

WILLIAM G. SOMERVILLE
SHAREHOLDER
Direct Dial: 205.250.8375
Direct Fax: 205.488.3775
E-Mail Address: wsomerville@bakerdonelson.com

CO2024-023
RECEIVED
Jul 02 2024
STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

July 2, 2024

Ms. Emily T. Marsal
Executive Director
State Health Planning and Development Agency
P. O. Box 303025
Montgomery, AL 36130-3025

Re: Gastroenterology Consultants of Tuscaloosa, Facility ID No. 125-U6302
Request for Shortening of Time to File Change of Ownership for Good Cause

Dear Executive Director Marsal:

Tuscaloosa Endoscopy hereby requests permission to file a Notice of Change of Ownership on less than 20 days' notice, and as grounds for good cause would show as follows:

1. The undersigned first contacted agency personnel regarding this transaction approximately two months ago, before the details of the transaction had been fully worked out to apprise the Agency of the proposed transaction.
2. On June 12, 2024, approximately 20 days ago, the undersigned sent a letter to the Agency with the details of the transaction as finally agreed upon by the parties to the transaction. A copy of that correspondence is set forth as Exhibit A hereto.
3. On July 1, 2024, we received correspondence from your office confirming that an informational filing is required in connection with the proposed transaction and we have promptly prepared this filing for submission in anticipation of closing on July 3rd. A copy of the July 1st correspondence is attached as Exhibit B hereto.
4. We can confirm that the contemplated transaction is routine, clearly permissible under the statute, does not involve any new proposed services or beds. Thus, it would not affect the public's interest to waive the 20-day filing requirement and allow for a shorter timeframe so that closing may move forward. Also, our

July 2, 2024

Page 2

previous communications with the Agency were intended to apprise the Agency of the details of the transaction, and we would respectfully request that the Agency consider those communications in evaluating this request.

5. Additionally, we are including the required \$2,500 filing fee herein.

We very much appreciate your consideration of this request. Kindly let us know if you require any additional information.

Sincerely yours,

BAKER, DONELSON, BEARMAN,
CALDWELL & BERKOWITZ, PC

A handwritten signature in blue ink that reads "Will Somerville". The signature is written in a cursive style.

WILLIAM G. SOMERVILLE

WGS:kj

EXHIBIT "A"

WILLIAM G. SOMERVILLE, SHAREHOLDER
Direct Dial: 205.250.8375
Direct Fax: 205.488.3775
E-Mail Address: wsomerville@bakerdonelson.com

June 12, 2024

Ms. Emily T. Marsal
Executive Director
State Health Planning and Development Agency
P. O. Box 303025
Montgomery, AL 36130-3025
Email: Emily.marsal@shpda.alabama.gov

Re: Gastroenterology Consultants of Tuscaloosa, Inc.

Dear Ms. Marsal:

We are writing to confirm our understanding that certain transactions Gastroenterology Consultants of Tuscaloosa, Inc., doing business as "Tuscaloosa Endoscopy Center" ("*Tuscaloosa Endoscopy*") proposes to consummate will not require a change of ownership notice.

Tuscaloosa Endoscopy is a corporation and has a single, physician shareholder (the "*Owner*"). The Owner proposes to reorganize the corporate structure of Tuscaloosa Endoscopy pursuant to the following transactions (such transactions being referred to as the "*Reorganization*"). The purpose of the Reorganization is to change the tax status of Tuscaloosa Endoscopy from a subchapter S corporation to a disregarded entity within the meaning of the tax laws. The Reorganization will involve the following steps and, pursuant to Alabama Code §10A-1-8.01(g)(8), Tuscaloosa Endoscopy will remain in existence, and for all purposes under Alabama law the converted limited liability company will be deemed to be the same entity as the converting corporation. The Reorganization will take place as follows:

- (i) the Owner will form a new corporation (“**NewCo**”);
- (ii) the Owner will contribute all of the shares of Tuscaloosa Endoscopy to NewCo in exchange for all of the capital stock of NewCo;
- (iii) the Owner will cause Tuscaloosa Endoscopy to convert from an Alabama corporation to an Alabama limited liability company.

After the Reorganization, Tuscaloosa Endoscopy will be wholly owned by NewCo, and NewCo will be wholly owned by the Owner. Thus, the Owner will continue to own indirectly all of the issued and outstanding equity interests of Tuscaloosa Endoscopy following the completion of the Reorganization. Again, the purpose of the Reorganization is to change the tax status of Tuscaloosa Endoscopy from a S corporation to a disregarded entity.

Following the consummation of the Reorganization, the Owner will cause NewCo to transfer equity interests of Tuscaloosa Endoscopy to three new members, and NewCo and the three new members will be the equity owners of Tuscaloosa Endoscopy. Tuscaloosa Endoscopy will retain the same name, provider number, and taxpayer identification number following the Reorganization and the sale of equity interests to the three new members.

