

13047
RECEIVEDILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT

AUG 05 2013

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION **HEALTH FACILITIES & SERVICES REVIEW BOARD**

This Section must be completed for all projects.

ORIGINAL**Facility/Project Identification**

Facility Name:	Midwestern Regional Medical Center, Inc.		
Street Address:	2520 Elisha Avenue		
City and Zip Code:	Zion 60099		
County:	Lake	Health Service Area	8 Health Planning Area: A-09

Applicant /Co-Applicant Identification

[Provide for each co-applicant [refer to Part 1130.220].

Exact Legal Name:	Midwestern Regional Medical Center, Inc.
Address:	2520 Elisha Avenue, Zion, IL 60099
Name of Registered Agent:	Steven L. Kroll
Name of Chief Executive Officer:	Scott Jones
CEO Address:	2520 Elisha Avenue, Zion, IL 60099
Telephone Number:	(847) 872-6300

Type of Ownership of Applicant/Co-Applicant

- | | |
|--|--|
| <input type="checkbox"/> Non-profit Corporation | <input type="checkbox"/> Partnership |
| <input checked="" type="checkbox"/> For-profit Corporation | <input type="checkbox"/> Governmental |
| <input type="checkbox"/> Limited Liability Company | <input type="checkbox"/> Sole Proprietorship |
| | <input type="checkbox"/> Other |

- o Corporations and limited liability companies must provide an **Illinois certificate of good standing**.
- o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.

APPEND DOCUMENTATION AS ATTACHMENT-1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**Primary Contact**

[Person to receive ALL correspondence or inquiries]

Name:	Scott Jones
Title:	Chief Executive Officer
Company Name:	Midwestern Regional Medical Center, Inc.
Address:	2520 Elisha Avenue, Zion, IL 60099
Telephone Number:	(847) 872-6300
E-mail Address:	Scott.Jones@ctca-hope.com
Fax Number:	(847) 872-1591

Additional Contact

[Person who is also authorized to discuss the application for permit]

Name:	Joe Ourth
Title:	Attorney
Company Name:	Arnstein & Lehr LLP
Address:	120 S. Riverside Plz, Ste 1200, Chicago, IL 60606
Telephone Number:	(312) 876-7815
E-mail Address:	jourth@arnstein.com
Fax Number:	(312) 876-0288

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT**

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name:	Midwestern Regional Medical Center, Inc.		
Street Address:	2520 Elisha Avenue		
City and Zip Code:	Zion 60099		
County:	Lake	Health Service Area	8 Health Planning Area: A-09

Applicant /Co-Applicant Identification

[Provide for each co-applicant [refer to Part 1130.220].

Exact Legal Name:	Sheridan Trust U/A/D 4/1/12
Address:	c/o CTCA, 1336 Basswood Rd., Schaumburg, IL, 60173
Name of Registered Agent:	Trustee: Dennis P. Lynde
Name of Chief Executive Officer:	N/A
CEO Address:	N/A
Telephone Number:	(847) 342-7420

Type of Ownership of Applicant/Co-Applicant

<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship
	<input checked="" type="checkbox"/> Other

o Corporations and limited liability companies must provide an **Illinois certificate of good standing**.

o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.

APPEND DOCUMENTATION AS ATTACHMENT-1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Primary Contact

[Person to receive ALL correspondence or inquiries]

Name:	Scott Jones
Title:	Chief Executive Officer
Company Name:	Midwestern Regional Medical Center, Inc.
Address:	2520 Elisha Avenue, Zion, IL 60099
Telephone Number:	(847) 872-6300
E-mail Address:	Scott.Jones@ctca-hope.com
Fax Number:	(847) 872-1591

Additional Contact

[Person who is also authorized to discuss the application for permit]

Name:	Joe Ourth
Title:	Attorney
Company Name:	Arnstein & Lehr LLP
Address:	120 S. Riverside Plz, Ste 1200, Chicago, IL 60606
Telephone Number:	(312) 876-7815
E-mail Address:	jourth@arnstein.com
Fax Number:	(312) 876-0288

Post Permit Contact

[Person to receive all correspondence subsequent to permit issuance-THIS PERSON MUST BE EMPLOYED BY THE LICENSED HEALTH CARE FACILITY AS DEFINED AT 20 ILCS 3960

Name:	Scott Jones
Title:	Chief Executive Officer
Company Name:	Midwestern Regional Medical Center, Inc.
Address:	2520 Elisha Avenue, Zion, IL 60099
Telephone Number:	(847) 872-6304
E-mail Address:	Scott.Jones@ctca-hope.com
Fax Number:	(847) 872-1591

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner:	Northeast Illinois Medical Properties LP
Address of Site Owner:	2520 Elisha Avenue, Zion, IL 60099
Street Address or Legal Description of Site:	
Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statement, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease or a lease.	
APPEND DOCUMENTATION AS ATTACHMENT-2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

Operating Identity/Licensee

[Provide this information for each applicable facility, and insert after this page.]

Exact Legal Name:	Midwestern Regional Medical Center, Inc.
Address:	2520 Elisha Avenue, Zion, IL 60099
<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership
<input checked="" type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship
	<input type="checkbox"/> Other
<ul style="list-style-type: none"> o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner. o Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership. 	
APPEND DOCUMENTATION AS ATTACHMENT-3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

Organizational Relationships

Provide (for each co-applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.

APPEND DOCUMENTATION AS ATTACHMENT-4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.
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Flood Plain Requirements

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2005-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at www.FEMA.gov or www.illinoisfloodmaps.org. **This map must be in a readable format.** In addition please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2005-5 (<http://www.hfsrb.illinois.gov>).

APPEND DOCUMENTATION AS ATTACHMENT-5, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

Provide documentation regarding compliance with the requirements of the Historic Resources Preservation Act.

APPEND DOCUMENTATION AS ATTACHMENT-6, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

DESCRIPTION OF PROJECT**1. Project Classification**

[Check those applicable - refer to Part 1110.40 and Part 1120.20(b)]

Part 1110 Classification:

- Substantive
 Non-substantive

2. Narrative Description

Provide in the space below, a brief narrative description of the project. Explain **WHAT** is to be done in **State Board defined terms**, **NOT WHY** it is being done. If the project site does **NOT** have a street address, include a legal description of the site. Include the rationale regarding the project's classification as substantive or non-substantive.

Midwestern Regional Medical Center ("MRMC") is a 73-bed hospital located in Zion Illinois devoted care for patients with cancer and related diagnosis. MRMC proposes to modernize its medical/surgical and Intensive Care Departments by constructing a new bed tower for their services (the "Project"). This modernization will create single occupancy rooms for all patients. The total Project cost is \$84,100,000.

MRMC is experiencing an increase in patients with increasingly higher acuity and proposes converting 6 med/surg beds to ICU beds. The total number of licensed beds will remain unchanged.

MRMC focuses on providing a full range of cancer treatment options to heal the whole person, including conventional treatments with supportive therapies like nutrition, oncology rehabilitation and spiritual support to help patients maintain their strength and to improve their overall quality of life.

As part of the Project MRMC will construct two floors (48 rooms) that will be used for overnight accommodations for outpatients, and patients' family members. MRMC is a destination hospital for cancer care and patients travel an average of over 400 miles to come to MRMC. MRMC is presently the only hospital affiliated with Cancer Treatment Centers of America that does not provide on-site overnight accommodations.

The applicants are Midwestern Regional Medical Center, Inc., an Illinois corporation, and the Sheridan Trust U/A/D 4/1/12 (the "Trust"). The Sheridan Trust is a family trust and is included because its ownership interest exceeds 50%, but is otherwise not directly involved with the operation or financing of the Project.

The Project is a modernization of an existing facility and does not increase the number of licensed beds. It appears the project is categorized as non-substantive under the definition provided by 20 ILCS 3690/12 (8).

Project Costs and Sources of Funds

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must equal.

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	\$92,737	\$197,066	\$289,803
Site Survey and Soil Investigation	\$28,800	\$61,200	\$90,000
Site Preparation	\$581,799	\$1,236,324	\$1,818,123
Off Site Work	\$20,800	\$44,200	\$65,000
New Construction Contracts	\$20,148,614	\$41,244,266	\$61,392,800
Modernization Contracts			
Contingencies	\$1,666,189	\$3,866,748	\$5,532,937
Architectural/Engineering Fees	\$1,463,034	\$3,108,947	\$4,571,981
Consulting and Other Fees	\$434,960	\$924,290	\$1,359,250
Movable or Other Equipment (not in construction contracts)	\$2,873,608	\$6,106,418	\$8,980,026
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment			
Other Costs To Be Capitalized			
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS	\$27,310,541	\$56,789,459	\$84,100,000
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities			
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources - Performance Bond	\$27,310,541	\$56,789,459	\$84,100,000
TOTAL SOURCES OF FUNDS	\$27,310,541	\$56,789,459	\$84,100,000
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Related Project Costs

Provide the following information, as applicable, with respect to any land related to the project that will be or has been acquired during the last two calendar years:

Land acquisition is related to project	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Purchase Price: \$	_____	
Fair Market Value: \$	_____	
The project involves the establishment of a new facility or a new category of service		
	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If yes, provide the dollar amount of all non-capitalized operating start-up costs (including operating deficits) through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100.		
Estimated start-up costs and operating deficit cost is \$ <u>N/A</u> .		

Project Status and Completion Schedules

For facilities in which prior permits have been issued please provide the permit numbers.	
Indicate the stage of the project's architectural drawings:	
<input type="checkbox"/> None or not applicable	<input type="checkbox"/> Preliminary
<input checked="" type="checkbox"/> Schematics	<input type="checkbox"/> Final Working
Anticipated project completion date (refer to Part 1130.140): <u>December 31, 2015</u>	
Indicate the following with respect to project expenditures or to obligation (refer to Part 1130.140):	
<input type="checkbox"/> Purchase orders, leases or contracts pertaining to the project have been executed.	
<input type="checkbox"/> Project obligation is contingent upon permit issuance. Provide a copy of the contingent "certification of obligation" document, highlighting any language related to CON Contingencies	
<input checked="" type="checkbox"/> Project obligation will occur after permit issuance.	
APPEND DOCUMENTATION AS ATTACHMENT-8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

State Agency Submittals

Are the following submittals up to date as applicable:
<input checked="" type="checkbox"/> Cancer Registry
<input type="checkbox"/> APORS
<input checked="" type="checkbox"/> All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
<input checked="" type="checkbox"/> All reports regarding outstanding permits
Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.

Cost Space Requirements

Provide in the following format, the department/area **DGSF** or the building/area **BGSF** and cost. The type of gross square footage either **DGSF** or **BGSF** must be identified. The sum of the department costs **MUST** equal the total estimated project costs. Indicate if any space is being reallocated for a different purpose. Include outside wall measurements plus the department's or area's portion of the surrounding circulation space. **Explain the use of any vacated space.**

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
REVIEWABLE							
Medical Surgical							
Intensive Care							
Diagnostic Radiology							
MRI							
Total Clinical							
NON REVIEWABLE							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
TOTAL							

APPEND DOCUMENTATION AS ATTACHMENT-9, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Facility Bed Capacity and Utilization

Complete the following chart, as applicable. Complete a separate chart for each facility that is a part of the project and insert following this page. Provide the existing bed capacity and utilization data for the latest **Calendar Year for which the data are available**. **Include observation days in the patient day totals for each bed service**. Any bed capacity discrepancy from the Inventory will result in the application being deemed **incomplete**.

Midwestern Regional Medical FACILITY NAME: Center, Inc.		CITY: Zion			
REPORTING PERIOD DATES: From: January 1, 2011 to: December 31, 2011					
Category of Service	Authorized Beds	Admissions	Patient Days	Bed Changes	Proposed Beds
Medical/Surgical	67	1,559	12,613	(6)	61
Obstetrics					
Pediatrics					
Intensive Care	6	279	1,242	6	12
Comprehensive Physical Rehabilitation					
Acute/Chronic Mental Illness					
Neonatal Intensive Care					
General Long Term Care					
Specialized Long Term Care					
Long Term Acute Care					
Other ((identify))					
TOTALS:	73	1,838	13,855	0	73

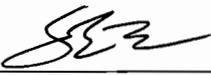
By notice to the Board of Bed Change, MRMC converted 2 med/surg beds to ICU beds effective May 2, 2013. As the update to the Board Inventory shows, there are now 6 licensed ICU beds and 67 med/surg beds for total of 73.

CERTIFICATION

The application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) are:

- o in the case of a corporation, any two of its officers or members of its Board of Directors;
- o in the case of a limited liability company, any two of its managers or members (or the sole manger or member when two or more managers or members do not exist);
- o in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- o in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- o in the case of a sole proprietor, the individual that is the proprietor.

This Application for Permit is filed on the behalf of Midwestern Regional Medical Center, Inc. * in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the permit application fee required for this application is sent herewith or will be paid upon request.



 SIGNATURE
 Scott E. Jones

 PRINTED NAME
 Chief Executive Officer

 PRINTED TITLE



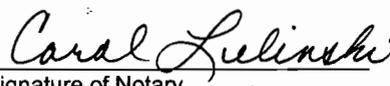
 SIGNATURE
 Cecilia Taylor

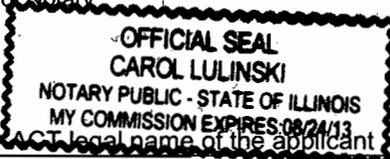
 PRINTED NAME
 Chief Financial Officer

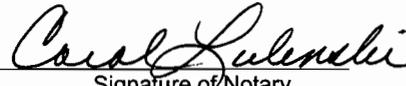
 PRINTED TITLE

Notarization:
 Subscribed and sworn to before me
 this 23rd day of July 2013

Notarization:
 Subscribed and sworn to before me
 this 23rd day of July 2013



 Signature of Notary
 Seal 
 *Insert EXACT legal name of the applicant



 Signature of Notary
 Seal 

CERTIFICATION

The application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) are:

- o in the case of a corporation, any two of its officers or members of its Board of Directors;
- o in the case of a limited liability company, any two of its managers or members (or the sole manger or member when two or more managers or members do not exist);
- o in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- o in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- o in the case of a sole proprietor, the individual that is the proprietor.

This Application for Permit is filed on the behalf of Sheridan Trust U/A/D 4/1/12 * in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the permit application fee required for this application is sent herewith or will be paid upon request.

Dennis P. Lynde
 SIGNATURE
 Dennis P. Lynde
 PRINTED NAME
 Trustee
 PRINTED TITLE

 SIGNATURE

 PRINTED NAME

 PRINTED TITLE

Notarization:
 Subscribed and sworn to before me
 this 24 day of JULY

Notarization:
 Subscribed and sworn to before me
 this ____ day of _____

Nancy A. Stahl
 Signature of Notary
 Seal


 Signature of Notary
 Seal

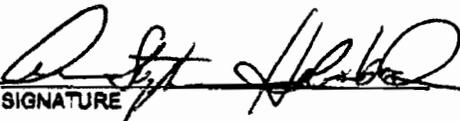
*Insert EXACT legal name of the applicant.

CERTIFICATION

The application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) are:

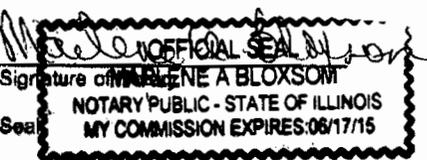
- o in the case of a corporation, any two of its officers or members of its Board of Directors;
- o in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- o in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- o in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- o in the case of a sole proprietor, the individual that is the proprietor.

This Application for Permit is filed on the behalf of Ann Holsonback in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the permit application fee required for this application is sent herewith or will be paid upon request.

	
SIGNATURE	SIGNATURE
<u>Ann Holsonback</u>	
PRINTED NAME	PRINTED NAME
<u>as a beneficiary of the Sheridan Trust</u>	
PRINTED TITLE	PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 2 day of AUGUST

Notarization:
Subscribed and sworn to before me
this _____ day of _____


Signature of ENE A BLOXSON
Seal: NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES: 06/17/15

Signature of Notary
Seal

*Insert EXACT legal name of the applicant

CERTIFICATION

The application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) are:

- o in the case of a corporation, any two of its officers or members of its Board of Directors;
- o in the case of a limited liability company, any two of its managers or members (or the sole manger or member when two or more managers or members do not exist);
- o in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- o in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- o in the case of a sole proprietor, the individual that is the proprietor.

This Application for Permit is filed on the behalf of Christopher Stephenson * in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the permit application fee required for this application is sent herewith or will be paid upon request.

Christopher Stephenson _____
 SIGNATURE SIGNATURE

Christopher Stephenson _____
 PRINTED NAME PRINTED NAME

as a beneficiary of the Sheridan Trust _____
 PRINTED TITLE PRINTED TITLE

Notarization:
 Subscribed and sworn to before me
 this 30th day of July, 2013

Notarization:
 Subscribed and sworn to before me
 this _____ day of _____

Angela S Minshall _____
 Signature of Notary

Signature of Notary

Seal

Seal



*Insert EXACT legal name of the applicant

SECTION III – BACKGROUND, PURPOSE OF THE PROJECT, AND ALTERNATIVES - INFORMATION REQUIREMENTS

This Section is applicable to all projects except those that are solely for discontinuation with no project costs.

Criterion 1110.230 – Background, Purpose of the Project, and Alternatives

READ THE REVIEW CRITERION and provide the following required information:

BACKGROUND OF APPLICANT

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant during the three years prior to the filing of the application.
3. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
4. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest the information has been previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

APPEND DOCUMENTATION AS ATTACHMENT-11, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 11.

PURPOSE OF PROJECT

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.
2. Define the planning area or market area, or other, per the applicant's definition.
3. Identify the existing problems or issues that need to be addressed, as applicable and appropriate for the project. [See 1110.230(b) for examples of documentation.]
4. Cite the sources of the information provided as documentation.
5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.
6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals **as appropriate.**

For projects involving modernization, describe the conditions being upgraded if any. For facility projects, include statements of age and condition and regulatory citations if any. For equipment being replaced, include repair and maintenance records.

NOTE: Information regarding the "Purpose of the Project" will be included in the State Board Report.

APPEND DOCUMENTATION AS ATTACHMENT-12, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-6) MUST BE IDENTIFIED IN ATTACHMENT 12.

ALTERNATIVES

- 1) Identify **ALL** of the alternatives to the proposed project:

Alternative options **must** include:

- A) Proposing a project of greater or lesser scope and cost;
 - B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;
 - C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and
 - D) Provide the reasons why the chosen alternative was selected.
- 2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short term (within one to three years after project completion) and long term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**
- 3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

APPEND DOCUMENTATION AS ATTACHMENT-13, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION IV - PROJECT SCOPE, UTILIZATION, AND UNFINISHED/SHELL SPACE

Criterion 1110.234 - Project Scope, Utilization, and Unfinished/Shell Space

READ THE REVIEW CRITERION and provide the following information:

SIZE OF PROJECT:

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive. **This must be a narrative.**
2. If the gross square footage exceeds the BGSF/DGSF standards in Appendix B, justify the discrepancy by documenting one of the following::
 - a. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies;
 - b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that results in a size exceeding the standards of Appendix B;
 - c. The project involves the conversion of existing space that results in excess square footage.

Provide a narrative for any discrepancies from the State Standard. A table must be provided in the following format with Attachment 14.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?

APPEND DOCUMENTATION AS ATTACHMENT-14, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

PROJECT SERVICES UTILIZATION:

This criterion is applicable only to projects or portions of projects that involve services, functions or equipment for which HFSRB has established utilization standards or occupancy targets in 77 Ill. Adm. Code 1100.

Document that in the second year of operation, the annual utilization of the service or equipment shall meet or exceed the utilization standards specified in 1110.Appendix B. **A narrative of the rationale that supports the projections must be provided.**

A table must be provided in the following format with Attachment 15.

