ANY PLEADING RELATING TO ANY SUCH ACTION AT THE PREMISES; PROVIDED, HOWEVER, THAT NOTHING HEREIN SHALL BE CONSTRUED AS REQUIRING SUCH SERVICE AT THE PREMISES. LANDLORD, TENANT, ALL GUARANTORS AND ALL GENERAL PARTNERS EACH WAIVES ANY OBJECTION TO THE VENUE OF ANY ACTION FILED IN ANY COURT SITUATED IN THE JURISDICTION IN WHICH THE BUILDING IS LOCATED, AND WAIVES ANY RIGHT, CLAIM OR POWER, UNDER THE DOCTRINE OF FORUM NON CONVENIENS OR OTHERWISE, TO TRANSFER ANY SUCH ACTION TO ANY OTHER COURT.

24.6 All notices or other communications required under this Lease shall be in writing and shall be deemed duly given and received when delivered in person (with receipt therefor), on the next business day after deposit with a recognized overnight delivery service, or on the second day after being sent by certified or registered mail, return receipt requested, postage prepaid, to the following addresses: (a) if to Landlord, at each of the Landlord Notice Addresses specified in Article I; (b) if to Tenant, at the Tenant Notice Address specified in Article I. Either party may change its address for the giving of notices by notice given in accordance with this Section. If Landlord or the holder of any Mortgage notifies Tenant that a copy of any notice to Landlord shall be sent to such holder at a specified address, then Tenant shall send (in the manner specified in this Section and at the same time such notice is sent to Landlord) a copy of each such notice to such holder, and no such notice shall be considered duly sent unless such copy is so sent to such holder. Any such holder shall have the rights set forth in Section 20.4. Any cure of Landlord's default by such holder shall be treated as performance by Landlord. Tenant has requested that Landlord execute an agreement with Branch Banking and Trust Company ("BB&T") pursuant to which Landlord agrees to subordinate and/or waive Landlord's lien on Tenant's property in the Premises. BB&T has requested that Landlord provide BB&T with notice under certain circumstances. Landlord shall use reasonable efforts to provide such notice, but if for any reason Landlord incurs liability under any such agreement(s) with BB&T including relating to any failure by Landlord to provide a required notice, or otherwise, Tenant shall reimburse Landlord for all such liability as additional rent under this Lease.

24.7 Each provision of this Lease shall be valid and enforceable to the fullest extent permitted by law. If any provision of this Lease or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, then such provision shall be deemed to be replaced by the valid and enforceable provision most substantively similar to such invalid or unenforceable provision, and the remainder of this Lease and the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby. Nothing contained in this Lease shall be construed as permitting Landlord to charge or receive interest in excess of the maximum rate allowed by law.

24.8 The provisions of this Lease shall be binding upon and inure to the benefit of the parties and each of their respective representatives, successors and assigns, subject to the provisions herein restricting assignment or subletting.

24.9 This Lease contains and embodies the entire agreement of the parties hereto and supersedes all prior agreements, negotiations, letters of intent, proposals, representations, warranties, understandings, suggestions and discussions, whether written or oral, between the parties hereto. Any representation, inducement, warranty, understanding or agreement that is not expressly set forth in this Lease shall be of no force or effect. This Lease may be modified or changed in any manner only by an instrument signed by both parties. This Lease includes and incorporates all Exhibits attached hereto. This Lease shall be governed by the Laws of the jurisdiction in which the Building is located. There shall be no presumption that this Lease be construed more strictly against the party who itself or through its agent prepared it, it being agreed that all parties hereto have participated in the preparation of this Lease and that each party had the opportunity to consult legal counsel before the execution of this Lease.

24.10 Headings are used for convenience and shall not be considered when construing this Lease. The submission of an unsigned copy of this document to Tenant shall not constitute an offer or option to lease the Premises. This Lease shall become effective and binding only upon execution and delivery by both Landlord and Tenant. Time is of the essence with respect to each of Tenant's obligations hereunder. This Lease may be executed in multiple counterparts, each of which shall be deemed an original and all of which together constitute one and the same document. Faxed (or electronic, e.g. PDF) signatures shall have the same binding effect as original signatures. Neither this Lease nor a memorandum thereof shall be recorded.

24.11 Landlord reserves the right to make reasonable changes and modifications to the Building without Tenant's consent, provided such changes or modifications do not materially and adversely (a) change the character of the Building, (b) interfere with Tenant's access to the Premises, or (c) interfere with Tenant's use of the Premises for the Permitted Use.

24.12 Intentionally omitted.

24.13 Except as otherwise provided in this Lease, any additional rent or other sum owed by Tenant to Landlord (other than Base Rent), and any cost, expense, damage or liability incurred by Landlord for which Tenant is liable, shall be considered additional rent payable pursuant to this Lease to be paid by Tenant no later than thirty (30) days after the date Landlord notifies Tenant of the amount thereof. Tenant's liabilities and obligations with respect to the

period prior to the expiration or earlier termination of the Lease Term shall survive such expiration or earlier termination.

24.14 If Landlord or Tenant is in any way delayed or prevented from performing any obligation (except, with respect to Tenant, its obligations to pay rent and other sums due under this Lease, any obligation set forth in Exhibit B, any obligation with respect to insurance pursuant to Article XIII, any obligation to give notice with respect to extensions, expansions or otherwise, and any holdover) due to fire, act of God, governmental act or failure to act, strike, labor dispute, inability to procure materials, or any cause beyond such party's reasonable control (whether similar or dissimilar to the foregoing events), then the time for performance of such obligation shall be excused for the period of such delay or prevention and extended for a period equal to the period of such delay, interruption or prevention.

24.15 Landlord's review, approval and consent powers (including the right to review plans and specifications) are for its benefit only. Such review, approval or consent (or conditions imposed in connection therewith) shall be deemed not to constitute a representation concerning legality, safety or any other matter. The deletion of any printed, typed or other portion of this Lease shall not evidence the parties' intention to contradict such deleted portion. Such deleted portion shall be deemed not to have been inserted in this Lease.

24.16 At the expiration or earlier termination of the Lease Term, Tenant shall deliver to Landlord all keys and security cards to the Building and the Premises, whether such keys were furnished by Landlord or otherwise procured by Tenant, and shall inform Landlord of the combination of each lock, safe and vault, if any, in the Premises.

24.17 Tenant and the person executing and delivering this Lease on Tenant's behalf each represents and warrants that such person is duly authorized to so act; that Tenant is duly organized, is qualified to do business in the jurisdiction in which the Building is located, is in good standing under the Laws of the state of its organization and the Laws of the jurisdiction in which the Building is located, and has the power and authority to enter into this Lease; and that all action required to authorize Tenant and such person to enter into this Lease has been duly taken.

24.18 [Intentionally Omitted].

24.19 Neither Tenant nor any other person having an interest in the possession, use, occupancy or utilization of the Premises shall enter into any lease, sublease, license, concession, assignment or other agreement for use, occupancy or utilization for space in the Premises which provides for rental or other payment for such use, occupancy or utilization based in whole or in part on the net income or profits derived by any person from the party leased, used, occupied or utilized (other than an amount based on a fixed percentage or percentages of receipts or sales), and Tenant agrees that any such proposed lease, sublease, license, concession, assignment or other agreement shall be absolutely void and ineffective as a conveyance of any right or interest in the possession, use, occupancy or utilization of any part of the Premises.

24.20 The parties intend that all payments made to Landlord under this Lease will qualify as rents from real property for purposes of Section 512(b)(3) of the Internal Revenue

Code of 1986, as amended ("Qualified Rents"). If Landlord, in its sole discretion, advises Tenant that there is any risk that all or part of any payments made under this Lease will not qualify as Qualified Rents, Tenant agrees (i) to cooperate with landlord to restructure this Lease in such manner as may be necessary to enable such payments to be treated as Qualified Rents, and (ii) to permit an assignment of this Lease, in each case provided such restructuring or assignment will not have a material economic impact on Tenant.

24.21 Each of Landlord and Tenant, each as to itself, hereby represents its compliance with all applicable anti-money laundering laws, including, without limitation, the USA Patriot Act, and the laws administered by the United States Treasury Department's Office of Foreign Assets Control, including, without limitation, Executive Order 13224 ("Executive Order"). Each of Landlord and Tenant further represents (i) that it is not, and it is not owned or controlled directly or indirectly by any person or entity, on the SDN List published by the United States Treasury Department's Office of Foreign Assets Control and (ii) that it is not a person otherwise identified by government or legal authority as a person with whom a U.S. Person is prohibited from transacting business. As of the date hereof, a list of such designations and the text of the Executive Order are published under the internet website address www.ustreas.gov/offices/enforcement/ofac.

ARTICLE XXV RENEWAL OPTION

25.1 Landlord hereby grants to Tenant the right, exercisable at Tenant's option, to renew the term of this Lease for two (2) periods of five (5) years each (each, a "Renewal Term"). If exercised, and if the conditions applicable thereto have been satisfied, the first renewal term (the "First Renewal Term") shall commence immediately following the end of the initial Lease Term, and the second renewal term (the "Second Renewal Term") shall commence immediately following the end of the First Renewal Term. The rights of renewal herein granted to Tenant shall be subject to, and shall be exercised in accordance with, the following terms and conditions:

(a) Tenant shall exercise its rights with respect to a Renewal Term by giving Landlord written notice thereof not later than one hundred twenty (120) days prior to the expiration of the then-current term of this Lease (the "Renewal Notice"). Promptly after Landlord's timely receipt of the Renewal Notice, Landlord shall provide Tenant with Landlord's determination of the annual base rent for the Premises, the escalation factor, lease concessions (if any), additional rent and the lease security (collectively, the "Economic Terms") that shall be applicable during the applicable Renewal Term. The parties shall have thirty (30) days after Tenant's receipt of Landlord's determination in which to agree on the Economic Terms applicable to the Renewal Term. The parties shall attempt in good faith to agree upon Economic Terms for the applicable Renewal Term that would equal one hundred percent (100%) of the applicable market terms for tenants of comparable space in the Complex. Among the factors to be considered by the parties during such negotiations shall be the general rental market in the submarket in which the Building is located, taking into consideration all relevant factors. If during such thirty (30)-day period the parties are unable, for any reason whatsoever, to agree on the Economic Terms for the Renewal Term, then the following shall apply:

(i) Landlord and Tenant shall, within ten (10) days after the expiration of the foregoing thirty (30)-day period, each appoint a disinterested broker who shall (i) be licensed in the State of Maryland, (ii) have at least ten (10) years of experience in commercial real estate in the State of Maryland, (iii) have particular and current experience in the market in which the Building is located, and (iv) be recognized within the field as being reputable and ethical. Each party shall give notice to the other within such ten (10) day period of the broker selected by such party. If either Landlord or Tenant shall fail timely to appoint a broker, then the single broker appointed by one party shall proceed to make the determination of the Economic Terms. Each party shall pay the fees and costs of the broker appointed by it (however, if only one broker is timely appointed, the parties shall share the fees and costs of such broker equally). Such brokers (or broker) shall, within fifteen (15) days after the appointment of the last of them to be timely appointed, attempt to agree to the Economic Terms.

(ii) If during such fifteen (15) day period the brokers do not agree to a determination of the Economic Terms, then the two brokers shall within ten (10) days after expiration of the fifteen (15)-day period appoint a third disinterested broker who shall have the same qualifications set forth for the original two brokers described above. Such third broker shall, within fifteen (15) days after the appointment, make a determination of the Economic Terms and submit an appraisal report to Landlord and Tenant. The Economic Terms applicable to the applicable Renewal Term shall be the average of the two (2) closest valuations. Such determination shall be binding and conclusive. All fees and costs incurred in connection with the determination of the Economic Terms by the third broker shall be paid one half by Landlord and one half by Tenant.

(b) If the Renewal Notice is not given timely, then Tenant's rights of renewal pursuant to this Section shall lapse and be of no further force or effect.

(c) If (a) an Event of Default exists under this Lease on the date the Renewal Notice is given to Landlord, or (b) if two (2) or more monetary Events of Default occur at any time prior to commencement of the applicable Renewal Term, then, at Landlord's option, the applicable Renewal Term shall not commence and the term of this Lease shall expire at the expiration of the then-current Lease Term.

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

(e) Tenant's right of renewal under this Section may be exercised by Tenant only and may not be exercised by or on behalf of any other transferee, sublessee or assignee of Tenant other than an assignee pursuant to Section 7.7 above.

ARTICLE XXVI
GENERATOR

26.1 Subject to the conditions and requirements of this Section 26.1, Tenant shall be permitted to install, at its sole cost and expense, an emergency generator as shown on Exhibit G, batteries (if any), cabling, piping, routing, exhaust routing, feeders and conduits extending from such generators to the Premises or other points of connection (collectively, the "Generator Equipment"). Such Generator Equipment shall be of such specifications, size and capacity of such Generator Equipment shall be as determined by Tenant and reasonably approved by Landlord.

(a) The Generator Equipment shall be placed only in the location shown on Exhibit G attached hereto. The amount of space (the "Generator Support Area") to be occupied by the Generator Equipment shall not exceed the area shown on Exhibit G, and Landlord may, in its sole discretion, require that such area be enclosed by screening materials reasonably designated by Landlord. The area in which the Generator Equipment is located shall be subject to all of the provisions of this Lease as if it were located within the Premises.

(b) Tenant's right to install or modify the Generator Equipment shall be subject to Landlord's prior written approval of any equipment to be installed, methods of installation and contractor performing the installation, which approval shall not be unreasonably withheld, conditioned or delayed. Tenant shall provide Landlord a written description of such equipment, including make, model, size and capacity. Any changes in the equipment shall be subject to Landlord's prior approval, which approval shall not be unreasonably withheld, conditioned or delayed.

(c) Tenant will allow Landlord's designee to be present during the installation of the Generator Equipment. Tenant shall have reasonable access to its Generator Equipment, which access shall be subject to reasonable rules and regulations relating thereto established from time to time by Landlord. Landlord shall have the right to require Tenant to remove or relocate the Generator Equipment in the event such installation or alteration would void or adversely affect any warranty affecting the applicable Building's systems. All testing of the Generator Equipment shall occur during times other than the normal business hours of the Building.

(d) Tenant shall comply with all Laws and the requirements of Landlord's insurer with respect to the installation, repair, maintenance or operation of the Generator Equipment, including all ancillary equipment connected to or associated with the Generator Equipment. Tenant shall be responsible for obtaining all permits, variances and licenses required by Laws relating to the Generator Equipment (to the extent Tenant is required to obtain any permits, variances or licenses) and shall deliver copies thereof to Landlord.

(e) Tenant's use of the area in which the Generator Equipment is located, if such site is not within or on the roof of the Premises, shall be exclusive, and Landlord shall not allow others to use such area. Landlord shall have the right, but not the obligation, to enter the area where the Generator Equipment is located at any time for the purpose of inspecting the

Generator Equipment, making repairs or exhibiting the Building.

(f) Tenant shall pay the costs of all utilities services required for Tenant's use of the Generator Equipment.

(g) The installation, repair, maintenance and operation of the Generator Equipment will be at Tenant's sole risk, cost and expense. Landlord or its agents or employees shall not be liable for any costs or expenses incurred in connection with or as a result of such installation, repair, maintenance and operation except to the extent caused by Landlord's gross negligence or willful misconduct. Tenant shall promptly repair at its expense all damage caused by or resulting from the installation, maintenance, repair or operation of the Generator Equipment.

(h) Upon the expiration or earlier termination of this Lease, Tenant shall remove the Generator Equipment at its sole expense and shall repair any damage to the Building caused by or resulting from such removal.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease under seal as of the day and year first above written.

WITNESS/ATTEST:


LANDLORD:

ANNAPOLIS COMMERCE PARK LIMITED PARTNERSHIP

By: Annapolis Commerce Park GP, LLC, General Partner

By: Bernstein Bestgate, Inc., Managing Member

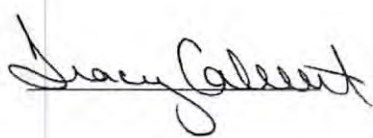


By: 
Name: Marc Duber
Title: Exec VP

WITNESS/ATTEST:

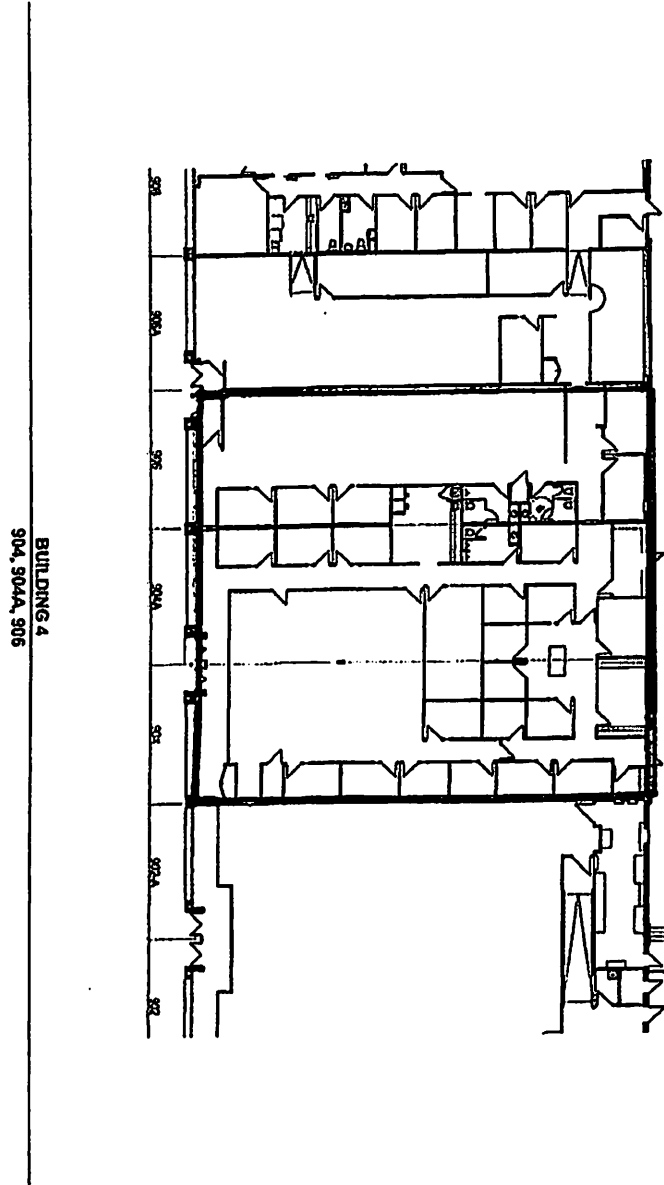
TENANT:

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



By:  [SEAL]
Name: Richard L. Sharff, Jr.
Title: VP and GENERAL COUNSEL

EXHIBIT A
PLAN SHOWING PREMISES



A-1

EXHIBIT B
WORK AGREEMENT

This Exhibit (the "Exhibit" or "Work Agreement") is attached to and made a part of that certain Lease Agreement dated as of October, 2018 (the "Lease"), 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 Exhibit shall have the meaning ascribed to them in the Lease. In the event of any conflict between the terms hereof and the terms of the Lease, the terms hereof shall prevail for the purposes of design and construction of the Tenant Improvements.

A. **TENANT IMPROVEMENTS.**

1. **As Is Condition.** Except as may be otherwise specifically provided in the Lease, Landlord shall have no obligation to perform or cause the performance or construction of any improvements in or to the Premises and Landlord shall deliver the Premises to Tenant in an "as is" broom clean condition. Specifically, without limitation, all HVAC units in and/or serving the Premises, 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. Notwithstanding the foregoing to the contrary, Landlord, at its sole cost and expense, shall (a) install a handicap ramp at the rear of the Premises, and (b) relocate to a location outside of the Premises any existing electrical and fire panels in the Premises that serve space other than the Premises.

2. **Tenant Improvements.** Tenant, at its sole cost and expense, shall furnish and install in the Premises in accordance with the terms of this Exhibit, 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"). Landlord hereby acknowledges and agrees that Tenant intends to construct the Tenant Improvements in two (2) phases and that, notwithstanding such work being conducted at different times, both phases shall be considered Tenant Improvements governed by the terms of this Exhibit B. 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.

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. Not later than the date that is fifty-six (56) days following the full execution and delivery of the Lease, 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. Promptly 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 promptly 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 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 Thirty-Seven Dollars (\$37.00) per rentable square foot of the Premises, 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. 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 (a) paid receipts or invoices substantiating the costs for which payment is requested; (b) a signed statement from Tenant certifying that the costs were actually incurred for the stated amount; (c) lien waivers from the party supplying the services or materials for which payment is sought; and (d) such other information as Landlord reasonably requires. Provided Tenant delivers to Landlord an approved draw request, prepared as set forth above, Landlord shall pay the costs covered by such payment request within approximately thirty (30) days following receipt thereof (but Landlord shall not be obligated to make more than one (1) such payment in any calendar month). Notwithstanding the foregoing, in no event shall Landlord be obligated to pay, 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; (B) Tenant's execution and delivery to Landlord of the Certificate attached to the Lease as Exhibit D; (C) receipt by Landlord of appropriate paid receipts or invoices and 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; and (D) Tenant's delivery to Landlord of all receipts, invoices or other documentation necessary to substantiate all costs payable by Landlord hereunder. If Tenant does not expend and request (as provided herein) all of the Improvement Allowance for Construction Costs as permitted hereunder within one hundred eighty (180) days after the Lease Commencement 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.

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.

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 one percent (1%) of the "hard" costs of the Tenant Improvements (which by definition excludes the costs related to Tenant's purchase and installation of furniture, fixtures, and equipment for the Premises) 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 Lease 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.

B-3-3

EXHIBIT C
RULES AND REGULATIONS

This Exhibit is attached to and made a part of that certain Lease Agreement dated as of _____, 2018 (the "Lease"), by and between ANNAPOLIS COMMERCE PARK LIMITED PARTNERSHIP ("Landlord"), and ANNE ARUNDEL-SCA SURGICENTER, LLC ("Tenant").

The following rules and regulations have been formulated for the safety and well-being of all tenants of the Building. Strict adherence to these rules and regulations is necessary to guarantee that every tenant will enjoy a safe and undisturbed occupancy of its premises. Any violation of these rules and regulations by Tenant shall constitute a default by Tenant under the Lease.

The following rules shall be applicable to all tenants of the Building:

1. Tenant shall not obstruct or encumber or use for any purpose other than ingress and egress to and from the Premises any sidewalk, entrance, passage, court, elevator, vestibule, stairway, corridor, hall or other part of the Building not exclusively occupied by Tenant. No bottles, parcels or other articles shall be placed, kept or displayed on window ledges, in windows or in corridors, stairways or other public parts of the Building. Tenant shall not place any showcase, mat or other article outside the Premises.
2. Landlord shall have the right to control and operate the public portions of the Building and the facilities furnished for common use of the tenants, in such manner as Landlord deems best for the benefit of the tenants generally. Tenant shall not permit the visit to the Premises of persons in such numbers or under such conditions as to interfere with the use and enjoyment of the entrances, corridors, elevators and other public portions or facilities of the Building by other tenants. Tenant shall coordinate in advance with Landlord's property management department all deliveries to the Building so that arrangements can be made to minimize such interference. Tenant shall not permit its employees and invitees to congregate in the elevator lobbies or corridors of the Building. Canvassing, soliciting and peddling in the Building are prohibited, and Tenant shall cooperate to prevent the same.
3. Tenant shall not attach, hang or use in connection with any window or door of the Premises any drape, blind, shade or screen, without Landlord's prior written consent. All awnings, drapes projections, curtains, blinds, shades, screens and other fixtures shall be of a quality, type, design and color, and shall be attached in a manner, approved in writing by Landlord. Any Tenant-supplied window treatments shall be installed behind Landlord's standard window treatments so that Landlord's standard window treatments will be what is visible to persons outside the Building. Drapes (whether installed by Landlord or Tenant) which are visible from the exterior of the Building shall be cleaned by Tenant at least once a year, without notice from Landlord, at Tenant's own expense.
4. Tenant shall not use the water fountains, water and wash closets, and plumbing and other fixtures for any purpose other than those for which they were constructed, and Tenant shall

not place any debris, rubbish, rag or other substance therein (including, without limitation, coffee grounds). All damages from misuse of fixtures shall be borne by the tenant causing same.

5. Tenant shall not construct, maintain, use or operate within the Premises any electrical device, wiring or apparatus in connection with a loudspeaker system or other sound system, in connection with any excessively bright, changing, flashing, flickering or moving light or lighting device, or in connection with any similar device or system, without Landlord's prior written consent. Tenant shall not construct, maintain, use or operate any such device or system outside of its Premises or within such Premises so that the same can be heard or seen from outside the Premises. No flashing, neon or search lights shall be used which can be seen outside the Premises.

6. Tenant shall not bring any bicycle, vehicle, animal, bird or pet of any kind into the Building, except seeing-eye or hearing-ear dogs for handicapped persons visiting the Premises.

7. Except as specifically provided to the contrary in the Lease, Tenant shall not cook or permit any cooking on the Premises, except for microwave cooking and use of coffee machines by Tenant's employees for their own consumption. Tenant shall not install any microwave oven or coffee machine in the Premises without Landlord's prior written approval of such equipment and its location within the Premises. Tenant shall not cause or permit any unusual or objectionable noise or odor to be produced upon or emanate from the Premises.

8. Tenant shall not make any unseemly or disturbing noise or disturb or interfere with occupants of the Building.

9. Tenant shall not place on any floor a load exceeding the floor load per square foot which such floor was designed to carry. Landlord shall have the right to prescribe the weight, position and manner of installation of safes and other heavy equipment and fixtures. Landlord shall have the right to repair at Tenant's expense any damage to the Premises or the Building caused by Tenant's moving property into or out of the Premises or due to the same being in or upon the Premises or to require Tenant to do the same. Tenant shall not receive into the Building or carry in the elevators any safes, freight, furniture, equipment or bulky item except as approved by Landlord, and any such furniture, equipment and bulky item shall be delivered only through the designated delivery entrance of the Building and the designated freight elevator at designated times. Tenant shall remove promptly from any sidewalk adjacent to the Building any furniture, furnishing, equipment or other material there delivered or deposited for Tenant.

10. Tenant shall not place additional locks or bolts of any kind on any of the doors or windows, and shall not make any change in any existing lock or locking mechanism therein, without Landlord's prior written approval. Tenant shall keep doors leading to a corridor or main hall closed at all times except as such doors may be used for ingress or egress and shall lock such doors during all times the Premises are unattended. Tenant shall, upon the termination of its tenancy: (a) restore to Landlord all keys and security cards to stores, offices, storage rooms, toilet rooms, the Building and the Premises which were either furnished to, or otherwise procured by, Tenant, and in the event of the loss of any keys so furnished, Tenant shall pay the replacement cost thereof; and (b) inform Landlord of the combination of any lock, safe and vault in the Premises. At Landlord's request, a charge of three dollars (\$3.00) per key shall be paid for

all keys in excess of five (5) keys per one thousand (1,000) square feet of rentable area in the Premises for each public entrance door to the Premises. Tenant's key system shall be consistent with that for the rest of the Building.

11. Tenant shall not install or operate in the Premises any electrically operated equipment or machinery that exceeds the consumption for which the outlet was designed to accommodate without obtaining the prior written consent of Landlord. Landlord may condition such consent upon Tenant's payment of additional rent in compensation for the excess consumption of electricity or other utilities and for the cost of any additional wiring or apparatus that may be occasioned by the operation of such equipment or machinery. Tenant shall not install any equipment of any type or nature that will or may necessitate any changes, replacements or additions to, or changes in the use of, the water system, heating system, plumbing system, air-conditioning system or electrical system of the Premises or the Building, without obtaining Landlord's prior written consent, which consent may be granted or withheld in Landlord's sole and absolute discretion. If any machine or equipment of Tenant causes noise or vibration that may be transmitted to such a degree as to be objectionable to Landlord or any tenant in the Building, then Landlord shall have the right to install at Tenant's expense vibration eliminators or other devices sufficient to reduce such noise and vibration to a level satisfactory to Landlord or to require Tenant to do the same.

12. Landlord reserves the right to exclude from the Building at all times any person who does not properly identify himself to the Building management or attendant on duty. Landlord shall have the right to exclude any undesirable or disorderly persons from the Building at any time. Landlord may require all persons admitted to or leaving the Building to show satisfactory identification and to sign a register.

13. Tenant shall not permit or encourage any loitering in or about the Premises and shall not use or permit the use of the Premises for lodging, dwelling or sleeping.

14. Tenant, before closing and leaving the Premises at any time, shall see that all windows are closed and all lights and equipment are turned off, including, without limitation, coffee machines.

15. Tenant shall not request Landlord's employees to perform any work or do anything outside of such employees' regular duties without Landlord's prior written consent. Tenant's special requirements will be attended to only upon application to Landlord, and any such special requirements shall be billed to Tenant in accordance with the schedule of charges maintained by Landlord from time to time or as is agreed upon in writing in advance by Landlord and Tenant. Tenant shall not employ any of Landlord's employees for any purpose whatsoever without Landlord's prior written consent.