Pursuant to Ala. Code § 22-21-270(f), the sale of ownership interests in a corporation does not constitute a transfer or assignment of a certificate of need. Moreover, the “transfer of equity interests in, or change of names or merger of, any legal business entity which holds a Certificate of Need shall not constitute a transfer, assignment of the Certificate of Need and shall not require SHPDA approval unless the transaction also involves implementing one or more of the new institutional health services” Ala. Admin. Code r. 410-1-11-.09(c). This transaction will not involve any new institutional health services, new health care facilities, capital expenditures, or major medical equipment.

Based on the above, please confirm our understanding that neither (i) the Reorganization nor (ii) the transfer of equity interests of Tuscaloosa Endoscopy after the Reorganization will require a change of ownership notice.

We appreciate your consideration of this matter.

June 12, 2024
Page 3

Sincerely yours,

A handwritten signature in blue ink that reads "Will Somerville". The signature is written in a cursive style with a large, stylized "W" and "S".

William G. Somerville

Cc: Mr. Bradford L Williams (bradford.williams@shpda.alabama.gov)
Dana Billingsley, Esq., Alabama Department of Public Health
(dana.billingsley@adph.state.al.us)

EXHIBIT "B"



STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

100 NORTH UNION STREET, SUITE 870
MONTGOMERY, ALABAMA 36104

July 1, 2024

William G. Somerville, Attorney
Baker, Donelson, Bearman, Caldwell & Berkowitz, PC
1901 Sixth Avenue North, Suite 2600
Birmingham, Alabama 35203

RE: 125-U6302
Tuscaloosa Endoscopy Center
Notice of Reorganization

Dear Mr. Somerville:

Gastroenterology Consultants of Tuscaloosa, Inc., dba Tuscaloosa Endoscopy Center ("Tuscaloosa Endoscopy") holds CON 1096-ASC to operate as a single-specialty outpatient endoscopy ambulatory surgery center. By letter dated June 12, 2024, you have notified our office of a series of transactions that include the conversion of Tuscaloosa Endoscopy from an Alabama corporation to an Alabama limited liability company, which will be followed by the transfer of equity interests in Tuscaloosa Endoscopy to three new members.

The Alabama corporate conversion statute provides, for domestic entities, that 'for all purposes of the laws of this state, the converted entity shall be deemed to be the same entity as the converting entity, and the conversion shall constitute a continuation of the existence of the converting entity in the form of the converted entity'.

While ALA. CODE §22-21-270(e) restricts assignments of CONs that have not yet vested, it does not restrict a transfer of ownership of a vested CON. (ALA. CODE § 22-21-270 (d)) A 2013 amendment to this statute also clarified that the transfer of underlying equity interests in, or merger of, a legal entity holding a CON does not constitute a change of ownership of the CON itself. (ALA. CODE § 22-21-270 (f)) The amendment also permitted SHPDA to "adopt rules requiring the submission of informational filings relating to a transfer of control or ownership interests", which SHPDA has implemented through its "Change of Ownership" form. (ALA. ADMIN. CODE 410-1-7-.04)

As described in your letter, the conversion under the Alabama conversion statute will not result in a transfer of the CON, and the ultimate ownership and control of the entity holding the CON will be the same on the moment after the conversion as on the moment before. However, the subsequent transfer of equity interests in the limited liability company may, depending on the structure and nature of the interests, result in a "change of control", thus triggering the informational filing requirement. For this purpose, "ownership and control" means ownership, directly or through one or more affiliates, of 50 percent or more of the shares of stock entitled to vote for the election of directors, in the case of a corporation, or 50 percent or more of the voting equity interests, in the case of any other type of legal entity, or status as a general partner in any partnership, or any other arrangement whereby an entity including, without limitation, any governmental

125-U6302 Tuscaloosa Endoscopy Center
July 1, 2024
Page Two

entity, has the right to control the selection of 50 percent or more of the board of directors, managing members, or equivalent governing body of a legal entity.

ALA. ADMIN. CODE 410-1-7-.04 requires notice of a change of ownership or control to be submitted at least twenty (20) days before the transaction occurs unless otherwise authorized by the Executive Director for good cause shown. An appropriate form should be filled out and filed with the Agency prior to any such change of control. If the change of control is expected to occur within twenty (20) days of the notice, the notice should be accompanied by a request and showing of "good cause" as to why this advance notice period should be waived by the Executive Director.

Pursuant to ALA. ADMIN. CODE r. 410-1-3-.09, all documents to be filed must be submitted electronically to shpda.online@shpda.alabama.gov in text searchable, PDF format. Only those pages containing corrections or additional information should be resubmitted.

Should you have any questions, please contact the Agency at (334) 242-4103.

Sincerely,

A handwritten signature in black ink, appearing to read "Emily T. Marsal". The signature is fluid and cursive, with a large, stylized "E" and "M".