UTILIZATION					
	DEPT./ SERVICE	HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.	PROJECTED UTILIZATION	STATE STANDARD	MET STANDARD?
YEAR 1					
YEAR 2					

APPEND DOCUMENTATION AS ATTACHMENT-15, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

UNFINISHED OR SHELL SPACE:

Provide the following information:

1. Total gross square footage of the proposed shell space;
2. The anticipated use of the shell space, specifying the proposed GSF to be allocated to each department, area or function;
3. Evidence that the shell space is being constructed due to
 - a. Requirements of governmental or certification agencies; or
 - b. Experienced increases in the historical occupancy or utilization of those areas proposed to occupy the shell space.
4. Provide:
 - a. Historical utilization for the area for the latest five-year period for which data are available; and
 - b. Based upon the average annual percentage increase for that period, projections of future utilization of the area through the anticipated date when the shell space will be placed into operation.

APPEND DOCUMENTATION AS ATTACHMENT-16, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

ASSURANCES:

Submit the following:

1. Verification that the applicant will submit to HFSRB a CON application to develop and utilize the shell space, regardless of the capital thresholds in effect at the time or the categories of service involved.
2. The estimated date by which the subsequent CON application (to develop and utilize the subject shell space) will be submitted; and
3. The anticipated date when the shell space will be completed and placed into operation.

APPEND DOCUMENTATION AS ATTACHMENT-17, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION VII - SERVICE SPECIFIC REVIEW CRITERIA

This Section is applicable to all projects proposing establishment, expansion or modernization of categories of service that are subject to CON review, as provided in the Illinois Health Facilities Planning Act [20 ILCS 3960]. It is comprised of information requirements for each category of service, as well as charts for each service, indicating the review criteria that must be addressed for each action (establishment, expansion and modernization). After identifying the applicable review criteria for each category of service involved, read the criteria and provide the required information, AS APPLICABLE TO THE CRITERIA THAT MUST BE ADDRESSED:

A. Criterion 1110.530 - Medical/Surgical, Obstetric, Pediatric and Intensive Care

- Applicants proposing to establish, expand and/or modernize Medical/Surgical, Obstetric, Pediatric and/or Intensive Care categories of service must submit the following information:
- Indicate bed capacity changes by Service: Indicate # of beds changed by action(s):

Category of Service	# Existing Beds	# Proposed Beds
<input checked="" type="checkbox"/> Medical/Surgical	67	61
<input type="checkbox"/> Obstetric		
<input type="checkbox"/> Pediatric		
<input checked="" type="checkbox"/> Intensive Care	6	12

- READ the applicable review criteria outlined below and **submit the required documentation for the criteria:**

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize
1110.530(b)(1) - Planning Area Need - 77 Ill. Adm. Code 1100 (formula calculation)	X		
1110.530(b)(2) - Planning Area Need - Service to Planning Area Residents	X	X	
1110.530(b)(3) - Planning Area Need - Service Demand - Establishment of Category of Service	X		
1110.530(b)(4) - Planning Area Need - Service Demand - Expansion of Existing Category of Service		X	
1110.530(b)(5) - Planning Area Need - Service Accessibility	X		
1110.530(c)(1) - Unnecessary Duplication of Services	X		
1110.530(c)(2) - Maldistribution	X	X	
1110.530(c)(3) - Impact of Project on Other Area Providers	X		
1110.530(d)(1) - Deteriorated Facilities			X

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize
1110.530(d)(2) - Documentation			X
1110.530(d)(3) - Documentation Related to Cited Problems			X
1110.530(d)(4) - Occupancy			X
110.530(e) - Staffing Availability	X	X	
1110.530(f) - Performance Requirements	X	X	X
1110.530(g) - Assurances	X	X	X
APPEND DOCUMENTATION AS ATTACHMENT-20, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

The following Sections **DO NOT** need to be addressed by the applicants or co-applicants responsible for funding or guaranteeing the funding of the project if the applicant has a bond rating of A- or better from Fitch's or Standard and Poor's rating agencies, or A3 or better from Moody's (the rating shall be affirmed within the latest 18 month period prior to the submittal of the application):

- Section 1120.120 Availability of Funds – Review Criteria
- Section 1120.130 Financial Viability – Review Criteria
- Section 1120.140 Economic Feasibility – Review Criteria, subsection (a)

VIII. - 1120.120 - Availability of Funds

The applicant shall document that financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following sources, as applicable: **Indicate the dollar amount to be provided from the following sources:**

	a)	Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to: <ol style="list-style-type: none"> 1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and 2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
	b)	Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
	c)	Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
	d)	Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including: <ol style="list-style-type: none"> 1) For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated; 2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate; 3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.; 4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment; 5) For any option to lease, a copy of the option, including all terms and conditions.
	e)	Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;
	f)	Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
\$84,100,000	g)	All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project. Performance Bond.
TOTAL FUNDS AVAILABLE		

APPEND DOCUMENTATION AS ATTACHMENT-36, IN-NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

IX. 1120.130 - Financial Viability N/A - Performance Bond to be provided.

All the applicants and co-applicants shall be identified, specifying their roles in the project funding or guaranteeing the funding (sole responsibility or shared) and percentage of participation in that funding.

Financial Viability Waiver

The applicant is not required to submit financial viability ratios if:

1. "A" Bond rating or better
2. All of the projects capital expenditures are completely funded through internal sources
3. The applicant's current debt financing or projected debt financing is insured or anticipated to be insured by MBIA (Municipal Bond Insurance Association Inc.) or equivalent
4. The applicant provides a third party surety bond or performance bond letter of credit from an A rated guarantor.

See Section 1120.130 Financial Waiver for information to be provided

APPEND DOCUMENTATION AS ATTACHMENT-37, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

The applicant or co-applicant that is responsible for funding or guaranteeing funding of the project shall provide viability ratios for the latest three years for which audited financial statements are available and for the first full fiscal year at target utilization, but no more than two years following project completion. When the applicant's facility does not have facility specific financial statements and the facility is a member of a health care system that has combined or consolidated financial statements, the system's viability ratios shall be provided. If the health care system includes one or more hospitals, the system's viability ratios shall be evaluated for conformance with the applicable hospital standards.

Provide Data for Projects Classified as:	Category A or Category B (last three years)			Category B (Projected)
Enter Historical and/or Projected Years:				
Current Ratio				
Net Margin Percentage				
Percent Debt to Total Capitalization				
Projected Debt Service Coverage				
Days Cash on Hand				
Cushion Ratio				

Provide the methodology and worksheets utilized in determining the ratios detailing the calculation and applicable line item amounts from the financial statements. Complete a separate table for each co-applicant and provide worksheets for each.

2. Variance

Applicants not in compliance with any of the viability ratios shall document that another organization, public or private, shall assume the legal responsibility to meet the debt obligations should the applicant default.

APPEND DOCUMENTATION AS ATTACHMENT-38, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

X. 1120.140 - Economic Feasibility

This section is applicable to all projects subject to Part 1120.

A. Reasonableness of Financing Arrangements

The applicant shall document the reasonableness of financing arrangements by submitting a notarized statement signed by an authorized representative that attests to one of the following:

- 1) That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or
- 2) That the total estimated project costs and related costs will be funded in total or in part by borrowing because:
 - A) A portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or
 - B) Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

B. Conditions of Debt Financing

This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:

- 1) That the selected form of debt financing for the project will be at the lowest net cost available;
- 2) That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;
- 3) That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

- 1. Identify each department or area impacted by the proposed project and provide a cost and square footage allocation for new construction and/or modernization using the following format (insert after this page).

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	Circ.*	Const. \$ (A x C)	Mod. \$ (B x E)	
Contingency									
TOTALS									

* Include the percentage (%) of space for circulation

D. Projected Operating Costs

The applicant shall provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service.

E. Total Effect of the Project on Capital Costs

The applicant shall provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full fiscal year at target utilization but no more than two years following project completion.

APPEND DOCUMENTATION AS ATTACHMENT -39, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

XI. Safety Net Impact Statement

SAFETY NET IMPACT STATEMENT that describes all of the following must be submitted for **ALL SUBSTANTIVE AND DISCONTINUATION PROJECTS:**

1. The project's material impact, if any, on essential safety net services in the community, to the extent that it is feasible for an applicant to have such knowledge.
2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.
3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community, if reasonably known by the applicant.

Safety Net Impact Statements shall also include all of the following:

1. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with an appropriate methodology specified by the Board.
2. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.
3. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service.

A table in the following format must be provided as part of Attachment 43.

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
Total			
Charity (cost in dollars)	Year	Year	Year
Inpatient			
Outpatient			
Total			
MEDICAID			
Medicaid (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
Total			

Medicaid (revenue)			
Inpatient			
Outpatient			
Total			

APPEND DOCUMENTATION AS ATTACHMENT 40, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

XII. Charity Care Information

Charity Care information **MUST** be furnished for **ALL** projects.

1. All applicants and co-applicants shall indicate the amount of charity care for the latest three audited fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.
2. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility under review.
3. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.

Charity care" means care provided by a health care facility for which the provider does not expect to receive payment from the patient or a third-party payer. (20 ILCS 3960/3) Charity Care must be provided at cost.

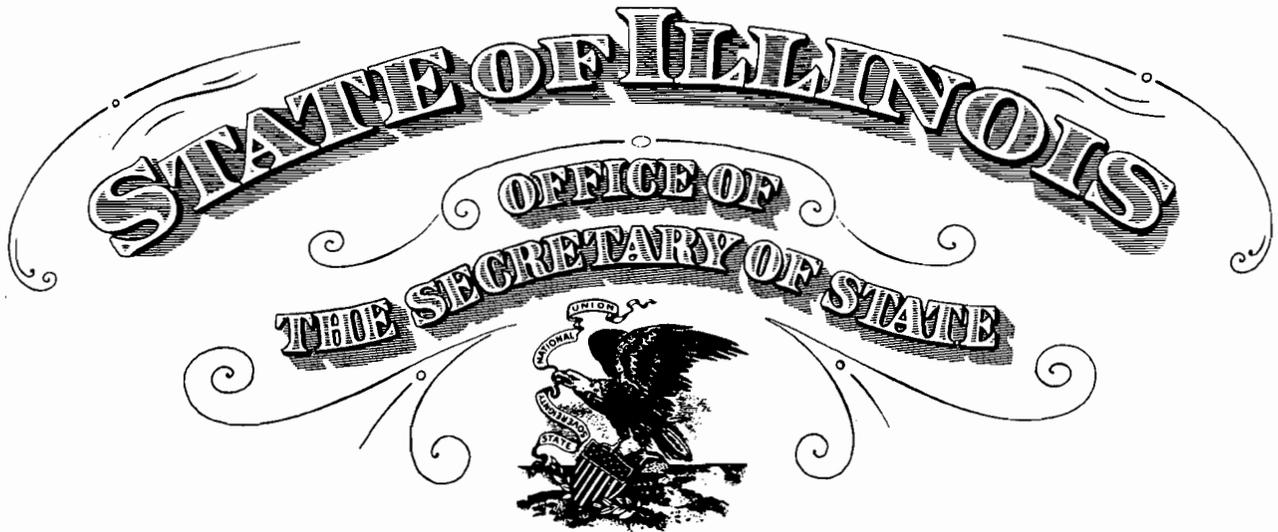
A table in the following format must be provided for all facilities as part of Attachment 44.

CHARITY CARE			
	Year	Year	Year
Net Patient Revenue			
Amount of Charity Care (charges)			
Cost of Charity Care			

APPEND DOCUMENTATION AS ATTACHMENT 41, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

After paginating the entire, completed application, indicate in the chart below, the page numbers for the attachments included as part of the project's application for permit:

INDEX OF ATTACHMENTS		
ATTACHMENT NO.		PAGES
1	Applicant/Coapplicant Identification including Certificate of Good Standing	25
2	Site Ownership	26
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	82
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	83
5	Flood Plain Requirements	86
6	Historic Preservation Act Requirements	88
7	Project and Sources of Funds Itemization	90
8	Obligation Document if required	
9	Cost Space Requirements	92
10	Discontinuation	
11	Background of the Applicant	94
12	Purpose of the Project	100
13	Alternatives to the Project	103
14	Size of the Project	110
15	Project Service Utilization	116
16	Unfinished or Shell Space	
17	Assurances for Unfinished/Shell Space	119
18	Master Design Project	
19	Mergers, Consolidations and Acquisitions	
	Service Specific:	
20	Medical Surgical Pediatrics, Obstetrics, ICU	120
21	Comprehensive Physical Rehabilitation	
22	Acute Mental Illness	
23	Neonatal Intensive Care	
24	Open Heart Surgery	
25	Cardiac Catheterization	
26	In-Center Hemodialysis	
27	Non-Hospital Based Ambulatory Surgery	
28	Selected Organ Transplantation	
29	Kidney Transplantation	
30	Subacute Care Hospital Model	
31	Children's Community-Based Health Care Center	
32	Community-Based Residential Rehabilitation Center	
33	Long Term Acute Care Hospital	
34	Clinical Service Areas Other than Categories of Service	
35	Freestanding Emergency Center Medical Services	
	Financial and Economic Feasibility:	
36	Availability of Funds	132
37	Financial Waiver	135
38	Financial Viability	
39	Economic Feasibility	153
40	Safety Net Impact Statement	155
41	Charity Care Information	156



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

MIDWESTERN REGIONAL MEDICAL CENTER, INC., A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JANUARY 17, 1975, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS CORPORATION ACT OF THIS STATE RELATING TO THE PAYMENT OF FRANCHISE TAXES, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 26TH day of JULY A.D. 2013 .

Jesse White

Authentication #: 1320702120

Authenticate at: <http://www.cyberdriveillinois.com>

SECRETARY OF STATE

**MIDWESTERN REGIONAL MEDICAL CENTER
CON APPLICATION
REAL ESTATE OWNERSHIP**

The legal name of the site owner is Northeast Illinois Medical Properties LP ("NIMP") and its ownership of the site is evidenced by the attached 2010 Lake County tax bill and notarized statement of Site Owner attesting to site ownership.

NIMP leases the site to Zion Healthcare Properties, Inc. ("ZHP") and ZHP in turn subleases the site to Midwestern Regional Medical Center, Inc. ("MRMC"). The lease and sublease relationships are evidenced by the attached Second Amended and Restated Lease From NIMP to ZHP and the Amended and Restated Lease from ZHP to MRMC.



Lake County

FROM THE OFFICE OF ROBERT SKIDMORE, LAKE COUNTY COLLECTOR

Make Checks Payable to: LAKE COUNTY COLLECTOR
Please Remit to: 18 N. COUNTY ST, SUITE 102, WAUKEGAN, IL 60085-4361

Avoid duplicate payments. Ask your lender if it pays your bill, especially if you have refinanced.

1ST INSTALLMENT
PAYMENT COUPON
RETURN WITH PAYMENT

Tax Year 2010

04-21-400-031



Taxes Due on or before 6/6/2011

\$138,294.57 DUE

042140003100000013829457201012

04-21-400-031

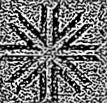
CHICAGO TITLE LAND TRUST CO
TRUST 11540610
171 N. CLARK ST LL
CHICAGO IL 60601

59437

00002398

YOUR CANCELLED CHECK IS YOUR RECEIPT

↓ TEAR HERE ↓



Lake County

FROM THE OFFICE OF ROBERT SKIDMORE, LAKE COUNTY COLLECTOR

Make Checks Payable to: LAKE COUNTY COLLECTOR
Please Remit to: 18 N. COUNTY ST, SUITE 102, WAUKEGAN, IL 60085-4361

Avoid duplicate payments. Ask your lender if it pays your bill, especially if you have refinanced.

2ND INSTALLMENT
PAYMENT COUPON
RETURN WITH PAYMENT

Tax Year 2010

04-21-400-031

2



Taxes Due on or before 9/6/2011

\$138,294.58 DUE

042140003100000013829458201023

04-21-400-031

CHICAGO TITLE LAND TRUST CO
TRUST 11540610
171 N. CLARK ST LL
CHICAGO IL 60601

2-10

*

YOUR CANCELLED CHECK IS YOUR RECEIPT

↓ TEAR HERE ↓

Property Location: 2520 ELISHA AVE
ZION

Legal Description: PT NE SE, VAC LOTS 1 & 2 BLK 59 & PT W1/2 VAC ALLEY
LYG E & ADJ PER DOC 3065992

Pin Number 04-21-400-031 Tax Year 2010 Tax Code 02003 Acres 0.91

Taxing Body	Rate	Current Amount	Change From Prior Year	Land Value	
COUNTY OF LAKE	0.3980	\$9,338.51	742.44	\$58,806	
COUNTY OF LAKE PENSION	0.1070	\$2,516.61	326.75	+ Building Value	\$2,241,775
CITY OF ZION	0.9030	\$21,187.65	-418.70	x State Multiplier	1,0199
CITY OF ZION PENSION	0.5840	\$13,702.76	553.09	= Equalized Value	\$2,346,362
ZION-BENT PUBLIC LIBRARY DIST	0.2170	\$5,091.60	468.31	+ Farm Land and Bldg Value	
ZION-BENT PUBLIC LIBRARY DIST PENSION	0.0230	\$539.67	98.25	+ State Assessed Pollution Ctrl	
ZION PARK DIST	0.6470	\$15,180.96	985.82	+ State Assessed Railroads	
ZION PARK DIST PENSION	0.1200	\$2,815.64	678.24	= Total Assessed Value	\$2,346,362
ZION ELEMENTARY SCHOOL DISTRICT #6	4.6150	\$108,284.60	11056.04	- Fully Exempt	
ZION ELEMENTARY SCHOOL DISTRICT #6 PENSION	0.2640	\$6,194.40	665.04	- Senior Freeze	
COLLEGE OF LAKE COUNTY #532	0.2180	\$5,115.07	468.54	- Home Improvement	
ZION BENTON HIGH SCHOOL DIST #126	2.8320	\$68,448.99	5649.20	- General Homestead	
ZION BENTON HIGH SCHOOL DIST #126 PENSION	0.1540	\$3,613.40	871.95	- Senior Homestead	
NORTH SHORE SAN DIST	0.1360	\$3,191.05	310.20	- Disabled / Veterans	
FOREST PRESERVE	0.1900	\$4,458.08	-25.83	- Returning Veterans	
FOREST PRESERVE PENSION	0.0040	\$187.70	25.07	= Taxable Valuation	\$2,346,362
TOWNSHIP OF ZION	0.3360	\$7,883.77	147.31	x Tax Rate	11.7880
TOWNSHIP OF ZION PENSION	0.0360	\$844.69	124.48	= Real Estate Tax	\$276,589.15

51514

110-10000-200900

OK to pay
[Signature]

TOTALS 11.7880 \$276,589.15 \$22,726.20

[Signature]
ANNE MEISNER

= TOTAL TAX BILLED \$276,589.15
Fair Market Value \$7,039,086
1st Installment Due 6/6/2011 \$138,294.57
2nd Installment Due 9/6/2011 \$138,294.58

ATTACHMENT-2

00027

Northeast Illinois Medical Properties L.P.
2520 Elisha Avenue
Zion, IL 60099

April 24, 2012

Ms. Courtney R. Avery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

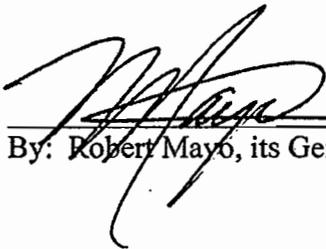
Re: Midwestern Regional Medical Center Permit Application – Site Ownership

Dear Ms. Avery:

I hereby certify the Northeast Illinois Medical Properties L.P. is the beneficial owner of Chicago Title Land Trust Co. Trust No. 11540610 and, as such, is the owner of the site.

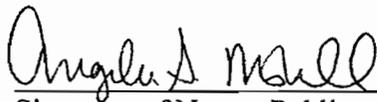
Sincerely,

Northeast Illinois Medical Properties LP

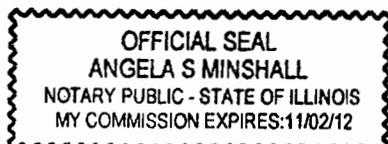

By: Robert Mayo, its General Partner

Notarization:

Subscribed and sworn to before me
this 24th day of April, 2012


Signature of Notary Public

Seal:



SECOND AMENDED AND RESTATED LEASE

FROM NORTHEAST ILLINOIS MEDICAL PROPERTIES
TO ZION HEALTHCARE PROPERTIES, INC.