16. There shall not be used in any space, or in the public halls of the Building, either by any tenant or by jobbers or others in the delivery or receipt of merchandise, any hand trucks, except those equipped with rubber tires and side guards. Tenant shall be responsible for any loss or damage resulting from any deliveries made by or for Tenant.

17. Tenant shall not install or permit the installation of any wiring for any purpose on the exterior of the Premises.

18. Tenant acknowledges that it is Landlord's intention that the Building be operated in a manner which is consistent with the highest standards of cleanliness, decency and morals in the community which it serves. Toward that end, Tenant shall not sell, distribute, display or offer for sale any item which, in Landlord's judgment, is inconsistent with the quality of operation of the Building or may tend to impose or detract from the moral character or image of the Building. Tenant shall not use the Premises for any immoral or illegal purpose.

19. Unless otherwise expressly provided in the Lease, Tenant shall not use, occupy or permit any portion of the Premises to be used or occupied for the storage, manufacture, or sale of liquor.

20. Tenant shall purchase or contract for waxing, rug shampooing, venetian blind washing, interior glass washing, furniture polishing, janitorial work, removal of any garbage from any dining or eating facility or for towel service in the Premises, only from contractors, companies or persons approved by Landlord.

21. Tenant shall not remove, alter or replace the ceiling light diffusers, ceiling tiles or air diffusers in any portion of the Premises without the prior written consent of Landlord.

22. Tenant shall not purchase water, ice, coffee, soft drinks, towels, or other merchandise or services from any company or person whose repeated violation of Building regulations has caused, in Landlord's opinion, a hazard or nuisance to the Building and/or its occupants.

23. Tenant shall not pay any employee on the Premises except those actually employed therein; nor shall Tenant use the Premises as headquarters for large scale employment of workers for other locations.

24. Landlord shall have the right, upon written notice to Tenant, to require Tenant to refrain from or discontinue any advertising by Tenant which, in Landlord's opinion, tends to impair the reputation of the Building or its desirability.

25. Tenant shall not in any manner deface any part of the Premises or the Building. No stringing of wires, boring or cutting shall be permitted except with Landlord's prior written consent. Any floor covering installed by Tenant shall have an under layer of felt rubber, or similar sound deadening substance, which shall not be affixed to the floor by cement or any other non-soluble adhesive materials.

26. Except as may otherwise be provided in Section 14.4 of the Lease, should Tenant's use and occupancy of the Premises require the installation of supplemental cooling, and should the Building contain a closed loop, Tenant agrees that its supplemental cooling requirements will be serviced by tapping into the Building's closed loop. Tenant shall be responsible for the cost of connecting into the loop and agrees to pay to Landlord as additional rent the monthly tap fee in accordance with Landlord's then-current rate schedule. Should the Building not contain a closed loop, Tenant agrees to be responsible for fees associated with placing equipment on the roof of the Building.

27. Each Tenant shall handle its newspapers and "office paper" in the manner required by any applicable recycling act (as the same may be amended from time to time) and shall conform with any recycling plan instituted by Landlord.

28. Tenant shall not bring or keep, or permit to be brought or kept, in the Building any weapon or flammable, combustible or explosive fluid, chemical or substance.

29. Tenant shall comply with all workplace smoking Laws. There shall be no smoking in bathrooms, elevator lobbies, elevators, and other common areas.

30. Landlord may, upon request of Tenant, waive Tenant's compliance with any of the rules, provided that (a) no waiver shall be effective unless signed by Landlord, (b) no waiver shall relieve Tenant from the obligation to comply with such rule in the future unless otherwise agreed in writing by Landlord, (c) no waiver granted to any tenant shall relieve any other tenant from the obligation of complying with these rules and regulations, and (d) no waiver shall relieve Tenant from any liability for any loss or damage resulting from Tenant's failure to comply with any rule.

EXHIBIT D

CERTIFICATE AFFIRMING THE LEASE COMMENCEMENT DATE

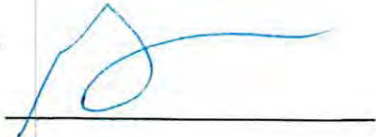
This Certificate is being provided pursuant to that certain Lease Agreement dated as of October 9, 2018 (the "Lease"), by and between ANNAPOLIS COMMERCE PARK LIMITED PARTNERSHIP ("Landlord") and ANNE ARUNDEL-SCA SURGICENTER, LLC ("Tenant"). The parties to the Lease desire to confirm the following:

1. The Lease Commencement Date is August 14, 2019.
2. The first day of the second Lease Year is September 1, 2020.
3. The last day of the initial Lease Term is December 31, 2026.

Attached to this Certificate is evidence of payment of premiums for all insurance required pursuant to the Lease.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Certificate under seal on November 12, 2019.

WITNESS/ATTEST:



LANDLORD:

ANNAPOLIS COMMERCE PARK LIMITED PARTNERSHIP

By: Annapolis Commerce Par GP, LLC,
General Partner

By: Bernstein Bestgate, Inc., Managing Member

By: _____

Name: Marc N Duber

Title: Vice President

WITNESS/ATTEST:



TENANT:

ANNE ARUNDEL-SCA SURGICENTER, LLC

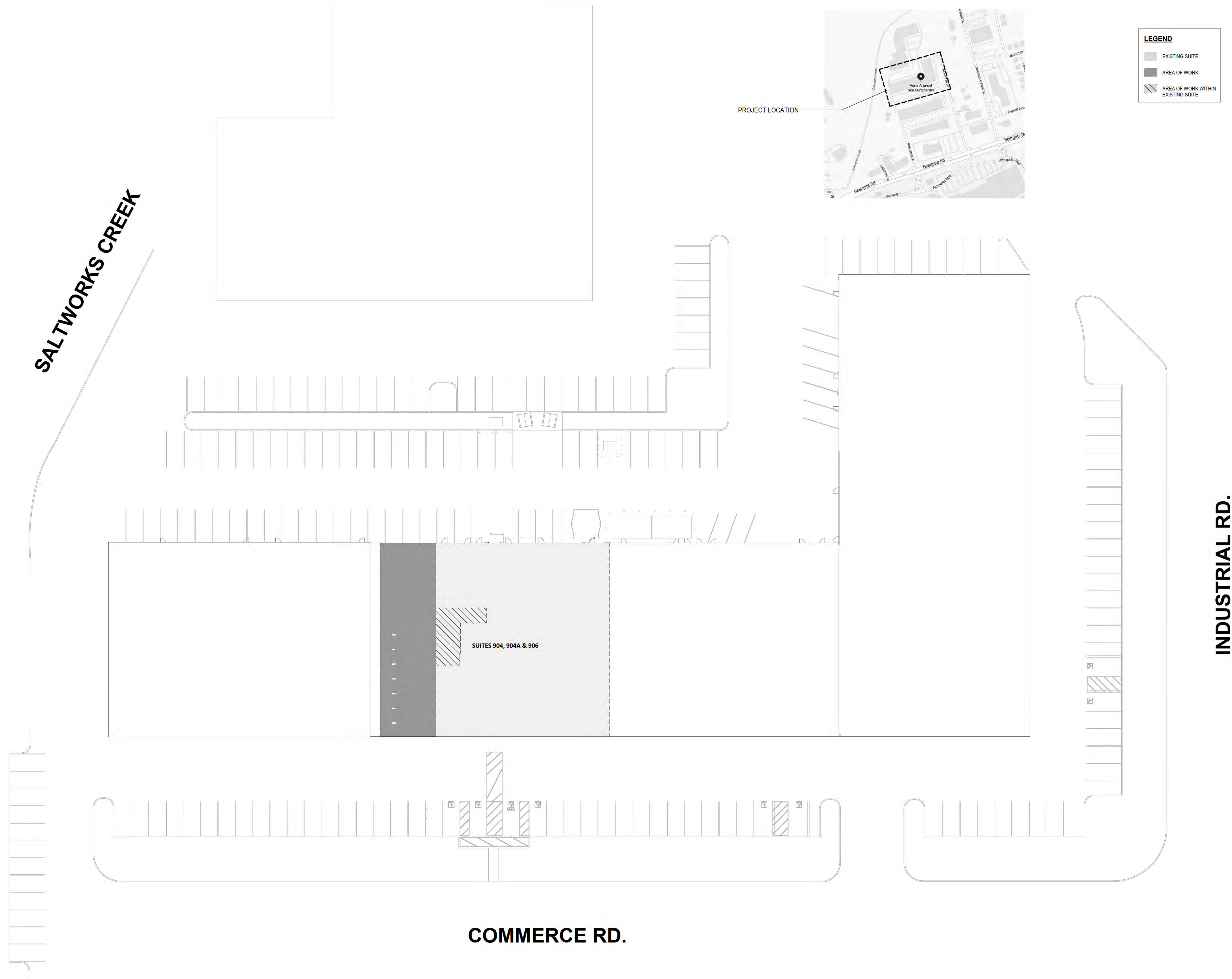
By: Kirstie

Name: Kirstie Lowth

Title: VP of operations

EXHIBIT 3

New/"After" Drawings

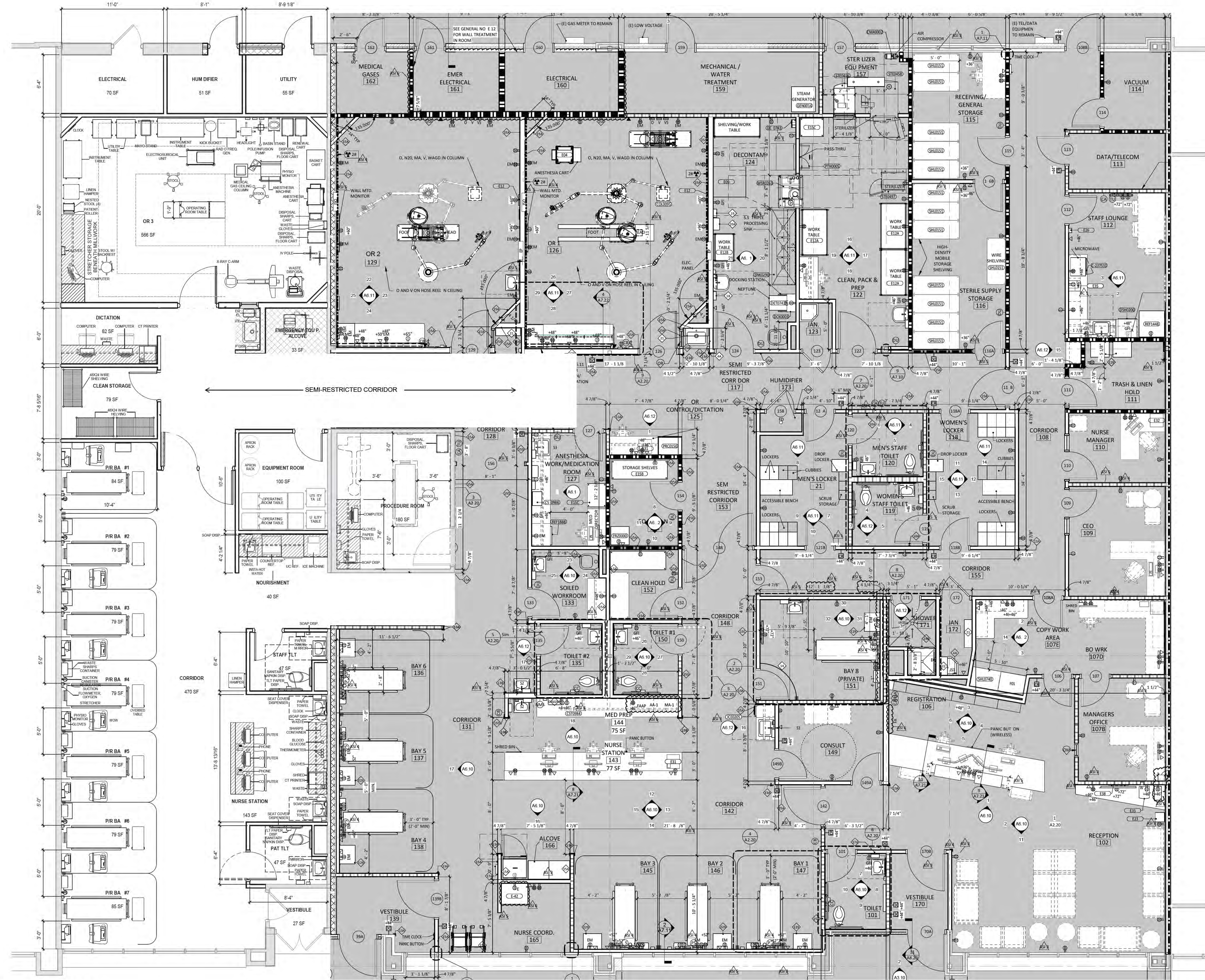


1 SITE PLAN
 A10-01 SCALE: 1" = 20'



LEGEND

■ AREA NOT IN SCOPE



LEGEND

■ AREA NOT IN SCOPE

1 OVERALL FIRST FLOOR PLAN
 A20-01 SCALE: 1/4" = 1'-0"

Current/"Before" Drawings



SHEET INDEX

- 0 - GENERAL
- G2.10 PROPOSED LIFE SAFETY PLAN
- 5 - ARCHITECTURAL
- A2.10 PRESENT FLOOR PLAN
- A2.10A PROPOSED PARTIAL FLOOR PLAN, INTERIOR ELEVATION AND RCP



BOULDER ASSOCIATES

455 MARKET STREET, SUITE 1690
 SAN FRANCISCO, CALIFORNIA 94108
 415.796.6720

PROJECT P214885.00

**SCA ANNAPOLIS
 COMMERCE
 PARK OR#2
 REMODEL**

904 COMMERCE ROAD
 ANNAPOLIS, MD 21401

DATE 07/30/2021

| REVISIONS | DESCRIPTION | DATE |
|-----------|-------------|------|
| | | |

SHEET TITLE
PRESENT FLOOR PLAN

SHEET NUMBER
A2.10

10 PRESENT FLOOR PLAN
 A2.10 1/4" = 1'-0"

©BOULDER ASSOCIATES
 10/15/2021 1:15:51 PM
 PLOT TO FILE
 FILE NO: 18042-SCA-Annapolis OR#2 Remodel/18042-SCA-Annapolis OR#2 Remodel A2.10



BOULDER ASSOCIATES
 455 MARKET STREET, SUITE 1690
 SAN FRANCISCO, CALIFORNIA 94108
 415.796.6720

PROJECT P214885.00

**SCA ANNAPOLIS
 COMMERCE
 PARK OR#2
 REMODEL**

904 COMMERCE ROAD
 ANNAPOLIS, MD 21401

DATE 07/30/2021

REVISIONS

| DESCRIPTION | DATE |
|-------------|------|
| | |

SHEET TITLE
**PROPOSED LIFE SAFETY
 PLAN**

SHEET NUMBER
G2.10

PARTITION TYPES LEGEND

EXISTING
 (E) EXISTING PARTITION
 (E) EXISTING 1 HOUR RATED PARTITION
 1 HOUR SMOKE BARRIER
 CMU PARTITION (NON RATED)

NON RATED
 TYPICAL PARTITION (NON RATED)
 SOUND PARTITIONS (NON RATED)

DOOR LEGEND

GRAPHIC DESCRIPTION
 45 MINUTE DOOR

SYMBOLS

FIRE EXTINGUISHER / FIRE EXTINGUISHER CABINET
 EXIT LIGHT FIXTURE (ARROW INDICATES DIRECTION OF EXIT)

EGRESS PATHS

ROUTE "X" → EXIT ACCESS WITH MAX TRAVEL DISTANCE
 → COMMON PATH
 → ACCESSIBLE PATH OF TRAVEL

EGRESS - EXIT ACCESS PATH

| PATH | LENGTH |
|--------|-----------|
| PATH A | 100' - 4" |
| PATH B | 24' - 3" |

EGRESS - COMMON PATH

| PATH | LENGTH |
|--------|----------|
| PATH A | 37' - 3" |
| PATH B | 15' - 0" |

OCCUPANCY LOAD SUMMARY

| FUNCTION OF SPACE | AREA | OCCUPANT LOAD FACTOR | OCCUPANTS |
|-------------------|---------|----------------------|-----------|
| BUSINESS | 1878 SF | 100 | 14 |
| LOCKERS | 272 SF | 50 | 6 |
| STORAGE | 522 SF | 300 | 2 |
| OUTPATIENT | 6527 SF | 100 | 66 |
| TOTAL: | | | 88 |

EXIT WIDTH & DISTANCE CALCULATIONS

| IBC SECTION | NFPA SECTION | DESCRIPTION | IBC REQUIREMENT | NFPA REQUIREMENT | PROVIDED |
|-------------|--------------|--|--------------------|------------------|--------------------|
| 1004.1.2 | N/A | EXIT WIDTH | 72" MIN | N/A | 132" |
| 1006.3.1 | 19.2.4.2 | EXIT REQUIRED | 2 MIN | 2 MIN | 3 |
| 1007.1.1 | 7.5.1.3.2 | EXIT SEPARATION MAX. DIAGONAL MIN. SEPARATION = 1/3 MAX. DIAG. | 124' - 8" | N/A | 124' - 6" |
| 1017.2 | 19.2.6.2.2 | EXIT ACCESS TRAVEL DISTANCE | 200' | 200' MAX | 72" |
| 1006.2.1 | 18.2.5.3 | COMMON PATH OF TRAVEL | 75' | 100' MAX | 75' |
| 1020.2 | 20.2.3.2 | CORRIDORS, NON-CLINICAL CORRIDORS, STRETCHER TRAFFIC | 44" MIN 72" MIN | 44" MIN N/A | 44" MIN 72" MIN |



1 PROPOSED LIFE SAFETY PLAN
 G2.10 1/4" = 1'-0"

© BOULDER ASSOCIATES
 07/30/2021 11:15:14 AM
 PLAN 002/18892/SCA-Annapolis OR#2 Remodel - 18892/00 - SCA-Annapolis OR#2 Remodel A201.rvt
 PRINTED TO FILE: 04/11/2021 10:04 AM

EXHIBIT 4

TABLE E. PROJECT BUDGET

INSTRUCTION: Estimates for Capital Costs (1.a-e), Financing Costs and Other Cash Requirements (2.a-g), and Working Capital Startup Costs (3) must reflect current costs as of the date of application and include all costs for construction and renovation. Explain the basis for construction cost estimates, renovation cost estimates, contingencies, interest during construction period, and inflation in an attachment to the application.

NOTE: Inflation should only be included in the Inflation allowance line A.1.e. The value of donated land for the project should be included on Line A.1.d as a use of funds and on line B.8 as a source of funds

| | Hospital Building | Other Structure | Total |
|--|-------------------|--------------------|--------------------|
| A. USE OF FUNDS | | | |
| 1. CAPITAL COSTS | | | |
| a. New Construction | | | |
| (1) Building | | | \$0 |
| (2) Fixed Equipment | | | \$0 |
| (3) Site and Infrastructure | | | \$0 |
| (4) Architect/Engineering Fees | | | \$0 |
| (5) Permits (Building, Utilities, Etc.) | | | \$0 |
| SUBTOTAL | \$0 | | \$0 |
| b. Renovations | | | |
| (1) Building | | \$1,960,000 | \$1,960,000 |
| (2) Fixed Equipment (not included in construction) | | \$1,193,582 | \$1,193,582 |
| (3) Architect/Engineering Fees | | \$264,240 | \$264,240 |
| (4) Permits (Building, Utilities, Etc.) | | \$32,094 | \$32,094 |
| SUBTOTAL | \$0 | \$3,449,916 | \$3,449,916 |
| c. Other Capital Costs | | | |
| (1) Movable Equipment | | | \$0 |
| (2) Contingency Allowance | | \$292,591 | \$292,591 |
| (3) Gross interest during construction period | | | \$0 |
| (4) Other (Specify/add rows if needed) | | | \$0 |
| SUBTOTAL | \$0 | \$292,591 | \$292,591 |
| TOTAL CURRENT CAPITAL COSTS | \$0 | \$3,742,507 | \$3,742,507 |
| d. Land Purchase | | | |
| e. Inflation Allowance | | | |
| TOTAL CAPITAL COSTS | \$0 | \$3,799,785 | \$3,799,785 |
| 2. Financing Cost and Other Cash Requirements | | | |
| a. Loan Placement Fees | | | \$0 |
| b. Bond Discount | | | \$0 |
| c. CON Application Assistance | | | |
| c1. Legal Fees | | | \$0 |
| c2. Other (Specify/add rows if needed) | | | |
| d. Non-CON Consulting Fees | | \$130,000 | |
| d1. Legal Fees | | | \$0 |
| d2. Other (Specify/add rows if needed) | | | \$0 |
| e. Debt Service Reserve Fund | | | \$0 |
| f. Other Expenses | | | |
| f1. Project Administration | | \$251,100 | |
| f2. Testing & Inspection | | \$5,000 | |
| f3. Insurance & Taxes | | \$12,614 | \$12,614 |
| SUBTOTAL | \$0 | \$398,714 | \$398,714 |
| 3. Working Capital Startup Costs | | | |
| TOTAL USES OF FUNDS | \$0 | \$4,198,499 | \$4,198,499 |
| B. Sources of Funds | | | |
| 1. Cash | | \$2,198,499 | \$2,198,499 |
| 2. Philanthropy (to date and expected) | | | \$0 |
| 3. Authorized Bonds | | | \$0 |
| 4. Interest Income from bond proceeds listed in #3 | | | \$0 |
| 5. Mortgage | | \$2,000,000 | \$2,000,000 |
| 6. Working Capital Loans | | | \$0 |
| 7. Grants or Appropriations | | | |
| a. Federal | | | \$0 |
| b. State | | | \$0 |
| c. Local | | | \$0 |
| 8. Other (Specify/add rows if needed) | | | \$0 |
| TOTAL SOURCES OF FUNDS | | \$4,198,499 | \$4,198,499 |
| | Hospital Building | Other Structure | Total |
| Annual Lease Costs (if applicable) | | | |
| 1. Land | | | \$0 |
| 2. Building | | \$70,000 | \$70,000 |
| 3. Major Movable Equipment | | | \$0 |
| 4. Minor Movable Equipment | | | \$0 |
| 5. Other (Specify/add rows if needed) | | | \$0 |

* Describe the terms of the lease(s) below, including information on the fair market value of the item(s), and the number of years, annual cost, and the interest rate for the lease.

EXHIBIT 5

| Surgical Care Affiliates, LLC | | | | | | |
|-------------------------------|---|------------------------------------|-----------|-------------------|-------|------------|
| Active ASCs as of 4/30/2025 | | | | | | |
| Affiliation Date | Legal Name | Address1 | Address2 | City | State | Zip |
| 06/29/07 | Tuscaloosa Surgical Center, L.P. | 1400 McFarland Blvd N | | Tuscaloosa | AL | 35406 |
| 06/29/07 | Boca Raton Outpatient Surgery & Laser Center, LTD. | 501 Glades Rd | | Boca Raton | FL | 33432 |
| 06/29/07 | Melbourne Surgery Center, LLC | 95 Bulldog Blvd | Suite 104 | Melbourne | FL | 32901 |
| 06/29/07 | Golden Triangle Surgicenter, L.P. | 25405 Hancock Ave | Suite 103 | Murrieta | CA | 92562 |
| 06/29/07 | Lexington Surgery Center, Ltd. | 2115 Harrodsburg Rd | | Lexington | KY | 40504-4449 |
| 06/29/07 | Surgical Caregivers of Fort Worth, LLC | 2001 W Rosedale St | | Fort Worth | TX | 76104-4041 |
| 06/29/07 | Mobile-SC, LTD. | 6144 Airport Blvd #A | | Mobile | AL | 36608 |
| 06/29/07 | Charlotte Surgery Center, Limited Partnership (Museum Campus) | 2825 Randolph Rd | | Charlotte | NC | 28211 |
| 06/29/07 | Montgomery Surgery Center Limited Partnership | 46 W Gude Dr | | Rockville | MD | 20850 |
| 06/29/07 | Greenville Surgery Center, LLC | 7150 Greenville Ave | Suite 200 | Dallas | TX | 75231 |
| 06/29/07 | Wauwatosa Surgery Center, Limited Partnership | 10900 W Potter Rd | | Wauwatosa | WI | 53226-3424 |
| 06/29/07 | Charleston Surgery Center Limited Partnership | 130 Edge Street | | Summerville | SC | 29486 |
| 06/29/07 | Inland Surgery Center, L.P. | 1620 Laurel Ave | | Redlands | CA | 92373-4838 |
| 06/29/07 | San Luis Obispo Surgery Center, a California Limited Partnership | 1304 Ella St | Suite C | San Luis Obispo | CA | 93401 |
| 06/29/07 | Surgical Center of South Jersey, Limited Partnership | 130 Gaither Dr | Suite 160 | Mount Laurel | NJ | 08054 |
| 06/29/07 | Blue Ridge Day Surgery Center, L.P. | 2308 Wesvill Court | | Raleigh | NC | 27607 |
| 06/29/07 | Emerald Coast Surgery Center, L.P. | 995 Mar Walt Dr | | Fort Walton Beach | FL | 32547 |
| 06/29/07 | Santa Rosa Surgery Center, L.P. | 34 Mark West Springs Rd | Suite 100 | Santa Rosa | CA | 95403 |
| 06/29/07 | Citrus Regional Surgery Center, L.P. | 110 N Lecanto Hwy | | Lecanto | FL | 34461 |
| 06/29/07 | Florence Surgery Center, L.P. | 103 Helton Ct | | Florence | AL | 35630 |
| 06/29/07 | Glenwood Surgical Center, L.P. | 8945 Magnolia Ave | Suite 200 | Riverside | CA | 92503 |
| 06/29/07 | Gainesville Surgery Center, L.P. | 1945 Beverly Rd | | Gainesville | GA | 30501 |
| 06/29/07 | McKenzie Surgery Center, L.P. | 940 Country Club Rd | | Eugene | OR | 97401 |
| 06/29/07 | The Surgery Center of Easton, L.P. | 510 Idlewild Ave | Suite 110 | Easton | MD | 21601 |
| 06/29/07 | Premier Surgery Center of Louisville, L.P. | 2511 Terra Crossing Blvd | | Louisville | KY | 40245 |
| 06/29/07 | Pomerado Outpatient Surgical Center, L.P. | 2130 Citracado Parkway | | Escondido | CA | 92029 |
| 06/29/07 | Birmingham Outpatient Surgery Center, Ltd. | 2720 University Blvd | | Birmingham | AL | 35233 |
| 06/29/07 | Surgicare of Mobile, Ltd. | 2890 Dauphin St | | Mobile | AL | 36606 |
| 06/29/07 | Arcadia Outpatient Surgery Center, L.P. | 614 W Duarte Rd | | Arcadia | CA | 91007 |
| 06/29/07 | North Coast Surgery Center, Ltd., a California Limited Partnership | 3903 Waring Rd | | Oceanside | CA | 92056 |
| 06/29/07 | Surgery Centers of Des Moines, Ltd., an Iowa Limited Partnership | 5901 Westown Pkwy | # 100 | West Des Moines | IA | 50266 |
| 06/29/07 | B.R.A.S.S. Partnership in Commendam | 5328 Didesse Dr | | Baton Rouge | LA | 70808 |
| 06/29/07 | St. Cloud Outpatient Surgery, Ltd., a Minnesota Limited Partnership | 1526 Northway Dr | | Saint Cloud | MN | 56303 |
| 06/29/07 | Surgicare of Minneapolis, Ltd., a Minnesota Limited Partnership | 6099 Wayzata Blvd | | Minneapolis | MN | 55416 |
| 06/29/07 | Surgicare of Jackson, Ltd., a Mississippi Limited Partnership | 760 Lakeland Dr | | Jackson | MS | 39216 |
| 06/29/07 | The Eye Surgery Center of the Carolinas, L.P. | 2170 Midland Rd | | Southern Pines | NC | 28388 |
| 06/29/07 | Salem Surgery Center, LLC | 2525 12 Street SE | | Salem | OR | 97302 |
| 06/29/07 | Surgicare of La Veta, Ltd., a California Limited Partnership | 681 S Parker St | Suite 150 | Orange | CA | 92868 |
| 06/29/07 | Channel Islands Surgicenter, L.P. | 2300 Wankel Way | | Oxnard | CA | 93030 |
| 06/29/07 | GLBESC, LLC | 3833 Worsham Ave | Suite 200 | Long Beach | CA | 90808 |
| 06/29/07 | Greensboro Specialty Surgery Center, LLC | 3812 N Elm St | | Greensboro | NC | 27455 |
| 06/29/07 | Northern Rockies Surgery Center, L.P. | 940 N 30th St | | Billings | MT | 59101 |
| 06/29/07 | San Diego Endoscopy Center | 4033 Third Ave | Suite 106 | San Diego | CA | 92103 |
| 06/29/07 | Upland Outpatient Surgical Center, L.P. | 1211 W. Sixth Street | | Ontario | CA | 91762 |
| 06/29/07 | Aloha Surgical Center, LLC | 239 Ho'ohana St | | Kahului | HI | 96732 |
| 06/29/07 | Surgical Center of Greensboro, LLC | 705 Green Valley Road | | Greensboro | NC | 27408 |
| 06/29/07 | Presidio Surgery Center, LLC | 1635 Divisadero St | Suite 200 | San Francisco | CA | 94115 |
| 06/29/07 | Owensboro Ambulatory Surgical Facility, Ltd. | 1000 Breckenridge St | Suite 100 | Owensboro | KY | 42303 |
| 08/17/07 | Fort Worth Endoscopy Centers, LLC | 900 W Magnolia Ave | Suite 101 | Fort Worth | TX | 76104 |
| 08/17/07 | Fort Worth Endoscopy Centers, LLC | 6317 Harris Pkwy | Suite 100 | Fort Worth | TX | 76132 |
| 08/22/07 | Surgery Center of Fairfield County, LLC | 112 Quarry Rd | 3rd Floor | Trumbull | CT | 06611 |
| 08/22/07 | Danbury Surgical Center, L.P. | 901 Ethan Allen Highway, Suite 105 | | Ridgefield | CT | 06877 |
| 08/22/07 | Connecticut Surgery Center, Limited Partnership | 55 South Road, Suite 100 | | Farmington | CT | 06032 |
| 11/30/07 | UCSD Ambulatory Surgery Center, LLC | 8929 University Center Ln | Suite 103 | San Diego | CA | 92122 |
| 12/31/07 | MemorialCare Surgical Center at Saddleback, LLC | 24331 El Toro Rd | Suite 150 | Laguna Hills | CA | 92637 |
| 02/01/08 | Hawthorn Place Outpatient Surgery Center, L.P. | 240 Center Dr | | Vernon Hills | IL | 60061 |
| 11/01/09 | Joliet Surgery Center Limited Partnership | 998 129th Infantry Dr | | Joliet | IL | 60435 |
| 08/02/10 | E Street Endoscopy, LLC | 616 E St | Suite A | Clearwater | FL | 33756 |