Emily T. Marsal
Executive Director

ETM:blw

NOTICE OF CHANGE OF OWNERSHIP/CONTROL

The following notification of intent is provided pursuant to all applicable provisions of ALA. CODE § 22-21-270 (1975 as amended) and ALA. ADMIN. CODE r. 410-1-7-.04. This notice must be filed at least twenty (20) days prior to the transaction.

- Change in Direct Ownership or Control (of a vested Facility; ALA. CODE §§ 22-20-271(d), (e))
- Change in Certificate of Need Holder (ALA. CODE § 22-20-271(f))
- Change in Facility Management (Facility Operator)

Any transaction other than those above-described requires an application for a Certificate of Need.

Part I: Facility Information

SHPDA ID Number: 125-U6302
(This can be found at www.shpda.alabama.gov, Health Care Data, ID Codes)

Name of Facility/Provider: Tuscaloosa Endoscopy Center
(ADPH Licensure Name)

Physical Address: 120 Rice Mine Road NE, Ste. E
Tuscaloosa, AL 35406

County of Location: TUSCALOOSA

Number of Beds/ESRD Stations: 0

CON Authorized Service Area (Home Health and Hospice Providers Only). Attach additional pages if necessary. _____

Part II: Current Authority (Note: If this transaction will result in a change in direct ownership or control, as defined under ALA. CODE § 22-20-271(e), please attach organizational charts outlining current and proposed structures.)

Owner (Entity Name) of Facility named in Part I: Gastroenterology Consultants of Tuscaloosa, Inc.

Mailing Address: 120 Rice Mine Road NE, Ste. E
Tuscaloosa, AL 35406

Operator (Entity Name): Tuscaloosa Endocopy Center

Part III: Acquiring Entity Information

Name of Entity: Gastroenterology Consultants of Tuscaloosa, LLC

Mailing Address: 120 Rice Mine Road NE, Ste. E
Tuscaloosa, AL 35406

Operator (Entity Name): same

Proposed Date of Transaction is on or after: 07/03/2024

Part IV: Terms of Purchase

Monetary Value of Purchase: \$ 2,758,225.00

Type of Beds: ASC

Number of Beds/ESRD Stations: 0

Financial Scope: to Include Preliminary Estimate of the Cost Broken Down by Equipment, Construction, and Yearly Operating Cost:

Projected Equipment Cost: \$ 0.00

Projected Construction Cost: \$ 0.00

Projected Yearly Operating Cost: \$ 0.00

Projected Total Cost: \$ 0.00

On an Attached Sheet Please Address the Following:


- 1.) The services to be offered by the proposal (the applicant will state whether he has previously offered the service, whether the service is an extension of a presently offered service, or whether the service is a new service).
- 2.) Whether the proposal will include the addition of any new beds.
- 3.) Whether the proposal will involve the conversion of beds.
- 4.) Whether the assets and stock (if any) will be acquired.

Part V: Certification of Information

Current Authority Signature(s):

The information contained in this notification is true and correct to the best of my knowledge and belief.

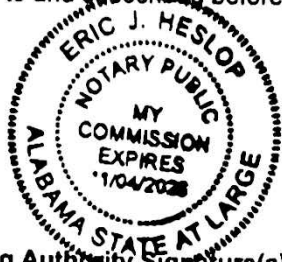
Owner(s): ADI B. REDDY MD 

Operator(s): ADI B. REDDY MD 

Title/Date: President. 7/1/24 

SWORN to and subscribed before me, this 1ST day of JULY, 2024.

(Seal)



Notary Public

My Commission Expires: 11/04/2025

Acquiring Authority Signature(s):

I agree to be responsible for reporting of all services provided during the current annual reporting period, as specified in ALA. ADMIN. CODE r. 410-1-3-.12. The information contained in this notification is true and correct to the best of my knowledge and belief.

Purchaser(s): ADI B. REDDY MD [Signature]

Operator(s): ADI B. REDDY MD [Signature]

Title/Date: President 7/1/24 [Signature]

SWORN to and subscribed before me, this 1ST day of JULY, 2024.

(Seal)



Notary Public

My Commission Expires: 11/04/2025

Author: Alva M. Lambert

Statutory Authority: § 22-21-271(c), Code of Alabama, 1975

History: New Rule

Addendum to Notice of Change of Ownership/Control for Tuscaloosa Endoscopy

Part IV:

- 1) The services to be offered by the proposal (the applicant will state whether he has previously offered the service, whether the service is an extension of a presently offered service, or whether the service is a new service).

Response: N/A. There are no new services proposed to be offered by the facility.

- 2) Whether the proposal will include the addition of any new beds.

Response: N/A. No new beds are being added.

- 3) Whether the proposal will involve the conversion of beds.

Response: N/A. No beds are being converted.