THIS LEASE, made and entered into as of the 1st day of July, 1985, and amended as of the 1st day of July, 1989, is hereby further amended as of this 1st day of July 1991, by and between NORTHEAST ILLINOIS MEDICAL PROPERTIES, an Illinois limited partnership (referred to herein as "Lessor") and ZION HEALTHCARE PROPERTIES, INC., an Illinois corporation (hereinafter referred to as "Lessee"), successor-in-interest to American International Hospital, Inc.

ARTICLE I

PREMISES - TERM OF LEASE

Section 1.1 Lessor was the owner of the tenant's interest in a certain lease dated March 10, 1975 between Zion Medical Properties as lessor and Zion-Benton Hospital as lessee (as amended December 18, 1978, January 11, 1979 and July 23, 1979) which lease as so amended is referred to herein as the "Ground Lease." Lessor is also the owner of certain improvements, equipment and personal property pertaining to the premises demised by the Ground Lease. Lessor has subsequently acquired the entire beneficial interest in the land trust holding legal title to the Leased Premises and accordingly lessor and the lessor under the Ground Lease terminated the Ground Lease as of July 1, 1991. Lessor acquired the Lessee's interest hereunder from American International Hospital, Inc. ("AIH") by assignment dated July 1, 1991. Lessee has, simultaneously herewith, subleased the Leased Premises to AIH pursuant to a certain lease of even date herewith.

Section 1.2 By this instrument ("Lease") Lessor herein subleases and leases to Lessee, and Lessee hereby takes from Lessor, the real estate situated within the City of Zion, County of Lake and State of Illinois, which is described in Exhibit "A" attached hereto, with all rights, privileges, easements and appurtenances belonging to or in any way pertaining to the aforescribed real estate and together with the buildings and improvements now or hereafter erected thereon, including the building and improvements located thereon, and such structures and fixtures as are or may be erected in said building (which buildings, improvements, structures and fixtures are hereinafter referred to as the "Improvements"), the aforescribed real estate, all rights, privileges, easements and appurtenances belonging to or in any way pertaining to the aforescribed real estate and the Improvements being here-

inafter referred to as the "Leased Premises", and together with the equipment and personal property described in Exhibit "A".

TO HAVE AND TO HOLD the Leased Premises for a term commencing on the date hereof and expiring at the end of business, December 31, 2014, unless said term shall be sooner terminated as herein provided, and upon the condition that Lessee shall pay the rent therefor, comply with the terms and provisions herein contained, and yield possession thereof at the time and upon the terms and conditions herein provided.

Section 1.3 Lessor warrants and represents to Lessee that Lessor has the lawful right and authority to make this Lease and has good and marketable title to the Leased Premises as described in Section 1.1 hereof.

Section 1.4 Lessor and Lessee mutually covenant and agree that this Lease is made upon the foregoing and the following terms, covenants and conditions, and Lessor and Lessee mutually covenant and agree to perform each and every one of the terms, covenants and conditions of this Lease, and all exhibits, schedules and riders hereto annexed, on their respective parts to be performed.

ARTICLE II

RENT

Section 2.1 In consideration of and in reliance on the foregoing and the other covenants, agreements, warranties and representations in this Lease contained, Lessee hereby covenants and agrees to pay to or upon the order of Lessor, as basic rent for the Leased Premises, at such place or places as Lessor may designate in writing from time to time, and in default of such designation, then at the office of the Lessor in Zion, Illinois, the following as basic rent:

(a) Prior to October 1, 1991, an annual base rental of Seven Hundred Seventy Thousand Dollars (\$770,000) in equal monthly installments of Sixty-Four Thousand One Hundred Sixty-Seven Dollars (\$64,167); and

(b) Beginning October 1, 1991, (i) for the first eight (8) years thereafter, an annual rental in an amount equal to Seven Hundred Seventy Thousand Dollars (\$770,000) payable in equal monthly installments, and (ii) for the balance of the Term an annual rental of Six Hundred Twenty Thousand Dollars (\$620,000) in equal monthly installments of Fifty-One Thousand Six Hundred Sixty-Seven Dollars (\$51,667),

in advance on the first day of each and every month, beginning on the date hereof, subject to adjustment as hereinafter provided. Said payments shall be made in lawful money of the United States, without setoff or deduction except as in this Lease otherwise expressly provided.

Effective as of July 1, 1996, and the first day of July every five (5) years thereafter (the "Adjustment Date"), the basic rent shall be increased by an amount equal to one hundred percent (100%) of the product obtained by multiplying the basic rent in effect during the first month preceding the month in which said Adjustment Date falls, by the percentage increase, if any, in the latest published figure for the Consumer Price Index ("CPI"), as defined below, available on the Adjustment Date (regardless of the month in which the CPI was first published) over the CPI for July, 1985. No adjustments or recomputations, retroactive or otherwise shall be made due to any revision which may later be made in the CPI available on the Adjustment Date. In no event shall the basic rent be decreased below the amount of the last effective basic rent payment, as adjusted.

"Consumer Price Index" or "CPI" means the Consumer Price Index for All Urban Consumers, U.S. City Average for All Items, issued by the Bureau of Labor Statistics of the United States Department of Labor (the "BLS"). If the manner in which the CPI is determined by the BLS shall be substantially revised, an adjustment will be made in such revised index which will produce results equivalent, as nearly as possible, to those which would have been obtained if the CPI had not been so revised. If the 1967 average shall no longer be the index of 100, such change shall be a substantial revision. If the CPI shall become unavailable to the public because publication is discontinued, Landlord will substitute a comparable index based upon changes in the cost of living or purchasing power of the consumer dollar published by the BLS or any other governmental agency or, if no such index shall be available, then a comparable index published by a major bank or other financial institution or by a university or a recognized financial publication.

Section 2.2 In addition to the basic rent specified in Section 2.1, Lessee shall pay Percentage Rent in accordance with this section provided however that the total Rent paid pursuant to this Lease shall not exceed Two Million and No/100ths Dollars (\$2,000,000.00) in any fiscal year of Lessee. The term "rent" as used herein shall mean the aggregate of the basic rent and percentage rent due hereunder. Percentage Rent shall be calculated annually based on net revenues of AIH, its successors and assigns, or such other party as may hereafter be possessed of the Leased Premises ("Operator") with respect to its operations at the Leased Premises, as follows:

(a) The net revenues of Operator with respect to its operations at the Leased Premises for each year shall first be determined beginning with the date April 1, 1991 and on each April 1 thereafter. Such net revenues shall be calculated for the last fiscal year of the Operator completed prior to each such date. For this purpose, the net revenues shall be defined as the gross revenues received from patients at the Leased Premises (excluding reimbursement in respect of Medicare or Medicaid patients or payments made by such patients), less contractual allowances in respect of patients at the Leased Premises other than Medicare or Medicaid patients, but without deduction for any Operating Expenses (and for this purpose, "Operating Expenses" means all expenses at or attributable to the Leased Premises including, without limitation, salaries and wages, employee benefits, professional fees, supplies, food and drugs, insurance, depreciation and amortization or interest expense.

(b) The "Base Net Revenue" amount shall be determined for each year and it shall be the amount of Seventeen Million Five Hundred Thousand (\$17,500,000.00) Dollars adjusted for each year after 1991 to reflect changes made after June 30, 1991 in the prices charged by Operator for its services at the Leased Premises, such adjustment to be effected so that the Base Net Revenue in each year shall be the amount, including charges made in such year, which is equivalent to Seventeen Million Five Hundred Thousand (\$17,500,000.00) Dollars in the year ended June 30, 1991. For example, if Operator's charges at the Leased Premises shall be increased in any subsequent year by five percent (5%) over charges prevailing in the year ended June 30, 1991, the Base Net Revenue for such subsequent year shall be Eighteen Million Three Hundred Seventy-Five Thousand (\$18,375,000.00) Dollars.

The Operator's overall price increase shall be determined by the change in gross revenues from one year to the next, calculated departmentally on a price versus volume basis. Only the increase attributed to price changes will be applicable for raising the base net revenue. To calculate the price portion of the increased gross revenues, the department's existing number of procedures will be multiplied by both the prior and the proposed rates for these services to determine total revenue under both situations. The increased revenue will be the component associated with price. These departmental calculations will be totaled

for the whole Hospital. The total increased revenue will be divided by the total prior revenue calculation to determine the percentage increase attributed to price changes. (See Exhibit "B".)

(c) To the extent that net revenues at the Leased Premises for any year shall exceed the Base Net Revenue for such year as determined under subsection (b) above, Percentage Rent shall be paid at the rate of five percent (5%) for the first One Million (\$1,000,000.00) Dollars of such excess, eleven percent (11%) for the next One Million (\$1,000,000.00) Dollars of such excess and seventeen percent (17%) of any additional excess net revenues. Such Percentage Rent shall be paid to Lessor within 90 days after the close of each year or within ten (10) days after the audited financial statements of Operator have been delivered by the certified public accountants, whichever occurs later. In the case of a partial fiscal year, the above calculations shall be prorated according to the number of days in the year. In general, all of the foregoing calculations shall be based on the fiscal year then currently employed by Operator.

Effective as of July 1, 1996, and the first day of July every five (5) years thereafter (the "Adjustment Date"), the Maximum Percentage Rent shall be increased by an amount equal to one hundred percent (100%) of the product obtained by multiplying the Maximum Percentage Rent in effect during the year preceding the year in which said Adjustment Date falls, by the percentage increase, if any, in the latest published figure for the CPI, as defined in Section 2.2 hereof, available on the Adjustment Date (regardless of the month in which the CPI was first published) over the CPI for July, 1985. No adjustments or recomputations, retroactive or otherwise shall be made due to any revision which may later be made in the CPI available on the Adjustment Date. In no event shall the Maximum Percentage Rent be decreased below the amount of the last effective Maximum Percentage Rent payment, as adjusted.

Section 2.3

(a) All sums, including the monthly rental payments provided for in Section 2.1, or payments due under Section 2.2 becoming due or payable to Lessor under this Lease, including all monies expended by Lessor on account of any default by Lessee in the performance or observance of any of the covenants and agreements herein contained on Lessee's part to be performed or observed, except sums expended for attorneys' fees, shall if not

paid as hereinafter provided, bear interest from the respective dates when the same shall be advanced or paid by Lessor, or otherwise due to Lessor, at the rate of the lesser of ten percent (10%) per annum or a rate which shall exceed the prime rate then charged by the American National Bank and Trust Company of Chicago by two percent (2%) per annum until the same shall be paid by Lessee to Lessor. All sums so advanced or paid by Lessor shall become so much additional rental under the terms hereof, due and payable concurrently with the installment of rent next falling due hereunder after the date of such advance or payment by Lessor or other accrual of indebtedness to Lessor.

(b) All sums, except attorneys' fees, expended by Lessee on account of any default by Lessor in the performance or observance of any of the covenants and agreements herein contained on Lessor's part to be performed or observed, or on account of the breach or untruth of any warranty or misrepresentation of Lessor herein contained shall become due and payable by Lessor to Lessee within ten (10) days after demand, and, if not so paid, the same shall bear interest from the date advanced or paid at the rate of the lesser of ten percent (10%) per annum or a rate which shall exceed the prime rate then charged by the American National Bank and Trust Company of Chicago by two percent (2%) per annum until paid by Lessor to Lessee, and Lessee may, at Lessee's option deduct all sums so advanced or paid by Lessee, together with such interest, from the next installment or installments of rent next falling due hereunder.

Section 2.4 The basic rent shall be absolutely net to Lessor, so that this Lease shall yield, net, to Lessor, the specified basic rental in each year during the term of this Lease, and that each and every item of expense of every kind and nature whatsoever, except as otherwise provided in this Lease, for the payment of which Lessor is, shall or may be or become liable by reason of or in any manner connected with or arising from the ownership, leasing, operation, management, maintenance, repair, rebuilding, remodeling, renovation, use or occupancy of the demised premises or any buildings or improvements thereon, shall be borne by Lessee.

Section 2.5 Except as otherwise specifically provided herein, damage to or destruction of any portion or all of the buildings, structures and fixtures upon the demised premises, by fire, the elements or any other cause whatsoever, whether with or without fault on the part of the Lessee, shall not terminate this

Lease or entitle Lessee to surrender the demised premises or entitle Lessee to any abatement of or reduction in the rent payable, or otherwise affect the respective obligations of the parties hereto, any present or future law to the contrary notwithstanding. If the use of the demised premises for any purpose should at any time during the term of this Lease be prohibited by law or ordinance or other governmental regulation or prevented by injunction, this Lease shall not, except as otherwise specifically provided herein, be thereby terminated nor shall Lessee be entitled by reason thereof to surrender the demised premises or to any abatement or reduction in rent, nor shall the respective obligations of the parties hereto be otherwise affected.

ARTICLE III

IMPOSITIONS

Section 3.1 Lessee shall pay as additional rent for the Leased Premises, all taxes and assessments, general and special, water rates and all other impositions, ordinary and extraordinary, of every kind and nature whatsoever, which may be levied, assessed or imposed upon the Leased Premises, or any part thereof, or upon any improvements at any time situated thereon, accruing or becoming due and payable during the term of the Lease ("Impositions"); provided, however, that the general taxes levied against the Leased Premises shall be prorated between Lessor and Lessee as of the date hereof for the first year of the Lease term and as of the expiration date of the Lease term for the last year of the Lease term, all on the basis of the then most recently ascertainable real estate tax bills.

Section 3.2 Lessee may take the benefit of the provisions of any statute or ordinance permitting any assessment to be paid over a period of years, and Lessee shall be obligated to pay only those installments falling due during the term of this Lease.

Section 3.3 If at any time during the term of this Lease the method of taxation prevailing at the commencement of the term hereof shall be altered so that any new tax, assessment, levy, imposition or charge, or any part thereof, shall be measured by or be based in whole or in part upon the Lease or Leased Premises, or the rent, additional rent or other income therefrom and shall be imposed upon the Lessor, then all such taxes, assessments, levies, impositions or charges, or the part thereof, to the extent that they are so measured or based, shall be deemed to be included within the term Impositions for the purposes hereof, to the extent that such Impositions would be payable if the Leased Premises were the only property of Lessor subject to such Impositions, and Lessee shall pay and discharge the same as herein provided in respect of the payment of Impositions.

Section 3.4 There shall be excluded from Impositions all federal income taxes, federal excess profit taxes, franchise, capital stock and federal or state estate or inheritance taxes of Lessor.

Section 3.5 As security for the obligations contained in this Article III, Lessee shall deposit monthly with Lessor, or such other entity as Lessor may designate, on the first day of each and every month of the Lease term, a sum equal to one-twelfth (1/12) of the last ascertainable amount or at Lessor's election, if Lessor's interest hereunder is subject to the lien of a mortgage or trust deed, a sum equal to one-twelfth (1/12) of the mortgagee's estimate of the current amount of Impositions (and, also, insurance premiums as required under the terms of Article IV of this Lease), which monthly deposits shall be held by Lessor in such account or accounts as may be authorized by then current state or federal banking laws; rules or regulations and which monthly deposits shall be used as a fund to be applied by Lessor, to the extent thereof, to the payment of Impositions (and insurance premiums) as the same become due and payable.

Section 3.6 The existence of the fund described in the preceding section shall not limit or alter Lessee's obligation to pay Impositions (or premiums) respecting which the fund was created; provided, however, that said fund shall be fully utilized by Lessor for the payment of Impositions (or premiums); and provided further, however, that, if Lessee is required to make any such payment, the amount of each such payment shall be paid to Lessee out of said fund at least five (5) days before any fine, penalty, interest or cost may be added thereto for the non-payment thereof.

Section 3.7 The amount of the fund created pursuant to the two preceding sections shall be readjusted annually, on the first day of the month after the tax bills are issued in each year of the Lease term, to reflect the actual amount of Impositions (and premiums). Lessee shall not be entitled to interest on said fund; provided, however, that any interest earned by Lessor thereon shall become part of said fund to be used and applied as herein provided.

Section 3.8 Lessee shall deliver to Lessor duplicate receipts or photostatic copies thereof showing the payments of all Impositions made by Lessee within thirty (30) days after the respective payments evidenced thereby.

Section 3.9 Lessee shall not be required to pay any Imposition or charge upon or against the Leased Premises, or any part thereof, or the improvements at any time situated thereon, so long as the Lessee shall, in good faith and with due diligence, contest the same or the validity thereof by appropriate legal proceeding

which shall have the effect of preventing the collection of the Imposition or charge so contested; provided that, pending any such legal proceedings Lessee shall give Lessor such security as may be reasonably satisfactory to Lessor to insure payment of the amount of the Imposition or charge, and all interest and penalties thereon. Lessee may, without postponement of payment, by appropriate legal proceeding, contest the validity or amount of any Imposition and seek to recover payments thereof. Such contest proceedings may be brought by Lessee in the name of Lessee or, if required, of Lessor, or both, without cost or expense to Lessor, and Lessor shall cooperate with Lessee therein as far as reasonably necessary. Lessee shall be entitled to all amounts recovered which relate to payments made out of funds paid by Lessee.

ARTICLE IV

INSURANCE

Section 4.1 As additional rent for the Leased Premises, Lessee shall procure and maintain policies of insurance, at its own cost and expense, insuring:

(a) The Improvements at any time situated upon the Leased Premises against loss or damage by fire, lightning, wind storm, hail storm, aircraft, vehicles, smoke, explosion, riot or civil commotion as provided by the Standard Fire and Extended Coverage Policy and all other risks of direct physical loss as insured against under Special Extended Coverage Endorsement. The insurance coverage shall be for not less than one hundred percent (100%) of the full replacement cost of such Improvements with all proceeds of said insurance payable to Lessor. The full replacement cost of improvements shall be determined every three (3) years by an insurance appraiser selected by Lessor and paid for by Lessee. The insurance appraiser shall submit a written report of his appraisal and if said report shows that the improvements are not insured as herein required, Lessee shall promptly obtain such additional insurance as is required;

(b) Lessor (and all insurance for the benefit of Lessor shall include and cover any mortgagee or any owner of the land or improvements who acquires the same in a sale and leaseback or similar transaction, and any Lessee) from all claims, demands or actions for injury to, or death of any person arising from the condition of the Premises, or any facility located therein or any negligent act of any staff physician or personnel of Lessee or any licensee or invitee in an amount of not

less than Five Hundred Thousand (\$500,000.00) Dollars, and for damage to property in an amount not less than Two Hundred Thousand (\$200,000.00), Dollars made by, or on behalf of, any person or persons, firm or corporation, arising from related to or connected with the Leased Premises. Said insurance shall comprehend full coverage of the indemnity set forth in Section 10.1 hereof;

(c) Lessor and Lessee with the same limits of coverage as provided in subsection (b) for loss or damage by boiler or internal explosion or breakdown of boilers;

(d) Lessee from all workmen's compensation claims; and

(e) At the option of Lessee, Lessor and Lessee against breakage of all plate glass utilized in the Improvements on the Leased Premises.

(f) Lessor from loss of rents during the period while the Leased Premises are untenable due to fire or other casualty (for the maximum period for which such insurance is available) but, except as in this Lease otherwise expressly provided, the purchase of such rent insurance shall not relieve Lessee from the primary obligation to pay rent during any such period of untenability.

(g) Lessor (and its mortgagees) for such greater limits as to the foregoing as may be necessary to comply with requirements of any institutional mortgagee and to avoid dilution of such insurance coverage by reason of changes in the value of money.