| Surgical Care Affiliates, LLC | | | | | | |
|-------------------------------|--|--------------------------------------|------------|--------------------|-------|------------|
| Active ASCs as of 4/30/2025 | | | | | | |
| Affiliation Date | Legal Name | Address1 | Address2 | City | State | Zip |
| 07/01/11 | Golden Gate Endoscopy Center, LLC | 3370 Geary Blvd | | San Francisco | CA | 94118 |
| 07/01/11 | Walnut Creek Endoscopy Center LLC | 365 Lennon Lane | Suite 100 | Walnut Creek | CA | 94598 |
| 07/01/11 | Santa Barbara Endoscopy Center, LLC | 25 W Micheltorena St | | Santa Barbara | CA | 93101 |
| 07/01/11 | San Francisco Endoscopy Center LLC | 3468 California St | | San Francisco | CA | 94118 |
| 07/01/11 | Corpus Christi Endoscopy Center, L.L.P. | 6421 Saratoga Blvd. Building 105 | | Corpus Christi | TX | 78414 |
| 07/01/11 | East Bay Endoscopy Center, L.P. | 5858 Horton St | Suite 100 | Emeryville | CA | 94608-2007 |
| 07/01/11 | Beltway Surgery Centers, L.L.C. (BSC-MS) - Eagle Highlands Surgery Center, LLC | 6850 Parkdale Pl | Suite 116 | Indianapolis | IN | 46254 |
| 07/01/11 | Ball Outpatient Surgery Center, LLC | 2401 W University Ave | Suite 200 | Muncie | IN | 47303 |
| 07/01/11 | Beltway Surgery Centers, L.L.C. (BSC-MS) | 151 Pennsylvania Pkwy | | Indianapolis | IN | 46280 |
| 07/01/11 | Beltway Surgery Centers, L.L.C. (BSC-GI) | 10300 N Illinois St. | Suite 2400 | Indianapolis | IN | 46290 |
| 07/01/11 | Indiana Endoscopy Centers, LLC (Avon) | 1115 Ronald Reagan Pkwy | Suite 347 | Avon | IN | 46123 |
| 07/01/11 | Indiana Endoscopy Centers, LLC (Downtown) | 1801 Senate Ave | #410 | Indianapolis | IN | 46202 |
| 07/01/11 | ROC Surgery LLC | 705 Riley Hospital Drive, Suite 0201 | | Indianapolis | IN | 46202 |
| 07/01/11 | Senate Street Surgery Center, LLC | 1801 N Senate Blvd | | Indianapolis | IN | 46202 |
| 02/15/12 | Beltway Surgery Centers, L.L.C. - Glen Lehman Endoscopy Suite | 550 N University Blvd | Suite 4100 | Indianapolis | IN | 46202 |
| 03/05/12 | Beltway Surgery Centers, L.L.C. (BSC-MS) - Indiana University Health Saxony Surgery Center | 13100 E 136th St | Suite 1100 | Fishers | IN | 46037 |
| 10/01/12 | Denton Surgery Center, LLC | 207 N Bonnie Brae St | | Denton | TX | 76201 |
| 12/01/12 | Peninsula Eye Surgery Center, LLC | 1128 W El Camino Real | | Mountain View | CA | 94040 |
| 12/27/12 | MemorialCare Surgical Center at Saddleback, LLC | 24411 Health Center Dr | Suite 104 | Laguna Hills | CA | 92653 |
| 12/31/12 | Digestive Disease Center, L.P. | 24411 Health Center Dr | Suite 450 | Laguna Hills | CA | 92653 |
| 12/31/12 | Beltway Surgery Centers, L.L.C. (BSC-MS) - Indiana Hand to Shoulder Beltway Surgery Center | 8501 Harcourt Rd | | Indianapolis | IN | 46260 |
| 04/01/13 | MemorialCare Surgical Center at Orange Coast, LLC | 18111 Brookhurst St | Suite 3200 | Fountain Valley | CA | 92708 |
| 04/08/13 | Texas Health Craig Ranch Surgery Center, LLC | 8080 State Hwy 121 | Suite 100 | Mckinney | TX | 75070 |
| 06/01/13 | Castle Ambulatory Surgery Center, LLC | 642 Ulukahiki St | Suite 200 | Kailua | HI | 96734 |
| 06/01/13 | Bergan Mercy Surgery Center, LLC | 7500 Mercy Rd | Suite 4300 | Omaha | NE | 68124 |
| 06/01/13 | Lakeside Ambulatory Surgical Center, LLC | 17030 Lakeside Hills Plz | Suite 110 | Omaha | NE | 68130 |
| 06/01/13 | HealthEast Surgery Center-Maplewood, LLC | 2945 Hazelwood Street, St 300 | | Maplewood | MN | 55109 |
| 06/01/13 | Mirage Endoscopy Center, LP | 39935 Vista Del Sol Rd | Suite 101 | Rancho Mirage | CA | 92270 |
| 06/01/13 | Mississippi Medical Plaza, L.C. | 3400 Dexter Ct | Suite 200 | Davenport | IA | 52807 |
| 06/01/13 | Mississippi Medical Plaza, L.C. | 5041 Utica Ridge Rd | Suite 200 | Davenport | IA | 52807 |
| 07/24/13 | Beltway Surgery Centers, L.L.C. (BSC-MS) - Meridian South Surgery Center | 8830 S Meridian St | | Indianapolis | IN | 46217 |
| 09/25/13 | Texas Health Flower Mound Orthopedic Surgery Center, LLC | 5000 Long Prairie Rd | | Flower Mound | TX | 75028 |
| 10/01/13 | Redding Surgery Center, LLC | 1238 West St | | Redding | CA | 96001 |
| 12/01/13 | Cleburne Surgical Center, LLC | 2010 W Katherine P Raines Rd | Suite 100 | Cleburne | TX | 76031 |
| 12/31/13 | East Brunswick Surgery Center, LLC | 561 Cranbury Rd | | East Brunswick | NJ | 08816 |
| 08/01/14 | Surgicare of La Veta, Ltd. (Barranca) | 3500 Barranca Pkwy | Suite 130 | Irvine | CA | 92606 |
| 08/01/14 | MemorialCare Surgical Center at Saddleback, LLC | 27882 Forbes Rd | Suite 203 | Laguna Niguel | CA | 92677 |
| 08/01/14 | North Dallas Surgical Center, LLC | 17980 Dallas Pkwy | Suite 100 | Dallas | TX | 75287 |
| 08/01/14 | Childrens Surgery Center LLC | 790 Concourse Pkwy S | Suite 100 | Maitland | FL | 32751 |
| 09/01/14 | Sand Lake SurgiCenter, LLC | 7477 Sand Lake Commons Blvd | | Orlando | FL | 32819 |
| 10/06/14 | Ridges Surgery Center, LLC | 14101 Fairview Dr, Suite 400 | | Burnsville | MN | 55337 |
| 11/01/14 | Wilson Creek Surgery Center, LLC | 8855 Synergy Dr | | Mckinney | TX | 75070 |
| 11/01/14 | Alliance Surgical Center, LLC | 917 Rinehart Rd | Suite 1001 | Lake Mary | FL | 32746 |
| 12/01/14 | Specialty Surgical Center, LLC | 380 Lafayette Rd | | Sparta | NJ | 07871 |
| 02/01/15 | Clinton Partners, L.L.C. | 43475 Dalcoma Dr | | Clinton | MI | 48038 |
| 03/01/15 | Texas Health Surgery Center Preston Plaza, LLC | 17950 Preston Rd | Suite 75 | Dallas | TX | 75252 |
| 04/01/15 | Seashore Surgical Institute, L.L.C. | 495 Jack Martin Blvd | | Brick | NJ | 08724-7732 |
| 04/01/15 | Trails Edge Surgery Center, LLC | 28930 Trails Edge Blvd, Suite 100 | | Bonita Springs | FL | 34136 |
| 04/01/15 | Colonial Outpatient Surgery Center, LLC | 4571 Colonial Blvd, Suite 200 | | Fort Myers | FL | 33966 |
| 05/01/15 | Parkway Surgery Center, LLC | 17 Western Maryland Pkwy | | Hagerstown | MD | 21740 |
| 05/01/15 | Franklin Surgical Center, LLC | 175 Morristown Rd | Suite 102 | Basking Ridge | NJ | 07920 |
| 06/01/15 | Surgicare of Central Jersey, LLC | 40 Stirling Rd | | Watchung | NJ | 07069-5900 |
| 10/01/15 | Cedar Park Surgery Center, LLC | 351 Cypress Creek Rd | Suite 102 | Cedar Park | TX | 78613 |
| 10/01/15 | Stonegate Surgery Center, L.P. | 2501 William Cannon Dr | Suite 301 | Austin | TX | 78745 |
| 10/01/15 | Hays Surgery Center, LLC | 135 Bunton Creek Rd | Suite 200 | Kyle | TX | 78640 |
| 10/01/15 | Southwest Surgery Center, LLC | 19110 Darwin Dr | | Mokena | IL | 60448 |
| 11/01/15 | The Outpatient Surgery Center of Hilton Head, LLC | 190 Pembroke Dr | | Hilton Head Island | SC | 29926 |
| 12/18/15 | Beltway Surgery Centers, L.L.C. (BSC-MS) - IU Health East Washington Ambulatory Surgery Center | 9660 E Washington St | Suite 200 | Indianapolis | IN | 46229 |

| Surgical Care Affiliates, LLC | | | | | | |
|-------------------------------|---|-------------------------------------|-----------------------|-------------------|-------|-------|
| Active ASCs as of 4/30/2025 | | | | | | |
| Affiliation Date | Legal Name | Address1 | Address2 | City | State | Zip |
| 03/01/16 | Space Coast Surgical Center, Ltd. | 220 N Sykes Creek Pkwy | Suite 101 | Merritt Island | FL | 32953 |
| 03/01/16 | Ophthalmology Surgery Center of Dallas, LLC | 10740 N Central Expwy | Suite 400 | Dallas | TX | 75231 |
| 04/01/16 | Gladiolus Surgery Center, L.L.C. | 7431 Gladiolus Dr | | Fort Myers | FL | 33908 |
| 05/01/16 | Dublin Surgery Center, LLC | 5005 Parkcenter Ave | | Dublin | OH | 43017 |
| 05/01/16 | Thomas Johnson Surgery Center, LLC | 197 Thomas Johnson Dr | | Frederick | MD | 21702 |
| 06/01/16 | Naperville Surgical Centre, LLC | 1263 Rickert Dr | | Naperville | IL | 60540 |
| 06/01/16 | Grove Place Surgery Center, L.L.C. | 1325 36th St, Suite B | | Vero Beach | FL | 32960 |
| 07/08/16 | Somerset Outpatient Surgery, L.L.C. | 100 Franklin Square Dr | Suite 100 | Somerset | NJ | 08873 |
| 08/01/16 | Bergen-Passaic Cataract Laser and Surgery Center, LLC | 18-01 Pollitt Dr | Suite 4 | Fair Lawn | NJ | 07410 |
| 08/01/16 | Arlington Surgery Center, LLC | 918 N Davis Dr | | Arlington | TX | 76012 |
| 09/01/16 | UCSD Surgical Center of San Diego, LLC | 4910 Directors Place | Suite 100 | San Diego | CA | 92121 |
| 11/01/16 | UCSD Center for Surgery of Encinitas, L.P. | 477 North El Camino Real | Building C, Suite 100 | Encinitas | CA | 92024 |
| 11/01/16 | The Surgical Center of Connecticut, LLC | 4920 Main Street | | Bridgeport | CT | 06606 |
| 11/01/16 | River Valley ASC, LLC | 45 Salem Turnpike | | Norwich | CT | 06360 |
| 12/01/16 | Midwest Center for Day Surgery, LLC | 3811 Highland Avenue | | Downers Grove | IL | 60515 |
| 12/01/16 | Advocate Southwest Ambulatory Surgery Center, L.L.C. | 18200 South LaGrange Road | | Tinley Park | IL | 60487 |
| 12/01/16 | Miami Surgery Center, LLC | 3650 NW 82nd Avenue #101 | | Doral | FL | 33166 |
| 03/09/17 | Advocate Condell Ambulatory Surgery Center, LLC | 825 S Milwaukee Avenue | | Libertyville | IL | 60048 |
| 05/01/17 | Grants Pass Surgery Center, LLC | 1601 NW Hawthorne Ave | | Grants Pass | OR | 97526 |
| 05/01/17 | Western Connecticut Orthopedic Surgical Center, LLC | 226 White Street | | Danbury | CT | 06810 |
| 05/01/17 | Park Hill Surgery Center, LLC | 3455 Locke Avenue | | Fort Worth | TX | 76107 |
| 09/01/17 | Midlands Orthopaedics Surgery Center, LLC | 1930 Blanding Street | | Columbia | SC | 29201 |
| 09/05/17 | Texas Health Surgery Center Bedford, LLC | 1605 Airport Freeway, Suite 100 | | Bedford | TX | 76021 |
| 09/19/17 | Texas Health Surgery Center Alliance, LLC | 10840 Texas Health Trail | Suite 100 | Fort Worth | TX | 76244 |
| 12/01/17 | Oregon Outpatient Surgery Center, LLC | 7300 SW Childs Road, Suite A | | Tigard | OR | 97224 |
| 12/01/17 | Orthopedic Surgery Center of Palm Beach County, LLC | 10275 Hagen Ranch Road, Suite 100 | | Boynton Beach | FL | 33437 |
| 12/01/17 | LGH-A Golf ASTC, L.L.C. | 8901 Golf Road | | Des Plaines | IL | 60016 |
| 12/01/17 | Physicians Day Surgery Center, LLC | 850 111th Avenue North | | Naples | FL | 34108 |
| 01/01/18 | The Surgical Center of the Treasure Coast, L.L.C. | 9075 S. Federal Hwy | | Port Saint Lucie | FL | 34952 |
| 04/01/18 | Spartanburg Surgery Center, LLC | 391 Serpentine Drive, Suite 200 | | Spartanburg | SC | 29303 |
| 04/01/18 | Massachusetts Avenue Surgery Center, LLC | 6400 Goldsboro Road, Suite 400 | | Bethesda | MD | 20817 |
| 04/18/18 | Texas Health Surgery Center Rockwall, LLC | 3144 Horizon Road | Suite# 120 | Heath | TX | 75032 |
| 05/01/18 | UOI East Bay Surgery Center, LLC | 1 Kettle Point Avenue | Suite 200 | East Providence | RI | 02914 |
| 07/18/18 | DTC Surgery Center, LLC | 135 Inverness Drive East | | Englewood | CO | 80112 |
| 07/18/18 | Castle Rock SurgiCenter, LLC | 4700 Casteton Way, Suite 101 | | Castle Rock | CO | 80109 |
| 07/25/18 | Dry Creek Surgery Center, LLC | 125 Inverness Drive East, Suite 150 | | Englewood | CO | 80112 |
| 08/08/18 | Texas Health Surgery Center Irving, LLC | 2120 N. McArthur Boulevard, STE 200 | | Irving | TX | 75061 |
| 08/14/18 | Chatham Orthopaedic ASC, LLC | 4425 Paulsen Street, Bldg B | | Savannah | GA | 31405 |
| 08/15/18 | ProHEALTH Ambulatory Surgery Center, LLC | 2800 Marcus Avenue | | New Hyde Park | NY | 11042 |
| 08/15/18 | Day-Op Center of Long Island, LLC | 225 Froehlich Farm Blvd | | Woodbury | NY | 11797 |
| 08/15/18 | Mile High SurgiCenter, LLC | 5351 South Roslyn Street | Suite 300 | Greenwood Village | CO | 80111 |
| 09/01/18 | Emmaus Surgical Center, LLC | 57 Route 46, Suite 104 | | Hackettstown | NJ | 07840 |
| 09/19/18 | Texas Health Orthopedic Surgery Center Alliance, LLC | 9848 North Beach Street | | Fort Worth | TX | 76244 |
| 01/23/19 | Anne Arundel-SCA Surgicenter, LLC (Pasadena) | 8109 Ritchie Hwy, Suite 250 | | Pasadena | MD | 21122 |
| 02/13/19 | Surgery Center of Mt. Scott, LLC | 9300 SE 91st Avenue | | Happy Valley | OR | 97086 |
| 03/01/19 | Memorial Houston Surgery Center, LLC | 9230 Katy Fwy #601 | | Houston | TX | 77055 |
| 04/01/19 | Research Surgical Center LLC | 2446 Research Pkwy #100 | | Colorado Springs | CO | 80920 |
| 04/01/19 | Rush Oakbrook Surgery Center, LLC | 2011 York Road | | Oak Brook | IL | 60523 |
| 04/30/19 | Riverside Surgical Center of Meadowlands, LLC | 201 Route 17 North, 12th Floor | | Rutherford | NJ | 07070 |
| 05/03/19 | Greater New Haven ASC, LLC | 2080 Whitney Avenue, Suite 100 | | Hamden | CT | 06518 |
| 06/05/19 | Charlotte Surgery Center, Limited Partnership (Wendover Campus) | 3621 Randolph Road | | Charlotte | NC | 28211 |
| 07/08/19 | iNOV8 Surgical at Memorial City, LLC | 10496 Katy Freeway, Suite 105 | | Houston | TX | 77043 |
| 07/09/19 | Surgery Center at St. Vincent, LLC | 9135 SW Barnes Road | | Portland | OR | 97225 |
| 09/26/19 | Anne Arundel-SCA Surgicenter, LLC (Annapolis) | 904 Commerce Road | | Annapolis | MD | 21401 |
| 11/01/19 | UCSD Ambulatory Surgery Center, LLC (La Jolla) | 4120 La Jolla Village Drive | | La Jolla | CA | 92037 |
| 12/01/19 | South Arlington Surgical Providers, LLC | 350 E. Interstate 20 | #200 | Arlington | TX | 76018 |
| 12/01/19 | Walnut Hill Surgery Center, LLC | 5494 Glen Lakes Drive, 3rd Floor | | Dallas | TX | 75231 |
| 01/01/20 | Advanced Surgery Center of Clifton, LLC | 1200 Route 46 | | Clifton | NJ | 07013 |

| Surgical Care Affiliates, LLC | | | | | | |
|-------------------------------|---|-------------------------------------|-------------------|---------------------|-------|-------|
| Active ASCs as of 4/30/2025 | | | | | | |
| Affiliation Date | Legal Name | Address1 | Address2 | City | State | Zip |
| 02/01/20 | Panama City Surgery Center, LLC | 1800 Jenks Avenue | | Panama City | FL | 32405 |
| 02/01/20 | WestHealth Surgery Center, LLC | 2855 Campus Drive | | Plymouth | MN | 55441 |
| 04/01/20 | Morris County Surgical Center, LLC | 3695 Hill Road | | Parsippany | NJ | 07054 |
| 04/01/20 | Lutheran Campus ASC, LLC | 12905 W 40th Avenue, Suite #100 | | Wheat Ridge | CO | 80401 |
| 04/01/20 | Foothills Surgery Center, LLC | 4743 Arapahoe Ave Ste 101 | | Boulder | CO | 80303 |
| 04/01/20 | SJ East Campus, LLC | 1830 N Franklin St Fl 2 | | Denver | CO | 80218 |
| 04/01/20 | Peak One Surgery Center, LLC | 350 Peak One Dr | | Frisco | CO | 80443 |
| 04/01/20 | Loveland Endoscopy Center, LLC | 2555 E 13th St Ste 210 | | Loveland | CO | 80537 |
| 05/06/20 | United Medical Park ASC, LLC | 1731 W. Ridgeway | | Waterloo | IA | 50701 |
| 06/03/20 | First Coast Orthopedic Center, LLC | 4035 Southpoint Boulevard | | Jacksonville | FL | 32216 |
| 08/10/20 | Derry Surgical Center, LLC | 15 Tsienneto Road, Suite 101 | | Derry | NH | 03038 |
| 09/01/20 | Rockville Eye Surgery Center, LLC | 4831 Cordell Avenue | | Bethesda | MD | 20814 |
| 10/02/20 | Texas Health Surgery Center Southwest Fort Worth, LLC | 6317 Harris Pkwy, Suite 200 | | Fort Worth | TX | 76132 |
| 11/01/20 | Foundation Surgery Affiliate of Huntingdon Valley, L.P. | 1800 Byberry Rd | | Huntingdon Valley | PA | 19006 |
| 11/01/20 | Northwest Spine and Laser Surgery Center LLC | 8995 SW Miley Road, Suite 204 | | Wilsonville | OR | 97070 |
| 12/01/20 | Bloomfield ASC, LLC | 580 Cottage Grove Rd, Suite 211 | | Bloomfield | CT | 06002 |
| 12/01/20 | Summer Street ASC, LLC | 1281 E Main St, Suite 3 | | Stamford | CT | 06902 |
| 12/01/20 | Limestone Medical Center, LLC | 1941 Limestone Road, #113 | | Wilmington | DE | 19808 |
| 12/18/20 | Greenway Surgical Suites, LLC | 2020 E 28th St. #100 | | Minneapolis | MN | 55407 |
| 12/18/20 | Center for Restorative Surgery at Maple Grove, LLC | 13601 80th Cir. N. #100 | | Maple Grove | MN | 55369 |
| 12/18/20 | Woodbury Surgery Center, LLC | 587 Bielenberg Dr. #100 | | Woodbury | MN | 55125 |
| 12/18/20 | Duluth Surgical Suites, LLC | 2118 London Rd | | Duluth | MN | 55812 |
| 01/05/21 | Sacred Heart ASC, LLC | 1890 Summit Boulevard | | Pensacola | FL | 32503 |
| 02/04/21 | Mohawk Surgery Center, LLC | 201 Mohawk Road | | Minneola | FL | 34715 |
| 03/19/21 | Surgicare of La Veta, Ltd. (Newport Coast) | 20360 SW Birch St. Suite 110 | | Newport Beach | CA | 92660 |
| 04/01/21 | Westgreen Surgical Center, LLC | 750 Westgreen Blvd | | Katy | TX | 77450 |
| 04/01/21 | Southwest Surgical Center, LLC | 8100 West 78th Street | | Edina | MN | 55439 |
| 04/01/21 | Advanced Surgical Center, LLC | 1018 East Wheatland Road | | Duncanville | TX | 75116 |
| 05/24/21 | Surgery Center at Cottonwood, LLC | 6053 S Fashion Square Dr Ste 100 | | Salt Lake City | UT | 84107 |
| 05/24/21 | Surgery Center at Grove Creek, LLC | 2168 West Grove Pkwy, Suite 101 | | Pleasant Grove | UT | 94062 |
| 05/24/21 | Surgery Center at South Ogden, LLC | 955 E. Chambers Street Suite 101 | | South Ogden | UT | 94403 |
| 08/01/21 | Harrison Endo Surgical Center, LLC | 620 Essex Street | | Harrison | NJ | 07029 |
| 09/01/21 | Lindenhurst Surgery Center, LLC | 1050 Red Oak Lane | | Lindenhurst | IL | 60046 |
| 09/09/21 | IU Health Southwest Fort Wayne ASC, LLC | 4105 Dicke Road | | Fort Wayne | IN | 46804 |
| 10/20/21 | Texas Health Surgery Center Chisholm Trail, LLC | 5900 Altamesa Boulevard | | Fort Worth | TX | 76132 |
| 11/01/21 | Main Line Spine Surgery Center, LLC | 700 South Henderson Road, Suite 335 | | King of Prussia | PA | 19406 |
| 11/02/21 | Mansfield Endoscopy Center, LLC | 647 North Miller Road | | Mansfield | TX | 76063 |
| 12/01/21 | Cross Timbers Surgery Center, LLC | 1001 N. Waldrop Drive, Suite 705 | | Arlington | TX | 76102 |
| 12/01/21 | Murrells Inlet ASC LLC | 3545 Highway 17 Bypass, Suite 100 | | Murrells Inlet | SC | 29576 |
| 12/01/21 | North Kitsap Ambulatory Surgery Center, LLC | 20669 Bond Road NE, Suite 200 | | Poulsbo | WA | 98370 |
| 12/23/21 | Patient Care Associates, L.L.C. | 500 Grand Avenue | | Englewood | NJ | 07631 |
| 12/30/21 | Logan Surgical Suites, LLC | 55 E. Golf Course Road | | Logan | UT | 84321 |
| 12/31/21 | Tri-County Surgery Center, LLC | 319 2nd Street Pike | | Southampton | PA | 18966 |
| 06/22/22 | Allina Health Surgery Center-Brooklyn Park, LLC | 6001 96th Lane, Suite 200 | | Brooklyn Park | MN | 55445 |
| 06/24/22 | Advanced Endoscopy Center, LLC | 5500 Broadway | Suite A | Bronx | NY | 10463 |
| 06/24/22 | Ambulatory Center for Endoscopy, LLC | 7600 River Road | 4th Floor | North Bergen | NJ | 07047 |
| 06/24/22 | Ambulatory Center for Endoscopy, LLC (Hudson Bergen Endo-Surgical Center) | 9226 Kennedy Boulevard | Unit A | North Bergen | NJ | 07047 |
| 06/24/22 | Atlantic Gastro Surgicenter, LLC | 3205 Fire Road | Suite 3 | Egg Harbor Township | NJ | 08234 |
| 06/24/22 | Augusta Endoscopy Center, LLC | 393 North Belair Road | | Evans | GA | 30809 |
| 06/24/22 | Berks Center for Digestive Health, LP | 1011 Reed Avenue | Suite 600 | Wyomissing | PA | 19610 |
| 06/24/22 | Bethesda Endoscopy Center, LLC | 10215 Fernwood Road | Suite 260 | Bethesda | MD | 20817 |
| 06/24/22 | Burlington County Endoscopy Center, LLC | 140 Mount Holly By-Pass | Unit 5 | Lumberton | NJ | 08048 |
| 06/24/22 | Carnegie Hill Endoscopy, LLC | 1516 Lexington Avenue | | New York | NY | 10029 |
| 06/24/22 | Central Arizona Endoscopy, LLC | 2158 North Gilbert Road | Bldg 1, Suite 103 | Mesa | AZ | 85203 |
| 06/24/22 | Central Jersey Ambulatory Surgical Center, LLC | 511 Courtyard Drive, | Bldg 500 | Hillsborough | NJ | 08844 |
| 06/24/22 | DHA Endoscopy, LLC | 91 Montvale Avenue, | Suite 103 | Stoneham | MA | 02180 |
| 06/24/22 | Prairieland Outpatient Diagnostic Center, LLC | 1302 Franklin Avenue, | Suite 1000 | Normal | IL | 61761 |
| 06/24/22 | Digestive Disease & Endoscopy Center LLC | 3261 NW Mount Vintage Way | Suite 221 | Silverdale | WA | 98383 |

| Surgical Care Affiliates, LLC | | | | | | |
|-------------------------------|--|--------------------------------|-----------------------|------------------|-------|-------|
| Active ASCs as of 4/30/2025 | | | | | | |
| Affiliation Date | Legal Name | Address1 | Address2 | City | State | Zip |
| 06/24/22 | Digestive Health Specialists-Arizona Endoscopy Center, LLC | 8573 East Princess Drive | #215 | Scottsdale | AZ | 85255 |
| 06/24/22 | East Side Endoscopy Center, LLC | 380 2nd Avenue, | Concourse A | New York | NY | 10010 |
| 06/24/22 | The Endoscopy Center at Bainbridge, LLC | 8185 East Washington Street, | Suite 6 | Chagrin Falls | OH | 44023 |
| 06/24/22 | The Endoscopy Center at Bainbridge, LLC (University Suburban Endoscopy Center) | 1611 South Green Road, | Suite 120 | South Euclid | OH | 44121 |
| 06/24/22 | Endoscopy Associates of Valley Forge, LLC | 420 West Linfield-Trappe Road, | Building B, Suite 101 | Limerick | PA | 19468 |
| 06/24/22 | Endoscopy Center at St. Mary, LP | 1205 Langhorne Newtown Road, | Suite 103 | Langhorne | PA | 19047 |
| 06/24/22 | Endoscopy Center of Bucks County, LP | 790 Newtown-Yardley Road, | Suite 415 | Newtown | PA | 18940 |
| 06/24/22 | Endoscopy Center of Niagara, LLC | 6930 Williams Road, | Suite 3010 | Niafara Falls | NY | 14304 |
| 06/24/22 | The Endoscopy Center of West Central Ohio, LLC | 2793 Shawnee Road | | Lima | OH | 45806 |
| 06/24/22 | Endoscopy Center of Western New York, LLC | 60 Maple Road, | Suite 2 | Williamsville | NY | 14221 |
| 06/24/22 | Emerson Endoscopy and Digestive Health Center, LLC | 310 Baker Avenue | First Floor | Concord | MA | 01742 |
| 06/24/22 | Elgin Gastroenterology Endoscopy Center, LLC | 745 Fletcher Drive, 2nd Floor | Suite 201 | Elgin | IL | 60123 |
| 06/24/22 | Fallsgrove Endoscopy Center, LLC | 15001 Shady Grove Road, | Suite 400 | Rockville | MD | 20850 |
| 06/24/22 | Fredericksburg Endoscopy Center, LLC | 1211 Central Park Boulevard | | Fredericksburg | VA | 22401 |
| 06/24/22 | Morris Avenue Endoscopy Center, LLC | 200 Sheffield Street, | Suite 101 | Mountainside | NJ | 07092 |
| 06/24/22 | Gastrointestinal Endoscopy Center, LLC | 1600 Horizon Drive, | Suite 107 | Chalfont | PA | 18914 |
| 06/24/22 | Island Digestive Health Center, LLC | 471 Montauk Hwy | | West Islip | NY | 11795 |
| 06/24/22 | Kalamazoo Endo Center, LLC | 3300 Cooley Court | | Portage | MI | 49024 |
| 06/24/22 | Long Island Center for Digestive Health, LLC | 106 Charles Lindberg Boulevard | Suite C | Uniondale | NY | 11553 |
| 06/24/22 | Michigan Endoscopy Center, LLC | 30055 Northwestern Hwy, | Suite L-60 | Farmington Hills | MI | 48334 |

EXHIBIT 6

| | | |
|-------------------------------|---|----------------------|
| AAMC Surgery Center Annapolis | | |
| TITLE: | FINANCIAL ASSISTANCE AND CHARITY CARE PROGRAM | POLICY 2605 |
| | | PAGE: 1 OF: 4 |
| SECTION: | GOVERNANCE | EFFECTIVE: 12/1/2018 |
| APPROVED BY: | Governing Body | REVISED: 01/17/2025 |

POLICY:

AAMC Surgery Center provides services to patients regardless of the ability to pay but within the financial capability of the Center, to ensure health care delivery is consistent with each person’s needs and with respect for each person’s dignity.