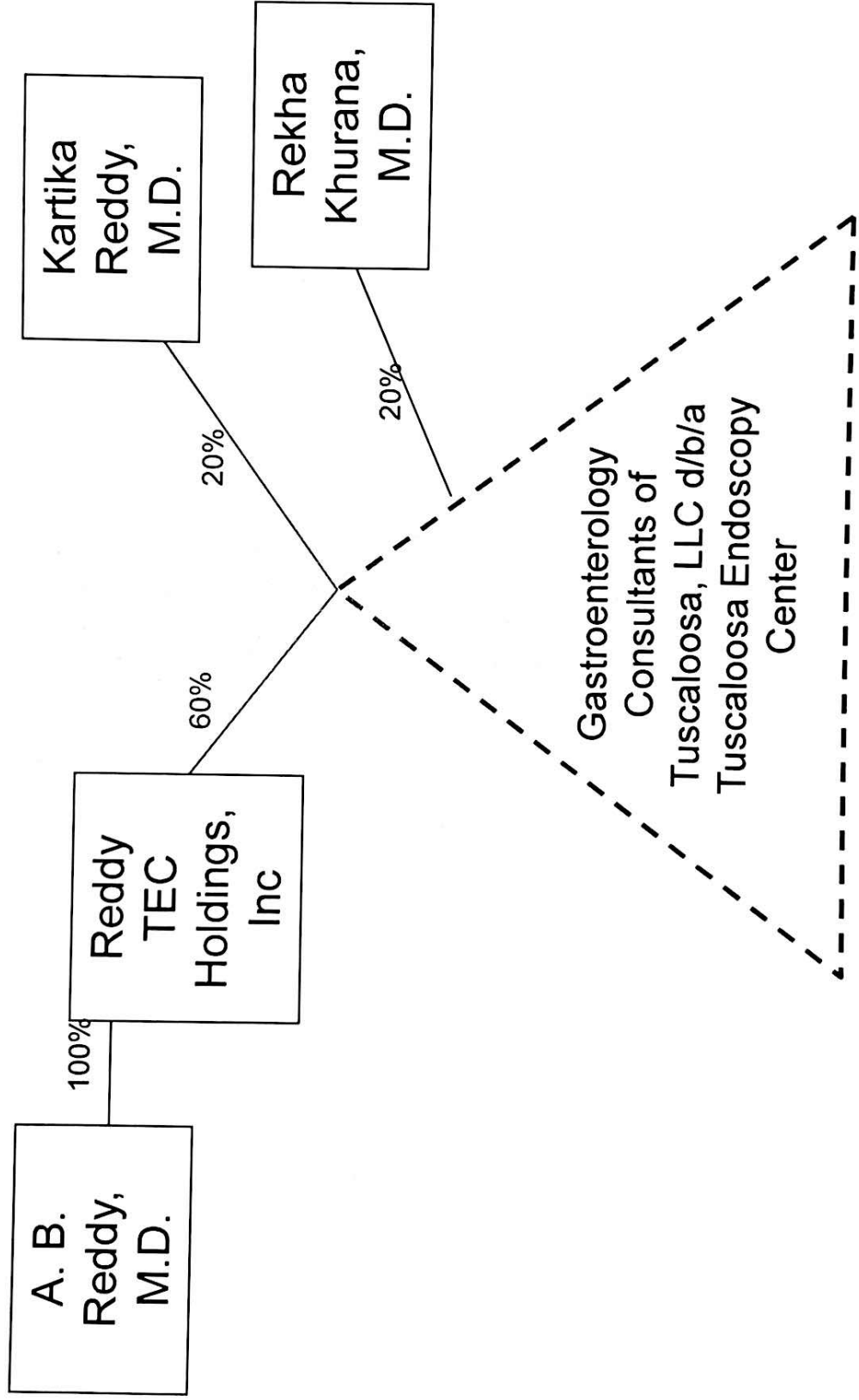
- 4) Whether the assets and stock (if any) will be acquired.

Response: Please see the attachment hereto outlining the transfer of certain equity interests in Tuscaloosa Endoscopy Center. Currently the membership interests are held by: Reddy TEC Holdings, Inc., a company owned 100% by A.B. Reddy, M.D. (60%); Kartika Reddy, M.D. (20%); and Rekha Khurana, M.D. (20%).

Subsequent to the transaction, the ownership in Tuscaloosa Endoscopy Center will be as follows: Reddy TEC Holdings, Inc. (9%); Kartika Reddy, M.D. (20%); Rekha Khurana, M.D. (20%); and SurgNet Tuscaloosa, LLC (51%).

Additional Note: Gastroenterology Consultants of Tuscaloosa, Inc. changed its tax status from a subchapter S corporation to a disregarded entity within the meaning of the tax laws. A copy of this filing is attached. This Reorganization was completed consistent with Alabama Code §10A-1-8.01(g)(8), resulting in the entity remaining in existence, and for all purposes under Alabama law the converted limited liability company is deemed to be the same entity as the converting corporation, including maintenance of the same name, taxpayer identification number and provider number.