Section 4.2 The aforesaid insurance shall be in companies and in form, substance and amount (where not stated above) reasonably satisfactory to Lessor and any mortgagee of Lessor, and shall contain standard mortgage clauses satisfactory to Lessor's mortgagee. The aforesaid insurance shall not be subject to cancellation except after at least thirty (30) days' prior written notice to Lessor and any mortgagee of Lessor. The original or duplicate insurance policies (or certificates thereof satisfactory to Lessor) together with satisfactory evidence of payment of the premiums thereon, shall be deposited with Lessor on the date hereof and renewals thereof not less than thirty (30) days prior to the end of the term of each such coverage. Lessee shall make monthly deposits to apply toward insurance premiums in the same manner as made and provided in the case of real estate taxes in Article III.

Section 4.3 Whenever (a) any loss, cost, damage or expense resulting from fire, explosion or any other casualty or occurrence is incurred by either of the parties to this Lease in connection with the Leased Premises, and (b) such party is then covered in whole or in part by insurance with respect to such loss, cost, damage or expense, then the party so insured hereby releases the other party from any liability it may have on account of such loss, cost, damage or expense to the extent of any amount recovered by reason of such insurance and waives any right of subrogation which might otherwise exist in or accrue to any person on account thereof, provided that such release of liability and waiver of the right of subrogation shall not be operative in any case where the effect thereof is to invalidate such insurance coverage or increase the cost thereof (provided that in the case of increased cost the other party shall have the right, within thirty (30) days following written notice, to pay such increased cost, thereupon keeping such release and waiver in full force and effect).

ARTICLE V

DAMAGE OR DESTRUCTION

Section 5.1 In case of damage to or destruction of the Leased Premises or any part thereof, Lessee shall promptly repair and reconstruct the premises with due diligence to restore the same to the condition thereof immediately prior to such damage or destruction. The proceeds of any insurance shall be applied to pay the cost of any such restoration. Lessor shall have the right to cause such insurance proceeds to be held in escrow to assure it will be so applied. Any excess of the proceeds of such insurance policies over the cost of restoration shall belong to Lessee.

Section 5.2 Lessee shall commence the restoration work promptly after the damage and complete the same in due course, which in no event shall exceed twelve (12) months, if the work is delayed because of strikes, acts of God or the public enemy, governmental restrictions or unavailability of materials or other matters beyond the control of Lessee, than the time of completion of the work shall be extended for the additional time caused by such delay.

Section 5.3 There shall be no abatement of rent due hereunder on account of any damage or destruction to the premises or any delays in effecting the restoration thereof.

Section 5.4 The obligation of Lessee to make restoration hereunder shall in no way be affected by the fact that damage may be structural or unusual.

ARTICLE VI

CARE AND USE OF LEASED PREMISES

Section 6.1 Lessee may use the Leased Premises for the following purposes only: operation of a hospital and health care facility, operation of a nursing home and/or outpatient health care clinic and operation of an office building, together with allied uses such as the maintenance of parking facilities in connection with the foregoing Lessee may not change the use of said premises without the consent of the Lessor.

Section 6.2 Lessee shall not use, or suffer or permit any person to use, the Leased Premises, or any part thereto, or any Improvements thereon, for any use or purpose which may be unlawful, nor permit the Leased Premises, or any part thereof, to be used for any purpose or in any manner whatsoever calculated or tending to cause structural injury to the Improvements, or which would constitute a public or private nuisance or waste, or for any use or purpose in violation of any present or future law, ordinance or public regulation of the State of Illinois, or the City of Zion, Illinois, or other lawful public authority having jurisdiction. Lessee will comply with all health and police ordinances and regulations of the City of Zion, Illinois, or other governmental authorities, which are now or may hereafter be in force during the term of this Lease and which affect the Leased Premises; the Improvements at any time situated thereon and every part thereof shall be kept by Lessee in a clean and wholesome condition; and the Improvements at any time upon the Leased Premises and all the sidewalks and areas in front, rear and along the sides of the same, shall be made and kept by Lessee safe, secure and conformable to the lawful or valid requirements of the City of Zion, Illinois, and all other governmental authorities having jurisdiction.

Section 6.3 Lessee shall, at Lessee's sole cost and expense, maintain and keep in repair the Leased Premises and the Improvements at any time located thereon, exterior and interior, including the sidewalk in front thereof.

Section 6.4 In case Lessee does not at all times during the term of this Lease maintain and keep the Leased Premises and the Improvements thereon in repair, then Lessor may serve Lessee with a written notice to make such repairs, and in the event Lessee shall fail to commence making such repairs within thirty (30) days after the giving of such written notice to Lessee, then Lessor, or its duly authorized agent may enter upon the Leased Premises and shall have the right to make such repairs as are required hereby to be made by Lessee and which have not been made, and the amount so expended by Lessor shall be considered additional rental and

shall be collected at the next rent date after such advancement immediately following disbursements by Lessor.

Section 6.5 The cost of all utility services, including but not limited to gas, water, electricity, heating and cooling, shall be paid for by Lessee. Lessor shall not pay for any service or supplies utilized in connection with the Leased Premises.

ARTICLE VII

ALTERATIONS

Section 7.1 Lessee shall have the right to make from time to time such alterations, additions or remodeling to or of the Improvements situated on the Leased Premises as Lessee determines is necessary or appropriate for the conduct of its business. Lessee agrees not to make any alteration, addition or remodeling which reduces the value or changes the character of the Improvements or impairs the structural strength of the Improvements.

Section 7.2 Lessee may, without Lessor's consent, erect and maintain on the Leased Premises, any signs which do not violate any present or future applicable law, ordinance or regulation.

ARTICLE VIII

INSPECTION

Section 8.1 Lessee shall permit Lessor and Lessor's agents to enter the Leased Premises at all reasonable hours for the purpose of inspecting the same or of making repairs which Lessee may neglect or refuse to make in accordance with the terms hereof; and also for the purpose of showing the Leased Premises to persons wishing to purchase the same, and, at any time within twelve (12) months prior to the expiration of the term hereby demised, to persons wishing to rent the Leased Premises. Lessee shall, within twelve (12) months prior to the expiration of said term, permit one usual "To Let" or "For Sale" notice to be placed on the Leased Premises and to remain thereon without molestation.

ARTICLE IX

SURRENDER OF LEASED PREMISES

Section 9.1 Lessee shall upon the termination of this Lease, whether by forfeiture, lapse of time or otherwise, or upon the termination of Lessee's right to possession of the Leased Premises, surrender and deliver up the Leased Premises, together with all improvements thereon, to Lessor free of occupants, broom clean and in good repair, reasonable wear and tear excepted; and all

improvements then standing upon the Leased Premises shall belong to Lessor; provided, however, that if Lessor shall request Lessee to remove any alterations, additions or remodeling (other than Lessee's Expansion) made by Lessee, Lessee shall promptly make such removal, at its cost, and repair any damage caused thereby, to the end that on such surrender, the Leased Premises shall, as near as may be, subject to exceptions stated herein, be in the same condition as when tendered to Lessee.

For the purposes of the preceding Section, Improvements shall not be deemed or construed to include Lessee's trade fixtures, equipment or machinery but the improvements surrendered shall include any items of machinery and equipment used by Lessee and owned by Lessor. Any holding over by Lessee of the Leased Premises after the expiration of this Lease shall operate and be construed to be a tenancy from month-to-month only at a monthly rental in the amount of the monthly installments of the annual rental provided for in Article II.

ARTICLE X

INDEMNITIES

Section 10.1 Lessee shall indemnify and save harmless Lessor from and against any and all penalties, fines, damages, losses, costs, charges and expenses whatsoever, including reasonable attorneys' fees, arising or in any way growing out of:

(a) any breach or default by Lessee in the performance or observance of any of Lessee's covenants in this Lease; and

(b) any accident, injury, loss or damage (not resulting from, due to or occasioned by any act, omission, fault or negligence of Lessor, or persons acting as Lessor's agents, employees or representatives, or as partners, limited or general, or their agents, employees or representatives) resulting to person or property, during the term of this Lease, and due, directly or indirectly, to the possession, use, occupancy, operation, alteration, repair or maintenance of the Leased Premises, or by reason of any act or thing done or neglected to be done upon the Leased Premises.

Section 10.2 The liability of Lessee to indemnify and save harmless Lessor, as hereinabove set forth, shall not extend to any matter against which Lessor shall be effectively protected by insurance; provided, however, that if any such liability shall exceed the amount of the effective and collectible insurance in question, the said liability of Lessee shall apply to such excess.

Section 10.3 Lessor shall not be liable, and Lessee waives all claims, for damage to person or property sustained by Lessee or Lessee's sub-lessees, employees, agents, servants, beneficiaries, invitees, patients and customers resulting from the Leased Premises or any Improvements, equipment or appurtenances thereunto appertaining and becoming out of repair or for loss or damage resulting to Lessee or its property from burst, stopped or leaking water, gas, sewer or other pipes or conduits or plumbing fixtures, or from any failure or defect in an electric line, circuit or facility or resulting from any act in or about the Leased Premises or indirectly from any act or neglect of any other person. Nothing in this Section 10.3 shall be deemed or construed to relieve Lessor from any liability, in the event of acts, omissions, fault or negligence of Lessor, Lessor's agents, employees or representatives, their agents, employees or representatives.

Section 10.4 Lessee shall indemnify Lessor against any loss on account of the failure of Lessee to repay any loans which may be made from time to time by Lessee or other liabilities owed from Lessee to Lessor whether or not arising out of this Lease and the failure to make any such payment when due, whether of principal or interest, shall be deemed to be a default under this Lease.

ARTICLE XI

COVENANT AGAINST LIENS

Section 11.1 Nothing contained in this Lease shall authorize Lessee to do any act which shall in any way encumber the title of Lessor in and to the Leased Premises, nor shall the interest or estate of Lessor herein be in any way subject to any claim by way of lien or encumbrance, whether claimed by operation of law or by virtue of any express or implied contract by Lessee, and any claim to a lien upon said Leased Premises, arising from any act or omission of Lessee, shall accrue only against the leasehold estate of Lessee, and shall, in all respects, be subject and subordinate to the paramount title and rights of Lessor in and to the Leased Premises and the Improvements thereon.

Section 11.2 Lessee will not permit any such lien to stand against the Leased Premises or the Improvements or any part thereof. Lessee shall have the right to contest the validity or amount of any such lien, but, notwithstanding the foregoing provisions of this Article XI, if any such lien is filed against the Leased Premises or any part thereof, it shall be discharged by Lessee within thirty (30) days thereafter, at Lessee's expense, by filing the bond or furnishing the security required by law or otherwise.

ARTICLE XII

ASSIGNMENT AND SUBLETTING

Section 12.1 Lessee shall have the right to assign, convey, sell or sublet all or any part of its estate hereunder or any rights hereunder, either in whole or in part, upon the condition that, at the date of any such assignment, sale or conveyance, Lessee shall have paid all rent and additional rent which shall have accrued under this Lease to the date of any such assignment, sale or conveyance.

Section 12.2 In any event, upon any permitted assignment, sale, subletting or conveyance of the leasehold estate or any part thereof, the assignee shall:

(a) expressly accept such assignment subject to all covenants and agreements in this Lease contained to be observed or performed by Lessee;

(b) expressly agree to be subject to the same terms and conditions as to future assignments as hereby made binding upon Lessee;

(c) designate a first address for the services of all declarations or notices pursuant to the provisions of this Lease, and

(d) deposit with Lessor a duplicate of said instrument, duly executed concurrently with such assignment.

Section 12.3 In case the original Lessee hereunder shall be permitted as herein provided to sell, convey, sublet or assign its interest in the leasehold estate hereby created, the original Lessee shall not be released or discharged from any of its obligations arising or accruing under the covenants and agreements of this Lease contained, but shall remain equally primarily liable with such assignee for the full and faithful performance thereof.

Section 12.4 Any attempted sale, conveyance or assignment of the interest of Lessee hereunder (or any part or portion thereof) without complying fully and completely with the covenants and conditions aforesaid shall be null and void; and if Lessee shall make or attempt to make any assignment of this Lease or leasehold estate hereby created without substantial compliance with the covenants and conditions aforesaid, no acceptance by Lessor of rents or other payments hereunder from or by said purported assignee, or other recognition by Lessor of said purported assignee shall be considered a release by Lessor of the continuing

liability of Lessee hereunder or as waiver of the right of Lessor to declare and treat such assignment as null and void, or a waiver of any of the terms and provisions hereof.

Section 12.5 Notwithstanding any of the foregoing provisions of this Article XII, Lessee may, without the consent of Lessor, assign, convey, sublet (in whole or in part) or sell this Lease or Lessee's leasehold estate thereunder to any assignee or to any sublessee controlling, controlled by, or under common control with the assignor or sublessor, or to the assignor's or sublessor's successor by merger or consolidation. However, in the case of any such assignment, assignor shall remain liable under this Lease as if no such assignment had taken place.

ARTICLE XIII

CONDEMNATION

Section 13.1 If at any time during the term hereof the whole of the Leased Premises, shall be taken for any public or quasi public use, under any statute, or by right of eminent domain then, in such event, when possession shall have been taken thereunder of the Leased Premises by the condemning authority,

(a) the term hereby granted and all rights of Lessee hereunder shall immediately cease and terminate;

(b) the rent shall be apportioned and paid to the time of such termination;

(c) any Impositions paid by Lessee shall be pro-rated between the parties;

(d) any award resulting from said condemnation shall belong to Lessee without any deduction therefrom for any estate or interest of Lessor except that any award for personal property included in the Leased Premises shall belong to Lessor; and

(e) Lessor hereby assigns to Lessee any and all such award with any and all rights, estate and interest of Lessor now existing or hereafter arising in and to the same or any part thereof.

Section 13.2 If Lessee shall not be entitled to apply in its own name for a separate award therefor, Lessor agrees that Lessor's rights to so apply shall be assigned to Lessee who may apply in Lessor's name for the award. In that case, Lessee shall be entitled to keep the entire award when received, including the amount, if any, by which it is increased by reason of the taking

of fixtures or equipment which Lessee is entitled to remove, alterations or improvements (including Lessee's Expansion) paid for by Lessee, and the costs to Lessee of moving from the Leased Premises.

Section 13.3 If Lessee shall be entitled to apply for a separate award for any or all of the foregoing items, Lessor shall not apply for any amount for which Lessee is entitled to apply, and each party shall be in charge of the respective negotiations, settlements or legal proceedings relating to the items for which each are to be reimbursed.

Section 13.4 All costs, counsel fees, and other expenses of the proceedings described above in this Article XIII, if jointly undertaken, shall be prorated between the parties hereto in the same proportion as the share of the total award received by each bears to the total award.

Section 13.5 In the event of a taking or condemnation of a part of the Leased Premises and if it shall not be practicable or economical for Lessee to retain and operate the remainder in Lessee's business for the uses and purposes to which the Leased Premises are then being put, Lessee may terminate this Lease, and if Lessee so elects, said termination shall be as provided in Section 13.1.

Section 13.6 In the event of a taking or condemnation of a part of the Leased Premises and Lessee elects to continue to use and operate the Leased Premises, or if it shall be practicable and economical for Lessee to continue to use and operate the remainder in Lessee's business for the uses and purposes to which the Leased Premises are then being put, this Lease shall continue and the entire award shall belong to Lessor without any deduction therefrom for any estate or interest of Lessee, and Lessee hereby assigns to Lessor any and all such award with any and all rights, estate and interest of Lessee now existing or hereafter arising in and to the same or any part thereof; provided, however, that Lessor shall promptly and diligently restore and make a complete architectural unit of the remainder of the Improvements on the Leased Premises, and for such purposes Lessor shall receive and hold in trust the amount of the award relating to the Improvements.

Section 13.7 There shall be no abatement of rent during the period of work described in the preceding section, but the rent payable hereunder after the date Lessee is required to surrender possession of the part of the Leased Premises as shall be so taken or condemned shall be adjusted and apportioned in such manner as may be fair and equitable. If and to the extent that the condemnation award shall be insufficient to complete Lessee's restora-

tion, the excess of such cost over the amount of the award shall be paid by Lessee. Such work shall be commenced promptly after the completion of such condemnation and shall be completed in due course, Lessee proceeding diligently to effect such restoration or reconstruction.

ARTICLE XIV

REMEDIES

Section 14.1 If default shall be made at any time by Lessee in the payment of the rent herein reserved, or any installment or portion thereof, or taxes or tax deposits, or any sum collectible by Lessor as rent, or together with any installment or installments of rent, or other amounts due to Lessor from Lessee, and such default shall continue for fifteen (15) days after notice thereof in writing by Lessor to Lessee, or in case default shall be made in any of the other covenants and agreements herein contained to be kept, observed and performed by Lessee, and Lessee shall not commence to cure such default and diligently proceed therewith within thirty (30) days after notice thereof in writing by Lessor to Lessee, or in case Lessee shall abandon and desert the Leased Premises for a period of thirty (30) days, or the leasehold interest of Lessee shall be levied on under execution, or Lessee shall be adjudicated a bankrupt, or a receiver appointed for its possessions or property and said levy, adjudication or appointment remain in full force and be not vacated for a period of ninety (90) days after the date thereof, or Lessee shall make an assignment for the benefit of creditors, then and in that event Lessee's right to possession of the Leased Premises shall thereupon terminate, with or without any further notice or demand whatsoever, and mere retention of possession thereafter by Lessee shall constitute a forcible detainer of said Leased Premises; and, if Lessor so elects (but not otherwise) without further notice of such election or any other notice or demand whatsoever (except as above set forth), this Lease shall thereupon terminate.

Section 14.2 Upon termination of Lessee's right to possession as aforesaid, whether this Lease be terminated or not, Lessee agrees to surrender possession of the Leased Premises immediately, without the receipt of any demand for rent, notice to quit, or demand for possession of the Leased Premises whatsoever, and hereby grants to Lessor full, free and complete license to enter into and upon the Leased Premises, or any part thereof, to take possession thereof, with or without process of law, and to expel and remove Lessee or any other person who may be occupying the said Leased Premises, or any part thereof, and Lessor may use such force in and about expelling and removing Lessee and said other persons as may be reasonably necessary, and Lessor may further repossess itself of the said Leased Premises as of its former

estate, but said entry and repossession of said Leased Premises shall not constitute a trespass or forcible entry or detainer, nor shall it cause a forfeiture or cancellation of rents or other sums due or to become due during the full term hereof, nor act as a waiver of any covenant, agreement or promises herein contained to be performed by Lessee.

Section 14.3 Lessee hereby waives any and all notice of any election made by Lessor hereunder, demand for rent, notice to quit, demand for possession and any and all notices and demands whatsoever, of any and every nature (except notices herein specifically provided for), which may or shall be required by any statute of the State of Illinois relating to forcible or unlawful entry or detainer or to Lessor or Lessee, or any other statute, or by the common law, during the term of this Lease.

Section 14.4 Acceptance of rent or other sums due hereunder, whether in a single instance or repeatedly after the same fall due, or after knowledge of any breach hereof of Lessee, or the giving or making of any notice or demand, whether according to any statutory provisions or not, or any act or series of acts, except by express written waiver, shall not be construed as a waiver of Lessor's right to act without notice or demand, or of any other right hereby given Lessor, nor as an election not to proceed under the provision of this Lease.

Section 14.5 The obligation of Lessee to pay the rent (or other sums) reserved hereby during the balance of the term hereof, or during any extension hereof, shall not be deemed to be waived, released or terminated by the service of any notice, either notice to collect, demand for possession or notice that the tenancy hereby created will be terminated on a date therein named, or the institution of any action of forcible detainer or ejection, or similar action or any judgment for possession which may be rendered in such action. Lessor may collect and receive any rent or other sums due from Lessee, and payment or receipt thereof shall not waive or affect any such notice, demand, suit or judgment, or in any manner waive, affect, change, modify or alter any rights or remedies which Lessor may have by virtue hereof.