1. Public notice and information regarding the program shall be published on an annual basis on the AAMC Surgery Center website located within www.luminishealth.org.
2. The Financial Assistance Program policy and application shall be published on the AAMC website www.luminishealth.org for AAMC Surgery Center.
3. Notices shall also be posted in AAMC Surgery Center’s registration and business office, in reception areas of associate surgeons, and on AAMC’s website - www.luminishealth.org, annually, in a format understandable by the service area population.
4. Notice of the program shall be provided to persons having surgery, by staff of associate surgeon's, with pre-operative education materials and paperwork.
5. Request for financial assistance is preferred least 5 days prior to service being provided.
6. To request assistance, persons complete the Financial Assistance Application and provide required supportive documentation.
7. Within two business days following a person’s request for assistance AAMC Surgery Center’s Business Office Manager, in collaboration with the Medical Executive Committee, shall make a decision about probable eligibility and inform the person and notify the person by telephone or other primary contact noted on the application.

Eligibility Criteria

1. Persons with family income below 100% of the current poverty guideline, who have no health insurance coverage and are not eligible for public program providing coverage for medical expenses shall be eligible for services free of charge.
2. Persons above 100% of the current poverty guideline, but below 200% of the federal poverty guideline shall be eligible for services at a discounted charge, based on a sliding scale for family income.
3. Proof of income and verification of the number of dependents is based upon the previous year's tax return must be provided. If this is not available, the last two months paycheck stubs will be accepted. Dependents must meet IRS definition of dependents to qualify as household members.
4. If the request for assistance is declined and is based on income, AAMC Surgery Center’s MEC shall review the application and consider eligibility on a case-by case basis.

| | | |
|--|----------------------|--|
| AAMC Surgery Center Annapolis | | |
| TITLE: FINANCIAL ASSISTANCE AND CHARITY CARE PROGRAM | POLICY 2605 | |
| | PAGE: 2 OF: 4 | |
| SECTION: GOVERNANCE | EFFECTIVE: 12/1/2018 | |
| APPROVED BY: Governing Body | REVISED: 01/17/2025 | |

The following formula is used to determine where the patient will fall on the sliding scale:

$$(\text{Gross Income} - 100\% \text{ poverty level}) \div (100\% \text{ poverty level})$$

Once that number is determined, the associated percentage will be taken from the fee schedule of AAMC Surgery Center and the discount will be provided.

1. Example:

- i. A household of two has a net income of \$26,187.
- ii. The 200% threshold for a family of two is \$42,300.
- iii. $\$26,187 - \$21,150 = \$5,037$
- iv. $\$5,037 \div \$21,150 = 24\%$
- v. $100\% - 24\% = 76\%$ discount.
- vi. AAMC Surgery Center will apply 76% discount to the fee schedule, leaving the person owing the following amounts:

2025 Federal Poverty Guidelines

| Household Size | 100% | 200% |
|----------------|----------|-----------|
| 1 | \$15,650 | \$31,300 |
| 2 | \$21,150 | \$42,300 |
| 3 | \$26,650 | \$53,300 |
| 4 | \$32,150 | \$64,300 |
| 5 | \$37,650 | \$75,300 |
| 6 | \$43,150 | \$86,300 |
| 7 | \$48,650 | \$97,300 |
| 8 | \$54,150 | \$108,300 |

If your household is larger than 8 people, add \$4,320 for each additional person.

| | | |
|-------------------------------|---|----------------------|
| AAMC Surgery Center Annapolis | | |
| TITLE: | FINANCIAL ASSISTANCE AND CHARITY CARE PROGRAM | POLICY 2605 |
| | | PAGE: 3 OF: 4 |
| SECTION: | GOVERNANCE | EFFECTIVE: 12/1/2018 |
| APPROVED BY: | Governing Body | REVISED: 01/17/2025 |

Approval:

If the application meets the income guidelines, it will be approved, and the discount amount will be assigned.

1. Notify the patient with the results of the application review.
2. Advise the patient of the discount amount and remind them that the balance of the charges (if applicable) will be due at the time of surgery.
3. Give the patient a copy of the sliding fee application to present when receiving other services.
4. Enter the discount amount into the computer system and store the approved application and documentation in a discount approval file.
5. The patient's financial status should be assessed at each visit.

DEFINITIONS:

INCOME - Gross income, refers to money wages and salaries from all sources before deductions. Income also refers to social security payments, veteran's benefits, pension plans, unemployment and workmen's compensation, trust payments, child support, alimony, public assistance, strike benefits, union funds, training stipends, income from rent, interest and dividends or other regular support from any person living in the home or outside of the home. Also included as regular income is 100% of all liquid assets (i.e. certificates of deposit, stock, bonds, money market funds, etc.)

COVERAGE - All other resources will first be applied including Medicaid, before the discount adjustment will be given. The individual must apply for available medical assistance funds as appropriate in each individual case.

APPLICATION REQUIREMENTS - Patients requesting a discount must apply using the provided application prior to treatment. Sliding fee applications will not be considered for accounts final billed and aged in accounts receivable, unless there are extenuating circumstances. Requests for sliding fee discounts will not be considered for patients who are in bad debt and did not respond to collection activity or statements prior to write-off of account.

During the application process, specific documents must be submitted to gain enough information to verify income for each employed household family member. Some of these documents include:

| | | |
|-------------------------------|---|----------------------|
| AAMC Surgery Center Annapolis | | |
| TITLE: | FINANCIAL ASSISTANCE AND CHARITY CARE PROGRAM | POLICY 2605 |
| | | PAGE: 4 OF: 4 |
| SECTION: | GOVERNANCE | EFFECTIVE: 12/1/2018 |
| APPROVED BY: | Governing Body | REVISED: 01/17/2025 |

- a. Payroll stub or letter from employer verifying gross income
- b. W2
- c. Copy of most recently filed federal income tax return
- d. Proof of other income for all persons living in the household

PROCEDURE:

1. The Medical Director and/or Business Office Manager will consider alternatives for the patient, (i.e., is the patient eligible for other coverage such as Medical Assistance or other special programs)
2. The Medical Director and/or Business Office Manager will inform the patient of the sliding fee scale (See Attachment) and will ask the patient about family income to determine eligibility.
3. The Medical Director and/or Business Office Manager will work with the patient to complete the request for sliding fee schedule with supporting documentation attached.
4. The Medical Director and/or Business Office Manager will determine how many family members are dependent on the income covered by patient and if there is additional income in the family.
5. The Medical Director and/or Business Office Manager will submit the application along with the documentation to the practice Administrator for approval.
6. The Medical Director and/or Business Office Manager will make a determination of probable eligibility for charity care within two business days following a patient's completed application for assistance.

Maryland State Uniform Financial Assistance Application

Information About You

Name _____
 First Middle Last

Social Security Number _____ - _____ - _____

Marital Status: Single Married Separated

US Citizen: Yes No

Permanent Resident: Yes No

Home Address _____

Phone _____

City State Zip code

Country _____

Employer Name _____

Phone _____

Work Address _____

City State Zip code

Household members:

| | | |
|---------------|--------------|-----------------------|
| _____ Name | _____ Age | _____ Relationship |
| _____ Name | _____ Age | _____ Relationship |
| _____ Name | _____ Age | _____ Relationship |
| _____ Name | _____ Age | _____ Relationship |
| _____ Name | _____ Age | _____ Relationship |
| _____ Name | _____ Age | _____ Relationship |
| _____ Name | _____ Age | _____ Relationship |
| _____ Name | _____ Age | _____ Relationship |

Have you applied for Medical Assistance Yes No

If yes, what was the date you applied? _____

If yes, what was the determination? _____

Do you receive any type of state or county assistance? Yes No

Maryland State Uniform Financial Assistance Application

I. Family Income

List the amount of your monthly income from all sources. You may be required to supply proof of income, assets, and expenses. If you have no income, please provide a letter of support from the person providing your housing and meals.

| | Monthly Amount |
|-----------------------------|----------------|
| Employment | _____ |
| Retirement/pension benefits | _____ |
| Social security benefits | _____ |
| Public assistance benefits | _____ |
| Disability benefits | _____ |
| Unemployment benefits | _____ |
| Veterans benefits | _____ |
| Alimony | _____ |
| Rental property income | _____ |
| Strike benefits | _____ |
| Military allotment | _____ |
| Farm or self employment | _____ |
| Other income source | _____ |
| Total | _____ |

II. Liquid Assets

| | Current Balance |
|------------------------------------|-----------------|
| Checking account | _____ |
| Savings account | _____ |
| Stocks, bonds, CD, or money market | _____ |
| Other accounts | _____ |
| Total | _____ |

III. Other Assets

If you own any of the following items, please list the type and approximate value.

| | | |
|--------------------|-----------------------|-------------------------|
| Home | Loan Balance _____ | Approximate value _____ |
| Automobile | Make _____ Year _____ | Approximate value _____ |
| Additional vehicle | Make _____ Year _____ | Approximate value _____ |
| Additional vehicle | Make _____ Year _____ | Approximate value _____ |
| Other property | | Approximate value _____ |
| Total | | _____ |

IV. Monthly Expenses

| | Amount |
|------------------------|--------------|
| Rent or Mortgage | _____ |
| Utilities | _____ |
| Car payment(s) | _____ |
| Credit card(s) | _____ |
| Car insurance | _____ |
| Health insurance | _____ |
| Other medical expenses | _____ |
| Other expenses | _____ |
| Total | _____ |

Do you have any other unpaid medical bills? Yes No
 For what service? _____
 If you have arranged a payment plan, what is the monthly payment? _____

If you request that the hospital extend additional financial assistance, the hospital may request additional information in order to make a supplemental determination. By signing this form, you certify that the information provided is true and agree to notify

Maryland State Uniform Financial Assistance Application

the hospital of any changes to the information provided within ten days of the change.

Applicant signature

Date

Relationship to Patient

EXHIBIT 7



NOTICE OF FINANCIAL ASSISTANCE AND CHARITY CARE PROGRAM

AAMC Surgery Center Annapolis & Pasadena have a Financial Assistance Program created to provide surgical services free or at a reduced cost to uninsured, underinsured, and persons who meet eligibility criteria.

Eligibility Criteria:

1. Persons with family income below 100% of the current poverty guideline, who have no health insurance coverage and are not eligible for public program providing coverage for medical expenses shall be eligible for services free of charge.
2. Persons above 100% of the current poverty guideline, but below 200% of the federal poverty guideline shall be eligible for services at a discounted charge, based on a sliding scale for family income.
- Proof of income and verification of the number of dependents is based upon the previous year's tax return must be provided. If this is not available, the last two months paycheck stubs will be accepted. Dependents must meet IRS definition of dependents to qualify as household members.
3. If the request for assistance is declined and is based on income, AAMC Surgery Center's Medical Executive Committee (MEC) shall review the application and consider eligibility on a case-by-case basis.

To learn more about our financial assistance program
or obtain a copy of our policy, ask your provider or one of our surgical coordinators.

Additional information is available by calling 410-849-6140 OR <https://www.luminishealth.org/en/financial-assistance>

EXHIBIT 8



STATE OF MARYLAND
MARYLAND DEPARTMENT OF HEALTH
OFFICE OF HEALTH CARE QUALITY
7120 SAMUEL MORSE DRIVE
SECOND FLOOR
COLUMBIA, MD 21046

License No.: A1727

Issued to: Anne Arundel-SCA Surgicenter LLC
dba AAMC Surgery Center - Annapolis
904 Commerce Road
Annapolis, MD 21401

Type of Facility or Community Program:
FREESTANDING AMBULATORY SURGICAL FACILITY

Date Issued: April 24, 2020

SPECIALTIES: Neurological, OB/GYN, Orthopedic and Pain
Management

Authority to operate in this State is granted to the above entity pursuant to The Health-General Article, Title
19, Subtitle 3B, Annotated Code of Maryland, including all applicable rules and regulations promulgated
there under. This document is not transferable.

Expiration: NON-EXPIRING

Patricia Tomsko May, MD
Executive Director

Falsification of a license shall subject the perpetrator to criminal prosecution and the imposition of civil fines.

EXHIBIT 9

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
CMS Philadelphia
901 Market Street, Suite 940E
Philadelphia, PA 19107-3133



Northeast Survey & Enforcement Division

June 15, 2020

Jennifer Collins, Administrator
Anne Arundel-SCA Surgecenter LLC dba AAMC Surgery Center - Annapolis
904 Commerce Road
Annapolis, MD 21401

CMS Certification Number (CCN): 21C0001627
NPI: 1154805646
Reference: 391340383

Dear Ms. Collins:

We have received notice of your accreditation and approval for deemed status by the Accreditation Association for Ambulatory Health Care (AAAHC) and your application for participation under the Health Insurance for the Aged Program (Title XVIII of the Social Security Act) as a supplier of Ambulatory Surgical Center (ASC) Services. Based upon the approval for deemed status by AAAHC and compliance with the additional requirements for certification established by the Secretary, your request for participation has been approved. The effective date of participation is April 24, 2020. A copy of the ASC Health Insurance Benefits Agreement (CMS-370) is enclosed, and should be retained for your records.

The ASC has been assigned the CCN as shown above. The CCN should be entered on all forms and correspondence relating to your CMS approval. **Please be advised that Medicare Administrative Contractor (MAC) may assign a different number to you for billing purposes.** Novitas Solutions, Inc. will serve as your MAC. They have been notified electronically of this certification, and will be contacting the ASC shortly regarding billing procedures. When you make general inquiries to your MAC, you will be prompted to give either your provider transaction access number (PTAN), or your CCN. These identification numbers are used as authentication elements when inquiring about beneficiary and claim specific information. When prompted for the PTAN, please give the CCN.

Please note that should the ASC establish additional locations, each location must be independently certified for Medicare participation as an ASC.

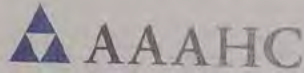
Should there be any questions, please contact me at (215) 861-4223 or via email to monica.goodwin@cms.hhs.gov.

Sincerely,

Monica Goodwin
Northeast Acute & Continuing Care Branch

Attachment 2, Page 1 of 2

EXHIBIT 10



ACCREDITATION ASSOCIATION
for AMBULATORY HEALTH CARE, INC.

grants this

CERTIFICATE OF ACCREDITATION

to

**ANNE ARUNDEL - SCA SURGICENTER LLC
DBA AAMC SURGERY CENTER - ANNAPOLIS**

904 COMMERCE RD
ANNAPOLIS, MD 21401

*In recognition of satisfying accreditation requirements and demonstrating its commitment to high quality care and patient safety
for Ambulatory Accreditation.*



126684

Organization Identification Number

APRIL 24, 2026

The Award of Accreditation Expires on the above date

DAVID SHAPIRO, MD

Chair of the Board

NOEL M. ADACHI, MBA

President and CEO

AAAHC • 3 PARKWAY NORTH, SUITE 201 • DEERFIELD, IL 60015
847.853.6060 • AAAHC.ORG

EXHIBIT 11



Data Results Page

Results for NPI Submission: "1154805646"

Location Information:

CCN: 10001627

ANNE ARUNDEL SURGERY CENTER ANNAPOLIS

Address: 954 COMMENCE ROAD

City: ANNAPOLIS

State: MD

Zip: 21401

Required to Report for CA 2025 Medicare Payment Update: YES

All 2025 data has been submitted for the Quality Improvement Center. No data is required for 2025. Please refer to the Quality Improvement Center website for more information on data submission requirements.

Web-Based Measures Information:

11/20/2024

- ACC-1 Submitted: YES
- ACC-2 Submitted: YES
- ACC-3 Submitted: YES
- ACC-4 Submitted: YES
- ACC-9 Submitted: YES
- ACC-11 Submitted: YES
- ACC-13 Submitted: YES
- ACC-14 Submitted: YES

COVID-19 Vaccination Coverage Among Health Care Personnel Submission by Deadline

File your data on a quarterly basis and complete the report by the submission deadline on the page below.

2024

| 2024 | | | | | | | | | | | | | | | |
|------|-----|-----|-----|-----|-----|-----|-----|------|-----|-----|-----|-----|-----|-----|-----|
| Jan | Feb | Mar | Q1 | Apr | May | Jun | Q2 | July | Aug | Sep | Q3 | Oct | Nov | Dec | Q4 |
| YES | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES |

Report updated May 12, 2025

Quarters will only show "YES" if all months in that quarter are "YES"

For more information regarding reporting requirements, visit the Quality Improvement Center website. ACC-9 data is displayed above for Calendar Year 2025 Medicare Payment Update.



Data Results CY 2025 Medicare Payment Update

Results for NPI Submission: "1154805646"

Location Information:

CEN 1000162

ANNE KUNDEL SURGERY CENTER 00000000

Address: 67 Collyer Center Blvd

City: Annapolis

State: MD

Zip: 21401

Required to Report for CY 2025 Medicare Payment Update: YES

All measure data must be submitted in the 11 a.m. to 4 p.m. EST window. Data submitted before data new fields display will be ignored. Submitters will now default to YES for all measures until all data has been submitted.

Web-Based Measures Information:

CEN 1000162

- ASC - 1 Submitted YES
- ASC - 2 Submitted YES
- ASC - 3 Submitted YES
- ASC - 4 Submitted YES
- ASC - 5 Submitted YES
- ASC - 6 Submitted YES
- ASC - 7 Submitted YES
- ASC - 8 Submitted YES
- ASC - 9 Submitted YES
- ASC - 10 Submitted YES
- ASC - 11 Submitted YES
- ASC - 12 Submitted YES
- ASC - 13 Submitted YES
- ASC - 14 Submitted YES

COVID-19 Vaccination Coverage Among Health Care Personnel Submission by Deadline

If all months are checked for a quarter, submission is complete for that quarter. Data is submitted for age 16-64.

CEN 1000162

2025

| Jan | Feb | Mar | Q1 | Apr | May | Jun | Q2 | July | Aug | Sep | Q3 | Oct | Nov | Dec | Q4 |
|-----|-----|-----|-----|-----|-----|-----|-----|------|-----|-----|-----|-----|-----|-----|-----|
| YES | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES |

Data last updated: 04/16/2025

Quarters will only show "YES" if all months in that quarter also say "YES".

Year shown is the year being reported, not the Calendar Year Medicare Payment Update. ASC data displayed above is for Calendar Year 2025 Medicare Payment Update.



Data Results CY 2024 Medicare Payment Update

Results for NPI Submission: "1154805646"

Location Information:

OSN-27000627

ANNE ARUNDEL SURGERY CENTER ANNAPOLIS

Address: 101 CHESAPEAKE BLVD

City: ANNAPOLIS

State: MD

Zip: 21403

Required to report for CY 2024 Medicare Payment Update: NO

All measure data must be submitted to the Quality Improvement Center (QIC) by the end of the reporting period. If you have any questions, please contact the QIC at 1-800-486-2000. For all measures, link to data have been submitted.

Web-Based Measures Information:

OSN-27000627

- ASC-1 Submitted
- ASC-2 Submitted
- ASC-3 Submitted
- ASC-4 Submitted
- ASC-5 Submitted
- ASC-11 Submitted: YES
- ASC-13 Submitted: YES
- ASC-15 Submitted: YES

COVID-19 Vaccination Coverage Among Health Care Personnel Submission by Deadline

Full data for this measure is available in the data archive. For questions, data submitted for July 1, 2024.

We submission has been submitted for the 2024 update. All data must be submitted by the update deadline to ensure your information is reflected in the data archive for the update.

Submission deadline: Aug 15, 2024

EXHIBIT 12



STATE OF MARYLAND
MARYLAND DEPARTMENT OF HEALTH
OFFICE OF HEALTH CARE QUALITY
7120 SAMUEL MORSE DRIVE
SECOND FLOOR
COLUMBIA, MD 21046

License No.: A1613

Issued to: Anne Arundel - SCA Surgicenter, LLC
dba: AAMC Surgery Center - Pasadena
8109 Ritchie Highway, Suite 250
Pasadena, MD 21122

Type of Facility or Community Program:
FREESTANDING AMBULATORY SURGICAL FACILITY

Date Issued: April 10, 2019

SPECIALTIES: OB/GYN, Orthopedic, and Pain Management

Authority to operate in this State is granted to the above entity pursuant to The Health-General Article, Title 19, Subtitle 3B, Annotated Code of Maryland, including all applicable rules and regulations promulgated there under. This document is not transferable.

Expiration: NON-EXPIRING

Patricia Tomasko May, MD

Executive Director

Falsification of a license shall subject the perpetrator to criminal prosecution and the imposition of civil fines.

EXHIBIT 13



grants this

CERTIFICATE OF ACCREDITATION

to

ANNE ARUNDEL - SCA SURGICENTER, LLC AAMC SURGERY CENTER - PASADENA

8109 RITCHIE HIGHWAY SUITE 250
PASADENA, MARYLAND 21122

In recognition of satisfying accreditation requirements and demonstrating its commitment to high quality care and patient safety for Ambulatory Accreditation.

0001243150
Organization Identification Number

Bo Fimmel, PsyD, LCPC, NCC
Board Chair



04/10/2028
The Award of Certification expires on the above date

Noel M. Adachi
President & CEO

03/20/2025

Cyrus Lashgari, MD: Medical Doctor
CMO

Anne Arundel - SCA Surgicenter, LLC
AAMC Surgery Center - Pasadena
8109 Ritchie Highway
Suite 250
Pasadena, MD 21122 USA

Dear Mr. Cyrus Lashgari,
Congratulations!

Your organization participated in a survey for the purpose of assessing compliance with Accreditation Association for Ambulatory Health Care (AAAHC) Standards. Below is the decision from that survey.

Org ID: 124315 Program: Ambulatory Accreditation

| Award Decision | 3 Year | 1095 Strong Cycle | |
|------------------|------------|-------------------|------------|
| Decision Date: | 03/20/2025 | Effective Date: | 04/11/2025 |
| Decision Status: | Final | Expiration Date: | 04/10/2028 |
| Facility Type: | ASC | | |
| CCN Number: | 21C0001613 | | |

Below are details of the survey:

| Survey Type | Survey Start Date | Survey End Date |
|-------------|-------------------|-----------------|
| Renewal | 03/06/2025 | 03/07/2025 |

Review the findings in your Survey Report to drive continuous quality improvement. The AAAHC philosophy, *1095 Strong, quality every day*, emphasizes quality practices and readiness. The *1095 Strong* initiative centers on providing tools, resources, and relevant education to bring meaningful value to organizations and promote compliance with the Standards, all 1,095 days of the term.

If you have questions or comments about any AAAHC programs or process, please contact AAAHC at 847.853.6060 and ask to speak with an Account Manager. We look forward to continuing to partner with you to deliver safe, high-quality health care.

Celebrate your success and promote your achievement using the resources located in the AAAHC 1095 Engage Help Center.

Sincerely,

Dorota Nakowiecki
Senior Vice President, Accreditation Services Operations

CC: Ms. Bonnie Ferguson, Marii Shade

List of Sites included in this Decision

Sites in bold were surveyed as part of this Decision.

| Org ID | Program | DBA | Address 1 | Address 2 | City | State | Zip |
|---------------|---------------------------------|---------------------------------------|-----------------------------|------------------|-----------------|--------------|--------------|
| 124315 | Ambulatory Accreditation | AAMC Surgery Center - Pasadena | 8109 Ritchie Highway | Suite 250 | Pasadena | MD | 21122 |

EXHIBIT 14



Data Results Page

Results for NPI Submission: "1225531544"

Location Information:

CPT: 43000-001

MA NCAHUNDEL SURGERY CENTER-PASADENA

Address: 8109 FITCHIE WAY SUITE 210

City: PASADENA

State: MO

Zip: 63422

Requires to Report for CY 2026 Medicare Payment Update: YES

All measures based on the latest available quality data which are available in the system before this results will display as "Yes". Future submissions will show "No" or "N/A" for all measures and all items have been submitted.

Web-Based Measures Information:

Web-Based Measures:

- A10 - 174 Submitted: YES
- A10 - 175 Submitted: YES
- A10 - 176 Submitted: YES
- A10 - 177 Submitted: YES
- A10 - 178 Submitted: YES
- A10 - 179 Submitted: YES
- A10 - 180 Submitted: YES
- A10 - 181 Submitted: YES

COVID-19 Vaccination Coverage Among Health Care Personnel Submission by Deadline

All months are checked for a quarter submission is complete for that quarter. All data submitted from 01/01/2024 to 12/31/2024.

CPT: 21000-001

2024

| Jan | Feb | Mar | Q1 | Apr | May | Jun | Q2 | July | Aug | Sep | Q3 | Oct | Nov | Dec | Q4 |
|-----|-----|-----|-----|-----|-----|-----|-----|------|-----|-----|-----|-----|-----|-----|-----|
| YES | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES |

Will this appear in the 12/2024?