OWNERSHIP AS OF JULY 1, 2024

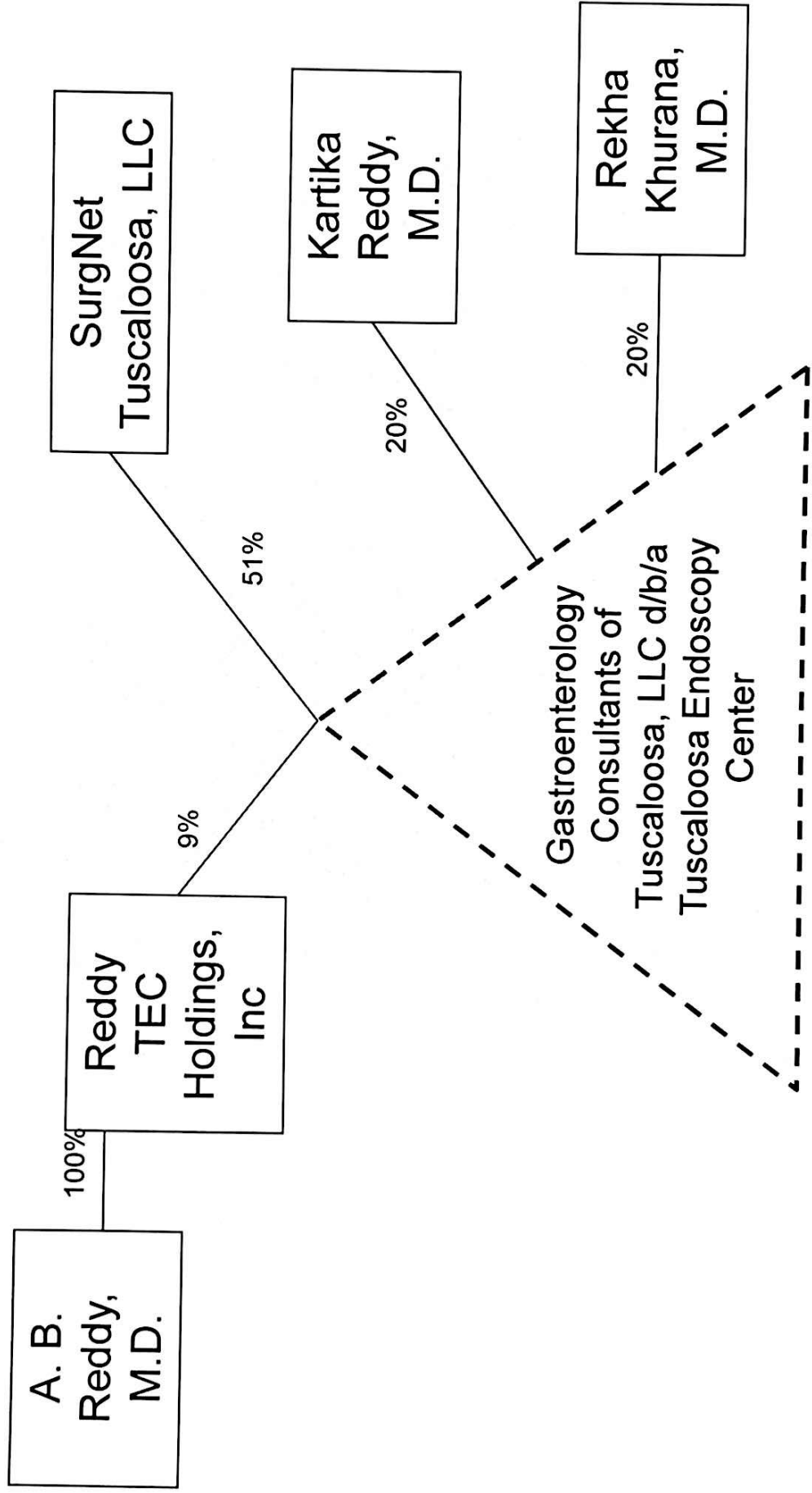


DESCRIPTION OF TRANSACTION

- SurgNet Tuscaloosa, LLC will purchase 51% of the outstanding membership interests of Gastroenterology Consultants of Tuscaloosa, LLC, d/b/a Tuscaloosa Endoscopy Center, from Reddy TEC Holdings, Inc.

OWNERSHIP AFTER TRANSACTION

End Result



STATE OF ALABAMA

DOMESTIC LIMITED LIABILITY COMPANY (LLC)
CERTIFICATE OF FORMATION

PURPOSE: In order to form a Limited Liability Company (LLC) under Section 10A-5A-2.01 of the *Code of Alabama 1975*, this Certificate of Formation and the appropriate filing fees must be filed with the Office of the Secretary of State. **The information required in this form is required by Title 10A.**

INSTRUCTIONS: Mail 2 copies of this completed form along with a self-addressed, stamped envelope to:

*Secretary of State, Business Services, P.O. Box 5616, Montgomery, Alabama 36103.