Section 14.6 If Lessee's right to the possession of the Leased Premises shall be terminated in any way, on account of default of Lessee, the Leased Premises, or any part or parts thereof, may, but need not be, relet by Lessor for the account and benefit of Lessee, for such rent and upon such terms and to such persons, including a corporation or corporations controlled by Lessor, and for such period or periods as may seem fit to Lessor; and if a sufficient sum shall not be received from such reletting to satisfy the rent hereby reserved, after paying the expenses of reletting and collection, and all expenses of placing said Leased

Premises in condition for such reletting, Lessee agrees to pay and satisfy all deficiencies; but the acceptance of a tenant or tenants by Lessor in place of Lessee shall not operate as a cancellation hereof, nor to release Lessee from the performance of any covenant; or agreement herein contained; and performance by a substituted tenant by the payment of rent or otherwise, shall constitute only satisfaction pro tanto of the obligations of Lessee arising hereunder.

Section 14.7 Lessor may pursue any of the remedies in this Lease provided, or any which may be allowed by law, in equity or by statute, either separately or concurrently, and any and all of Lessor's rights and remedies are cumulative and not alternative, and shall not be exhausted by the exercise thereof on one or more occasions. No delay or omission to exercise any remedy or right accruing on any default shall impair any such default, or acquiescence therein, nor shall it affect any subsequent default of the same or a different nature; but every such remedy or right may be exercised from time to time and as often as may be deemed expedient by Lessor.

Section 14.8 In case Lessor shall have proceeded to enforce any right under this Lease by entry, suit or otherwise, and such proceeding shall have been discontinued or abandoned because of a waiver, settlement or for any other reason, or shall have been determined adversely to Lessor, then and in every such case, Lessor shall be restored to its former position and rights hereunder in respect to the Leased Premises and all rights, remedies and powers of Lessor shall continue as though no such proceeding had been taken.

Section 14.9 Neither the rights herein, nor by law given, to receive, collect, sue for or distrain for any rent or rents, moneys or payments or to enforce any of the terms or covenants of this Lease, or to prevent the breach or non-observance thereof, nor the exercise of any such right or remedy hereunder or otherwise granted or arising, shall in any way affect or impair or limit the right or power of Lessor to declare the term hereby granted ended, or to terminate this Lease because of any default or breach, as herein provided.

Section 14.10 The whole amount of rent hereby reserved and agreed to be paid hereunder, and each installment thereof and the amount of all taxes, duties, assessments, water rates, insurance premiums, and all costs and attorneys' fees and expenses which may be paid or incurred by Lessor in enforcing the terms and provisions of this Lease, or on account of any delinquency of Lessee in carrying out any of the covenants and agreements by it to be kept, observed and performed herein, and any and all other sums due or to become due to Lessor from Lessee under any provisions of this

Lease, shall be, and are hereby declared to be valid and first liens upon any and all of the Improvements which may at any time be situated on the Leased Premises, and upon the interest of Lessee hereunder, and in the Leased Premises.

ARTICLE XV

PARAMOUNT TITLE OF LESSOR

Section 15.1 Nothing in this Lease contained shall authorize Lessee to do (or refrain from doing) any act which shall in any way encumber the title of Lessor in and to the Leased Premises; nor shall the title, interest or estate of Lessor therein be in any way subject to any claim by way of lien or encumbrance, whether arising by operation of law or by virtue of an express or implied contract by Lessee; and any claim to a lien or encumbrance upon said Leased Premises, arising from any act or omission of Lessee, shall accrue only against the leasehold estate of Lessee, and shall in all respects be subject and subordinate to the paramount title and rights of Lessor in and to the Leased Premises and any Improvements thereon; and the whole world, and particularly every person furnishing, manufacturing or preparing any material, fixtures, apparatus or machinery for, or on account of, said Leased Premises, or such Improvements or appurtenances, or dealing in any way with Lessee or anyone claiming under it, shall take and be held charged with notice of this condition, and shall have and acquire no lien upon Lessor's interest through the furnishing of such material, fixtures, apparatus, machinery, labor or services.

ARTICLE XVI

SUBORDINATION OR PRIORITY

Section 16.1 The rights and interest of Lessee under this Lease shall be subject and subordinate to any institutional mortgages or deeds of trust held by, or for the benefit of, a bank, insurance company or other institutional lender that may hereafter be placed upon the Leased Premises and to any and all advances to be made thereunder, and to the interest thereon, and all renewals, replacements and extensions thereof, if the mortgagee or trustee named in said mortgages or trust deeds shall elect to subject and subordinate the rights and interest of Lessee under this Lease to the lien of its mortgage or deed of trust or Lease and shall agree to recognize this Lease and not to take any action to interfere with the rights and interest of Lessee under this Lease in the event of foreclosure if Lessee is not in default. Any such mortgagee or trustee may alternatively elect to give the rights and interest of Lessee under this Lease priority over the lien of its mortgage or deed of trust.

Section 16.2 In the event of either election specified in Section 16.1 above and upon notification by such mortgagee or trustee to Lessee to that effect, the rights and interest of Lessee under this Lease shall be deemed to be subordinate to, or to have priority over, as the case may be, the lien of said mortgage or trust deed, whether this Lease is dated prior to or subsequent to the date of said mortgage or trust deed. Lessee shall execute and deliver whatever instruments may be required for such purposes, and in the event Lessee fails so to do within ten (10) days after demand in writing, Lessee does hereby make, constitute and irrevocably appoint Lessor as Lessee's attorney in fact and in its name, place and stead so to do.

Section 16.3 In the event that mortgagee or trustee as described above shall elect to subject and subordinate the rights and interest of Lessee under this Lease to the lien of its mortgage or deed of trust, such mortgagee or trustee shall at the same time execute and deliver to Lessee an agreement in recordable form that neither it nor its successors or assigns will take any action to interfere with the rights and interest of Lessee, its successors and assigns, in the Leased Premises under this Lease so long as Lessee is not in default and that it, its successors and assigns will recognize such rights and interest in the event of foreclosure if Lessee is not in default.

Section 16.4 For the purpose of this Article XVI, the term "institution" means a bank, savings and loan association, insurance company, church, educational institution, pension fund, or other institution which is a regular lender or investor in real estate mortgages, and the term "mortgage" includes a transaction in the nature of a sale and a lease of Lessor's interest in the land or improvement included in the Leased Premises resulting from leaseback between such an institution and Lessor (or its successor).

Section 16.5 If any mortgage or deed of trust affects the Leased Premises on the date of the execution and delivery of this Lease, or if any mortgage or deed or trust is placed thereon on said date, and if the mortgagee or trustee named therein shall not then elect to give the rights and interest of Lessee under this Lease priority over the lien of the mortgage or deed of trust, Lessor shall, upon the execution and delivery of this Lease, cause such mortgagee or trustee to execute and deliver to Lessee an agreement in recordable form that neither it nor its successors or assigns will take any action to interfere with the rights and interest of Lessee, its successors and assigns, in the Leased Premises under this Lease so long as Lessee is not in default, and that it, its successors and assigns will recognize such rights and interest in the event of foreclosure if Lessee is not in default.

ARTICLE XVII

NOTICES

Section 17.1 In every case where, under any of the provisions of this Lease, or in the opinion of either Lessor or Lessee, or otherwise, it shall or may become necessary or desirable to make, give, serve or delivery any declaration, demand or notice of any kind or character or for any purpose whatsoever, it shall be sufficient to send or cause to be sent a copy of any such declaration, demand or notice by registered or certified mail, postage prepaid, properly addressed to Lessor or Lessee for the time being (as the case may be) at such address as the only party may have theretofore furnished to the other party in writing for the declared and express purpose of receiving notices; or, if no such address shall have been theretofore furnished by such party for such purpose, then properly addressed to the party at said party's last known address. The date of giving any such notice shall be deemed to be the date when the same is duly deposited in the United States Mail.

Section 17.2 All declarations, notices to or demands upon Lessor or Lessee are hereby required to be in writing, and in any case declaration, demand or notice or copy thereof may be signed and made, given or served in person or by an agent, attorney or servant. And, in each and every case, such service in the mode provided, of any declaration, demand or notice, shall be sufficient and held effectual for all purposes, and no other or further declaration, demand or notice or method of manner of giving, serving or delivering the same shall be required.

Section 17.3 For the time being and until changed by notice in writing, all declarations, notices or demands shall be addressed to the parties at the addresses specified herein.

ARTICLE XVIII

MODIFICATIONS TO BE IN WRITING

Section 18.1 None of the covenants or agreements of this Lease, to be kept and performed by either party, shall in any manner be altered, waived, modified, changed or abandoned except by a written instrument, duly signed, acknowledged and delivered by both parties. No act or acts, omission or omissions or series of acts or omissions, or waiver, acquiescence or forgiveness, by either party as to any default in or failure of performance, ~~either in whole or in part, by the other party of any of the cove-~~nants and agreements of this Lease, shall be deemed or construed to be a waiver by either party of the right at all times thereafter to insist upon the prompt, full and complete performance by

the other party of each and all the covenants and agreements hereof thereafter to be performed in the same manner and to the same extent as the same are herein covenanted or agreed to be performed by the other party.

ARTICLE XIX

LESSEE'S OPTIONS

Section 19.1 Right of First Refusal. If at any time during the term of this Lease, Lessor shall receive a bona fide offer to purchase the Leased Premises, Lessor shall send to Lessee a true and complete copy of the proposed contract and notify Lessee of the intention of Lessor to accept the same. Lessee shall have the right, by notice to Lessor given within thirty (30) days after the receipt of such contract, to accept the terms of such contract and to consummate the purchase of the Leased Premises, either in the name of Lessee or Lessee's nominee (provided that in the case of an installment sale, such nominee shall have credit at least equal to that of such other purchaser), within sixty (60) days after such acceptance. If Lessee shall not so elect within said thirty (30) day period, Lessor may then sell the Leased Premises to such offeror provided the sale is for the price and upon substantially the same terms and conditions set forth in such contract sent to Lessee.

Section 19.2 Lessor hereby grants to Lessee an option to purchase the Leased Premises (less so much thereof, if any, as may have been previously taken or condemned by any competent authority) in accordance with the following provisions:

(a) The purchase shall be effective as of the expiration of the term hereof. The closing of the purchase shall be on a regular business day and place of business in Chicago, Illinois as designated by Lessee, occurring not more than thirty (30) days after the expiration of the term hereof and not prior to the expiration date of the term hereof, time being of the essence. At the closing, the purchase price shall be paid in cash and a good and merchantable title to the property transferred free and clear of any liens, claims or encumbrances

(b) The purchase price shall be the aggregate of the fair value of the land included in the Leased Premises plus the Lessor's book value for any improvements or personal property. ~~The fair value of land and the book value of such to the property shall be determined in accordance with the following provisions:~~

(i) The fair value of the land shall be determined on the basis of the highest and best use of such land at the time of the termination of the Lease without regard to the terms and provisions of this Lease. Such amount shall either be determined on the basis of agreement between the Lessor and Lessee, or in the absence of such agreement, by appraisal.

(ii) In the case where the Lessor is a limited partnership, the amount of any agreed value shall be ineffective unless approved by holders of 75% of the limited partnership interests.

(iii) If the parties have not reached agreement as to the fair value of the land, within four (4) months after notice of the election to exercise the purchase option has been given, then the same shall be determined by a panel of three (3) appraisers, one to be selected by Lessor, one to be selected by Lessee and the third to be chosen by the two appraisers so designated by the parties.

(iv) The decision of any two appraisers shall be controlling and each appraiser shall be an individual familiar with land and building values in the area of the Leased Premises and experienced at making real estate appraisals, and each of such parties shall be impartial and of good moral and business reputation.

(v) If any party shall fail to appoint an appraiser, then the same shall be selected, on application of the other party, by the then President of the Chicago Real Estate Board or its successors, or if none, by the Senior Judge of the United States District Court for the Northern District of Illinois, Eastern Division, or its successor court.

(vi) The expenses of such third appraiser shall be borne equally by the parties, and the expenses of the other appraisers shall be borne by the party designating the same or being required to designate the same hereunder.

(vii) The book value of improvements and personal property shall be their cost to the Partnership less depreciation to the date of the termination of this Lease, all determined by the certified

public accounting firm then reviewing the books and records of the Lessor.

ARTICLE XX

QUIET ENJOYMENT

Section 20.1 Lessor covenants that Lessee, on paying the annual rental and additional rent and performing the Lessee obligations of this Lease, shall peacefully and quietly have and hold and enjoy the Leased Premises through the term or until it is terminated as herein provided.

ARTICLE XXI

RECORDING

Section 21.1 On or before the date hereof, Lessor and Lessee shall execute and deliver to each other a notice of short form of this Lease for recording which either party may thereafter record.

ARTICLE XXII

SUCCESSION AND INUREMENT

Section 22.1 All of the covenants, agreements, conditions, and undertakings in this Lease contained, and each of them, shall extend and inure to and be binding upon the respective successors, legal representatives and assigns of the respective parties hereto.

Section 22.2 In every case herein, where and whenever Lessee is referred to as "it", "they", "he", "or", "she" the same shall be deemed to refer to and include Lessee and Lessee's permitted assignees from time to time, whether singular or plural, and whether male, female or neuter.

ARTICLE XXIII

MISCELLANEOUS PROVISIONS

Section 23.1 Lessee shall, at any time and from time to time upon not less than fifteen (15) days prior written request from Lessor, execute, acknowledge and deliver to Lessor a written statement certifying:

~~(a) whether this Lease is unmodified and in full force and effect and stating the modifications, if any;~~

(b) whether Lessee knows of any default by Lessor and stating all such known to Lessee; and

(c) the date to which the rent due hereunder, Impositions and insurance premiums have been paid in advance, if any.

Section 23.2 Lessor shall, at any time and from time to time upon not less than fifteen (15) days prior written request from Lessee, execute, acknowledge and deliver to Lessee a written statement certifying:

(a) whether this Lease is in full force and effect and stating the modifications, if any;

(b) whether Lessor knows of any default by Lessee and stating all such known to Lessor; and

(c) the date to which the annual rental, Impositions and insurance premiums have been paid.

Section 23.3 Lessor and Lessee agree that no broker brought about this Lease, and Lessor represents that Lessor is not obligated to pay any commission or other compensation to any broker in connection with respect to this Lease or the negotiation thereof.

Section 23.4 The term "Lessor" as used in this Lease shall mean and include only the owner or owners at the time in question of the Leased Premises, and in the event of any transfer or conveyance of title, Lessor herein (and in case of any subsequent transfer or conveyance, the then grantor) shall be relieved, from and after the date of such transfer or conveyance, of all liability as respects the performance of any covenants, agreements or obligations on the part of Lessor contained in this Lease thereafter to be performed; provided, however, that any funds in the hands of Lessor or the then Grantor at the time of such transfer or conveyance, in which Lessee has an interest, shall be turned over to the grantee, and any amount then due and payable to Lessee by Lessor or the then grantor under any provisions of this Lease shall be paid to Lessee.

Section 23.5 It is the desire of Lessor that the Leased Premises as encumbered by this Lease be acceptable to an institutional mortgagee as security for a mortgage loan. Lessee, therefore, will join with Lessor to make such reasonable modifications in this Lease as may be required by an institutional first mortgagee in connection with making such first mortgage loan, provided that such modifications do not adversely affect the economic position of Lessee under this Lease.

Section 23.6 The captions of this Lease are for convenience only and are not to be construed as part of this Lease and shall not be construed as defining or limiting in any way the scope or intent of the provisions hereof.

Section 23.7 If any term or provision of this Lease shall to any extent be held invalid or unenforceable, the remaining terms and provisions of this Lease shall not be affected thereby, but each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

Section 23.8 This Lease shall be construed and enforced in accordance with the laws of the State of Illinois.

IN WITNESS WHEREOF, Lessor and Lessee have caused these presents to be executed in their respective partnership and corporate names by their respective officers thereunto duly authorized and their respective corporate seals to be hereunto affixed, in quadruplicate, all as of the day and year first hereinabove written.

ZION HEALTHCARE PROPERTIES, INC.

By *Arthur E. Freedland* President

NORTHEAST ILLINOIS MEDICAL PROPERTIES

By *Robert W. Mayo*
Robert W. Mayo, Managing General
Partner

By: PREFERRED EQUITIES CORPORATION,
General Partner

By *R. A. Stephenson* President
Richard A. Stephenson,
President

17322-6

EXHIBIT "A"

LEGAL DESCRIPTION

PARCEL 1: THAT PART OF THE NORTH EAST QUARTER OF THE SOUTH EAST QUARTER OF SECTION 21, TOWNSHIP 46 NORTH, RANGE 12, EAST OF THE 3RD P.M., FORMERLY KNOWN AS LOTS 1, 2, 3, AND THE NORTH 13 FEET OF LOT 4 IN BLOCK 59 IN ZION CITY SUBDIVISION IN SECTION 21, TOWNSHIP 46 NORTH, RANGE 12, EAST OF THE 3RD P.M., VACATED BY INSTRUMENT RECORDED MARCH 30, 1905, AS DOCUMENT 99059, IN BOOK 159 OF MORTGAGES, PAGE 160, IN LAKE COUNTY, ILLINOIS; ALSO

PARCEL 2: THE VACATED ALLEY LYING SOUTH OF AND ADJOINING AFORESAID VACATED LOT 2 AND NORTH OF AND ADJOINING AFORESAID VACATED LOT 3 IN BLOCK 59 IN SAID ZION CITY SUBDIVISION IN SECTION 21, TOWNSHIP AND RANGE AFORESAID, VACATED BY ORDINANCE OF THE CITY OF ZION PASSED AND APPROVED BY THE CITY COUNCIL OF ZION ON JANUARY 18, 1960 AND RECORDED FEBRUARY 5, 1960, AS DOCUMENT 1059811, IN LAKE COUNTY, ILLINOIS; ALSO

PARCEL 3: LOTS 7, 9 AND 10 IN BLOCK 59 IN ZION CITY SUBDIVISION IN SECTION 21, TOWNSHIP 46 NORTH, RANGE 12, EAST OF THE 3RD P.M., IN LAKE COUNTY ILLINOIS; ALSO

PARCEL 4: LOTS 11, 12 AND 13 IN BLOCK 59 IN ZION CITY SUBDIVISION IN SECTION 21, TOWNSHIP 46 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN LAKE COUNTY; ALSO

PARCEL 5: THAT PART OF BLOCK 59 IN ZION CITY SUBDIVISION IN SECTION 21, TOWNSHIP 46 NORTH, RANGE 12, EAST OF THE THIRD MERIDIAN, FORMERLY KNOWN AS THE SOUTH 53 FEET OF THE NORTH 66 FEET OF LOT 4 IN SAID BLOCK 59, VACATED BY INSTRUMENT RECORDED MARCH 30, 1905 AS DOCUMENT 99059, IN BOOK 159 OF MORTGAGES, PAGE 160, IN LAKE COUNTY, ILLINOIS; AND

PARCEL 6: THAT PART OF BLOCK 59 IN ZION CITY SUBDIVISION IN SECTION 21, TOWNSHIP 46 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, FORMERLY KNOWN AS LOT 4 (EXCEPT THE NORTH 66 FEET) AND THE NORTH 79 FEET OF LOT 5 IN BLOCK 59, VACATED BY INSTRUMENT RECORDED MARCH 30, 1905 AS DOCUMENT 99059, IN LAKE COUNTY, ILLINOIS.

PARCEL 7: VACATED ALLEY LYING NORTH OF THE SOUTH LINES OF LOT 2 AND LOT 7, AND EAST OF AND ADJACENT TO LOTS 1 AND 2 AND WEST OF AND ADJACENT TO LOT 7, IN BLOCK 59 IN SAID ZION CITY SUBDIVISION, IN SECTION 21, TOWNSHIP 46 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, VACATED BY ORDINANCE OF THE CITY OF ZION PASSED AND APPROVED BY THE CITY COUNCIL OF ZION ON _____, AND RECORDED ON _____, 1991 AS DOCUMENT _____, IN LAKE COUNTY, ILLINOIS.

PERMANENT INDEX NUMBERS:

04-21-400-002
04-21-400-003
04-21-400-004
04-21-400-005
04-21-400-006
04-21-400-007
04-21-401-001
04-21-401-003
04-21-401-004
04-21-401-005
04-21-401-006
04-21-401-007

LOCATED AT EMMAUS AVE., SHILOH BLVD., AND ELISHA AVE. IN ZION,
ILLINOIS.