Quarters will only show "Yes" if all months in that quarter also say "Yes"

Year shown with year being reported, not the Calendar Year. Example: Reporting on June 30, 2025 will show 2025 data for the Calendar Year 2026 Medicare Payment Update



Data Results CY 2025 Medicare Payment Update

Results for NPI Submission: "1225531544"

Location Information:

LOCID: 20000613

ANNE ARUNDEL SURGERY CENTER PASADENA

Address: 3109 RIDGEL CREEK SUITE 200

City: PASADENA

State: MD

Zip: 21122

Required to Report for CY 2025 Medicare Payment Update: YES

All measure data must be submitted in the QualityNet web-based data collection tool before data results are available. Items with no submission will show data as "No" for all measures and a "No" will be shown submitted.

Web-Based Measures Information:

CCM: 300001913

- ASC-1 Submitted: YES
- ASC-2 Submitted: YES
- ASC-3 Submitted: YES
- ASC-4 Submitted: YES
- ASC-5 Submitted: YES
- ASC-6 Submitted: YES
- ASC-7 Submitted: YES
- ASC-8 Submitted: YES
- ASC-9 Submitted: YES

COVID-19 Vaccination Coverage Among Health Care Personnel Submission by Deadline

This measure is tracked by a quarterly submission. You can only report data for the quarter (beginning on 01/01/2023).

CCM: 300001913

2023

| Jan | Feb | Mar | Q1 | Apr | May | Jun | Q2 | July | Aug | Sep | Q3 | Oct | Nov | Dec | Q4 |
|-----|-----|-----|-----|-----|-----|-----|-----|------|-----|-----|-----|-----|-----|-----|-----|
| YES | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES |

Data last updated May 12, 2025

Quarters will only show "YES" if all months in that quarter also say "YES".

This measure is being reported for the Calendar Year Medicare Payment Update. All data displayed above is for **Calendar Year 2025 Medicare Payment Update**.



Data Results CY 2024 Medicare Payment Update

Results for NPI Submission: "1225531544"

Location Information:

CEN: 210001613

ANNE ARUNDEL SURGERY CENTER - PASADENA

ANNE ARUNDEL SURGERY CENTER, INC.

1001 PASADENA

11040

MD 21124

Required to Report for CY 2024 Medicare Payment Update: YES

All measures reported by a submitter for the Quality Improvement Center are reported before data results are displayed. If a submitter has not submitted data for all measures and/or data have not been submitted.

Web-Based Measures Information:

CEN: 210001613

- ASC-15 Submitted
- ASC-16 Submitted
- ASC-18 Submitted
- ASC-43 Submitted
- ASC-9 Submitted: YES
- ASC-10 Submitted: YES
- ASC-14 Submitted: YES
- ASC-18 Submitted: YES

COVID-19 Vaccination Coverage Among Health Care Personnel Submission by Deadline

Table 4.8. 3 was updated for a quarter. Submitting a submission for that quarter. (Data is reported through the 2022 NPI).

CEN: 210001613

| 2022 | | | | | | | | | | | | | | | |
|------|-----|-----|-----|-----|-----|-----|-----|------|-----|-----|-----|-----|-----|-----|-----|
| Jan | Feb | Mar | Q1 | Apr | May | Jun | Q2 | July | Aug | Sep | Q3 | Oct | Nov | Dec | Q4 |
| YES | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES | YES |

Report updated May 14, 2025

Reporters will only show "YES" if all months in that quarter also say "YES".

Note: Measures for vaccination coverage for health care personnel are updated ASC QR data by report date. For Calendar Year 2024 Medicare Payment Update.

EXHIBIT 15

**Anne Arundel – SCA Surgicenter, LLC
Patient Transfer Provisions to
Anne Arundel Medical Center**

Recognizing the importance of continuity of care, ANNE ARUNDEL MEDICAL CENTER (HOSPITAL) and ANNE ARUNDEL - SCA SURGICENTER, LLC (SURGERY CENTER) have executed a separate non-exclusive Transfer Agreement and hereby agree to the following transfer provisions:

- (a) When a patient's need for transfer from SURGERY CENTER to HOSPITAL has been determined by the attending and/or admitting physician, SURGERY CENTER will notify HOSPITAL as far in advance as practicable to ensure that a suitable bed is available. The Medical Director of SURGERY CENTER, or his/her designee, will notify the surgeon of record regarding the status of the patient and the need to initiate transfer. HOSPITAL agrees to promptly admit the transferred patient for medical and/or surgical care, subject to bed availability and according to HOSPITAL's policies and procedures.
- (b) SURGERY CENTER personnel will be responsible for making all arrangements for the timely and safe transfer of the patient from SURGERY CENTER to HOSPITAL. SURGERY CENTER personnel will be responsible for stabilizing the patient, selecting the proper mode of transportation, ensuring ongoing care during transport, and providing appropriate staff to ensure the patient's well-being during transport. If unstable, the patient will be transferred by paramedic ambulance. If stable, the patient may be transferred via a non-acute transfer service.
- (c) SURGERY CENTER personnel will be responsible for obtaining the patient's consent to the transfer to HOSPITAL prior to the transfer, if the patient is competent. If the patient is not competent, SURGERY CENTER will obtain the family's consent. If a family's consent is not possible, SURGERY CENTER will consult with the patient's physician.
- (d) SURGERY CENTER agrees to send with each transferred patient at the time of transfer, or as promptly as possible following the transfer, a copy of the Transfer Form, and all pertinent parts of the transferred patient's medical record that are not already scanned in, including copy of the patient's Advanced Directive, if available.
- (e) Prior to transfer, SURGERY CENTER personnel will make a written inventory of any and all valuables of the patient, and such valuables will accompany the patient during transfer from SURGERY CENTER to HOSPITAL. A written inventory will be provided to HOSPITAL personnel upon admission of the patient.
- (f) This agreement shall be effective from the date of execution and shall continue in effect indefinitely. Either party may terminate this agreement on thirty (30) days' notice in writing to the other party.

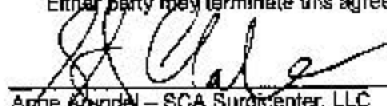
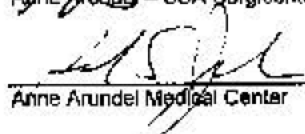
| | |
|---|--------------------------|
|  _____ Anne Arundel – SCA Surgicenter, LLC | 1/18/18 _____ Date |
|  _____ Anne Arundel Medical Center | 4/18/18 _____ Date |

EXHIBIT 16

10412_PATIENT TRANSFER TO A HOSPITAL

DEFINITION:

- A transfer agreement is a written agreement, signed by authorized representatives of the ASC and the hospital, in which the hospital agrees to accept the transfer of the ASC's patients who need inpatient hospital care, including emergency care.
- Generally, transfer agreements establish the respective responsibilities of each party to the agreement, such as the process for arranging a transfer, etc. A transfer agreement may have an expiration date, or it may have terms stating that it remains in effect until and unless one of the parties has terminated the transfer agreement.

POLICY:

- This ASC shall have an effective procedure in place for the immediate transfer of a patient requiring emergency medical care beyond the capabilities of the ASC, or the patient requiring emergency care extending well beyond the 24-hour time frame for ASC cases, to a local hospital that meets the requirements for payment for emergency services under § 482.2.
 - Local hospital(s) accepting transfers from this ASC shall be a Medicare participating hospital or a local, nonparticipating hospital that meet the requirements for payments under emergency services under Title 42 CFR 482.2.
- The ASC shall have one (1) of the following in place in the event of an emergency for which hospitalization is indicated:
 - A written transfer agreement for transferring patients to a local hospital
 - A policy that addresses only credentialing physicians who have admitting privileges at a local hospital
 - A written agreement with a physician or provider group with admitting privileges at a local hospital
- The ASC shall periodically provide the local hospital with written notice of its operation and patient population.
- This ASC has written transfer agreements with the following hospital(s):

| Hospital Name | Address | Phone |
|--|---------------------------------------|--------------|
| Luminis Health Anne Arundel Medical Center | 2001 Medical Pkwy, Annapolis MD 21401 | 443-481-1000 |

- Emergency care and initial stabilizing treatment within the ASC's capabilities shall be provided until the patient is transferred.
- Criteria for emergency patient transfers include but are not limited to:
 - Critical condition
 - Malignant hyperthermia
 - High volume blood loss
- The ASC nurse manager shall arrange the admission of the patient to the hospital.
- All patients with a physician's order to transfer from this facility to a hospital shall be managed by an efficient and expedient transfer process. The following are requirements of the transfer mechanism:
 - The patient's physician's order specifying to which hospital the patient shall be transferred
 - The physician shall document the reason for transfer to a hospital in the patient's medical record
 - A transfer report shall be completed by the nursing staff and placed in the patient's medical record, as applicable
 - The following information shall be copied and sent with the patient or sent electronically to the receiving hospital (not all inclusive):
 - Transfer report
 - History and Physical
 - Medication Reconciliation Form
 - Operative Note
 - Progress Notes
 - Nurses' Notes
 - Diagnostic Test Results
 - Discharge Summary
 - X-rays; Lab results
 - Other

- Staff Education:
 - Staff shall receive training on the patient emergency transfer process at orientation and annually thereafter. Training shall be documented in each staff member's human resources file.

PROCEDURE:

- After receiving the order to transfer a patient, the ASC nurse manager shall call the hospital and confirm specific arrangements.
- The patient's RN shall call the receiving patient care unit RN and give a report of the patient.
- The patient/family shall be informed of the transfer to a hospital.
- The ASC nurse manager shall arrange transportation for the patient.
- Documentation:
 - The following shall be documented in the patient's medical record:
 - The date and time of transfer
 - Name of ambulance company transferring patient
 - Information sent with patient
 - Signature and classification

EXHIBIT 17



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 | |
| [REDACTED] | 26 | 902 | 16 | 555 | 25 | 808 | 30 | 979 | 31 | 1,003 | Luminis Health Anne Arundel Medical Center |

| Surgical Procedure* | Yr1 | Yr2 |
|---------------------|-----|-----|
| 57522 | 8 | 4 |
| 58563 | 5 | 3 |
| 58661 | 5 | 2 |
| 58558 | 3 | 3 |
| 59820 | 2 | 2 |

* 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.





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 | |
| [REDACTED] | 27 | 937 | 26 | 902 | 38 | 1,294 | 46 | 1,567 | 47 | 1,606 | Luminis Health Anne Arundel Medical Center |

| 5 most frequently performed surgeries, two most recent years | | |
|--|-----|-----|
| Surgical Procedure* | Yr1 | Yr2 |
| 58558 | 7 | 9 |
| 58563 | 4 | 4 |
| 57522 | 3 | 3 |
| 58661 | 4 | 1 |
| 58662 | 1 | 3 |

* 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.

[REDACTED]



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 | |
| [REDACTED] | 35 | 3,073 | 104 | 9,131 | 132 | 7205 | 160 | 8727 | 164 | 8944 | Luminis Health Anne Arundel Medical Center |

| 5 most frequently performed surgeries, two most recent years | | |
|--|-----|-----|
| Surgical Procedure* | Yr1 | Yr2 |
| 27447 | 13 | 22 |
| 27130 | 11 | 22 |
| 29881 | 2 | 26 |
| 27570 | 6 | 21 |
| 29880 | 2 | 11 |

* 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.





MARYLAND
Health Care
Commission

Randolph S. Sergent, Esq, Chairman
Ben Steffen, Executive Director

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 | |
| [REDACTED] | 35 | 1,215 | 34 | 1,180 | 41 | 1,518 | 50 | 1,838 | 51 | 1,884 | Luminis Health Anne Arundel Medical Center |

| Surgical Procedure* | Yr1 | Yr2 |
|---------------------|-----|-----|
| 58558 | 23 | 13 |
| 57522 | 6 | 5 |
| 58661 | 2 | 5 |
| 59820 | 3 | 4 |
| 58561 | 0 | 5 |

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

[REDACTED]

affidavit are

Classified as Confidential

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 | |
| [REDACTED] | 99 | 8,692 | 157 | 13,785 | 173 | 19,597 | 209 | 23,737 | 215 | 24,327 | Luminis Health Anne Arundel Medical Center |

| 5 most frequently performed surgeries, two most recent years | | |
|--|-----|-----|
| Surgical Procedure* | Yr1 | Yr2 |
| 27447 | 56 | 90 |
| 27130 | 37 | 61 |
| 27570 | 2 | 3 |
| 27446 | 3 | 2 |
| 27132 | 0 | 1 |

* 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

[REDACTED]

Classified as Confidential



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 | |
| | 0 | 0 | 0 | 0 | 40 | 4,644 | 48 | 5,625 | 50 | 5,765 | 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





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

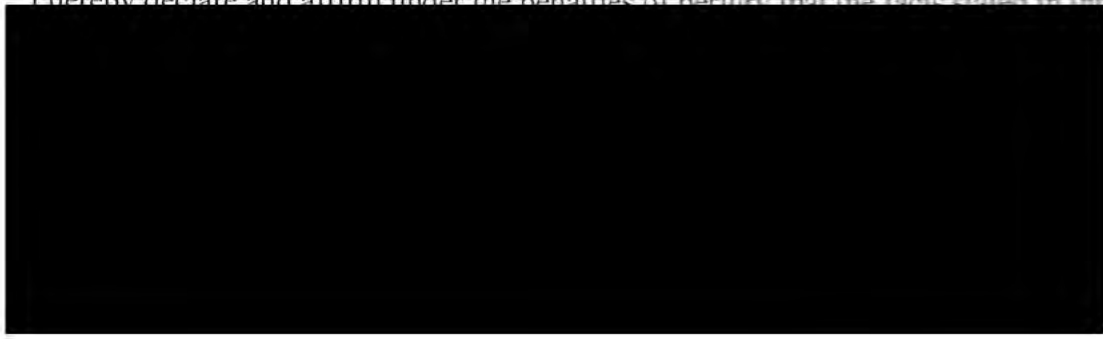
| Physician Name | Surgical Volume Latest 2 complete years | | | | Projections | | | | | | Facility(s) from which these cases will be migrating |
|----------------|---|---------|-----------|---------|-------------|---------|--------|---------|--------|---------|--|
| | Year 2023 | | Year 2024 | | Year 1 | | Year 2 | | Year 3 | | |
| | Cases | Minutes | Cases | Minutes | Cases | Minutes | Cases | Minutes | Cases | Minutes | |
| [REDACTED] | 0 | 0 | 22 | 1241 | 27 | 1559 | 33 | 1888 | 34 | 1935 | Luminis Health Anne Arundel Medical Center |

5 most frequently performed surgeries, two most recent years

| Surgical Procedure* | Yr1 | Yr2 |
|---------------------|-----|-----|
| 29848 | 0 | 6 |
| 25609 | 0 | 2 |
| 26055 | 0 | 2 |
| 29827 | 0 | 2 |
| 23472 | 0 | 1 |

* 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



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 |
| [REDACTED] | 49 | 1,700 | 59 | 2,047 | 66 | 2,027 | 80 | 2,455 | 82 | 2,516 | Luminis Health Anne Arundel Medical Center | | | | |

| 5 most frequently performed surgeries, two most recent years | | |
|--|-----|-----|
| Surgical Procedure* | Yr1 | Yr2 |
| 58563 | 15 | 18 |
| 58558 | 12 | 18 |
| 57522 | 8 | 10 |
| 58661 | 8 | 6 |
| 58561 | 4 | 3 |

* 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.

[REDACTED]

Classified as Confidential

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 | |
| [REDACTED] | 0 | 0 | 0 | 0 | 450 | 4941 | 844 | 9,267 | 900 | 9,882 | Luminis Doctors Community 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

[REDACTED]



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 | |
| [REDACTED] | 47 | 1,631 | 45 | 1,562 | 42 | 1,334 | 51 | 1,616 | 53 | 1,656 | Luminis Health Anne Arundel Medical Center |

| Surgical Procedure* | Yr1 | Yr2 |
|---------------------|-----|-----|
| 58353 | 11 | 14 |
| 58558 | 11 | 12 |
| 57522 | 9 | 5 |
| 58662 | 1 | 5 |
| 58661 | 7 | 4 |

* 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 and belief.

[REDACTED SIGNATURE]

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 | |
| [REDACTED] | 209 | 18,350 | 282 | 24,760 | 329 | 41,031 | 399 | 49,699 | 409 | 50,933 | Luminis Health Anne Arundel Medical Center |

| 5 most frequently performed surgeries, two most recent years | | |
|--|-----|-----|
| Surgical Procedure* | Yr1 | Yr2 |
| 27130 | 120 | 144 |
| 27447 | 79 | 121 |
| 27570 | 6 | 13 |
| 27132 | 3 | 3 |
| 27337 | 0 | 1 |

* 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

[REDACTED]

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 | |
| [REDACTED] | 32 | 1,110 | 35 | 1,215 | 40 | 1,383 | 48 | 1,676 | 50 | 1,717 | Luminis Health Anne Arundel Medical Center |

| 5 most frequently performed surgeries, two most recent years | | |
|--|-----|-----|
| Surgical Procedure* | Yr1 | Yr2 |
| 58558 | 12 | 13 |
| 57522 | 5 | 7 |
| 58661 | 3 | 5 |
| 59820 | 5 | 3 |
| 58563 | 5 | 1 |

* 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

[REDACTED]

Classified as Confidential



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 | |
| [Redacted] | 0 | 0 | 42 | 2,369 | 49 | 1725 | 60 | 2089 | 61 | 2141 | Luminis Health Anne Arundel Medical Center |

5 most frequently performed surgeries, two most recent years

| Surgical Procedure* | Yr1 | Yr2 |
|---------------------|-----|-----|
| 29848 | 0 | 12 |
| 26055 | 0 | 9 |
| 25000 | 0 | 4 |
| 29827 | 0 | 3 |
| 64718 | 0 | 3 |

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



Classified as Confidential

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 | |
| [REDACTED] | 0 | 0 | 1 | 56 | 1 | 72 | 1 | 87 | 1 | 89 | Luminis Health Anne Arundel Medical Center |

| 5 most frequently performed surgeries, two most recent years | | |
|--|-----|-----|
| Surgical Procedure* | Yr1 | Yr2 |
| 27766 | 0 | 1 |
| | | |
| | | |
| | | |

* 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

[REDACTED]

Classified as Confidential

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 | |
| [REDACTED] | 232 | 20,370 | 236 | 20,721 | 292 | 28,732 | 353 | 34,802 | 362 | 35,666 | Luminis Health Anne Arundel Medical Center |

5 most frequently performed surgeries, two most recent years

| Surgical Procedure* | Yr1 | Yr2 |
|---------------------|-----|-----|
| 27130 | 121 | 104 |
| 27447 | 94 | 114 |
| 27570 | 3 | 8 |
| 29881 | 4 | 3 |
| 29873 | 2 | 2 |

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

[REDACTED]

affidavit are



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 | |
| [REDACTED] | 16 | 902 | 24 | 1354 | 28 | 1587 | 34 | 2407 | 35 | 2466 | Luminis Health Anne Arundel Medical Center |

| 5 most frequently performed surgeries, two most recent years | | |
|--|-----|-----|
| Surgical Procedure* | Yr1 | Yr2 |
| 29827 | 13 | 15 |
| 29806 | 1 | 3 |
| 29823 | 0 | 2 |
| 23472 | 0 | 1 |
| 23515 | 0 | 1 |

* 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





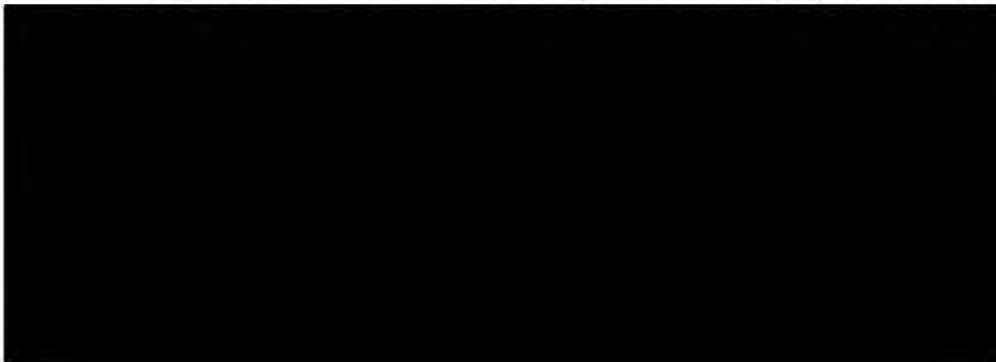
Individual Physician's Submission (provide this form for each physician who will do procedures at the proposed facility)

| 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 | |
| [REDACTED] | 36 | 1,249 | 24 | 833 | 39 | 1,346 | 47 | 1,630 | 48 | 1,671 | Luminis Health Anne Arundel Medical Center |

| 5 most frequently performed surgeries, two most recent years | | |
|--|-----|-----|
| Surgical Procedure* | Yr1 | Yr2 |
| 57522 | 11 | 4 |
| 58661 | 11 | 3 |
| 58558 | 4 | 7 |
| 59820 | 4 | 6 |
| 58563 | 5 | 2 |

* 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



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 | |
| [REDACTED] | 150 | 13,170 | 150 | 13,170 | 206 | 24,108 | 249 | 29,200 | 256 | 29,925 | Luminis Health Anne Arundel Medical Center |

| Surgical Procedure* | Yr1 | Yr2 |
|---------------------|-----|-----|
| 27447 | 88 | 78 |
| 27130 | 53 | 64 |
| 27570 | 9 | 5 |
| 27446 | 0 | 3 |

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

[REDACTED]

Classified as Confidential

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 | |
| [REDACTED] | 24 | 833 | 17 | 590 | 14 | 569 | 17 | 690 | 18 | 707 | Luminis Health Anne Arundel Medical Center |

5 most frequently performed surgeries, two most recent years

| Surgical Procedure* | Yr1 | Yr2 |
|---------------------|-----|-----|
| 58558 | 8 | 7 |
| 57522 | 7 | 2 |
| 58661 | 2 | 3 |
| 59820 | 2 | 2 |
| 58561 | 2 | 1 |

* 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:

[REDACTED]

Classified as Confidential

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 | |
| [REDACTED] | 14 | 790 | 14 | 790 | 16 | 815 | 20 | 987 | 20 | 1012 | Luminis Health Anne Arundel Medical Center |

5 most frequently performed surgeries, two most recent years

| Surgical Procedure* | Yr1 | Yr2 |
|---------------------|-----|-----|
| 29881 | 3 | 8 |
| 29880 | 3 | 3 |
| 29827 | 0 | 2 |
| 29882 | 1 | 1 |
| 29888 | 1 | 1 |

* 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



Classified as Confidential



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 |
| [REDACTED] | 96 | 10,573 | 103 | 11,344 | 108 | 12,125 | 131 | 14,686 | 134 | 15,051 | Luminis Health Anne Arundel Medical Center |

5 most frequently performed surgeries, two most recent years

| Surgical Procedure* | Yr1 | Yr2 |
|---------------------|-----|-----|
| 63047 | 27 | 39 |
| 63030 | 26 | 26 |
| 22551 | 24 | 22 |
| 22612 | 7 | 5 |
| 63042 | 5 | 6 |

* 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

[REDACTED]

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 | |
| [REDACTED] | 265 | 14,946 | 271 | 15,284 | 292 | 25,221 | 353 | 30,548 | 362 | 31,307 | Luminis Health Anne Arundel Medical Center |

5 most frequently performed surgeries, two most recent years

| Surgical Procedure* | Yr1 | Yr2 |
|---------------------|-----|-----|
| 29916 | 59 | 71 |
| 29881 | 38 | 29 |
| 29915 | 28 | 31 |
| 29888 | 21 | 24 |
| 29914 | 26 | 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

[REDACTED]

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 | |
| [REDACTED] | 15 | 846 | 31 | 1,748 | 29 | 2,202 | 36 | 2,667 | 37 | 2,734 | Luminis Health Anne Arundel Medical Center |

5 most frequently performed surgeries, two most recent years

| Surgical Procedure* | Yr1 | Yr2 |
|---------------------|-----|-----|
| 29827 | 7 | 6 |
| 29881 | 3 | 8 |
| 29888 | 1 | 8 |
| 29828 | 0 | 2 |
| 29999 | 0 | 2 |

* 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.

[REDACTED]

Classified as Confidential



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 | |
| [REDACTED] | 0 | 0 | 8 | 363 | 8 | 363 | 10 | 440 | 10 | 451 | Luminis Health Anne Arundel Medical Center |

| 5 most frequently performed surgeries, two most recent years | | |
|--|-----|-----|
| Surgical Procedure* | Yr1 | Yr2 |
| 64721 | 0 | 3 |
| 25111 | 0 | 1 |
| 26115 | 0 | 1 |
| 26160 | 0 | 1 |
| 29848 | 0 | 1 |

* 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





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 | |
| [REDACTED] | 0 | 0 | 18 | 1,015 | 21 | 965 | 26 | 1,168 | 26 | 1,197 | Luminis Health Anne Arundel Medical Center |

5 most frequently performed surgeries, two most recent years

| Surgical Procedure ⁺ | Yr1 | Yr2 |
|---------------------------------|-----|-----|
| 29848 | 0 | 4 |
| 24359 | 0 | 3 |
| 26055 | 0 | 3 |
| 25111 | 0 | 2 |
| 25609 | 0 | 2 |

⁺ 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





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 | |
| [REDACTED] | 42 | 1,457 | 39 | 1,353 | 56 | 2,649 | 68 | 3,209 | 70 | 3,289 | Luminis Health Anne Arundel Medical Center |

5 most frequently performed surgeries, two most recent years

| Surgical Procedure* | Yr1 | Yr2 |
|---------------------|-----|-----|
| 58558 | 9 | 11 |
| 57522 | 8 | 3 |
| 58563 | 7 | 3 |
| 58661 | 4 | 6 |
| 59820 | 7 | 2 |

* 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

[REDACTED]

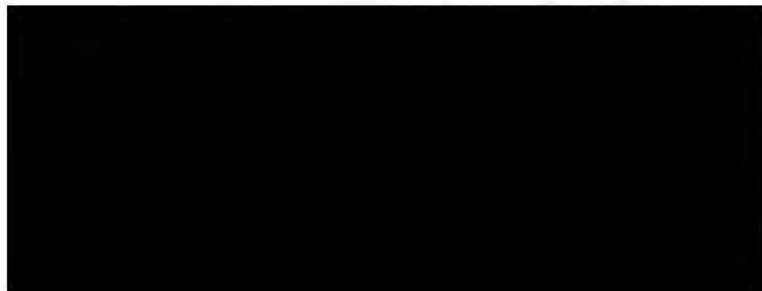
Individual Physician's Submission (provide this form for each physician who will do procedures at the proposed facility)

| 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 | |
| [REDACTED] | 139 | 14,979 | 143 | 15,750 | 145 | 16,135 | 175 | 19,544 | 180 | 20,029 | Luminis Health Anne Arundel Medical Center |

5 most frequently performed surgeries, two most recent years

| Surgical Procedure* | Yr1 | Yr2 |
|---------------------|-----|-----|
| 63047 | 69 | 67 |
| 22551 | 23 | 24 |
| 63030 | 10 | 13 |
| 63685 | 11 | 8 |
| 22514 | 5 | 7 |

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



stated in this affidavit are

Classified as Confidential



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 | |
| [REDACTED] | 39 | 1,353 | 57 | 1,978 | 75 | 2,969 | 91 | 3,596 | 93 | 3,686 | Luminis Health Anne Arundel Medical Center |

| 5 most frequently performed surgeries, two most recent years | | |
|--|-----|-----|
| Surgical Procedure* | Yr1 | Yr2 |
| 58558 | 10 | 10 |
| 58661 | 10 | 8 |
| 58563 | 3 | 13 |
| 57522 | 5 | 10 |
| 58561 | 1 | 8 |

* 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 and belief.

[REDACTED]



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 | |
| [REDACTED] | 76 | 4,286 | 52 | 2,932 | 71 | 5,209 | 85 | 6,309 | 88 | 6,466 | Luminis Health Anne Arundel Medical Center |

5 most frequently performed surgeries, two most recent years

| Surgical Procedure* | Yr1 | Yr2 |
|---------------------|-----|-----|
| 29881 | 12 | 20 |
| 29880 | 17 | 8 |
| 27447 | 20 | 1 |
| 29888 | 9 | 8 |
| 29827 | 8 | 2 |

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

[REDACTED]

stated in this affidavit are

Classified as Confidential

EXHIBIT 18

NORR

June 10, 2025

SCA
904 Commerce Rd.
Annapolis, MD 21401

Attn.: Mari Shade

Dear Ms. Shade:

**Re: SCA Annapolis OR Expansion
HS2324-0111-00
CON Application**

As the Architectural Design team for the expansion of the existing SCA Annapolis SurgiCenter, NORR, and our consultants, have planned the current Schematic Design drawings in compliance with the current FGI guidelines that are adopted by the state of Maryland. The Schematic Design drawings that are included in the Certificate of Need application are designed in compliance with current FGI guidelines and all other regulations apply under the authorities having jurisdiction.