*Include a check, money order, or credit card payment for the \$200.00 processing fee.

*The Secretary of State shall pay the sum of \$100.00 to the county treasurer for the county in which the office of the initial registered agent for that entity is located.

*You may file the Certificate of Formation online in the time it takes to type this request.

*The Certificate will not be registered if the credit/debit card does not authorize and will be removed from the index if the check is dishonored (\$30 fee).

This form must be typed and will not be accepted via email.

- 1. The name of the limited liability company (must contain the words "Limited Liability Company" or the abbreviation "L.L.C." or "LLC," and comply with *Code of Alabama*, Section 10A-1-5.06. You may use Professional or Series before Limited Liability Company or LLC (or PLLC or SLLC) if they apply:

GASTROENTEROLOGY CONSULTANTS OF TUSCALOOSA, LLC

- 2. ***A copy of the Name Reservation Certificate from the Office of the Secretary of State must be attached.***

- 3. The name of the registered agent (only one agent): Adi B. Reddy, M.D.

Street (**no PO Boxes**) address of registered office (must be located in Alabama): _____

100 Rice Mine Road, Tuscaloosa, AL 35406

*COUNTY of above address: Tuscaloosa

Mailing address in Alabama of registered office (if different from street address): same as above

- 4. The undersigned certify that there is at least one member of the limited liability company.

This form was prepared by: (type name and full address)

Andrew Dunstan
Foley & Lardner LLP
100 N. Tampa Street, Suite 2700
Tampa, Florida 33602

(For SOS Office Use Only)

Alabama
Sec. Of State
Entity Change
000-231-374 D/C
Date 6/20/2024
Time 14:39
240620 7 Pg

File \$100.00
County \$.00

Total \$100.00
08/002

DOMESTIC LIMITED LIABILITY COMPANY (LLC) CERTIFICATE OF FORMATION

5. Check only if the type applies to the Limited Liability Company being formed:

Series LLC complying with Title 10A, Chapter 5A, Article 11

Professional LLC complying with Title 10A, Chapter 5A, Article 8

Non-Profit LLC complying with Section 10A-5A-1.04(c)

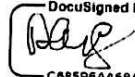
6. The filing of the limited liability company is effective immediately on the date received by the office of the Secretary of State, Business Services Division or at the delayed filing date (cannot be prior to the filing date) specified in this filing complying with Section 10A-1-4.12

The undersigned specify _____ / _____ / _____ as the effective date (must be on or after the date filed in the office of the Secretary of State, but no later than the 90th day after the date this instrument was signed) and the time of filing to be _____; AM or PM. (cannot be noon or midnight – 12:00)

Attached are any other matters the members determine to include herein (if this item is checked there must be attachments with the filing).

06 / 18 / 2024
Date (MM/DD/YYYY)

DocuSigned by:



C68586AA68A4475...

Signature as required by 10A-5A-2.04

Adi B. Reddy, M.D.

Typed name of above signature

Organizer

Typed title (organizer or attorney-in-fact)

Additional organizers/attorney-in-facts may sign (add additional sheets if necessary).

*County of Registered Agent is requested in order to determine distribution of County filing fees.

STATE OF ALABAMA

CONVERSION OF A DOMESTIC ENTITY

PURPOSE: In order to change the entity type of a domestic entity (any entity formed in Alabama), the entity must deliver the documentation in this form pursuant to Section 10A-1-8.01, Code of Alabama 1975.

INSTRUCTIONS: Mail 2 copies of this completed form along with a self-addressed, stamped envelope to:

*Secretary of State, Business Services, P.O. Box 5616, Montgomery, Alabama 36103.

*Include a check, money order, or credit card payment for the \$100.00 processing fee.

*Must include completed form of Certificate of Formation/Incorporation for the new entity type.

*You may email the filing to miscellaneous.filings@sos.alabama.gov

*Your filing will not be indexed if the credit/debit card does not authorize and will be removed from the index if the check is dishonored (\$30 fee).

This form must be typed or the request will be rejected without review.

1. Information on the converting entity (entity will change entity type at conversion and will retain the unique AL Entity ID Number originally assigned):

Alabama Entity ID Number (Format: 000-000-000): 000 - 231 - 374 TO OBTAIN ID NUMBER, go to our website at www.sos.alabama.gov, click on Business Services (below picture), click on Business Entity and Name Search, click on Entity Name, enter the name of the entity in the appropriate box, and enter. Click on the number and verify that this is the correct entity. **This step is strongly recommended.**

2. The name of the converting entity as recorded with the Secretary of State of Alabama:

GASTROENTEROLOGY CONSULTANTS OF TUSCALOOSA, INC.