TOGETHER WITH ALL MACHINERY AND EQUIPMENT AND PERSONAL PROPERTY
LOCATED ON THE ABOVE DESCRIBED PROPERTY AND OWNED BY THE LESSOR.

THIS DOCUMENT PREPARED BY AND
AFTER RECORDING MAIL TO:

JAMES G. HAFT
HOLLEB & COFF
55 EAST MONROE STREET
CHICAGO, ILLINOIS 60603

COPY

AMENDED AND RESTATED LEASE

FROM ZION HEALTHCARE PROPERTIES, INC.
TO MIDWESTERN REGIONAL MEDICAL CENTER, INC.

THIS LEASE is made and entered into as of the 23rd day of May, 2002, by and between ZION HEALTHCARE PROPERTIES, INC., an Illinois corporation ("Landlord") and MIDWESTERN REGIONAL MEDICAL CENTER, INC., an Illinois corporation ("Tenant").

RECITALS:

A. Landlord entered into a lease in 1991 with AMERICAN INTERNATIONAL HOSPITAL, INC., a predecessor in interest to Tenant. Landlord and Tenant desire to amend and restate such lease.

B. Landlord has a leasehold interest in certain property situated within the City of Zion, Illinois ("City") which includes a hospital facility duly licensed for 95 beds which provides a tertiary level of care and specializes in oncology research and therapy, as more fully described herein (the "Leased Premises").

C. Landlord desires to sublease the Leased Premises to Tenant, and Tenant desires to sublease the Leased Premises from Landlord, on the terms and subject to the conditions set forth below.

D. On April 2, 2002 the City of Zion adopted an authorizing ordinance contemplating the issuance of Alternate Bonds, as defined in the Local Government Debt Reform Act (the "Bonds"). The City contemplates that the proceeds of the sale of the Bonds will be used to pay or reimburse Landlord for certain projects relating to the Leased Premises and other costs relating thereto. Upon the issue and sale of the Bonds, the City will join in the execution of a Trust Indenture with LaSalle Bank National Association as Bond Trustee (the "Trustee") and the City for the purpose of securing the payment of the Bonds in trust.

E. Landlord will pay to Trustee a portion of each rental payment due Landlord hereunder and Tenant agrees on the direction of Landlord to pay such amount directly to Trustee, such payment to be used to effect the payment of debt service payments due on the Bonds.

ARTICLE I

PREMISES - TERM OF LEASE

Section 1.1 By this instrument ("Lease") Landlord hereby leases to Tenant, and Tenant hereby takes from Landlord, the following real estate situated within the City, with all rights, privileges, easements and appurtenances belonging to or in any way pertaining to said real estate and together with the buildings and improvements now or hereafter erected thereon, and such

structures and fixtures as are or may be erected in said building (which buildings, improvements, structures and fixtures are hereinafter referred to as the "Improvements"):

PARCEL 1: THAT PART OF THE NORTH EAST QUARTER OF THE SOUTH EAST QUARTER OF SECTION 21, TOWNSHIP 46 NORTH, RANGE 12, EAST OF THE 3RD P.M., FORMERLY KNOWN AS LOTS 1, 2, 3, AND THE NORTH 13 FEET OF LOT 4 IN BLOCK 59 IN ZION CITY SUBDIVISION IN SECTION 21, TOWNSHIP 46 NORTH, RANGE 12, EAST OF THE 3RD P.M., VACATED BY INSTRUMENT RECORDED MARCH 30, 1905, AS DOCUMENT 99059, IN BOOK 159 OF MORTGAGES, PAGE 160, IN LAKE COUNTY, ILLINOIS; ALSO

PARCEL 2: THE VACATED ALLEY LYING SOUTH OF AND ADJOINING AFORESAID VACATED LOT 2 AND NORTH OF AND ADJOINING AFORESAID VACATED LOT 3 IN BLOCK 59 IN SAID ZION CITY SUBDIVISION IN SECTION 21, TOWNSHIP AND RANGE AFORESAID, VACATED BY ORDINANCE OF THE CITY OF ZION PASSED AND APPROVED BY THE CITY COUNCIL OF ZION ON JANUARY 18, 1960 AND RECORDED FEBRUARY 5, 1960, AS DOCUMENT 1059811, IN LAKE COUNTY, ILLINOIS; ALSO

PARCEL 3: LOTS 7, 9 AND 10 IN BLOCK 59 IN ZION CITY SUBDIVISION IN SECTION 21, TOWNSHIP 46 NORTH, RANGE 12, EAST OF THE 3RD P.M., IN LAKE COUNTY ILLINOIS; ALSO

PARCEL 4: LOTS 11, 12 AND 13 IN BLOCK 59 IN ZION CITY SUBDIVISION IN SECTION 21, TOWNSHIP 46 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN LAKE COUNTY; ALSO

PARCEL 5: THAT PART OF BLOCK 59 IN ZION CITY SUBDIVISION IN SECTION 21, TOWNSHIP 46 NORTH, RANGE 12, EAST OF THE THIRD MERIDIAN, FORMERLY KNOWN AS THE SOUTH 53 FEET OF THE NORTH 66 FEET OF LOT 4 IN SAID BLOCK 59, VACATED BY INSTRUMENT RECORDED MARCH 30, 1905 AS DOCUMENT 99059, IN BOOK 159 OF MORTGAGES, PAGE 160, IN LAKE COUNTY, ILLINOIS; AND

PARCEL 6: THAT PART OF BLOCK 59 IN ZION CITY SUBDIVISION IN SECTION 21, TOWNSHIP 46 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, FORMERLY KNOWN AS LOT 4 (EXCEPT THE NORTH 66 FEET) AND THE NORTH 79 FEET OF LOT 5 IN BLOCK 59, VACATED BY INSTRUMENT RECORDED MARCH 30, 1905 AS DOCUMENT 99059, IN LAKE COUNTY, ILLINOIS.

PARCEL 7: VACATED ALLEY LYING NORTH OF THE SOUTH LINES OF LOT 2 AND LOT 7, AND EAST OF AND ADJACENT TO LOTS 1 AND 2 AND WEST OF AND ADJACENT TO LOT 7, IN BLOCK 59 IN SAID ZION CITY SUBDIVISION, IN SECTION 21, TOWNSHIP 46 NORTH, RANGE 12 EAST OF THE THIRD

PRINCIPAL MERIDIAN, VACATED BY ORDINANCE OF THE CITY OF ZION
PASSED AND APPROVED BY THE CITY COUNCIL OF ZION ON SEPTEMBER
25, 1991 AND RECORDED ON SEPTEMBER 1991, 2002 AS DOCUMENT 3065993
IN LAKE COUNTY, ILLINOIS.

PERMANENT INDEX NUMBERS:

04-21-400-031
04-21-400-032
04-21-400-033
04-21-400-034
04-21-400-035
04-21-400-036
04-21-401-011
04-21-401-012
04-21-401-013
04-21-401-014
04-21-401-015
04-21-401-016

LOCATED AT EMMAUS AVE., SHILOH BLVD., AND ELISHA AVE. IN ZION,
ILLINOIS.

TOGETHER WITH ALL MACHINERY AND EQUIPMENT AND PERSONAL
PROPERTY LOCATED ON THE ABOVE DESCRIBED PROPERTY AND OWNED
BY THE LESSOR.

Said real estate, all rights, privileges, easements and appurtenances belonging to or in any
way pertaining to said real estate and the Improvements being referred to as the "Leased
Premises",

TO HAVE AND TO HOLD the Leased Premises for a term commencing on the date
hereof and expiring at the end of business, December 31, 2021 (the "Term"), unless said Term
shall be sooner terminated as herein provided, and upon the condition that Tenant shall pay the
rent therefor, comply with the terms and provisions herein contained, and yield possession
thereof at the time and upon the terms and conditions herein provided.

Section 1.2 Landlord warrants and represents to Tenant that Landlord is the lawful tenant
of the Leased Premises with a valid and enforceable leasehold interest therein, and this Lease
constitutes a sublease of the Leased Premises validly authorized and approved by the owner of
said Leased Property.

Section 1.3 The Leased Premises are currently being used to provide hospital-based
health care services. The current hospital located thereon is licensed by the Illinois Department

of Public Health as a 95 bed tertiary care facility (the "Facility"). The Facility specializes in oncology research and therapy.

Section 1.4 Landlord and Tenant mutually covenant and agree that this Lease is made upon the foregoing and the following terms, covenants and conditions, and Landlord and Tenant mutually covenant and agree to perform each and every one of the terms, covenants and conditions of this Lease, and all exhibits, schedules and riders hereto annexed, on their respective parts to be performed.

ARTICLE II

RENT

Section 2.1 In consideration of and in reliance on the foregoing and the other covenants, agreements, warranties and representations in this Lease contained, Tenant hereby covenants and agrees to pay to or upon the order of Landlord, rent for the Leased Premises which shall consist of: (i) "basic rent" and (ii) "percentage rent," as defined herein, at such place or places as Landlord may designate in writing from time to time, and in default of such designation, then at the office of the Landlord in Zion, Illinois.

Section 2.2 Tenant shall pay Landlord as basic rent for the Leased Premises as follows: an annual rental in an amount equal to Six Hundred Twenty Thousand Dollars (\$620,000) in equal monthly installments of Fifty-One Thousand Six Hundred Sixty-Six and 67/100 Dollars (\$51,666.67), plus an amount per month equal to the actual debt service payments for interest, principal and additional coverage payments required of Landlord in order to provide income equal to one hundred twenty-five percent (125%) of such debt service payments, all as contemplated by the Local Government Debt Reform Act of Illinois, all in accordance with Section 7.2 of a certain Mortgage and Security Agreement with Assignment of Rents to be executed by Landlord, Tenant, Northeast Illinois Medical Properties L.P. ("NIMP") an Illinois limited partnership, LaSalle Bank National Association (as land trustee under trust number 115406) and the City (the "Debt Service Amount"), in advance on the first day of each and every month, beginning on the date hereof. Landlord and Tenant agree that, as directed by Landlord or at the option of Tenant, Tenant shall pay directly to the Trustee under the provisions of the Trust Indenture, in equal monthly installments, an annual amount equal to the Debt Service Amount, which amount shall be credited by Landlord to any and all amounts as may be due and owing Landlord as basic rent hereunder. Tenant shall provide Landlord documentation satisfactory to Landlord of payments made to the Trustee pursuant hereto, as and when made. Tenant's obligations to make such payments directly to the Trustee shall terminate upon the termination of the Trust Indenture. Payments made by Tenant hereunder shall be made in lawful money of the United States, without setoff or deduction except as this Lease otherwise expressly provides.

Effective as of July 1, 2005, and the first day of July every five (5) years thereafter (the "Adjustment Date"), the basic rent shall be increased by an amount equal to one hundred percent (100%) of the product obtained by multiplying the basic rent in effect during the first month preceding the month in which said Adjustment Date falls, by the percentage increase, if any, in

the latest published figure for the Consumer Price Index ("CPI"), as defined below, available on the Adjustment Date (regardless of the month in which the CPI was first published) over the CPI for July, 1985. No adjustments or recomputations, retroactive or otherwise shall be made due to any revision which may later be made in the CPI available on the Adjustment Date. In no event shall the basic rent be decreased below the amount of the last effective basic rent payment, as adjusted.

"Consumer Price Index" or "CPI" means the Consumer Price Index for All Urban Consumers, U.S. City Average for All Items, issued by the Bureau of Labor Statistics of the United States Department of Labor (the "BLS"). If the manner in which the CPI is determined by the BLS shall be substantially revised, an adjustment will be made in such revised index which will produce results equivalent, as nearly as possible, to those which would have been obtained if the CPI had not been so revised. If the 1967 average shall no longer be the index of 100, such change shall be a substantial revision. If the CPI shall become unavailable to the public because publication is discontinued, Landlord will substitute a comparable index based upon changes in the cost of living or purchasing power of the consumer dollar published by the BLS or any other governmental agency or, if no such index shall be available, then a comparable index published by a major bank or other financial institution or by a university or a recognized financial publication.

Section 2.3 In addition to the basic rent specified in section 2.2 hereof, Tenant shall pay Landlord percentage rent for the Leased Premises in accordance with this Section provided, however, that the total percentage rent paid pursuant to this Lease shall not exceed Two Million Dollars (\$2,000,000) in any fiscal year of Tenant prior to 2016 and Three Million Dollars (\$3,000,000) thereafter (the "Maximum Percentage Rent"). The term "rent" as used herein shall mean the aggregate of the basic rent and percentage rent due hereunder. Percentage rent shall be calculated annually based on net revenues of Tenant with respect to its operations at the Leased Premises, as follows:

(a) The net revenues of Tenant with respect to its operations at the Leased Premises for each year shall first be determined beginning with the date June 1, 2002 and on each June 1 thereafter. Such net revenues shall be calculated for the last fiscal year of Tenant completed prior to each such date. For this purpose, the net revenues shall be defined as the gross revenues received from patients at the Leased Premises (excluding reimbursement in respect of Medicare or Medicaid patients or payments made by such patients), less contractual allowances in respect of patients at the Leased Premises other than Medicare or Medicaid patients, but without deduction for any Operating Expenses (and for this purpose, "Operating Expenses" means all expenses at or attributable to the Leased Premises including, without limitation, salaries and wages, employee-benefits, professional fees, supplies, food and drugs, insurance, depreciation and amortization or interest expense).

(b) The "Base Net Revenue" amount shall be determined for each year and it shall be the amount of Seventeen Million Five Hundred Thousand Dollars (\$17,500,000) adjusted for each year after 2002 to reflect changes made after June 30, 2002 in the prices charged by Tenant for its services at the Leased Premises, such adjustment to be effected so that the Base Net

Revenue in each year shall be the amount, including charges made in such year, which is equivalent to Seventeen Million Five Hundred Thousand Dollars (\$17,500,000) in the year ended June 30, 2002. For example, if Tenant's charges at the Leased Premises shall be increased in any subsequent year by five percent (5%) over charges prevailing in the year ended June 30, 2002, the Base Net Revenue for such subsequent year shall be Eighteen Million Three Hundred Seventy-Five Thousand Dollars (\$18,375,000).

The Tenant's overall price increase shall be determined by the change in gross revenues from one year to the next, calculated departmentally on a price versus volume basis. Only the increase attributed to price changes will be applicable for raising the base net revenue. To calculate the price portion of the increased gross revenues, the department's existing number of procedures will be multiplied by both the prior and the proposed rates for these services to determine total revenue under both situations. The increased revenue will be the component associated with price. These departmental calculations will be totaled for the whole hospital. The total increased revenue will be divided by the total prior revenue calculation to determine the percentage increase attributed to price changes. (See Exhibit "B")

(c) To the extent that net revenues at the Leased Premises for any year shall exceed the Base Net Revenue for such year as determined under subsection (b) above, Percentage Rent shall be paid at the rate of five percent (5%) for the first One Million Dollars (\$1,000,000) of such excess, eleven percent (11%) for the next One Million Dollars (\$1,000,000) of such excess and seventeen percent (17%) of any additional excess net revenues. Such percentage rent shall be paid to Landlord within ninety (90) days after the close of each year or within ten (10) days after the audited financial statements of Tenant have been delivered by the certified public accountants, whichever occurs later. In the case of a partial fiscal year, the above calculations shall be prorated according to the number of days in the year. In general, all of the foregoing calculations shall be based on the fiscal year then currently employed by Tenant.

Section 2.4 All sums, including the monthly rental payments provided for in Section 2.2, or payments due under Section 2.3 becoming due or payable to Landlord under this Lease, including all monies expended by Landlord on account of any default by Tenant in the performance or observance of any of the covenants and agreements herein contained on Tenant's part to be performed or observed, except sums expended for attorneys' fees, shall if not paid as hereinafter provided, bear interest from the respective dates when the same shall be advanced or paid by Landlord, or otherwise due to Landlord, at the rate of the lesser of eleven percent (11%) per annum or a rate which shall exceed the prime rate then charged by the LaSalle Bank National Association by two percent (2%) per annum until the same shall be paid by Tenant to Landlord. All sums so advanced or paid by Landlord shall become so much additional rental under the terms hereof, due and payable concurrently with the installment of rent next falling due hereunder after the date of such advance or payment by Landlord or other accrual of indebtedness to Landlord.

Section 2.5 The basic rent shall be absolutely net to Landlord, so that this Lease shall yield, net, to Landlord, the specified basic rental in each year during the term of this Lease, and that each and every item of expense of every kind and nature whatsoever, except as otherwise

provided in this Lease, for the payment of which Landlord is, shall or may be or become liable by reason of or in any manner connected with or arising from the ownership, leasing, operation, management, maintenance, repair, rebuilding, remodeling, renovation, use or occupancy of the demised premises or any buildings or improvements thereon, shall be borne by Tenant.

Section 2.6 Except as otherwise specifically provided herein, damage to or destruction of any portion or all of the buildings, structures and fixtures upon the demised premises, by fire, the elements or any other cause whatsoever, whether with or without fault on the part of the Tenant, shall not terminate this Lease or entitle Tenant to surrender the demised premises or entitle Tenant to any abatement of or reduction in the rent payable, or otherwise affect the respective obligations of the parties hereto, any present or future law to the contrary notwithstanding. If the use of the demised premises for any purpose should at any time during the term of this Lease be prohibited by law or ordinance or other governmental regulation or prevented by injunction, this Lease shall not, except as otherwise specifically provided herein, be thereby terminated nor shall Tenant be entitled by reason thereof to surrender the demised premises or to any abatement or reduction in rent, nor shall the respective obligations of the parties hereto be otherwise affected.

ARTICLE III

THE PROJECT

RESERVED

ARTICLE IV

IMPOSITIONS

Section 4.1 Tenant shall pay as additional rent for the Leased Premises..

(a) all taxes, assessments and charges on account of the use, occupancy or operation of the Leased Premises, including but not limited to all sales, use, occupation, real and personal property taxes, all permit and inspection fees, occupation and license fees and all water, gas, electric light, power or other utility charges assessed or charged on or against the Leased Premises or on account of Tenant's use or occupancy thereof or the activities conducted thereon or therein; and

(b) all taxes, assessments and impositions, general and special, ordinary and extraordinary, of every name and kind, which shall be taxed, levied, imposed or assessed upon all or any part of the Leased Premises, or the interest of Landlord in and to the Leased Premises, or upon Landlord's interest in this Lease or the amounts payable hereunder.

If under applicable law any such tax, charge, fee, rate, imposition or assessment may at the option of the taxpayer be paid in installments, Tenant may exercise such option.

Tenant covenants and agrees that it will, at its own cost and expense, obtain an exemption from all taxes and other charges referred to in this Section 4.1 to the extent permitted under applicable law.

Section 4.2 Subject to the provisions of Section 4.3 hereof relating to permitted contests, Tenant will not create or permit to be created or remain and will, at Tenant's cost and expense, promptly discharge all liens, encumbrances and charges on the Leased Premises or any part thereof.

Section 4.3 Tenant shall not be required to pay any tax, levy, charge, fee, rate, assessment or imposition referred to in Section 4.1 hereof, nor to remove any lien, charge or encumbrance required to be removed under Section 4.2 hereof, so long as Tenant shall contest, in good faith and at its cost and expense, in its own name and behalf, the amount or validity thereof, in an appropriate manner or by appropriate proceedings which shall operate during the pendency thereof to prevent the collection of or other realization upon the tax, levy, charge, fee, rate, assessment, imposition, obligation, indebtedness, demand, claim, lien or encumbrance so contested, and the sale, forfeiture, or loss of the Leased Premises or any part thereof, provided, that no such contest shall subject Landlord to the risk of any liability. While any such matters are pending, Tenant shall not be required to pay, remove or cause to be discharged the tax, levy, charge, fee, rate, assessment, imposition, obligation, indebtedness, demand, claim, lien or encumbrance being contested unless Tenant agrees to settle such contest. Each such contest shall be promptly prosecuted to final conclusion (subject to the right of Tenant to settle any such contest), and in any event Tenant will save Landlord harmless from all losses, judgments, decrees and costs (including attorneys, fees and expenses in connection therewith) arising out of or as a result of such contest and will, promptly after the final determination of such contest or settlement thereof, pay and discharge the amounts which shall be levied, assessed or imposed or determined to be payable thereon, together with all penalties, fines, interests, costs and expenses thereon or shall give Landlord prompt written notice of any such contest pending by or against it.