Sincerely,



Nicole Morson
Principal
T 267 283 0238 M 717 891 0342 | nicole.morson@norr.com

https://us-partner-integrations.egnyte.com/msoffice/wopi/files/800b96ba-1810-4e3b-a774-7bf4dc030a89/wopiserviceid_tp_egnyte_plus/wopiuserid_667.norrus.egnyte.com/2025-

EXHIBIT 19

CENTERS FOR MEDICARE & MEDICAID SERVICES
CLINICAL LABORATORY IMPROVEMENT AMENDMENTS

CERTIFICATE OF WAIVER

LABORATORY NAME AND ADDRESS
AKNE ARUNDEL-BCA SURGICENTER, LLC
804 COMMERCE RD
ANNAPOLIS, MD 21401

CLIA ID NUMBER

21D2183213

EFFECTIVE DATE

03/11/2025

LABORATORY DIRECTOR

CYRUS J. LASHGARI

EXPIRATION DATE

03/10/2027

Pursuant to Section 352 of the Public Health Service Act (42 U.S.C. 262a) as revised by the Clinical Laboratory Improvement Amendments (CLIA), the above stated laboratory located at the address shown herein (and other approved locations) may accept human specimens for the purpose of performing laboratory examinations or procedures. This certificate shall be valid until the expiration date above, but is subject to revocation, suspension, limitation, or other sanctions for violations of the Act or the regulations promulgated thereunder.



George Mendelsohn, Director
Division of Clinical Laboratory Improvement & Quality
Quality & Safety Oversight Group
Center for Clinical Standards and Quality

If this is a Certificate of Waiver, it certifies the laboratory to perform only examinations or procedures that have been approved as waived tests by the Department of Health and Human Services.

PLEASE CONTACT YOUR STATE AGENCY FOR ANY CHANGES TO YOUR CURRENT CERTIFICATE.
FOR MORE INFORMATION ABOUT CLIA, VISIT OUR WEBSITE AT WWW.CMS.GOV/CLIA.



MARYLAND Department of Health

Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Robert R. Neall, Secretary

Office of Health Care Quality
Laboratories and Tissue Banks
55 Wade Ave Bland Bryant Bldg.
Catonsville, MD 21228

LETTER OF PERMIT EXCEPTION NON - EXPIRING

EXCEPTION NUMBER: 190010

EFFECTIVE DATE: 03/07/2019

CYRUS J LASHGARI
ANNE ARUNDEL-SCA SURGICENTER, LLC
904 COMMERCE RD
ANNAPOLIS, MD 21401

Dear Dr LASHGARI:

Under the provisions in Health – General Article, Title 17, 205 and 212, of the Annotated Code of Maryland, and based upon information received from an on-site inspection and/or formal registration of the point-of-care laboratory named above, an exception to the permit requirements to operate a laboratory in Maryland is GRANTED, for the above period. Under this exception, the following tests and/or examinations may be performed in your laboratory:

Chemistry - Excepted:

Glucose (FDA Home Device)

Immunology - Excepted:

Urine Pregnancy Test

This letter of Permit Exception must be prominently displayed in your laboratory.

If you have any questions concerning this matter, or find that you wish to expand your laboratory's test menu beyond the tests allowed under this exception, contact Cheryl Sloan at (410) 402-8025.

Sincerely,

Paul Celli
Laboratory Certification Program Manager

EXHIBIT 20

10144_PATHOLOGY SPECIMENS

POLICY:

- All specimens removed from patients in the operating room shall be routinely sent to contracted Pathology Services for examination.
 - A surgeon may not stipulate that a certain tissue does not require a pathology examination.
 - A list of surgical specimens that may not be sent to Pathology must be in compliance with federal, state, and local laws and regulations and shall be developed by the medical staff in conjunction with Pathology and ASC leadership. Examples of specimens not submitted to Pathology include dental appliances and neonatal foreskins. (College of American Pathologists)
 - A specimen not sent to Pathology for examination and the disposition of that specimen shall be documented on the Intraoperative Nursing Record
- The signed pathology report shall be entered into the patient's medical record.

PROCEDURE:

- Specimens shall be transferred from the surgical field as soon as possible. The specimen shall be transferred in a basin or on a sterile towel.
- Specimens that remain on the sterile field shall be labeled and maintained, e.g., moistened with normal saline, as appropriate.
- The surgeon shall identify the specimen and communicate this to the Circulating RN.
 - The Circulating RN shall "read back" the name of the specimen to the surgeon for verification
- The specimen(s) shall be placed in appropriately sized container(s) with the appropriate preservative or solution, as applicable, and labeled.
- If a syringe is used for specimen collection, cap the syringe. Do **NOT** leave the needle on the syringe.

- Specimen container label shall include:
 - Date and time
 - Specimen
 - Specimen site
 - The designation of left and right shall be made when applicable; the words "right" and "left" shall be written out
 - Patient identification (using two [2] patient identifiers)
- The specimen container shall be placed in a secondary impervious container for transport. The outer container shall be marked "biohazardous".
- The Circulating RN shall complete the Pathology requisition form.
 - Multiple specimens shall be numbered and listed individually
- The Circulating RN shall document pathology specimen(s) on the Intra-operative Nursing Record.
- The specimen shall be placed in the OR specimen refrigerator and documented in the specimen logbook.
- Specimens shall be picked up by close of business every day when they occur and transported to Pathology Services.

REFERENCE:

Guidelines for Perioperative Practice. (2020). Denver, CO: Association of peri-operative Registered Nurses (AORN).

13010_FORMALIN USE IN THE OR

DEFINITION:

- Formalin is a colorless liquid with a pungent odor. It is an aqueous solution that is 37% formaldehyde by weight; inhibited solutions contain 6% to 12% methyl alcohol.
- Formaldehyde is sold commercially as formalin in solutions of 37%, 44% or 50%.
- Formalin can be absorbed through the nasal passages, skin and eyes. Exposure may result in irritation, burns, allergic reactions, coughing, chest pain or pulmonary edema.

POLICY:

- The Circulating RN shall confirm the use of formalin for tissue preservation with the physician, before use.
- The surgical team shall use caution, at all times, when working with formalin.
- Formalin shall be stored in an adequately ventilated storage room.
 - Formalin shall not be stored in the OR unless there is adequate ventilation to keep levels within the recommended exposure limits.
- Access the SDS Manual at the OR's front desk or PACU designated cabinet for the SDS on formalin.
 - Always handle formalin according to its SDS and manufacturer's instructions.
- When handling formalin, the surgical team shall wear appropriate personal protective equipment which may include goggles, face shield, gloves and other equipment which prevents skin and mucous membrane exposure.
 - Latex gloves provide no protection against formaldehyde.
 - Butyl and nitrile gloves provide eight (8) hours of protection.
 - Polyethylene gloves provide four (4) hours of protection.

- Staff shall minimize splashing as formalin is dispensed into specimen containers.
 - Specimen containers are rigid, leak proof and impervious to formalin. Ensure lids fit tightly.
- Formalin shall be disposed of according to state and local regulations.
- Surgical staff shall receive education regarding the safe handling of formalin, the clean-up of spills and how to minimize the risk of exposure to formalin during initial orientation and annually thereafter.
- Areas in the OR where formalin is used shall:
 - Be free of ignition sources
 - Have signs posted to be seen by all staff that formalin is being used
 - Have adequate ventilation system to keep level below the permissible exposure limits
 - Eight (8) hours total weighted average of 0.75 ppm; 15 minutes short-term exposure limit of 2.0 ppm
 - ◆ Check state regulations.

REFERENCE:

Guidelines for Perioperative Practice. (2020). Denver, CO: Association of periOperative Registered Nurses (AORN).

9037_HANDLING OF BIOHAZARDOUS WASTE

DEFINITION:

- Pathologic specimens, including tissues, blood elements, excreta and secretions, which contain etiologic agents.
- Surgical specimens, including human body parts or tissues removed surgically which, in the opinion of the attending physician, contain etiologic agents and attendant disposable fomites.
- Equipment, instruments, dressing and other disposable materials which are likely to transmit etiologic agents.
- Any other material which presents a significant danger of infection because it is contaminated with, or may reasonably be expected to be contaminated with, etiologic agents.

POLICY:

- All requirements set forth by the Health and Safety Code on Infectious Waste shall be followed as outlined in state and local regulations and shall be applied to all biohazardous waste generated (may vary state to state).
 - All employees must wash hands immediately after exposure or direct contact of any blood, body fluids or any chemicals.
 - All biohazardous waste, except needles and sharps, shall be single bagged prior to disposal.
 - Infectious sharps shall be contained for disposal in leakproof, rigid and puncture resistant containers, such as plastic or metal, which are taped closed or tightly lidded to preclude loss of the contents.
 - Standard Precautions shall be utilized during the handling of all biohazardous waste.
 - Biohazardous waste shall be segregated from other nonbiohazardous medical waste, at the point of origin.
 - Containers used for biohazardous waste shall be so secured as to deny access to unauthorized persons.
 - Biohazardous waste shall not be stored for more than one (1) day, other than needles and sharps.
 - Medical waste storage areas shall be well ventilated and be inaccessible to pests.

- The facility shall dispose of medical wastes on a regular basis to avoid accumulation.
- The following items shall be considered biohazardous and disposed of according to this procedure:
 - ◆ Three-quarters (3/4) full needle and syringe rigid impervious collection containers
 - ◆ Blood and blood products (i.e., lab specimens)
 - ◆ Used disposable surgical blades
 - ◆ Used culture plates - taped closed
 - ◆ Used culture swabs
 - ◆ Any materials in contact with either blood or bloody drainage (i.e., gauze, dressings and surgical drapes) (single-bagged)
 - ◆ Any disposable item in direct contact with a wound or person with communicable disease (single-bagged)
- Dispose of all biohazardous wastes in plastic bags located in designated covered waste containers with foot pedals.
- Warning signs shall be placed in all areas where exposure may occur.
- No other products, paper goods, etc., shall be placed in the bags used for biohazardous waste.

PROCEDURE:

- Disposal of Biohazardous Waste:
 - When handling biohazardous wastes, try not to create aerosols.
 - Blood and cultures shall be collected in autoclavable biohazard bags and autoclaved for disposal. They may be collected and sent in with plastic waste containers.
 - Urine can be poured down the sink or toilet, followed by copious amounts of water. Urine containers shall be rinsed out and thrown into regular trash.
 - Stools shall be flushed down the toilet. The containers shall be rinsed and thrown out with the regular trash.
 - Blood and body fluids from suction cannisters shall be disposed of according to state and local regulations.

- Disposal of Sharps:
 - Biohazardous sharps waste disposal containers for disposing of needles, sharps and blood specimens shall be used.
 - Used needles, syringes, lancets and scalpels shall be disposed of in the hard plastic biohazardous waste container.
 - Never recap a contaminated needle.
 - Drop used syringe, scalpel or lancet into the container.
 - Never reach inside the container.
 - Snap on or tape the lid of a three-quarters (3/4) filled container, prior to discarding.
 - Never dispose of syringes or needles in general trash receptacle.
 - Follow Accidental Blood or Body Fluid Exposure policy, if punctured by contaminated needle.
- Single Bagging:
 - When the bag is full and/or at the end of each shift, follow bagging procedure:
 - While wearing gloves, remove bag and contents from the container and close securely.
 - Unfold cuff and tie securely closed, being careful not to touch inside of bag.
 - Place bag (now "clean" on the outside) next to trash container to be picked up by Environmental Services staff.
 - Carefully pick up clean bag set out earlier and line trash container with it.
 - Maintain container in readiness for contaminated material. Protect contaminated biohazardous wastes identified for special handling. If outer bag punctures, repeat the procedure.
 - Remove gloves and throw in contaminated container.
 - Wash hands.

REFERENCE:

Centers for Disease Control and Prevention (CDC). (November 5, 2015). Infection Control. Guidelines for Environmental Infection Control in Health-Care Facilities (2003). Retrieved from <https://www.cdc.gov/infectioncontrol/guidelines/environmental/background/medical-waste.html>

AAMC Surgery Center – Annapolis

Competency Verification Tool—

Practice: Specimen Management, All Specimens – RN or Non-RN

Name: _____

Date Completed: _____

Competency Statement: The perioperative RN has completed facility- or health care organization-required education and competency verification activities related to safe specimen collection.

Outcome Statement: Patient specimen/s are collected in a way that allows for appropriate care and diagnosis of the patient.

| Competency Statements/Performance Criteria | Verification Method | | | | | Initials of Verifier | Comments |
|--|---------------------|---|---|---|-------|----------------------|----------|
| | D | T | S | V | P & P | | |
| 1. Identifies the steps to be followed to reduce the risk for error and patient harm when managing surgical specimens, including preoperative assessment. | | | | | | | |
| Locates the policy and procedure detailing specimens that may be excluded from submission to the pathology lab, specimens that may be submitted for gross examination only, and disposal procedures for patient tissue not submitted to the pathology lab. | | | | | | | |
| Perioperative RN only | | | | | | | |
| 2. Participates in intraoperative team communication regarding specimen management, including the following: reviews anticipated specimens during the preprocedural briefing process, | | | | | | | |
| uses a read-back method for specimen review during the hand-over process, | | | | | | | |
| confirms the specimen and patient information during the procedural debrief, and | | | | | | | |
| facilitates direct communication between the pathologist and the surgeon when specimen information is available. | | | | | | | |
| Perioperative RN only | | | | | | | |
| 3. Verifies the specimen and patient information on the label, pathology requisition form, and health care record using a read-back method with the surgeon before transferring the specimen off the sterile field. | | | | | | | |
| Perioperative RN only | | | | | | | |
| 4. Contains and labels the specimen immediately after receiving it from the sterile field. | | | | | | | |
| Perioperative RN only | | | | | | | |

D = Demonstration/Direct Observation/Documentation Audit
 S = Skills Laboratory/Scenario-based Training/Controlled Simulation
 P & P = Review of Written or Visual Materials/Policy/Procedure Review

T = Knowledge Assessment Test
 V = Verbalization

Competency Verification Tool – Specimen Management, all specimens – RN and Non-RN

| Competency Statements/Performance Criteria | Verification Method | | | | | Initials of Verifier | Comments |
|---|---------------------|---|---|---|-----|----------------------|----------|
| | D | T | S | V | P&P | | |
| 5. Labels specimens with a biohazard label, | | | | | | | |
| information on any chemical hazards, | | | | | | | |
| two patient identifiers. | | | | | | | |

Concurrent competency verification of the following is recommended

| | |
|---|---|
| <ul style="list-style-type: none"> • • • | <ul style="list-style-type: none"> • • • |
|---|---|

Verified by: _____

This person has been deemed competent to train additional teammates

Title: _____

D = Demonstration/Direct Observation/Documentation Audit
 S = Skills Laboratory/Scenario-based Training/Controlled Simulation
 P&P = Review of Written or Visual Materials/Policy/Procedure Review

T = Test
 V = Verbalization

EXHIBIT 21

13006_RADIATION SAFETY PROGRAM

POLICY:

- The ASC shall have a comprehensive program in place that protects patients from the risks of cumulative radiation from diagnostic imaging.
- The Diagnostic Imaging Radiation Safety Program shall be an integral part of the facility's safety culture and shall include, but not be limited to, staff and patient education ensuring the right test, right dose, effective processes, and safe technology.
- ASC leaders shall review the Radiation Safety Program at least annually.
- Staff and Patient Education:
 - Radiology Technologists and physicians who prescribe diagnostic radiation or use diagnostic radiation equipment shall be educated on the contributing factors to and activities that can help eliminate avoidable radiation doses.
 - At a minimum, education shall address:
 - Potential risks of diagnostic radiation
 - Review of populations with increased risk of harm from radiation:
 - ◆ Children and young adults
 - ◆ Pregnant women
 - ◆ Individuals with medical conditions sensitive to radiation, such as diabetes mellitus and hyperthyroidism
 - ◆ Individuals receiving multiple doses over time
 - Typical levels of radiation and related risks associated with radiology modalities used in the ASC
 - Training specific to the technology used within the organization
 - Appropriate use of potentially dangerous procedures and equipment

- Review of organizational protocols identifying maximum dose for each type of study
- Safety, operational, and functional checks of equipment before initial use and periodically thereafter
- Right Test:
 - Facility-approved clinical practice guidelines shall be used whenever possible to guide the use of imaging.
 - The American College of Radiology's Appropriateness Criteria shall be used to assist referring physicians and other providers in making the most appropriate imaging or treatment decision for a specific clinical condition.
- Right Dose:
 - The facility shall adhere to the Nuclear Regulatory Commission's ALARA (as low as reasonably achievable) Guidelines to ensure radiation doses are as low as possible to achieve needed imaging results.
 - The facility shall adhere to the Society for Pediatric Radiology's *Image Gently* guidelines when providing imaging radiation to the pediatric population: <http://www.imagegently.org/>.
 - The facility shall adhere to the American College of Radiology and the Radiological Society of North America's (in collaboration with the American Association of Physicists in Medicine and the American Society of Radiologic Technologists) *Image Wisely* guidelines: <http://www.imagewisely.org/>.
 - Reference doses based upon anatomy, purpose of the study, and patient size shall be available to all prescribing physicians.
 - Radiologists should assure that the proper dosing protocol is in place for the patient being treated.
 - Dosing protocols shall be reviewed every 3 years to ensure that protocols adhere to the latest evidence.

- As a part of the facility's quality management and performance improvement program:
 - Patterns outside the range of appropriate radiation doses shall be investigated
 - Dosage or radiations exposure shall be recorded
- Effective Processes:
 - ASC leaders shall approve all diagnostic imaging dosing protocols and shall ensure that the protocols are password protected.
 - ASC leaders shall be responsible for monitoring new developments in diagnostic imaging and providing oversight policies and procedures and activities related to diagnostic imaging, including, but not limited to:
 - The physical protective risk reduction measures that shall be used by staff delivering radiation to patients, including appropriate lead shielding for both patients and employees, and radiation-protection training for all technologists
 - Development, implementation and assessment of diagnostic radiation safety education, review, and competency testing
- Safe Technology:
 - All radiation-emitting imaging equipment shall be inventoried, monitored, and maintained under by the Safety Officer and the contracted maintenance and repair services vendor.

REFERENCES:

- U.S. Nuclear Regulatory Commission (NRC). (July 6, 2018). *ALARA*. Retrieved from <http://www.nrc.gov/reading-rm/basic-ref/glossary/alara.html>
- American College of Radiology (ACR). (n.d.). *ACR Appropriateness Criteria*. Retrieved from <https://www.acr.org/Quality-Safety/Appropriateness-Criteria>
- The Alliance for Radiation Safety in Pediatric Imaging. (n.d.). *Image Gently*. Retrieved from <http://www.imagegently.org/>
- U.S. Nuclear Regulatory Commission, CMS § 20.1101

13006A_MONTHLY RADIATION EXPOSURE MONITORING (DOSIMETER)

POLICY:

- All ASC staff who are exposed to radiation generating equipment shall participate in the dosimetry (film badge) program.
- All staff shall follow procedural guidelines for radiation safety in the operating room.
- Any ASC employee who becomes pregnant shall follow procedural guidelines to limit the total radiation dose to the fetus with an exposure limited to 500 mrem during the period of that pregnancy.

PROCEDURE:

- All staff shall wear a film badge whenever x-ray/fluoroscopy is used for patient procedures or while caring for patients who have received radioactive materials in therapeutic amounts.
- Nurse Manager/designee shall enroll staff in the dosimetry program upon hire.
 - Film badges shall be worn at neck level, outside of any protective wear.
 - Badges shall be kept in a safe, non-radiation area when not in use.
 - On a monthly basis, obtain new film badge and return exposed film badge to Nurse Manager.
 - Badges shall be read monthly by a radiation detection company and reviewed by the Medical Director. Individual personnel reports shall be available in the ASC Nursing staff office for review.
 - Individuals who receive radiation dose in excess of the program limits will be contacted by the Medical Director. Established dose levels are:
 - 200 mrem to whole body in any month
 - 400 mrem to whole body in any calendar quarter
 - 1000 mrem to whole body in any year

- Procedure for the use of x-ray/fluoroscopy in the OR:
 - All ASC staff shall wear lead aprons and thyroid shields for any planned x-ray exposure done during the surgical procedure.
 - Staff shall stand at least six (6) feet away from x-ray source when possible.
 - All sterile staff in the OR shall stand behind a mobile lead shield, if available, while x-rays are being taken.

- The following guidelines are for use by pregnant staff working in ASC:
 - Female employees shall report their confirmed pregnancy as soon as possible to the nurse manager.
 - Whenever possible, OR staff members who are pregnant shall be assigned to surgical cases that will not be using x-ray/fluoroscopy.
 - If the Circulating RN who is pregnant is in a surgery that requires x-ray/fluoroscopy, the Circulating RN shall leave the OR momentarily while x-rays are being taken.
 - An additional badge shall be ordered by the Nurse Manager and shall be worn at the waist and under any protective apparel.
 - The pregnant employee shall be directed to the Appendix of United States Nuclear Regulatory Commission Guide, Number 8.13 "Possible Health Risk to Children of Women Who Are Exposed to Radiation During Pregnancy" and shall be encouraged to ask questions.
 - A review of the monthly film badge readings shall be performed by Medical Director to verify that the 500 mrem limit shall not be exceeded during the pregnancy.

10150_RADIATION EXPOSURE – PATIENTS

POLICY:

- Patient exposure to radiation shall be minimized by ASC staff.
- All female patients of childbearing age shall be questioned about the possibility of pregnancy:
 - If the patient confirms that she is pregnant, notify the surgeon immediately.
 - Lead shielding shall be used, when possible, to protect the fetus.
- Lead shielding shall be used to protect a patient's thyroid during x-rays of the upper extremities, trunk and head.
- Lead shielding shall be used, when possible, to protect a patient's ovaries or testes during x-rays, including x-rays performed on the hips and upper legs.
- Document on the Intraoperative Nurses' Record any x-rays taken perioperatively, site x-rayed and shielding provided.
- Document on the Intraoperative Nurses' Record total time of fluoroscopy.

EXHIBIT 22

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 unaffiliated projections in Tables F and G.

| Job Category | 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) | |
|--|-------------------------|------------------------|-------------------------|---|------------------------|---|--|------------------------|------------|---|---|
| | 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 | | | | | | | | | | | |
| <i>Administration (List general categories; add rows if needed)</i> | | | | | | | | | | | |
| Director of Nursing | 1.0 | \$59 | \$117,412 | 0.0 | \$59 | \$0 | 0.0 | \$0 | 0.0 | 1.0 | \$117,412 |
| Charge Nurse | 0.8 | \$48 | \$77,132 | 0.0 | \$46 | \$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 | \$96,680 |
| Total Administration | 2.8 | | \$242,383 | 1.0 | | \$47,840 | 0.0 | | \$0 | 3.8 | \$290,223 |
| <i>Direct Care Staff (List general categories; add rows if needed)</i> | | | | | | | | | | | |
| RN PAT | 1.0 | \$45 | \$93,600 | 0.0 | \$46 | \$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 | \$282,184 |
| RN PreOp PACU | 3.0 | \$41 | \$254,592 | 1.0 | \$41 | \$84,864 | 0.0 | \$0 | \$0 | 4.0 | \$336,456 |
| 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 |
| <i>Support Staff (List general categories; add rows if needed)</i> | | | | | | | | | | | |
| 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 | | \$0 | 0.0 | | \$0 | 28.4 | \$1,711,818 |
| 2. Contractual Employees | | | | | | | | | | | |

TABLE L. WORKFORCE INFORMATION

| | | | | | | | | | | | |
|--|-------------|-----|--------------------|------------|-----|------------|------------|-----|------------|-------------|--------------------|
| 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 | | \$0 | 0.0 | | \$0 | 28.4 | \$1,711,818 |

EXHIBIT 23

Anne Arundel – SCA Surgicenter, LLC

Financial Statements
December 31, 2024 and 2023

CONTENTS

| | <u>Page</u> |
|---|-------------|
| INDEPENDENT ACCOUNTANT’S REVIEW REPORT ON FINANCIAL STATEMENTS | 3-4 |
| FINANCIAL STATEMENTS | |
| Balance Sheets | 5 |
| Statements of Income and Members' Equity | 6 |
| Statements of Cash Flows | 7 |
| NOTES TO FINANCIAL STATEMENTS | 8 – 12 |
| SUPPLEMENTARY INFORMATION | |
| Schedule of Expenses | 14 |

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Anne Arundel – SCA Surgicenter, LLC

We have reviewed the accompanying financial statements of Anne Arundel – SCA Surgicenter, LLC (a partnership), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of income and members' equity, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Anne Arundel – SCA Surgicenter, LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

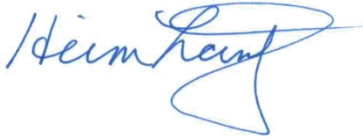
ALEXANDRIA
1800 Diagonal Road, Suite 635
Alexandria, VA 22314
703.299.6565

ANNAPOLIS
180 Admiral Cochrane Drive, Suite 520
Annapolis, MD 21401
410.841.5575

LEXINGTON PARK
22738 Maple Road, Suite 201
Lexington Park, MD 20653
301.862.3367

Supplementary Information

The accompanying schedule of expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. We have not audited, reviewed, or compiled such information and we do not express an opinion, a conclusion, nor provide any assurance on it.

A handwritten signature in blue ink, appearing to read "HeimLantz", with a stylized flourish underneath.

HeimLantz CPAs & Advisors, LLC
Annapolis, Maryland

April 29, 2025

Anne Arundel - SCA Surgicenter, LLC
Balance Sheets
December 31, 2024 and 2023

| | | ASSETS | |
|---------------------------------------|----|------------|---------------|
| | | 2024 | 2023 |
| Current assets | | | |
| Cash and cash equivalents | \$ | 23,829,188 | \$ 8,159,031 |
| Accounts receivable, net | | 2,126,794 | 1,678,815 |
| Prepaid expenses | | 29,588 | 39,431 |
| Inventory | | 3,109 | 6,227 |
| Total current assets | | 25,988,679 | 9,883,504 |
| Non-current assets | | | |
| Property and equipment, net | | 5,662,078 | 7,251,776 |
| Right of use asset | | 738,976 | 975,887 |
| Total non-current assets | | 6,401,054 | 8,227,663 |
| TOTAL ASSETS | \$ | 32,389,733 | \$ 18,111,167 |
| LIABILITIES AND MEMBERS' EQUITY | | | |
| LIABILITIES | | | |
| Current liabilities | | | |
| Accounts payable and accrued expenses | \$ | 1,056,382 | \$ 1,002,629 |
| Patient credit balances | | 286,192 | 109,962 |
| Notes payable, current portion | | 1,324,149 | 1,612,376 |
| Lease obligations, current portion | | 626,208 | 644,210 |
| Due to related party | | 21,380,779 | 6,057,317 |
| Total current liabilities | | 24,673,710 | 9,426,494 |
| Long-term liabilities | | | |
| Notes payable, long-term portion | | 2,785,011 | 5,122,376 |
| Lease obligations, long-term portion | | 994,408 | 1,620,558 |
| Total long-term liabilities | | 3,779,419 | 6,742,934 |
| TOTAL LIABILITIES | | 28,453,129 | 16,169,428 |
| MEMBERS' EQUITY | | 3,936,604 | 1,941,739 |
| TOTAL LIABILITIES AND MEMBERS' EQUITY | \$ | 32,389,733 | \$ 18,111,167 |

See accompanying notes and independent accountant's review report.

Anne Arundel - SCA Surgicenter, LLC
 Statements of Income and Members' Equity
 Years ended December 31, 2024 and 2023

| | <u>2024</u> | <u>2023</u> |
|---------------------------|---------------------|---------------------|
| REVENUES | \$ 161,393,728 | \$ 154,259,505 |
| CONTRACTUAL ALLOWANCE | <u>136,944,828</u> | <u>132,443,481</u> |
| NET REVENUES | 24,448,900 | 21,816,024 |
| DIRECT EXPENSES | <u>10,755,648</u> | <u>9,767,406</u> |
| GROSS PROFIT | 13,693,252 | 12,048,618 |
| OVERHEAD EXPENSES | <u>7,948,059</u> | <u>8,298,743</u> |
| NET OPERATING INCOME | 5,745,193 | 3,749,875 |
| OTHER INCOME | <u>82,994</u> | <u>176,480</u> |
| NET INCOME | <u>\$ 5,828,187</u> | <u>\$ 3,926,355</u> |
| | | |
| BEGINNING MEMBERS' EQUITY | \$ 1,941,739 | \$ 265,384 |
| NET INCOME | 5,828,187 | 3,926,355 |
| DISTRIBUTIONS | <u>3,833,322</u> | <u>2,250,000</u> |
| ENDING MEMBERS' EQUITY | <u>\$ 3,936,604</u> | <u>\$ 1,941,739</u> |

See accompanying notes and independent accountant's review report.