3. Street (No PO Boxes) address of converting entity: 100 Rice Mine Road, Tuscaloosa, AL 35406

Mailing address (if different): same as above

This form was prepared by: (type name and full address)

Andrew Dunstan
Foley & Lardner LLP
100 N. Tampa Street, Suite 2700
Tampa, Florida 33602

(For SOS Use Only)

Alabama
Sec. Of State
Entity Change
000-231-374 D/C
Date 6/20/2024
Time 14:39
240620 7 Pg

File \$100.00
County \$.00
Total \$100.00
08/002

CONVERSION OF DOMESTIC ENTITY

4. **Information on the converted entity (formed by conversion changing the converting entity but retaining the unique AL Entity ID Number originally assigned in item 1) – this entity will continue to exist:**

The name of the new domestic entity resulting from this conversion (A domestic name reservation certificate issued by the Alabama Secretary of State must be attached if the name is changing more than the entity identifier information – such as Inc., LLC, etc. – if only the identifier information is changing, no name reservation is required):

GASTROENTEROLOGY CONSULTANTS OF TUSCALOOSA, LLC

5. Street (No PO Boxes) address of converted entity: 100 Rice Mine Road, Tuscaloosa, AL 35406

Mailing address (if different) same as above

6. Name of registered agent for service of process (MUST be physically located in Alabama):

Individual: Adi B. Reddy, M.D.

OR

Organization/Entity name: _____

Street (No PO Boxes) address of registered office: 100 Rice Mine Road, Tuscaloosa, AL 35406

Mailing address in Alabama (if different) same as above

7. Optional information: name of the Organizer/Incorporator: _____

Street (No PO Boxes) address of Organizer/Incorporator: _____

Mailing address of Organizer – (if different from street address): _____

Optional information: name of the Organizer/Incorporator: _____

Street (No PO Boxes) address of Organizer/Incorporator: _____

Mailing address of Organizer – (if different from street address): _____

Attach a listing if more Organizers/Incorporators need to be added.

CONVERSION OF DOMESTIC ENTITY

NEW CERTIFICATE OF FORMATION/INCORPORATION FORM MUST BE COMPLETED AND ATTACHED

<https://www.sos.alabama.gov/business-entities/business-downloads>

8. The Type of Entity formed by conversion (must check one) and the following attachments must be included with the filing based on type of converted entity:

- Business Corporation:** attachment stating the amount of stock the corporation is authorized to issue, and purpose or purposes for which the corporation is formed (10A-2A-2.02)
- Nonprofit Corporation:** attachment stating if the nonprofit corporation is to have members or a statement that there are to be no members; number of initial directors constituting the initial board of directors; and names and addresses of the initial directors (10A-3-3.02)
- Professional Corporation (PC):** attachment stating the number of shares the corporation is authorized to issue; names and addresses of individuals who will serve as the initial directors and; purpose or purposes for which the corporation is formed (10A-4-1.02); and a statement that the converted entity is formed under 10A-4-2.02.
- Limited Liability Company (LLC):** attachment stating that there is at least one member of the Limited Liability Company (10A-5A-2.01)
- Series Limited Liability Company (SLLC):** attachment stating that there is at least one member of the Limited Liability Company (10A-5A-2.01)
- Professional Limited Liability Company (PLLC):** attachment stating that there is at least one member of the Limited Liability Company (10A-5A-2.01)
- Limited Partnership (LP):** the name and the street and mailing address of each general partner must be attached (10A-9A-2.01); and each general partner must sign this formation by conversion document (10A-1-3.04)
- Limited Liability Partnership (LLP):** a brief statement of the business in which the partnership engages (10A-8A-10.01)
- Limited Liability Limited Partnership (LLLP):** by definition the LLLP follows the filing format of the Limited Partnership above (10A-9A-1.02(9) and (11))
- Employee Cooperative Corporation:** if this converted entity is a type not listed above you must provide any information required by Title 10A for formation of that type of entity.
- Real Estate Investment Trust:** if this converted entity is a type not listed above you must provide any information required by Title 10A for formation of that type of entity.
- General Partnership:** if this converted entity is a type not listed above you must provide any information required by Title 10A for formation of that type of entity.
- Not for Profit General Partnership:** if this converted entity is a type not listed above you must provide any information required by Title 10A for formation of that type of entity.

***Must include the terms and conditions of the conversion, including the manner and basis for converting interest in the converting entity into any combination of money, interests in the converted entity, and other consideration allowed in subsection (c). Required by 10A-1-8.01(b)(1)(c)**

NEW CERTIFICATE OF FORMATION/INCORPORATION FORM MUST BE COMPLETED AND ATTACHED

<https://www.sos.alabama.gov/business-entities/business-downloads>

CONVERSION OF DOMESTIC ENTITY

The undersigned reviewed and agree with the following numbered statements 9 through 15:

- 9. The surviving domestic entity is formed by conversion.
- 10. The duration of the entity shall be perpetual unless otherwise stated by attachment. The entity will continue to exist until it is dissolved, terminated, cancelled, or revoked in accordance with Title 10A.
- 11. The undersigned certify that if the converted entity is one in which one or more owners lack limited liability protection, each owner who is to become an owner without limited liability protection with respect to the resulting entity has consented in writing to the conversion as required by 10A-1-8.01.
- 12. A director has no liability to the corporation or its stockholders for money damages for any action taken, or any failure to take any action, as a director, except liability for (A) the amount of financial benefit received by a director to which he or she is not entitled; (B) an intentional infliction of harm on the corporation or the stockholders; (C) a violation of Section 10A-2A-8.32; (D) an intentional violation of criminal law; or (E) a breach of the director's duty of loyalty to the corporation or its stockholders.
- 13. The undersigned certify that this conversion was approved pursuant to 10A-1-8.01.
- 14. **Notification for ANNUAL REPORT requirements:**
Business Corporations and Professional Corporations: The annual report is filed as an addendum to the Business Privilege Tax Return with the Alabama Department of Revenue. The fee is \$10.00 Section 10A-2A-16.11(e). Contact the Alabama Department of Revenue for filing instructions, dates, and forms.
Nonprofit Corporations, Limited Liability Companies, Limited Partnerships (LP), and Limited Liability Limited Partnerships (LLLP): No annual report is required.
- 15. Other terms and conditions not inconsistent with the *Code of Alabama*, Title 10A and additional authorized signatures may be added by attachment.

This filing will have a delayed effective date of ____/____/____ and time ____:____ AM PM
 The delayed effective date may not be prior to the date received and accepted for filing by the Alabama Secretary of State. The date may be any date after the date the filing is received and filed not to exceed ninety (90) days after the signing of this document. The time of filing to be ____:____ AM PM. (Cannot be noon or midnight-12:00)

NEW CERTIFICATE OF FORMATION/INCORPORATION FORM MUST BE COMPLETED AND ATTACHED

DO NOT FILE A NEW FORMATION

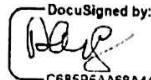
CONVERSION OF DOMESTIC ENTITY

Signature Page

More than one authorized person may sign (for an LP or LLLP all General Partners must sign).

6 / 18 / 2024
Date (MM/DD/YYYY)

Ali B. Reddy, M.D., Authorized Person
Typed name **and** title of signature below

DocuSigned by:

C685B6AA688A4475...

Signature of person authorized to sign per 10A-1-4.01

/ /
Date (MM/DD/YYYY)

Typed name **and** title of signature below

Signature of person authorized to sign per 10A-1-4.01

/ /
Date (MM/DD/YYYY)

Typed name **and** title of signature below

Signature of person authorized to sign per 10A-1-4.01

Qualified Subchapter S Subsidiary Election

OMB No. 1545-0123

(Under section 1361(b)(3) of the Internal Revenue Code)
 ▶ Go to www.irs.gov/Form8869 for instructions and the latest information.

Part I Parent S Corporation Making the Election

1a Name of parent Reddy TEC Holdings, Inc.		2 Employer identification number (EIN) 63-0892558
b Number, street, and room or suite no. If a P.O. box, see instructions. 1142 Wellesley Green		3 Tax year ending (month and day) December 31
c City or town, state or province, country, and ZIP or foreign postal code Tuscaloosa, Alabama 35406		4 Service center where last return was filed n/a
5 Name and title of officer or legal representative whom the IRS may call for more information Adi B. Reddy M.D., President		6 Telephone number of officer or legal representative (205) 454-9462

Part II Subsidiary Corporation for Which Election is Made (For additional subsidiaries, see instructions.)

7a Name of subsidiary Gastroenterology Consultants of Tuscaloosa, Inc.		8 EIN (if any) 99-3432441
b Number, street, and room or suite no. If a P.O. box, see instructions. 120 Ricemine Road North		9 Date incorporated 10/02/2003
c City or town, state or province, country, and ZIP or foreign postal code Tuscaloosa, Alabama 35406		10 State of incorporation Alabama
11 Date election is to take effect (month, day, year) (see instructions) ▶ June 17, 2024		
12 Did the subsidiary previously file a federal income tax return? If "Yes," complete lines 13a, 13b, and 13c ▶ <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
13a Service center where last return was filed Electronic	13b Tax year ending date of last return (month, day, year) ▶ 12/31/2023	13c Check type of return filed: <input type="checkbox"/> Form 1120 <input checked="" type="checkbox"/> Form 1120-S <input type="checkbox"/> Other ▶
14 Is this election being made in combination with a section 368(a)(1)(F) reorganization described in Rev. Rul. 2008-18, where the subsidiary was an S corporation immediately before the election and a newly formed holding company will be the subsidiary's parent? ▶ <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
15 Was the subsidiary's last return filed as part of a consolidated return? If "Yes," complete lines 16a, 16b, and 16c ▶ <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
16a Name of common parent	16b EIN of common parent	16c Service center where consolidated return was filed

Under penalties of perjury, I declare that I have examined this election, including accompanying statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Signature of officer of parent corporation ▶  Title ▶ **President** Date ▶ **June 17, 2024**