If Landlord shall notify Tenant that, in the opinion of Landlord, by nonpayment of any of the foregoing items Landlord's interest in the Leased Premises will be materially endangered or the Leased Premises or any substantial part thereof will be subject to imminent loss or forfeiture, then Tenant shall promptly pay all such unpaid items and cause them to be discharged.

ARTICLE V

INSURANCE

Section 5.1 As additional rent for the Leased Premises, Tenant shall procure and maintain, at its sole cost and expense, except as hereinafter provided, insurance with respect to its property and business against such casualties, contingencies and risks (including but not limited to public liability and employee dishonesty) in amounts not less than is customary in the case of corporations engaged in the same or a similar activity and similarly situated and as is adequate to

protect its property and operations. Tenant shall annually review the insurance it maintains as to whether such insurance is customary and adequate. In addition, Tenant shall at least once every two Fiscal Years, as defined herein, with respect to commercial insurance and at least once every Fiscal Year with respect to self-insurance cause a certificate of an Insurance Consultant or Insurance Consultants, as defined herein, to be delivered to Landlord which indicates that the insurance then being maintained by Tenant is customary in the case of corporations engaged in the same or similar activities and similarly situated and is adequate to protect Tenant's property and operations. Tenant shall cause copies of its review, or the certificates of the Insurance Consultant or Insurance Consultants, as the case may be, to be delivered promptly to Landlord. Tenant may self-insure if the Insurance Consultant or Insurance Consultants determines that such self-insurance meets the standards set forth in the first sentence of this paragraph and is prudent under the circumstances.

All such policies of insurance described in this Article V shall be issued by and maintained in responsible insurance companies selected by Tenant, organized under the laws of one of the states of the United States of America and permitted under the laws of the State to assume the risks covered thereby.

For purposes hereof, (i) "Insurance Consultant" means a person or firm appointed by Tenant and satisfactory to Landlord, qualified to survey risks and to recommend insurance coverage for hospital or health care facilities and services of the type provided by Tenant on the Leased Premises, And having a favorable reputation for skill and experience in such surveys and such recommendations, and which may include a broker or agent with whom Tenant transacts business; and (ii) "Fiscal Year" means any twelve-month period beginning on July 1 of any calendar year and ending on June 30 of the following calendar year or such other annual accounting period as is designated by the Board of Directors of Tenant as the fiscal year for Tenant.

ARTICLE VI

DAMAGE OR DESTRUCTION

Section 6.1 In case of damage to or destruction of the Leased Premises or any part thereof, Tenant shall promptly repair and reconstruct the premises with due diligence to restore the same to the condition thereof immediately prior to such damage or destruction. The proceeds of any insurance shall be applied to pay the cost of any such restoration. Landlord shall have the right to cause such insurance proceeds to be held in escrow to assure it will be so applied. Any excess of the proceeds of such insurance policies over the cost of restoration shall belong to Tenant.

Section 6.2 Tenant shall commence the restoration work promptly after the damage and complete the same in due course, which in no event shall exceed twelve (12) months, if the work is delayed because of strikes, acts of God or the public enemy, governmental restrictions or unavailability of materials or other matters beyond the control of Tenant, than the time of completion of the work shall be extended for the additional time caused by such delay.

Section 6.3 There shall be no abatement of rent due hereunder on account of any damage or destruction to the premises or any delays in effecting the restoration thereof.

Section 6.4 The obligation of Tenant to make restoration hereunder shall in no way be affected by the fact that damage may be structural or unusual.

ARTICLE VII

CARE AND USE OF LEASED PREMISES

Section 7.1 Tenant may use the Leased Premises for the following purposes only: operation of a hospital and health care facility, operation of a nursing home and/or outpatient health care clinic and operation of an office building, together with allied uses such as the maintenance of parking facilities. In connection with the foregoing Tenant may not change the use of said premises without the consent of the Landlord.

Section 7.2 Tenant shall not use, or suffer or permit any person to use, the Leased Premises, or any part thereto, or any Improvements thereon, for any use or purpose which may be unlawful, nor permit the Leased Premises, or any part thereof, to be used for any purpose or in any manner whatsoever calculated or tending to cause structural injury to the Improvements, or which would constitute a public or private nuisance or waste, or for any use or purpose in violation of any present or future law, ordinance or public regulation of the State of Illinois, or the City of Zion, Illinois, or other lawful public authority having jurisdiction. Tenant will comply with all health and police ordinances and regulations of the City of Zion, Illinois, or other governmental authorities, which are now or may hereafter be in force during the term of this Lease and which affect the Leased Premises; the Improvements at any time situated thereon and every part thereof shall be kept by Tenant in a clean and wholesome condition; and the Improvements at any time upon the Leased Premises and all the sidewalks and areas in front, rear and along the sides of the same, shall be made and kept by Tenant safe, secure and conformable to the lawful or valid requirements of the City of Zion, Illinois, and all other governmental authorities having jurisdiction.

Section 7.3 Tenant shall, at Tenant's sole cost and expense, maintain and keep in repair the Leased Premises and the Improvements at any time located thereon, exterior and interior, including the sidewalk in front thereof.

Section 7.4 In case Tenant does not at all times during the term of this Lease maintain and keep the Leased Premises and the Improvements thereon in repair, then Landlord may serve Tenant with a written notice to make such repairs, and in the event Tenant shall fail to commence making such repairs within thirty (30) days after the giving of such written notice to Tenant, then Landlord, or its duly authorized agent may enter upon the Leased Premises and shall have the right to make such repairs as are required hereby to be made by Tenant and which have not been made, and the amount so expended by Landlord shall be considered additional rental and shall be

collected at the next rent date after such advancement immediately following disbursements by Landlord.

Section 7.5 The cost of all utility services, including but not limited to gas, water, electricity, heating and cooling, shall be paid for by Tenant. Landlord shall not pay for any service or supplies utilized in connection with the Leased Premises.

ARTICLE VIII

ALTERATIONS

Section 8.1 Tenant shall have the right to make from time to time such alterations, additions or remodeling to or of the Improvements situated on the Leased Premises as Tenant determines is necessary or appropriate for the conduct of its business. ' Tenant agrees not to make any alteration, addition or remodeling which reduces the value or changes the character of the Improvements or impairs the structural strength of the Improvements.

Section 8.2 Tenant may, without Landlord's consent, erect and maintain on the Leased Premises, any signs which do not violate any present or future applicable law, ordinance or regulation.

ARTICLE IX

INSPECTION

Section 9.1 Tenant shall permit Landlord and Landlord's agents to enter the Leased Premises at all reasonable hours for the purpose of inspecting the same or of making repairs which Tenant may neglect or refuse to make in accordance with the terms hereof; and also for the purpose of showing the Leased Premises to persons wishing to purchase the same, and, at any time within twelve (12) months prior to the expiration of the term hereby demised, to persons wishing to rent the Leased Premises. Tenant shall, within twelve (12) months prior to the expiration of said term, permit one usual "To Let" or "For Sale" notice to be placed on the Leased Premises and to remain thereon without molestation.

ARTICLE IX

SURRENDER OF LEASED PREMISES

Section 9.1 Tenant shall upon the termination of this Lease, whether by forfeiture, lapse of time or otherwise, or upon the termination of Tenant's right to possession of the Leased Premises, surrender and deliver up the Leased Premises, together with all improvements thereon, to Landlord free of occupants, broom clean and in good repair, reasonable wear and tear excepted; and all improvements then standing upon the Leased Premises shall belong to

Landlord; provided, however, that if Landlord shall request Tenant to remove any alterations, additions or remodeling made by Tenant, Tenant shall promptly make such removal, at its cost, and repair any damage caused thereby, to the end that on such surrender, the Leased Premises shall, as near as may be, subject to exceptions stated herein, be in the same condition as when tendered to Tenant.

For the purposes of the preceding Section, improvements shall not be deemed or construed to include Tenant's trade fixtures, equipment or machinery but the improvements surrendered shall include any items of machinery and equipment used by Tenant and owned by Landlord. Any holding over by Tenant of the Leased Premises after the expiration of this Lease shall operate and be construed to be a tenancy from month-to-month only at a monthly rental in the amount of the monthly installments of the annual rental provided for in Article II.

ARTICLE XI

INDEMNITIES

Section 11.1 Tenant shall indemnify and save harmless Landlord from and against any and all penalties, fines, damages, losses, costs, charges and expenses whatsoever, including reasonable attorneys, fees, arising or in any way growing out of:

(a) any breach or default by Tenant . in the performance or observance of any of Tenant's covenants in this Lease; and

(b) any accident, injury, loss or damage (not resulting from, due to or occasioned by any act, omission, fault or negligence of Landlord, or persons acting as Landlord's agents, employees or representatives, or as partners, limited or general, or their agents, employees or representatives) resulting to person or property, during the term of this Lease, and due, directly or indirectly, to the possession, use, occupancy, operation, alteration, repair or maintenance of the Leased Premises, or by reason of any act or thing done or neglected to be done upon the Leased Premises.

Section 11.2 The liability of Tenant to indemnify and save harmless Landlord, as hereinabove set forth, shall not extend to any matter against which Landlord shall be effectively protected by insurance; provided, however, that if any such liability shall exceed the amount of the effective and collectible insurance in question, the said liability of Tenant shall apply to such excess.

Section 11.3 Landlord shall not be liable, and Tenant waives all claims, for damage to person or property sustained. by Tenant or Tenant's sub-lessees, employees, agents, servants, beneficiaries, invitees, patients and customers resulting from the Leased Premises or any Improvements, equipment or appurtenances thereunto appertaining and becoming out of repair or for loss or damage resulting to Tenant or its property from burst, stopped or leaking water, gas, sewer or other pipes or conduits or plumbing fixtures, or from any failure or defect in an electric

line, circuit or facility or resulting from any act in or about the Leased Premises or indirectly from any act or neglect of any other person. Nothing in this Section 11.3 shall be deemed or construed to relieve Landlord from any liability, in the event of acts, omissions, fault or negligence of Landlord, Landlord's agents, employees or representatives, their agents, employees or representatives.

Section 11.4 Tenant shall indemnify Landlord against any loss on account of the failure of Tenant to repay any loans which may be made from time to time by Tenant or other liabilities owed from Tenant to Landlord whether or not arising out of this Lease and the failure to make any such payment when due, whether of principal or interest, shall be deemed to be a default under this Lease.

ARTICLE XII

COVENANT AGAINST LIENS

Section 12.1 Nothing contained in this Lease shall authorize Tenant to do any act which shall in any way encumber the title of landlord in and to the Leased Premises, nor shall the interest or estate of Landlord herein be in any way subject to any claim by way of lien or encumbrance, whether claimed by operation of law or by virtue of any express or implied contract by Tenant (unless consented to in writing by Landlord), and any claim to a lien upon said Leased premises, arising from any act or omission of Tenant, shall accrue only against the leasehold estate of Tenant, and shall, in all respects, be subject and subordinate to the paramount title and rights of Landlord in and to the Leased Premises and the Improvements thereon.

Section 12.2 Tenant will not permit any such lien to stand against the Leased Premises or the Improvements or any part thereof. Tenant shall have the right to contest the validity or amount of any such lien, but, notwithstanding the foregoing provisions of this Article XII, if any such lien is filed against the Leased Premises or any part thereof, it shall be discharged by Tenant within thirty (30) days thereafter, at Tenant's expense, by filing the bond or furnishing the security required by law or otherwise.

ARTICLE XIII

ASSIGNMENT AND SUBLETTING

Section 13.1 Tenant shall have the right to assign, convey, sell or sublet all or any part of its estate hereunder or any rights hereunder, either in whole or in part, upon the condition that, at the date of any such assignment, sale or conveyance, Tenant shall have paid all rent and additional rent which shall have accrued under this Lease to the date of any such assignment, sale or conveyance.

Section 13.2 In any event, upon any permitted assignment, sale, subletting or conveyance of the leasehold estate or any part thereof, the assignee shall:

(a) expressly accept such assignment subject to all covenants and agreements in this Lease contained to be observed or performed by Tenant;

(b) expressly agree to be subject to the same terms and conditions as to future assignments as hereby made binding upon Tenant;

(c) designate a first address for the services of all declarations or notices pursuant to the provisions of this Lease, and

(d) deposit with Landlord a duplicate of said instrument, duly executed concurrently with such assignment.

Section 13.3 In case the original Tenant hereunder shall be permitted as herein provided to sell, convey, sublet or assign its interest in the leasehold estate hereby created, the original Tenant shall not be released or discharged from any of its obligations arising or accruing under the covenants and agreements of this Lease contained, but shall remain equally primarily liable with such assignee for the full and faithful performance thereof.

Section 13.4 Any attempted sale, conveyance or assignment of the interest of Tenant hereunder (or any part or portion thereof) without complying fully and completely with the covenants and conditions aforesaid shall be null and void; and if Tenant shall make or attempt to make any assignment of this Lease or leasehold estate hereby created without substantial compliance with the covenants and conditions aforesaid, no acceptance by Landlord of rents or other payments hereunder from or by said purported assignee, or other recognition by Landlord of said purported assignee shall be considered a release by Landlord of the continuing liability of Tenant hereunder or as waiver of the right of Landlord to declare and treat such assignment as null and void, or a waiver of any of the terms and provisions hereof.

Section 13.5 Notwithstanding any of the foregoing provisions of this Article XIII, Tenant may, without the consent of Landlord, assign, convey, sublet (in whole or in part) or sell this Lease or Tenant's leasehold estate thereunder to any assignee or to any sublessee controlling, controlled by, or under common control with the assignor or sublessor, or to the assignor's or sublessor's successor by merger or consolidation. However, in the case of any such assignment, assignor shall remain liable under this Lease as if no such assignment had taken place.

ARTICLE XIV

CONDEMNATION

Section 14.1 If at any time during the term hereof the whole of the Leased Premises, shall be taken for any public or quasi public use, under any statute, or by right of eminent domain then, in such event, when possession shall have been taken thereunder of the Leased Premises by the condemning authority,

(a) the term hereby granted and all rights of Tenant hereunder shall immediately cease and terminate;

(b) the rent shall be apportioned and paid to the time of such termination;

(c) any Impositions paid by Tenant shall be prorated between the parties;

(d) any award resulting from said condemnation shall belong to Tenant without any deduction therefrom for any estate or interest of Landlord except that any award for personal property included in the Leased Premises shall belong to Landlord; and

(e) Landlord hereby assigns to Tenant any and all such award with any and all rights, estate and interest of Landlord now existing or hereafter arising in and to the same or any part thereof.

Section 14.2 If Tenant shall not be entitled to apply in its own name for a separate award therefor, Landlord agrees that Landlord's rights to so apply shall be assigned to Tenant who may apply in Landlord's name for the award. In that case, Tenant shall be entitled to keep the entire award when received, including the amount, if any, by which it is increased by reason of the taking of fixtures or equipment which Tenant is entitled to remove, alterations or improvements (including Tenant's Expansion) paid for by Tenant, and the costs to Tenant of moving from the Leased Premises.

Section 14.3 If Tenant shall be entitled to apply for a separate award for any or all of the foregoing items, Landlord shall not apply for any amount for which Tenant is entitled to apply, and each party shall be in charge of the respective negotiations, settlements or legal proceedings relating to the items for which each are to be reimbursed.

Section 14.4 All costs, counsel fees, and other expenses of the proceedings described above in this Article XIV, if jointly undertaken, shall be prorated between the parties hereto in the same proportion as the share of the total award received by each bears to the total award.

Section 14.5 In the event of a taking or condemnation of a part of the Leased Premises and if it shall not be practicable or economical for Tenant to retain and operate the remainder in Tenant's business for the uses and purposes to which the Leased Premises are then being put, Tenant may terminate this Lease, and if Tenant so elects, said termination shall be as provided in Section 14.1.

Section 14.6 In the event of a taking or condemnation of a part of the Leased Premises and Tenant elects to continue to use and operate the Leased Premises, or if it shall be practicable and economical for Tenant to continue to use and operate the remainder in Tenant's business for the uses and purposes to which the Leased Premises are then being put, this Lease shall continue and the entire award shall belong to Landlord without any deduction therefrom for any estate or interest of Tenant, and Tenant hereby assigns to Landlord any and all such award with any and

all rights, estate and interest of Tenant now existing or hereafter arising in and to the same or any part thereof; provided, however, that Landlord shall promptly and diligently restore and make a complete architectural unit of the remainder of the Improvements on the Leased Premises, and for such purposes Landlord shall receive and hold in trust the amount of the award relating to the Improvements.

Section 14.7 There shall be no abatement of rent during the period of work described in the preceding section, but the rent payable hereunder after the date Tenant is required to surrender possession of the part of the Leased Premises as shall be so taken or condemned shall be adjusted and apportioned in such manner as may be fair and equitable. If and to the extent that the condemnation award shall be insufficient to complete Tenant's restoration, the excess of such cost over the amount of the award shall be paid by Tenant. Such work shall be commenced promptly after the completion of such condemnation and shall be completed in due course, Tenant proceeding diligently to effect such restoration or reconstruction.

ARTICLE XV

REMEDIES

Section 15.1 If default shall be made at any time by Tenant in the payment of the rent herein reserved, or any installment or portion thereof, or taxes or tax deposits, or any sum collectible by Landlord as rent, or together with any installment or installments of rent, or other amounts due to Landlord from Tenant, and such default shall continue for five (5) days after notice thereof in writing by Landlord to Tenant, or in case default shall be made in any of the other covenants and agreements herein contained to be kept, observed and performed by Tenant, and Tenant shall not commence to cure such default and diligently proceed therewith within thirty (30) days after notice thereof in writing by Landlord to Tenant, or in case Tenant shall abandon and desert the Leased Premises for a period of thirty (30) days, or the leasehold interest of Tenant shall be levied on under execution, or Tenant shall be adjudicated a bankrupt, or a receiver appointed for its possessions or property and said levy, adjudication or appointment remain in full force and be not vacated for a period of ninety (90) days after the date thereof, or Tenant shall make an assignment for the benefit of creditors, then and in that event Tenant's right to possession of the Leased Premises shall thereupon terminate, with or without any further notice or demand whatsoever, and mere retention of possession thereafter by Tenant shall constitute a forcible detainer of said Leased Premises; and, if Landlord so elects (but not otherwise) without further notice of such election or any other notice or demand whatsoever (except as above set forth), this Lease shall thereupon terminate.

Section 15.2 Upon termination of Tenant's right to possession as aforesaid, whether this Lease be terminated or not, Tenant agrees to surrender possession of the Leased Premises immediately, without the receipt of any demand for rent, notice to quit, or demand for possession of the Leased Premises whatsoever, and hereby grants to Landlord full, free and complete license to enter into and upon the Leased Premises, or any part thereof, to take possession thereof, with or without process of law, and to expel and remove Tenant or any other person who may be

occupying the said Leased Premises, or any part thereof, and Landlord may use such force in and about expelling and removing Tenant and said other persons as may be reasonably necessary, and Landlord may further repossess itself of the said Leased Premises as of its former estate, but said entry and repossession of said Leased Premises shall not constitute a trespass or forcible entry or detainer, nor shall it cause a forfeiture or cancellation of rents or other sums due or to become due during the full term hereof, nor act as a waiver of any covenant, agreement or promises herein contained to be performed by Tenant.