Anne Arundel - SCA Surgicenter, LLC
Statements of Cash Flows
Years ended December 31, 2024 and 2023

| | 2024 | 2023 |
|--|----------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income | \$ 5,828,187 | \$ 3,926,355 |
| Adjustments to reconcile net income to net cash provided by operating activities | | |
| Depreciation | 2,174,412 | 2,244,640 |
| (Increase) decrease in: | | |
| Accounts receivable | (447,979) | 392,601 |
| Prepaid expenses | 9,843 | (10,600) |
| Inventory | 3,118 | 29,074 |
| Right of use asset | 236,911 | 305,140 |
| Increase (decrease) in: | | |
| Accounts payable and accrued expenses | 53,753 | (373,488) |
| Patient credit balances | 176,230 | (24,191) |
| Operating lease liability | (273,517) | (379,227) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 7,760,958 | 6,110,304 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Investment in fixed assets | (584,714) | (217,972) |
| NET CASH USED IN INVESTING ACTIVITIES | (584,714) | (217,972) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Distributions to members | (3,833,322) | (2,250,000) |
| Net change in amount due to/from related party | 15,323,462 | 3,875,751 |
| Net change in financing lease | (370,635) | (355,077) |
| Net change in notes payable | (2,625,592) | (2,367,535) |
| NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES | 8,493,913 | (1,096,861) |
| NET INCREASE IN CASH | 15,670,157 | 4,795,471 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | 8,159,031 | 3,363,560 |
| CASH AND CASH EQUIVALENTS, END OF YEAR | \$ 23,829,188 | \$ 8,159,031 |
| SUPPLEMENTAL DISCLOSURES | | |
| Interest paid | \$ 348,971 | \$ 512,160 |

See accompanying notes and independent accountant's review report.

Anne Arundel-SCA Surgicenter, LLC

Notes to Financial Statements

December 31, 2024 and 2023

NOTE 1 – ORGANIZATION AND BUSINESS

Anne Arundel SCA-Surgicenter, LLC (the “Company”) is a Maryland partnership that is majority owned by Anne Arundel-SCA Holdings, LLC and minority owned by several doctors that use the Company’s surgery center locations for their practice. The Company was organized on December 22, 2017 and started operations in January 2019.

The Company is an ambulatory surgery center that performs outpatient surgeries, which are surgeries not requiring a hospitalization. The Company maintains two locations, one in Pasadena, MD and another in Annapolis, MD.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States (GAAP) as set forth in Financial Accounting Standards Board’s (FASB) Accounting Standards Codification (ASC). The financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Accounts receivable

Accounts receivables are presented net of outstanding contractual allowances, and are stated at the amount management expects to collect. Bad debt expense is reported net of recoveries. The Company maintains an allowance for doubtful accounts.

Property and equipment

Acquisitions of equipment and furniture and all expenditures for repairs, maintenance and betterments that materially prolong the useful lives of assets are capitalized if the cost is \$2,500 or more. Expenditures for maintenance and repairs are charged to expense as incurred. Equipment and furniture are stated at cost, less accumulated depreciation. Depreciation and amortization are computed using the straight-line method over estimated useful lives of three to ten years. Leasehold improvements are amortized on the straight-line method over the shorter of the lease term or estimated useful life of the asset.

Income taxes

The Company is treated as a pass-through entity for federal and state income tax purposes whereby each member is taxable on their respective share of income.

In accordance with authoritative guidance on accounting for uncertainty in incomes taxes under ASC 740, *Income Taxes*, management has evaluated the Company’s tax positions that could have a significant effect on the financial statements and determined the Company has taken no uncertain income tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

Leases

In accordance with authoritative guidance on accounting for leases under ASC 842, *Leases*, the Company has recognized a right-of-use asset and corresponding lease liability. The asset and liabilities are reflected “Lease asset, net”, “Lease obligations, current portion”, and “Lease obligations, long-term portion” on the balance sheet. Pursuant to ASC 842, the lease liability is calculated using a discounted cash-flow method. The Company uses a discount rate of 6.5% in calculating its lease obligation. See NOTE 6 for further detail on the Company’s operating leases.

Anne Arundel-SCA Surgicenter, LLC

Notes to Financial Statements

December 31, 2024 and 2023

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Revenue recognition policy

The Company derives its revenue primarily from the performance of outpatient procedures. Revenues are recognized when the procedure has been performed on the client. Revenue is subject to variable consideration, as described below.

Variable consideration

The nature of the Company's business gives rise to variable consideration, including contractual allowances that generally decrease the transaction price which reduces revenue. These contractual allowances are generally credited to the customer based on negotiated pricing with the related insurance provider or other payer. Revenue, net of contractual allowance, is estimated at the most likely amount that is expected to be earned. Estimates of contractual allowances are based upon historical experience and known trends.

Performance obligations

For performance obligations related to outpatient medical procedures, benefit transfers to the patient at a point in time. Revenue, subject to contractual allowances, is recognized at the time services are rendered. The Company does not provide any services where the performance obligations are recognized over time.

NOTE 3 – ACCOUNTS RECEIVABLE

The Company's accounts receivable and allowance for doubtful accounts on procedures consisted of the following amounts as of December 31:

| | 2024 | 2023 | 2022 |
|-----------------------------------|---------------------|---------------------|---------------------|
| Accounts receivable | \$ 2,379,123 | \$ 1,975,397 | \$ 2,279,310 |
| Less: allowance for credit losses | (252,329) | (296,582) | (207,894) |
| Accounts receivable, net | <u>\$ 2,126,794</u> | <u>\$ 1,678,815</u> | <u>\$ 2,071,416</u> |

Credit loss expense for the years ended December 31, 2024 and 2023 was \$334,262 and \$384,644 respectively.

Anne Arundel-SCA Surgicenter, LLC

Notes to Financial Statements

December 31, 2024 and 2023

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2024 and 2023 consisted of:

| | 2024 | 2023 |
|------------------------------------|-------------------|-------------------|
| Medical equipment | \$ 5,650,407 | \$ 5,343,858 |
| Surgical equipment | 1,397,611 | 1,365,192 |
| Furniture and fixtures | 149,844 | 149,844 |
| Computer equipment | 241,561 | 241,561 |
| Leasehold improvements | 9,668,064 | 9,668,064 |
| Software | 169,158 | 169,158 |
| Other equipment | 431,583 | 418,152 |
| Assets not placed in service | 232,313 | - |
| Total cost | \$ 17,940,541 | \$ 17,355,829 |
| Less: accumulated depreciation | (12,278,463) | (10,104,053) |
| Property and equipment, net | \$ 5,662,078 | \$ 7,251,776 |

Depreciation expense for the years ended December 31, 2024 and 2023 was \$2,174,412 and \$2,233,862 respectively.

NOTE 5 – NOTE PAYABLE

In February 2022, the Company refinanced the two term loans into a single term loan with an original balance of \$8,660,030 and a fixed rate of 2.6%, payable in 79 equal payments of \$118,120, and one final payment for any remaining principal and interest remaining. The Company also maintained a \$2,000,000 Line of Credit which matured in October 2024.

Total interest expense for the year ended December 31, 2024 and 2023 was \$362,666 and \$169,732 respectively. Terms of the outstanding loan at December 31, 2024 are as follows:

| Name | Amount | Rate | Payment terms | Maturity |
|-----------|-------------|-------|--|-----------------|
| Term Loan | \$8,660,030 | 2.60% | 79 equal payments and one final payment for the remaining principal and interest | October 5, 2028 |

Anne Arundel-SCA Surgicenter, LLC

Notes to Financial Statements

December 31, 2024 and 2023

NOTE 6 – LEASES

Operating leases

The Company conducts its operations from leased facilities in Pasadena, MD and Annapolis, MD. The leases expire in 2029 and 2026, respectively. The Company is responsible for paying all real estate taxes, utilities and maintenance. Rental expense for the years ended December 31, 2024 and 2023 was approximately \$332,229 and \$344,238 respectively.

Capital leases

During 2022 the Company entered into two capital leases for medical equipment. The first capital lease calls for quarterly payments of \$79,680 and expires in December 2026. The second capital lease calls for monthly payments of \$7,427 and expires in May 2025.

Future minimum lease payments under operating and capital leases are as follows:

| | | |
|---|----|------------------|
| 2025 | \$ | 715,385 |
| 2026 | | 688,003 |
| 2027 | | 165,954 |
| 2028 | | 157,145 |
| 2029 | | 86,729 |
| Total minimum lease payments | | <u>1,813,216</u> |
| Less: Unamortized discount | | <u>(192,600)</u> |
| Present value of minimum lease payments | \$ | <u>1,620,616</u> |

As of December 31, 2024, the weighted average remaining lease term for the Company's operating leases was 2.8 years, and the weighted average discount rate used to measure the lease liabilities was 6.5%.

Tenant improvement allowance

The Company was provided a tenant improvement allowance of \$495,225 as part of its facility leases. This allowance is included in "Right of use asset" on the balance sheet, net of amortization.

Tenant improvement allowance consisted of the following at December 31, 2024 and 2023

| | | |
|-----------------------------------|-------------------|-------------------|
| | 2024 | 2023 |
| Tenant improvement allowance | \$ 495,225 | \$ 495,225 |
| Less: accumulated amortization | (339,164) | (277,633) |
| Tenant improvement allowance, net | <u>\$ 156,061</u> | <u>\$ 217,592</u> |

Amortization expense for December 31, 2024 and 2023 was \$61,531 and \$61,531, respectively.

Lease summary

Total lease liability is summarized as follows for the year ended December 31, 2024:

| | Leases | | Total |
|-------------|-------------------|-------------------|---------------------|
| | Operating | Capital | |
| Current | \$ 291,908 | \$ 334,300 | \$ 626,208 |
| Non-current | 683,976 | 310,432 | 994,408 |
| | <u>\$ 975,844</u> | <u>\$ 644,732</u> | <u>\$ 1,620,616</u> |

Anne Arundel-SCA Surgicenter, LLC

Notes to Financial Statements

December 31, 2024 and 2023

Total lease liability is summarized as follows for the year ended December 31, 2023:

| | Leases | | Total |
|-------------|---------------------|---------------------|---------------------|
| | Operating | Capital | |
| Current | \$ 273,575 | \$ 370,635 | \$ 644,210 |
| Non-current | 975,825 | 644,733 | 1,620,558 |
| | <u>\$ 1,249,400</u> | <u>\$ 1,015,368</u> | <u>\$ 2,264,768</u> |

NOTE 7 – RELATED PARTY TRANSACTIONS

Surgical Care Affiliates (SCA) holds an indirect ownership interest in the Company. The company engages with SCA for a variety of back office and management services. Total management fee expense for the year ended December 31, 2024 and 2023 was \$618,136 and \$600,000 respectively.

The company also receives short-term funding from SCA for working capital and other operational costs. As of December 31, 2024, the net outstanding balance was \$21,380,779 and is reported as “Due to related party” on the balance sheet.

NOTE 8 – SUBSEQUENT EVENTS

Management evaluated subsequent events through April 29, 2025 the date on which the financial statements were available to be issued.

Supplementary Information

Anne Arundel - SCA Surgicenter, LLC
Schedules of Expenses
Years ended December 31, 2024 and 2023

| | 2024 | 2023 |
|--------------------------------|----------------------|---------------------|
| DIRECT EXPENSES | | |
| Direct labor | \$ 2,571,812 | \$ 2,564,051 |
| Direct materials | 8,183,836 | 7,203,355 |
| TOTAL DIRECT EXPENSES | \$ 10,755,648 | \$ 9,767,406 |
| OVERHEAD EXPENSES | | |
| Depreciation and amortization | \$ 2,182,672 | \$ 2,244,640 |
| Overhead salaries | 1,094,282 | 964,968 |
| Contract services | 782,143 | 899,088 |
| Management fee expense | 618,136 | 600,000 |
| Employee benefits | 551,324 | 518,789 |
| Bad debt expense | 334,262 | 384,644 |
| Rent | 332,229 | 344,238 |
| Payroll taxes | 278,707 | 277,987 |
| Utilities | 249,188 | 282,243 |
| Repairs | 173,712 | 135,085 |
| Insurance | 170,233 | 162,232 |
| Interest expense | 169,732 | 516,804 |
| Maintenance contracts | 130,826 | 77,875 |
| Housekeeping and janitorial | 104,916 | 100,857 |
| Miscellaneous expense | 110,722 | 107,465 |
| Other taxes | 85,106 | 88,906 |
| Minor equipment | 83,627 | 114,015 |
| Professional fees | 82,383 | 50,846 |
| Linens | 80,455 | 79,243 |
| Bank services charges | 72,139 | 76,531 |
| Telephone | 50,919 | 49,177 |
| Postage and delivery | 45,653 | 33,936 |
| Collection fees | 27,895 | 19,974 |
| Office supplies | 22,721 | 28,690 |
| Medical director fees | 18,750 | 16,500 |
| Storage | 14,639 | 33,224 |
| Printing | 10,735 | 16,505 |
| Recruitment and relocation | 7,940 | 13,594 |
| Food and catering | 7,859 | 7,224 |
| Legal fees | 7,784 | 2,342 |
| Gifts | 6,961 | 4,635 |
| Education | 5,730 | 13,476 |
| Travel and entertainment | 4,963 | 6,718 |
| Dues and subscriptions | 3,690 | 4,488 |
| Uniforms | 26 | 459 |
| Security | - | 975 |
| Interest and late charges | - | 370 |
| TOTAL OVERHEAD EXPENSES | \$ 7,923,059 | \$ 8,278,743 |

See accompanying notes and independent accountant's review report.

Anne Arundel – SCA Surgicenter, LLC

Financial Statements
December 31, 2023 and 2022

CONTENTS

| | <u>Page</u> |
|---|-------------|
| INDEPENDENT ACCOUNTANT’S REVIEW REPORT ON FINANCIAL STATEMENTS | 3-4 |
| FINANCIAL STATEMENTS | |
| Balance Sheets | 5 |
| Statements of Income and Members' Equity | 6 |
| Statements of Cash Flows | 7 |
| NOTES TO FINANCIAL STATEMENTS | 8 – 12 |
| SUPPLEMENTARY INFORMATION | |
| Schedule of Expenses | 14 |

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Anne Arundel – SCA Surgicenter, LLC

We have reviewed the accompanying financial statements of Anne Arundel – SCA Surgicenter, LLC (a partnership), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of income and members' equity, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Anne Arundel – SCA Surgicenter, LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

ALEXANDRIA
1800 Diagonal Road, Suite 635
Alexandria, VA 22314
703.299.6565

ANNAPOLIS
180 Admiral Cochrane Drive, Suite 520
Annapolis, MD 21401
410.841.5575

LEXINGTON PARK
22738 Maple Road, Suite 201
Lexington Park, MD 20653
301.862.3367

Supplementary Information

The accompanying schedule of expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. We have not audited, reviewed, or compiled such information and we do not express an opinion, a conclusion, nor provide any assurance on it.



HeimLantz CPAs & Advisors, LLC
Annapolis, Maryland

April 30, 2024

EXHIBIT 23

Anne Arundel - SCA Surgicenter, LLC
Balance Sheets
December 31, 2023 and 2022

| | | ASSETS | |
|---------------------------------------|----|------------|---------------|
| | | 2023 | 2022 |
| Current assets | | | |
| Cash and cash equivalents | \$ | 8,159,031 | \$ 3,363,560 |
| Accounts receivable, net | | 1,678,815 | 2,071,416 |
| Prepaid expenses | | 39,431 | 28,831 |
| Inventory | | 6,227 | 35,301 |
| Total current assets | | 9,883,504 | 5,499,108 |
| Non-current assets | | | |
| Property and equipment, net | | 7,251,776 | 9,278,444 |
| Right of use asset | | 975,887 | 1,281,027 |
| Total non-current assets | | 8,227,663 | 10,559,471 |
| TOTAL ASSETS | \$ | 18,111,167 | \$ 16,058,579 |
| LIABILITIES AND MEMBERS' EQUITY | | | |
| LIABILITIES | | | |
| Current liabilities | | | |
| Accounts payable and accrued expenses | \$ | 1,002,629 | \$ 1,376,117 |
| Patient credit balances | | 109,962 | 134,153 |
| Notes payable, current portion | | 1,612,376 | 2,730,447 |
| Lease obligations, current portion | | 644,210 | 633,017 |
| Due to related party | | 6,057,317 | 2,181,566 |
| Total current liabilities | | 9,426,494 | 7,055,300 |
| Long-term liabilities | | | |
| Notes payable, long-term portion | | 5,122,376 | 6,371,840 |
| Lease obligations, long-term portion | | 1,620,558 | 2,366,055 |
| Total long-term liabilities | | 6,742,934 | 8,737,895 |
| TOTAL LIABILITIES | | 16,169,428 | 15,793,195 |
| MEMBERS' EQUITY | | 1,941,739 | 265,384 |
| TOTAL LIABILITIES AND MEMBERS' EQUITY | \$ | 18,111,167 | \$ 16,058,579 |

See accompanying notes and independent accountant's review report.

Anne Arundel - SCA Surgicenter, LLC
 Statements of Income and Members' Equity
 Years ended December 31, 2023 and 2022

| | 2023 | 2022 |
|-------------------------------------|----------------|----------------|
| REVENUES | \$ 154,259,505 | \$ 142,744,224 |
| CONTRACTUAL ALLOWANCE | 132,443,481 | 123,113,290 |
| NET REVENUES | 21,816,024 | 19,630,934 |
| DIRECT EXPENSES | 9,767,406 | 9,432,511 |
| GROSS PROFIT | 12,048,618 | 10,198,423 |
| OVERHEAD EXPENSES | 8,298,743 | 7,964,134 |
| NET OPERATING INCOME | 3,749,875 | 2,234,289 |
| OTHER INCOME | 176,480 | 64,699 |
| NET INCOME | \$ 3,926,355 | \$ 2,298,988 |
| | | |
| BEGINNING MEMBERS' EQUITY (DEFICIT) | \$ 265,384 | \$ (406,698) |
| NET INCOME | 3,926,355 | 2,298,988 |
| DISTRIBUTIONS | 2,250,000 | 1,626,906 |
| ENDING MEMBERS' EQUITY (DEFICIT) | \$ 1,941,739 | \$ 265,384 |

See accompanying notes and independent accountant's review report.

Anne Arundel - SCA Surgicenter, LLC
 Statements of Cash Flows
 Years ended December 31, 2023 and 2022

| | 2023 | 2022 |
|--|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income | \$ 3,926,355 | \$ 2,298,988 |
| Adjustments to reconcile net income to net cash provided by operating activities | | |
| Depreciation | 2,244,640 | 2,266,218 |
| (Increase) decrease in: | | |
| Accounts receivable | 392,601 | (496,687) |
| Prepaid expenses | (10,600) | (7,553) |
| Inventory | 29,074 | (30,135) |
| Right of use asset | 305,140 | 186,553 |
| Increase (decrease) in: | | |
| Accounts payable and accrued expenses | (373,488) | 318,013 |
| Patient credit balances | (24,191) | 21,564 |
| Operating lease liability | (379,227) | (250,464) |
| Other liabilities | - | (191,626) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 6,110,304 | 4,114,871 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Investment in fixed assets | (217,972) | (1,973,557) |
| NET CASH USED IN INVESTING ACTIVITIES | (217,972) | (1,973,557) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Distributions to members | (2,250,000) | (1,626,906) |
| Net change in amount due to/from related party | 3,875,751 | 2,658,285 |
| Net change in financing lease | (355,077) | 985,334 |
| Net change in notes payable | (2,367,535) | (980,090) |
| NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES | (1,096,861) | 1,036,623 |
| NET INCREASE IN CASH | 4,795,471 | 3,177,937 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | 3,363,560 | 185,623 |
| CASH AND CASH EQUIVALENTS, END OF YEAR | \$ 8,159,031 | \$ 3,363,560 |
| SUPPLEMENTAL DISCLOSURES | | |
| Interest paid | \$ 512,160 | \$ 298,091 |

See accompanying notes and independent accountant's review report.

Anne Arundel-SCA Surgicenter, LLC

Notes to Financial Statements

December 31, 2023 and 2022

NOTE 1 – ORGANIZATION AND BUSINESS

Anne Arundel SCA-Surgicenter, LLC (the “Company”) is a Maryland partnership that is majority owned by Anne Arundel-SCA Holdings, LLC and minority owned by several doctors that use the Company’s surgery center locations for their practice. The Company was organized on December 22, 2017 and started operations in January 2019.

The Company is an ambulatory surgery center that performs outpatient surgeries, which are surgeries not requiring a hospitalization. The Company maintains two locations, one in Pasadena, MD and another in Annapolis, MD.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States (GAAP) as set forth in Financial Accounting Standards Board’s (FASB) Accounting Standards Codification (ASC). The financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Accounts receivable

Accounts receivables are presented net of outstanding contractual allowances, and are stated at the amount management expects to collect. Bad debt expense is reported net of recoveries. The Company maintains an allowance for doubtful accounts.

Property and equipment

Acquisitions of equipment and furniture and all expenditures for repairs, maintenance and betterments that materially prolong the useful lives of assets are capitalized if the cost is \$2,500 or more. Expenditures for maintenance and repairs are charged to expense as incurred. Equipment and furniture are stated at cost, less accumulated depreciation. Depreciation and amortization are computed using the straight-line method over estimated useful lives of three to ten years. Leasehold improvements are amortized on the straight-line method over the shorter of the lease term or estimated useful life of the asset.

Income taxes

The Company is treated as a pass-through entity for federal and state income tax purposes whereby each member is taxable on their respective share of income.

In accordance with authoritative guidance on accounting for uncertainty in incomes taxes under ASC 740, *Income Taxes*, management has evaluated the Company’s tax positions that could have a significant effect on the financial statements and determined the Company has taken no uncertain income tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

Leases

In accordance with authoritative guidance on accounting for leases under ASC 842, *Leases*, the Company has recognized a right-of-use asset and corresponding lease liability. The asset and liabilities are reflected “Lease asset, net”, “Lease obligations, current portion”, and “Lease obligations, long-term portion” on the balance sheet. Pursuant to ASC 842, the lease liability is calculated using a discounted cash-flow method. The Company uses a discount rate of 6.5% in calculating its lease obligation. See NOTE 6 for further detail on the Company’s operating leases.

Anne Arundel-SCA Surgicenter, LLC

Notes to Financial Statements

December 31, 2023 and 2022

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Revenue recognition policy

The Company derives its revenue primarily from the performance of outpatient procedures. Revenues are recognized when the procedure has been performed on the client. Revenue is subject to variable consideration, as described below.

Variable consideration

The nature of the Company's business gives rise to variable consideration, including contractual allowances that generally decrease the transaction price which reduces revenue. These contractual allowances are generally credited to the customer based on negotiated pricing with the related insurance provider or other payer. Revenue, net of contractual allowance, is estimated at the most likely amount that is expected to be earned. Estimates of contractual allowances are based upon historical experience and known trends.

Performance obligations

For performance obligations related to outpatient medical procedures, benefit transfers to the patient at a point in time. Revenue, subject to contractual allowances, is recognized at the time services are rendered. The Company does not provide any services where the performance obligations are recognized over time.

Adoption of New Accounting Standard

Effective January 1, 2023, the Company adopted the new "current expected credit loss" accounting guidance in Accounting Standards Update No. 2016-13. Management has determined that the impact of adoption is not material to the financial statements.

NOTE 3 – ACCOUNTS RECEIVABLE

The Company's accounts receivable and allowance for doubtful accounts on procedures consisted of the following amounts as of December 31, 2023 and 2022:

| | 2023 | 2022 |
|---------------------------------------|---------------------|---------------------|
| Accounts receivable | \$ 1,975,397 | \$ 2,279,310 |
| Less: allowance for doubtful accounts | (296,582) | (207,894) |
| Accounts receivable, net | <u>\$ 1,678,815</u> | <u>\$ 2,071,416</u> |

Bad debt expense for the years ended December 31, 2023 and 2022 was \$384,644 and \$263,647 respectively.

Anne Arundel-SCA Surgicenter, LLC

Notes to Financial Statements

December 31, 2023 and 2022

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2023 and 2022 consisted of:

| | 2023 | 2022 |
|------------------------------------|-------------------|-------------------|
| Medical equipment | \$ 5,343,858 | \$ 5,278,262 |
| Surgical equipment | 1,365,192 | 1,348,979 |
| Furniture and fixtures | 149,844 | 149,844 |
| Computer equipment | 241,561 | 241,561 |
| Leasehold improvements | 9,668,064 | 9,595,849 |
| Software | 169,158 | 169,158 |
| Other equipment | 418,152 | 362,573 |
| Construction in progress | - | 2,411 |
| Total cost | \$ 17,355,829 | \$ 17,148,637 |
| Less: accumulated depreciation | (10,104,053) | (7,870,193) |
| Property and equipment, net | \$ 7,251,776 | \$ 9,278,444 |

Depreciation expense for the years ended December 31, 2023 and 2022 was \$2,233,862 and \$2,257,370 respectively.

NOTE 5 – NOTE PAYABLE

In February 2022, the Company refinanced the two term loans into a single term loan with an original balance of \$8,660,030 and a fixed rate of 2.6%, payable in 79 equal payments of \$118,120, and one final payment for any remaining principal and interest remaining. The \$2,000,000 Line of Credit was refinanced with a maturity date of October 2024.

Total interest expense for the year ended December 31, 2023 and 2022 was \$362,666 and \$520,660 respectively. Terms of the loans at December 31, 2023 are as follows:

| Name | Amount | Rate | Payment terms | Maturity |
|--------------------------------|-------------|-------|--|-----------------|
| Term Loan | \$8,660,030 | 2.60% | 79 equal payments and one final payment for the remaining principal and interest | October 5, 2028 |
| Working Capital Line of Credit | \$2,000,000 | LIBOR | Accrued interest payable monthly; principal payable at maturity | October 5, 2024 |

Anne Arundel-SCA Surgicenter, LLC

Notes to Financial Statements

December 31, 2023 and 2022

NOTE 6 – LEASES

Operating leases

The Company conducts its operations from leased facilities in Pasadena, MD and Annapolis, MD. The leases expire in 2028 and 2026, respectively. The Company is responsible for paying all real estate taxes, utilities and maintenance. Rental expense for the years ended December 31, 2023 and 2022 was approximately \$472,088 and \$304,907 respectively.

Capital leases

During 2022 the Company entered into two capital leases for medical equipment. The first capital lease calls for quarterly payments of \$79,680 and expires in December 2026. The second capital lease calls for monthly payments of \$7,427 and expires in May 2025.

Future minimum lease payments under operating and capital leases are as follows:

| | | |
|------------|----|------------------|
| 2023 | \$ | 772,608 |
| 2024 | | 715,384 |
| 2025 | | 688,001 |
| 2026 | | 165,954 |
| 2027 | | 170,934 |
| Thereafter | | 86,730 |
| Total | \$ | <u>2,599,611</u> |

Tenant improvement allowance

The Company was provided a tenant improvement allowances of \$495,225 as part of its facility leases. This allowance is included in “Right of use asset” on the balance sheet, net of amortization.

Tenant improvement allowance consisted of the following at December 31, 2023 and 2022

| | | | |
|-----------------------------------|----|----------------|-------------------|
| | | 2023 | 2022 |
| Tenant improvement allowance | \$ | 495,225 | \$ 495,225 |
| Less: accumulated amortization | | (277,633) | (216,102) |
| Tenant improvement allowance, net | \$ | <u>217,592</u> | <u>\$ 279,123</u> |

Amortization expense for December 31, 2023 and 2022 was \$61,531 and \$61,531, respectively.

Lease summary

Total lease liability is summarized as follows for the year ended December 31, 2023:

| | | Leases | | |
|-------------|----|------------------|---------------------|---------------------|
| | | Operating | Capital | Total |
| Current | \$ | 273,575 | \$ 370,635 | \$ 644,210 |
| Non-current | | 975,825 | 644,733 | 1,620,558 |
| | \$ | <u>1,249,400</u> | <u>\$ 1,015,368</u> | <u>\$ 2,264,768</u> |

Anne Arundel-SCA Surgicenter, LLC

Notes to Financial Statements

December 31, 2023 and 2022

Total lease liability is summarized as follows for the year ended December 31, 2022:

| | Leases | | Total |
|-------------|---------------------|---------------------|---------------------|
| | Operating | Capital | |
| Current | \$ 277,940 | \$ 355,077 | \$ 633,017 |
| Non-current | 1,350,687 | 1,015,368 | 2,366,055 |
| | <u>\$ 1,628,627</u> | <u>\$ 1,370,445</u> | <u>\$ 2,999,072</u> |

NOTE 7 – RELATED PARTY TRANSACTIONS

Surgical Care Affiliates (SCA) holds an indirect ownership interest in the Company. The company engages with SCA for a variety of back office and management services. Total management fee expense for the year ended December 31, 2023 and 2022 was \$600,000 and \$600,000 respectively.

The company also receives short-term funding from SCA for working capital and other operational costs. As of December 31, 2023, the net outstanding balance was \$6,057,317 and is reported as “Due to related party” on the balance sheet.

NOTE 8 – SUBSEQUENT EVENTS

Management evaluated subsequent events through April 30, 2024 the date on which the financial statements were available to be issued.

Supplementary Information

Anne Arundel - SCA Surgicenter, LLC
Schedules of Expenses
Years ended December 31, 2023 and 2022

| | 2023 | 2022 |
|--------------------------------|---------------------|---------------------|
| DIRECT EXPENSES | | |
| Direct labor | \$ 2,564,051 | \$ 2,621,633 |
| Direct materials | 7,203,355 | 6,810,878 |
| TOTAL DIRECT EXPENSES | \$ 9,767,406 | \$ 9,432,511 |
| OVERHEAD EXPENSES | | |
| Depreciation and amortization | \$ 2,244,640 | \$ 2,266,218 |
| Overhead salaries | 964,968 | 823,879 |
| Contract services | 899,088 | 1,045,243 |
| Management fee expense | 600,000 | 600,000 |
| Employee benefits | 518,789 | 450,621 |
| Interest expense | 516,804 | 362,666 |
| Bad debt expense | 384,644 | 263,647 |
| Rent | 344,238 | 472,088 |
| Utilities | 282,243 | 281,375 |
| Payroll taxes | 277,987 | 271,943 |
| Insurance | 162,232 | 186,910 |
| Repairs | 135,085 | 82,179 |
| Minor equipment | 114,015 | 136,648 |
| Miscellaneous expense | 107,465 | 60,066 |
| Housekeeping and janitorial | 100,857 | 93,799 |
| Other taxes | 88,906 | 43,474 |
| Linens | 79,243 | 86,393 |
| Maintenance contracts | 77,875 | 87,851 |
| Bank services charges | 76,531 | 37,228 |
| Professional fees | 50,846 | 46,936 |
| Telephone | 49,177 | 47,418 |
| Postage and delivery | 33,936 | 29,343 |
| Storage | 33,224 | 913 |
| Office supplies | 28,690 | 28,211 |
| Collection fees | 19,974 | 24,578 |
| Printing | 16,505 | 2,534 |
| Medical director fees | 16,500 | 21,813 |
| Recruitment and relocation | 13,594 | 17,700 |
| Education | 13,476 | 12,267 |
| Food and catering | 7,224 | 6,067 |
| Travel and entertainment | 6,718 | 10,077 |
| Gifts | 4,635 | 3,530 |
| Dues and subscriptions | 4,488 | 8,570 |
| Legal fees | 2,342 | 15,996 |
| Security | 975 | 7,465 |
| Uniforms | 459 | 1,624 |
| Interest and late charges | 370 | 1,864 |
| TOTAL OVERHEAD EXPENSES | \$ 8,278,743 | \$ 7,939,134 |

See accompanying notes and independent accountant's review report.

EXHIBIT 24

Ms. Marcia Boyle, Acting Chair
Maryland Health Care Commission
4160 Patterson Ave
Baltimore, MD 21215

Dear Ms. Boyle,

I am writing to express my support for the Certificate of Need (CON) Application submitted by Anne Arundel-SCA Surgicenter, LLC d/b/a AAMC Surgery Center Annapolis. AAMC Surgery Center Annapolis proposes to operate as an ambulatory surgical facility (ASF) with 3 operating rooms. The additional capacity proposed by AAMC Surgery Center Annapolis is needed to address the growing demand for surgical care in the region and to support patients in a high-quality, low cost site of service.

Care delivered in AAMC Surgery Center Annapolis is top quality and provides a satisfying workplace experience for physicians and staff and a highly satisfying patient experience, as well. The quality of care is on par with that achieved in our hospital facilities and expands access to care for our growing community.

Luminis Health believes the additional capacity at this ASF will help meet the demand for care our community expects in the future, as the number of older Marylanders is increasing, particularly in the vicinity of this facility. Due to the anticipated demand for orthopedic surgery, specifically joint surgery, Luminis Health believes this facility will complement the existing surgical capacity in the market and enable patients to obtain timely, high quality care.

I appreciate your thorough consideration of this application which provides an important service to the community in creating access to high quality orthopedic care.

Sincerely,



Jessica Farrar
Vice President, Strategic Planning



June 23, 2025

Anne Arundel – SCA SurgiCenter, LLC
2001 Medical Parkway, Suite 606
Annapolis, Maryland 21401
Attn: Peter Odenwald, President

Re: Commitment for a \$500,000 Revolving Line of Credit and \$2,000,000 Term Loan (collectively, the “Credit Facilities”)

Dear Mr. Odenwald:

Truist Bank (the “Lender”) is pleased to provide its commitment to Anne Arundel – SCA SurgiCenter, LLC (the “Borrower”) for a above-referenced senior secured Credit Facilities as further described in the Summary of Terms and Conditions attached hereto as Exhibit A (the “Term Sheet”), subject to the terms and conditions set forth in this letter and in the Term Sheet (collectively, this “Commitment Letter”).

The commitment of the Lender hereunder is based upon the financial and other information regarding the Borrower previously provided to us. Accordingly, the commitment hereunder is subject to the satisfaction of each of the following conditions precedent in a manner acceptable to us in our sole discretion:

- (i) each of the terms and conditions set forth herein and in the Term Sheet;
- (ii) the absence of a material breach of any representation, warranty or agreement of the Borrower set forth herein;
- (iii) no change, occurrence or development that could, in the Lender’s opinion, have a material adverse effect on the business, assets, liabilities (actual or contingent), operations, condition (financial or otherwise) or prospects of the Borrower shall have occurred;
- (iv) the information concerning the Borrower shall not, in the Lender’s judgment, differ in any material adverse manner from the information and other matters previously disclosed to the Lender prior to date hereof;
- (v) the completion, to our satisfaction, of all legal due diligence with respect to the business, assets, liabilities, operations, condition (financial or otherwise) and prospects of the Borrower in scope and determination satisfactory to the Lender in its sole discretion; and
- (vi) the negotiation, execution and delivery of definitive documentation for the Credit Facilities consistent with the Term Sheet and otherwise satisfactory to the Lender.

This Commitment Letter and the Term Sheet do not summarize all of the terms, conditions, covenants, representations, warranties and other provisions which will be contained in the definitive credit documentation for the Credit Facilities and the transactions contemplated thereby. The Lender shall have the right to require that such credit documentation include, in addition to the provisions outlined herein and

in the Term Sheet, provisions not inconsistent with the Term Sheet considered appropriate by the Lender for this type of financing transaction, as well as provisions not inconsistent with the Term Sheet that the Lender may deem appropriate after it is afforded the opportunity to conduct and complete, to the Lender's satisfaction, the due diligence review described above.

By executing this Commitment Letter, you agree to (i) pay the reasonable fees, disbursements and other charges of legal counsel to the Lender in connection with the negotiation and documentation of the Credit Facilities, and (ii) pay or reimburse the Lender for all reasonable fees and expenses, in each case incurred before or after the date hereof in connection with the Credit Facilities and the other transactions contemplated hereby and whether or not the Credit Facilities close.

The commitment of the Lender to provide the Credit Facilities shall terminate on July 31, 2025 unless this Commitment Letter is accepted by the Borrower in writing and delivered to the Lender prior to such time. Following acceptance by you, the commitment of the Lender with respect to the Credit Facilities shall expire on August 31, 2025 unless the Credit Facilities are closed by such time. To the extent permitted by applicable law, the Borrower agrees to indemnify and hold harmless the Lender from and against any and all claims, damages, liabilities and expenses which may be incurred by or asserted against the Lender in connection with any proceeding arising out of this commitment or the Borrower's use of the proceeds of the Credit Facilities.

This Commitment Letter may be executed in any number of counterparts, each of which shall be an original, and all of which, when taken together, shall constitute one agreement. Delivery of an executed signature page of this Commitment Letter transmitted by electronic means shall be effective as delivery of a manually executed counterpart hereof; provided that such electronic signature shall be promptly followed by the original thereof. This Commitment Letter may not be amended, or any provision hereof waived or modified, except by an instrument in writing signed by the Lender and the Borrower. This Commitment Letter may not be assigned by the Borrower without the prior written consent of the Lender (and any purported assignment without such consent shall be null and void). No person who is not a party to this Commitment Letter shall have or enjoy any rights hereunder and all third-party beneficiary rights are expressly negated. Without limiting the generality of the foregoing, no one other than the Borrower shall have any rights to obtain or compel the issuance of the Credit Facilities.

[Signature Page Follows]

Please indicate your acceptance of this Commitment Letter (and the Term Sheet) by signing in the space provided and returning the original copy to us. The Lender is pleased to have the opportunity to assist you in connection with this proposed financing transaction.

Very truly yours,

TRUIST BANK



By: _____

Tonya L. Hill
Senior Vice President

Accepted and agreed to this ___ day of _____, 2025.

ANNE ARUNDEL – SCA SURGICENTER, LLC

By: _____

Peter Odenwald
President

EXHIBIT A
TERM SHEET

| | |
|----------------------------------|--|
| Term Sheet Date: | June 20, 2025 |
| Borrower(s): | Anne Arundel SCA Surgicenter LLC ("Borrower") |
| Lender: | Truist Bank ("Truist") |
| Guarantor(s): | Luminis Health Care Services, Inc. – 40.8% Surgical Care Affiliates, LLC – 20.4% |
| Facility Amount / Type: | (a) \$500,000 Revolving Credit Facility (b) \$2,000,000 Term Loan |
| Collateral Description: | Blanket lien on all business assets |
| Use of Proceeds: | Construction costs of 3rd operating room and equipment |
| Initial Term: | (a) 12 months (b) interest only for 12 months followed by 60 months principal and interest |
| Repayment: | (a) Interest only with balloon (b) 12 months interest followed by 60 months P & I |
| Variable Interest Rate: | (a) 1-Month Term SOFR + 1.75% (b) 1-Month Term SOFR + 1.50% All Indexes are subject to an Index Floor of 0%. |
| Fixed Rate Option: | (a) n/a (b) Natural Fixed Rate: A fixed rate equal to 5.25% per annum. |
| Prepayment Fee: | Break funding at the time of termination |
| Origination Fees: | (a) 20 bps (\$1,000) (b) 15 bps (\$3,000) |
| Other Fees & Charges: | (a) n/a (b) n/a |
| Financial Covenants: | Such financial covenants as required by Truist which may include: <ul style="list-style-type: none">• minimum debt-service coverage 1.0x measured quarterly on a post-distribution basis• funded debt to EBITDA not greater than 2.75x measured quarterly• no additional debt greater than \$300,000 without the prior written consent of the bank |

Financial Reporting:

Such financial covenants as required by Truist which may include:

- Co Prep quarterly w/in 30 days of FQE
- CPA Reviewed annually w/in 120 days of FYE
- Covenant Compliance Certificate consistent with requirements above
- Business Tax Return due annually w/in 30 days of filing.

Other Requirements:

- Deposit services to be maintained by Borrower with Truist
- Treasury services to be maintained by Borrower with Truist
- Merchant services to be maintained by Borrower with Truist

Other Conditions:

Miscellaneous:

Subject to satisfactory due diligence and documentation typical for transactions of this nature, including affirmative covenants, negative covenants, restricted payments, and other terms to be mutually agreed. All costs incurred by Truist in connection with the proposed financing, including but not limited to, Lender's legal fees and expenses, appraisal and environmental costs and the like (collectively "Costs"), shall be paid by Borrower, whether or not the proposed financing is approved or closes.

Disclaimer:

This Term Sheet is for discussion purposes only and the information contained herein does not represent a promise, contract, agreement, undertaking, or commitment to lend money, to grant, extend, or renew credit, to make any financial accommodation, to delay or forbear any repayment thereof or to modify any provisions related to any such agreement. The proposed financing is subject to standard credit underwriting, due diligence and approval by Truist, which may not be forthcoming. This Term Sheet constitutes the entire understanding between Truist and Borrower in connection with the proposed Loan as of the date hereof, supersedes any prior written or oral communications or understandings, and may be amended only by a writing signed by Truist. This Term Sheet is unconditionally cancellable by Truist at any time, neither party shall have an express or implied duty to negotiate and either party may terminate negotiations at any time in their sole discretion, and partial performance or efforts to carry out other acts in contemplation of consummating the proposed Loan shall not, in isolation or in aggregate, be deemed evidence of intent by either party to be bound by the terms of this Term Sheet. Neither Truist nor Borrower shall be deemed to have entered into, signed or executed binding documents evidencing the Loan by virtue of this or any other communication at any time prior to Truist's express acceptance of Loan documents prepared by Truist or its counsel. The terms discussed herein are confidential and, except for disclosure on a confidential basis to your accountants, attorneys and other professional advisors retained by you in connection with this Term Sheet or as may be required by law, may not be disclosed in whole or in part to any other person or entity without our prior written consent.

EXHIBIT 25



Policy Number and Name: HRS_05_105 Non-Discrimination/Equal Employment Opportunity (EEO) Policy

Department: Human Resources

Replaces Document Number: Effective January 1, 2025

Purpose

The purpose of this policy is to adherence to Equal Opportunity policies to ensure that no discrimination of any kind is ever tolerated. The information included below serves as a guide to help you identify and avoid prohibited behavior, locate resources on inclusion and diversity, and report unfair treatment in the workplace.

Persons Affected

This policy applies to all teammates including those working remotely.

Definitions

Discrimination: could be occurring if you believe you are being treated unfairly or prejudicially because of a characteristic protected under federal, state or local law.

Diversity: a business approach emphasizing human differences in the workplace that contributes to the success of the business.

Need to Know: means disclosing or giving confidential information to someone so that person can make a decision or participate in an investigation.

Policy Statement

SCA Health is committed to compliance with all applicable laws providing equal employment opportunities. SCA Health strives to maintain a workplace that accepts and appreciates diversity and the differences among our teammates.

SCA Health will not discriminate against any applicant or teammate based on person's sex or gender, age, race (including traits historically associated with race, such as hair texture and protective hair styles), color, creed, religion, public assistance, national origin or ancestry, citizenship status, disability (physical or mental), pregnancy, childbirth or a related medical condition (including lactation), marital status, familial status, sexual orientation, gender identity and/or expression, genetic information, or status as a special disabled Veteran, Veteran of the Vietnam era, other eligible protected veteran, status with regards to public assistance, or any other characteristics protected under federal, state or local law.

Harassment and intimidation are recognized forms of discrimination and, as such, are not tolerated. Any teammate who harasses or intimidates another teammate, job applicant, vendor, or customer will be subject to disciplinary action, up to and including termination. For more information on harassment, see *SCA Health's Sexual and Other Harassment Policy*.

Teammates who make good faith complaints or reports of discrimination, or who provide information related to any such complaint or report, are protected from retaliation. For more information, see *SCA Health's Anti-Retaliation Policy*.

Procedure Steps

1. **Making a Report or Complaint of Discrimination:** Individuals who believe they or any other individual have been subjected to discrimination should immediately report this concern. Teammates should report that incident or behavior to at least one of the following:
 - Your manager or any person in your management chain of command
 - **Note: You do not have to make a complaint or report of discrimination to the person who you believe is violating this policy, even if that person is your manager or is in your management chain of command.**
 - [Report a Workplace Concern](#) through the Teammate Service Center (TSC)
 - Any other management teammate
 - A Human Resources representative
 - The Compliance Hotline 1-800-455-4521 (you can remain anonymous)
2. **Reporter Confidentiality & Anonymity:** Only those people who have a “need to know” will be told about your complaint or investigation. The identity of reporters will be treated as confidential and will be disclosed only if required by law or if necessary to investigate the reporter's concerns. *For more information, see SCA Health's Reporting Misconduct Policy.*
3. **Discrimination and Retaliation Are Strictly Prohibited:** SCA Health expressly prohibits discrimination and retaliation against teammates for exercising, or attempting to exercise, their rights under this policy and/or under applicable local, state, and federal laws. Teammates who feel their rights have been violated should open a case via the TSC or contact the Compliance Hotline 1-800-455-4521.
4. **Additional State Specific Rules:** In the event of a conflict between this policy and any applicable local, state, or federal law, SCA Health will apply the policy which provides the greatest protection of the teammate's rights. This list is not exhaustive and may not include federal, state, or local laws passed after the effective date of this policy. SCA Health will endeavor to comply with all federal, state or local laws regardless of whether this policy has been updated to include them.

Enforcement

These policies, procedures, and forms are compiled based on both legal and regulatory requirements as well as industry standard best practices. Persons are expected to use established practices and sound judgment in making decisions.

Any teammate found to have violated this policy may be subject to disciplinary action, up to and including termination of employment.

Business associates found to have violated this policy may be subject to financial penalties, up to and including termination of contract.

SCA Health policies and procedures are confidential proprietary information that should not be disclosed to individuals outside SCA, or to teammates who do not need the information to perform their duties unless expressly authorized by a supervisor or manager. All confidential or proprietary information should be protected against theft, loss, and unauthorized disclosure.



Review and Update

This policy is to be reviewed annually to determine if the policy complies with current regulations and SCA Health practices. In the event that significant related changes occur, the policy will be reviewed and updated as needed.

Referenced Documentation

SCA Health's Anti-Retaliation Policy

SCA Health's Reporting Misconduct Policy

SCA Health's Sexual and Other Harassment Policy

Contact Information:

If you have questions or concerns regarding this policy, please contact your manager or Human Resources.

EXHIBIT 26

1004A_INTERPRETER SERVICES

DEFINITION:

- A qualified translator is a translator who:
 - Adheres to generally accepted translator ethics principles, including client confidentiality.
 - Has demonstrated proficiency in writing and understanding both written English and at least one other written non-English language.
 - Can translate effectively, accurately, and impartially to and from such language(s) and English using any necessary specialized vocabulary, terminology, and phraseology.

POLICY:

- The ASC shall provide meaningful access for Limited English Proficient (LEP) patients to all patient services, including access to information, signage, appointments, financial services and ancillary services.
- The ASC shall develop, implement, and maintain an effective written language access plan specific to the ASC that ensures that LEP patients and their families are able to effectively provide staff with a clear statement of their medical condition and history and understand the healthcare provider's assessment of their medical condition and treatment options.
- LEP patients shall be advised of their right to have a qualified interpreter provided within a reasonable time at no cost to the patient.
- The ASC shall use a qualified translator when translating written content in paper or electronic form.
 - All vital documents shall be translated and available in frequently encountered languages.
 - Vital documents that are not available in a written translation shall be verbally translated to the patient. The provision of oral translation of all vital documents to patients shall be documented in the patient's medical record.

- This organization shall post notices in public spaces of nondiscrimination and taglines that alert individuals with limited English proficiency to the availability of language assistance services.
 - The organization shall post taglines in at least the top 15 non-English languages spoken in the state in which the entity is located or does business.
 - Those requirements are modified for small sized significant communications such as postcards. For these, the final rule (Section 1557) requires entities to post a nondiscrimination statement and taglines in at least the top two non-English languages spoken by individuals with limited English proficiency in the state.
 - To reduce burden and costs, OCR has translated a sample notice and taglines for use by covered entities into 64 languages. For translated materials, visit <https://www.hhs.gov/civil-rights/for-individuals/section-1557/translated-resources/index.html>
- The following types of encounters/procedures, when performed by providers who do not speak the same primary language spoken by the patient, shall require the use of healthcare interpreter services, including, but not limited to:
 - Obtaining medical histories
 - Explaining any diagnosis and plan for medical treatment
 - Discussing any mental health issues or concerns
 - Explaining any change in regimen or condition
 - Explaining any medical procedures, tests, or surgical interventions
 - Explaining patient rights and responsibilities
 - Obtaining informed consent
 - Providing medication instructions and explanation of potential side effects
 - Explaining discharge plans
 - Discussing issues at patient and family care conferences and/or health education sessions
 - Discussing Advance Directives
 - Obtaining financial and insurance information
- The ASC shall **not**:

- Require a patient with limited English proficiency to provide his/her own interpreter.
- Rely on an adult accompanying a patient with limited English proficiency to interpret or facilitate communication, except:
 - In an emergency involving an imminent threat to the safety or welfare of an individual or the public where there is no qualified interpreter for the individual with limited English proficiency immediately available
 - Where the individual with limited English proficiency specifically requests that the accompanying adult interpret or facilitate communication, the accompanying adult agrees to provide such assistance, and reliance on that adult for such assistance is appropriate under the circumstances
- Rely on a minor child to interpret or facilitate communication, except in an emergency involving an imminent threat to the safety or welfare of an individual or the public where there is no qualified interpreter for the individual with limited English proficiency immediately available.
- Rely on staff other than qualified bilingual/multilingual staff to communicate directly with individuals with limited English proficiency.

- Should a patient insist upon the use of a friend or family member to provide him/her with interpreting service, staff shall ensure that a healthcare interpreter is also present to participate in the exchange to confirm that the translation represents an accurate portrayal of the information to staff and the patient.
 - The name of the friend or family member who interprets for the patient and her/his relationship to the patient (e.g., wife, friend) shall be documented in the medical record.
 - Documentation shall note the patient's consent for use of a family member to perform translation services.
 - Necessary emergency care shall not be withheld pending the arrival of interpreter services.
- Contracted Interpreter Services shall meet contract requirements set forth by the ASC leadership.
- If interpreters are employed by this ASC, language competency shall be assessed to ensure that interpretation provided for healthcare services is comprehensive and accurate.
- All necessary contact numbers and access codes for the direct contact of contracted interpreter services, or qualified bilingual staff shall be available to staff providing patient care, treatment and services.
- Video Remote Interpreting Services:
 - If the ASC provides a qualified interpreter for an individual with limited English proficiency through video remote interpreting services, the ASC shall provide:
 - Real-time full-motion video and audio over a dedicated high-speed, wide-bandwidth video connection or wireless connection that delivers high-quality video images that do not produce lags, choppy, blurry, or grainy images, or irregular pauses in communication.
 - A sharply delineated image that is large enough to display the interpreter's face and the participating individual's face regardless of the individual's body position.

- A clear, audible transmission of voices.
 - Adequate training to users of the technology and other involved individuals so that they may quickly and efficiently set up and operate the video remote interpreting.
- Acceptance of language assistance services by the patient is not required.

PROCEDURE:

- Upon presentation to the ASC, language needs shall be determined for all patients:
 - The patient shall be asked if he/she speaks a language other than English at home.
 - If the patient answers "yes," the patient shall be asked in what language he/she prefers to receive his/her medical services and in what language he/she prefers to receive written materials.
 - When a patient self-identifies as not being fluent in English, the patient's primary language shall be documented in the patient's medical records.
 - The name of the individual who interprets for the patient shall be documented in the medical record.
- Acceptable methods for the provision of interpreter services shall include, but not be limited to, the following:
 - In-person interpreting
 - Telephone-based interpreting
Company Name: HASA Phone #: 410-318-6780
 - Videoconferencing interpreting
Company Name: HASA Phone #: 410-318-6780

REFERENCES:

- U.S. Department of Health and Human Services (HHS). (October 2, 2018). The National CLAS Standards. Retrieved from <https://minorityhealth.hhs.gov/omh/browse.aspx?lvl=2&lvlid=53>
- U.S. Department of Health and Human Services (HHS). (May 18, 2016). Nondiscrimination in Health Programs and Activities. *Federal Register*, 81 RF 31375. Retrieved from <https://www.federalregister.gov/documents/2016/05/18/2016-11458/nondiscrimination-in-health-programs-and-activities>

EXHIBIT 27

AFFIRMATION

One or more persons shall be officially authorized in writing by the applicant to sign for and act for the applicant for the project which is the subject of this application. Copies of this authorization shall be attached to the application. The undersigned is the owner(s), or Board-designated official of the proposed or existing facility.

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.

May 23, 2025

Date



Signature of Owner or Board-designated
Official

CEO/Administrator AAMC Surgery Center -
Annapolis

Position/Title

Mari Shade


Printed Name

AFFIRMATION

One or more persons shall be officially authorized in writing by the applicant to sign for and act for the applicant for the project which is the subject of this application. Copies of this authorization shall be attached to the application. The undersigned is the owner(s), or Board-designated official of the proposed or existing facility.

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.

May 23, 2025
Date


Signature of Owner or Board-designated Official
Vice President of Operations, SC & Health
Position/Title
Kristine Lowther
Printed Name

AFFIRMATION

One or more persons shall be officially authorized in writing by the applicant to sign for and act for the applicant for the project which is the subject of this application. Copies of this authorization shall be attached to the application. The undersigned is the owner(s), or Board-designated official of the proposed or existing facility.

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.

May 23, 2025



Signature of Owner or Board-designated Official
Finance Manager – SCA Health

Position/Title
Jake Glombowski

Printed Name

TABLE E. PROJECT BUDGET

INSTRUCTION: Estimates for Capital Costs (1.a-e), Financing Costs and Other Cash Requirements (2.a-g), and Working Capital Startup Costs (3) must reflect current costs as of the date of application and include all costs for construction and renovation. Explain the basis for construction cost estimates, renovation cost estimates, contingencies, interest during construction period, and inflation in an attachment to the application.

NOTE: Inflation should only be included in the Inflation allowance line A.1.e. The value of donated land for the project should be included on Line A.1.d as a use of funds and on line B.8 as a source of funds

| | Hospital Building | Other Structure | Total |
|--|-------------------|--------------------|--------------------|
| A. USE OF FUNDS | | | |
| 1. CAPITAL COSTS | | | |
| a. New Construction | | | |
| (1) Building | | | \$0 |
| (2) Fixed Equipment | | | \$0 |
| (3) Site and Infrastructure | | | \$0 |
| (4) Architect/Engineering Fees | | | \$0 |
| (5) Permits (Building, Utilities, Etc.) | | | \$0 |
| SUBTOTAL | \$0 | | \$0 |
| b. Renovations | | | |
| (1) Building | | \$1,960,000 | \$1,960,000 |
| (2) Fixed Equipment (not included in construction) | | \$1,193,582 | \$1,193,582 |
| (3) Architect/Engineering Fees | | \$264,240 | \$264,240 |
| (4) Permits (Building, Utilities, Etc.) | | \$32,094 | \$32,094 |
| SUBTOTAL | \$0 | \$3,449,916 | \$3,449,916 |
| c. Other Capital Costs | | | |
| (1) Movable Equipment | | | \$0 |
| (2) Contingency Allowance | | \$292,591 | \$292,591 |
| (3) Gross interest during construction period | | | \$0 |
| (4) Other (Specify/add rows if needed) | | | \$0 |
| SUBTOTAL | \$0 | \$292,591 | \$292,591 |
| TOTAL CURRENT CAPITAL COSTS | \$0 | \$3,742,507 | \$3,742,507 |
| d. Land Purchase | | | |
| e. Inflation Allowance | | | |
| | | \$57,278 | \$57,278 |
| TOTAL CAPITAL COSTS | \$0 | \$3,799,785 | \$3,799,785 |
| 2. Financing Cost and Other Cash Requirements | | | |
| a. Loan Placement Fees | | | \$0 |
| b. Bond Discount | | | \$0 |
| c. CON Application Assistance | | | \$0 |
| c1. Legal Fees | | | \$0 |
| c2. Other (Specify/add rows if needed) | | | |
| d. Non-CON Consulting Fees | | \$130,000 | |
| d1. Legal Fees | | | \$0 |
| d2. Other (Specify/add rows if needed) | | | \$0 |
| e. Debt Service Reserve Fund | | | \$0 |
| f. Other Expenses | | | |
| f1. Project Administration | | \$251,100 | |
| f2. Testing & Inspection | | \$5,000 | |
| f3. Insurance & Taxes | | \$12,614 | \$12,614 |
| SUBTOTAL | \$0 | \$398,714 | \$398,714 |
| 3. Working Capital Startup Costs | | | |
| TOTAL USES OF FUNDS | \$0 | \$4,198,499 | \$4,198,499 |
| B. Sources of Funds | | | |
| 1. Cash | | \$2,198,499 | \$2,198,499 |
| 2. Philanthropy (to date and expected) | | | \$0 |
| 3. Authorized Bonds | | | \$0 |
| 4. Interest Income from bond proceeds listed in #3 | | | \$0 |
| 5. Mortgage | | \$2,000,000 | \$2,000,000 |
| 6. Working Capital Loans | | | \$0 |
| 7. Grants or Appropriations | | | |
| a. Federal | | | \$0 |
| b. State | | | \$0 |
| c. Local | | | \$0 |
| 8. Other (Specify/add rows if needed) | | | \$0 |
| TOTAL SOURCES OF FUNDS | | \$4,198,499 | \$4,198,499 |
| | Hospital Building | Other Structure | Total |
| Annual Lease Costs (if applicable) | | | |
| 1. Land | | | \$0 |
| 2. Building | | \$70,000 | \$70,000 |
| 3. Major Movable Equipment | | | \$0 |
| 4. Minor Movable Equipment | | | \$0 |
| 5. Other (Specify/add rows if needed) | | | \$0 |

* Describe the terms of the lease(s) below, including information on the fair market value of the item(s), and the number of years, annual cost, and the interest rate for the lease.