Section 15.3 Tenant hereby waives any and all notice of any election made by Landlord hereunder, demand for rent, notice to quit, demand for possession and any and all notices and demands whatsoever, of any and every nature (except notices herein specifically provided for), which may or shall be required by any statute of the State of Illinois relating to forcible or unlawful entry or detainer or to Landlord or Tenant, or any other statute, or by the common law, during the term of this Lease.

Section 15.4 Acceptance of rent or other sums due hereunder, whether in a single instance or repeatedly after the same fall due, or after knowledge of any breach hereof of Tenant, or the giving or making of any notice or demand, whether according to any statutory provisions or not, or any act or series of acts, except by express written waiver, shall not be construed as a waiver of Landlord's right to act without notice or demand, or of any other right hereby given Landlord, nor as an election not to proceed under the provision of this Lease.

Section 15.5 The obligation of Tenant to pay the rent (or other sums) reserved hereby during the balance of the term hereof, or during any extension hereof, shall not be deemed to be waived, released or terminated by the service of any notice, either notice to collect, demand for possession or notice that the tenancy hereby created will be terminated on a date therein named, or the institution of any action of forcible detainer or ejectment, or similar action or any judgment for possession which may be rendered in such action. Landlord may collect and receive any rent or other sums due from Tenant, and payment or receipt thereof shall not waive or affect any such notice, demand, suit or judgment, or in any manner waive, affect, change, modify or alter any rights or remedies which Landlord may have by virtue hereof.

Section 15.6 If Tenant's right to the possession of the Leased Premises shall be terminated in any way, on account of default of Tenant, the Leased Premises, or any part or parts thereof, may, but need not be, relet by Landlord for the account and benefit of Tenant, for such rent and upon such terms and to such persons, including a corporation or corporations controlled by Landlord, and for such period or periods as may seem fit to Landlord; and if a sufficient sum shall not be received from such reletting to satisfy the rent hereby reserved, after paying the expenses of reletting and collection, and all expenses of placing said Leased Premises in condition for such reletting, Tenant agrees to pay and satisfy all deficiencies; but the acceptance of a tenant or tenants by Landlord in place of Tenant shall not operate as a cancellation hereof, nor to release Tenant from the performance of any covenant; or agreement herein contained; and performance by a substituted tenant by the payment of rent or otherwise, shall constitute only satisfaction pro tanto of the obligations of Tenant arising hereunder.

Section 15.7 Landlord may pursue any of the remedies in this Lease provided, or any which may be allowed by law, in equity or by statute, either separately or concurrently, and any and all of Landlord's rights and remedies are cumulative and not alternative, and shall not be exhausted by the exercise thereof on one or more occasions. No delay or omission to exercise any remedy or right accruing on any default shall impair any such default, or acquiescence therein, nor shall it affect any subsequent default of the same or a different nature; but every such remedy or right may be exercised from time to time and as often as may be deemed expedient by Landlord.

Section 15.8 In case Landlord shall have proceeded to enforce any right under this Lease by entry, suit or otherwise, and such proceeding shall have been discontinued or abandoned because of a waiver, settlement or for any other reason or shall have been determined adversely to Landlord, then and in every such case, Landlord shall be restored to its former position and rights hereunder in respect to the Leased Premises and all rights, remedies and powers of Landlord shall continue as though no such proceeding had been taken.

Section 15.9 Neither the rights herein, nor by law given, to receive, collect, sue for or distrain for any rent or rents, moneys or payments or to enforce any of the terms or covenants of this Lease, or to prevent the breach or non-observance thereof, nor the exercise of any such right or remedy hereunder or otherwise granted or arising, shall in any way affect or impair or limit the right or power of Landlord to declare the term hereby granted ended, or to terminate this Lease because of any default or breach, as herein provided.

Section 15.10 The whole amount of rent hereby reserved and agreed to be paid hereunder, and each installment thereof and the amount of all taxes, duties, assessments, water rates, insurance premiums, and all costs and attorneys' fees and expenses which may be paid or incurred by Landlord in enforcing the terms and provisions of this Lease, or on account of any delinquency of Tenant in carrying out any of the covenants and agreements by it to be kept, observed and performed herein, and any and all others sums due or to become due to Landlord from Tenant under any provisions of this Lease, shall be, and are hereby declared to be valid and first liens upon any and all of the Improvements which may at any time be situated on the Leased Premises, and upon the interest of Tenant hereunder, and in the Leased Premises.

ARTICLE XVI

PARAMOUNT TITLE OF LESSOR

Section 16.1 Nothing in this Lease contained shall authorize Tenant to do (or refrain from doing) any act which shall in any way encumber the title of Landlord in and to the Leased Premises; nor shall the title, interest or estate of Landlord therein be in any way subject to any claim by way of lien or encumbrance, whether arising by operation of law or by virtue of an express or implied contract by Tenant; and any claim to a lien or encumbrance upon said Leased Premises, arising from any act or omission of Tenant, shall accrue only against the leasehold estate of Tenant, and shall in all respects be subject and subordinate to the paramount title and rights of Landlord in and to the Leased Premises and any Improvements thereon; and the whole

world, and particularly every person furnishing, manufacturing or preparing any material, fixtures, apparatus or machinery for, or on account of, said Leased Premises, or such Improvements or appurtenances, or dealing in any way with Tenant or anyone claiming under it, shall take and be held charged with notice of this condition, and shall have and acquire no lien upon Landlord's interest through the furnishing of such material, fixtures, apparatus, machinery, labor or services.

ARTICLE XVII

NOTICES

Section 17.1 In every case where, under any of the provisions of this Lease, or in the opinion of either Landlord or Tenant, or otherwise, it shall or may become necessary or desirable to make, give, serve or delivery any declaration, demand or notice of any kind or character or for any purpose whatsoever, it shall be sufficient to send or cause to be sent a copy of any such declaration, demand or notice by registered or certified mail, postage prepaid, properly addressed to Landlord or Tenant for the time being (as the case may be) at such address as the only party may have theretofore furnished to the other party in writing for the declared and express purpose of receiving notices; or, if no such address shall have been theretofore furnished by such party for such purpose, then properly addressed to the party at said party's last known address. The date of giving any such notice shall be deemed to be the date when the same is duly deposited in the United States Mail.

Section 17.2 All declarations, notices to or demands upon Landlord or Tenant are hereby required to be in writing, and in any case declaration, demand or notice or copy thereof may be signed and made, given or served in person or by an agent, attorney or servant. And, in each and every case, such service in the mode provided, of any declaration, demand or notice, shall be sufficient and held effectual for all purposes, and no other or further declaration, demand or notice or method of manner of giving, serving or delivering the same shall be required.

Section 17.3 For the time being and until changed by notice in citing, all declarations, notices or demands shall be addressed to the parties at the addresses specified herein.

ARTICLE XVIII

MODIFICATIONS TO BE IN WRITING

Section 18.1 None of the covenants or agreements of this Lease, to be kept and performed by either party, shall in any manner be altered, waived, modified, changed or abandoned except by a written instrument, duly signed, acknowledged and delivered by both parties. No act or acts, omission or omissions or series of acts or omissions, or waiver, acquiescence or forgiveness, by either party as to any default in or failure of performance, either in whole or in part, by the other party of any of the covenants and agreements of this Lease, shall be deemed or construed to be a waiver by either party of the right at all times thereafter to insist upon the

prompt, full and complete performance by the other party of each and all the covenants and agreements hereof thereafter to be performed in the same manner and to the same extent as the same are herein covenanted or agreed to be performed by the other party.

ARTICLE XIX

QUIET ENJOYMENT

Section 19.1 Landlord covenants that Tenant, on paying the annual rental and additional rent and performing the Tenant obligations of this Lease, shall peacefully and quietly have and hold and enjoy the Leased Premises through the term or until it is terminated as herein provided.

ARTICLE XX

RECORDING

Section 20.1 On or before the date hereof, Landlord and Tenant shall execute and deliver to each other a notice of short form of this Lease for recording which either party may thereafter record.

ARTICLE XXI

SUCCESSION AND INUREMENT

Section 21.1 All of the covenants, agreements, conditions, and undertakings in this Lease contained, and each of them, shall extend and inure to and be binding upon the respective successors, legal representatives and assigns of the respective parties hereto.

Section 21.2 In every case herein, where and whenever Tenant is referred to as "it", "they", "he", "or", "she" the same shall be deemed to refer to and include Tenant and Tenant's permitted assignees from time to time, whether singular or plural, and whether male, female or neuter.

ARTICLE XXII

MISCELLANEOUS PROVISIONS

Section 22.1 Tenant shall, at any time and from time to time upon not less than fifteen (15) days prior written request from Landlord, execute, acknowledge and deliver to Landlord a written statement certifying:

(a) whether this Lease is unmodified and in full force and effect and stating the modifications, if any;

(b) whether Tenant knows of any default by Landlord and stating all such known to Tenant; and

(c) the date to which the rent due hereunder, Impositions and insurance premiums have been paid in advance, if any.

Section 22.2 Landlord shall, at any time and from time to time upon not less than fifteen (15) days prior written request from Tenant, execute, acknowledge and deliver to Tenant a written statement certifying:

(a) whether this Lease is in full force and effect and stating the modifications, if any;

(b) whether Landlord knows of any default by Tenant and stating all such known to Landlord; and

(c) the date to which the annual rental, Impositions and insurance premiums have been paid.

Section 22.3 Landlord and Tenant agree that no broker brought about this Lease, and Landlord represents that Landlord is not obligated to pay any commission or other compensation to any broker in connection with respect to this Lease or the negotiation thereof.

Section 22.4 The term "Landlord" as used in this Lease shall mean and include only the owner or owners at the time in question of the Leased Premises, and in the event of any transfer or conveyance of title, Landlord herein (and in case of any subsequent transfer or conveyance, the then grantor) shall be relieved, from and after the date of such transfer or conveyance, of all liability as respects the performance of any covenants, agreements or obligations on the part of Landlord contained in this Lease thereafter to be performed; provided, however, that any funds in the hands of Landlord or the then Grantor at the time of such transfer or conveyance, in which Tenant has an interest, shall be turned over to the grantee, and any amount then due and payable to Tenant by Landlord or the then grantor under any provisions of this Lease shall be paid to Tenant.

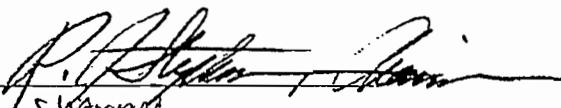
Section 22.5 It is the desire of Landlord that the Leased Premises as encumbered by this Lease be acceptable to an institutional mortgagee as security for a mortgage loan. Tenant, therefore, will join with Landlord to make such reasonable modifications in this Lease as may be required by an institutional first mortgagee in connection with making such mortgage loan, provided that such modifications do not adversely affect the economic position of Tenant under this Lease.

Section 22.6 The captions of this Lease are for convenience only and are not to be construed as part of this Lease and shall not be construed as defining or limiting in any way the scope or intent of the provisions hereof.

Section 22.8 This Lease shall be construed and enforced in accordance with the laws of the State of Illinois.

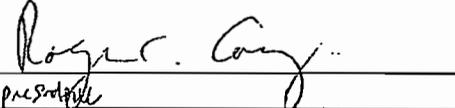
IN WITNESS WHEREOF, Landlord and Tenant have caused these presents to be executed in their respective corporate names by their respective officers thereunto duly authorized, all as of the day and year first hereinabove written.

ZION HEALTHCARE PROPERTIES, INC.

By: 

Its: President

MIDWESTERN REGIONAL MEDICAL
CENTER, INC.

By: 

Its: President

**MIDWESTERN REGIONAL MEDICAL CENTER
CON APPLICATION
PERSONS WITH A 5% OR GREATER INTEREST IN LICENSEE
ATTACHMENT 3**

The persons with a 5% or greater interest in Midwestern Regional Medical Center (the licensee) are as follows:

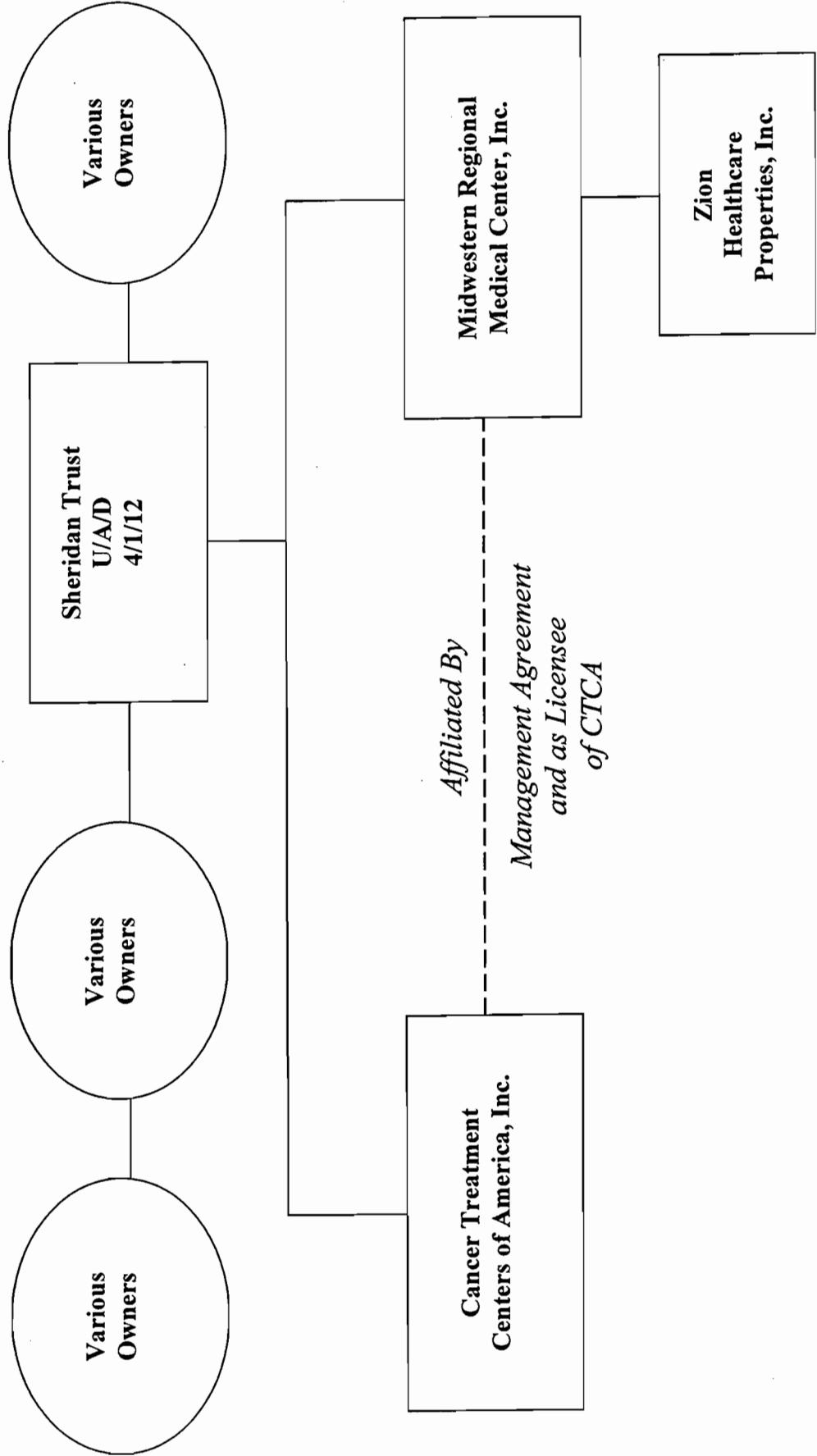
Sheridan Trust U/A/D 04/1/2012	70% of the voting shares
Christopher Stephenson	5.7% of the voting shares
Ann Stephenson Holsonback	5.7% of the voting shares

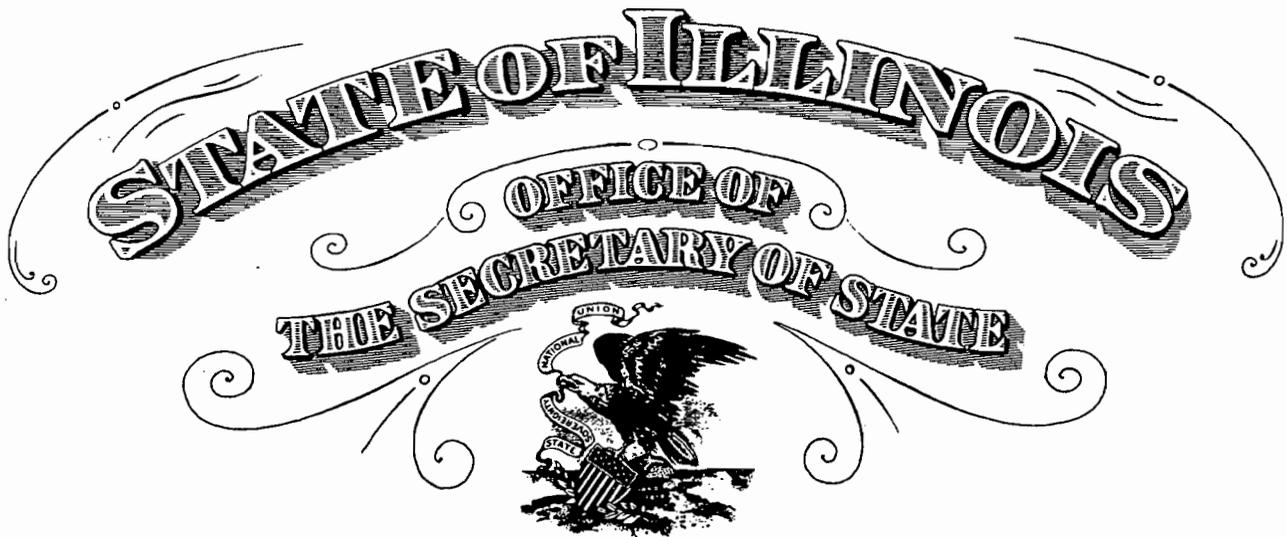
**Organizational Relationships
Midwestern Regional Medical Center
CON Application
Attachment 4**

Funding for the Project will come from internal resources. The Project will be funded entirely from MRMC financial resources as further described in the § 1120 part of this application. The Sheridan Trust is a family related trust and is listed as a co-applicant only because it has more than a 50% ownership interest in the voting shares of MRMC. That Trust is not undertaking any financial obligations for the Project.

**Organization Relationships
Midwestern Regional Medical Center
CON Application**

Attachment 4





To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

MIDWESTERN REGIONAL MEDICAL CENTER, INC., A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JANUARY 17, 1975, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS CORPORATION ACT OF THIS STATE RELATING TO THE PAYMENT OF FRANCHISE TAXES, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 26TH day of JULY A.D. 2013 .

Jesse White

Authentication #: 1320702120

Authenticate at: <http://www.cyberdriveillinois.com>

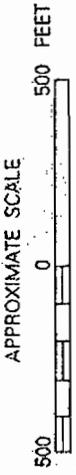
SECRETARY OF STATE

**MIDWESTERN REGIONAL MEDICAL CENTER
CON APPLICATION
FLOOD PLAIN REQUIREMENTS**

Attached is a FEMA map of the proposed Project location showing all identified flood plain areas.

The Project is not located in a special flood hazard area and the Project complies with the requirements of Illinois Executive Order #2005-5.

ATTACHMENT-5



NATIONAL FLOOD INSURANCE PROGRAM

FIRM
FLOOD INSURANCE RATE MAP
 LAKE COUNTY,
 ILLINOIS
 AND INCORPORATED AREAS

PANEL 79 OF 295

(SEE MAP INDEX FOR PANELS NOT PRINTED)

CONTAINS:

COMMUNITY	NUMBER	PANEL	SUFFIX
LAKE PARK VILLAGES OF	17023	1000	F
LAKE COUNTY	17027	1000	F
WINDSOR HARBOR VILLAGES OF	17028	1000	F
LAKE CITY OF	17036	1000	F

Note to User: The MAP NUMBER shown refers to the date on which this map was issued. The COMMUNITY NUMBER shown above should be used on insurance applications for the subject community.

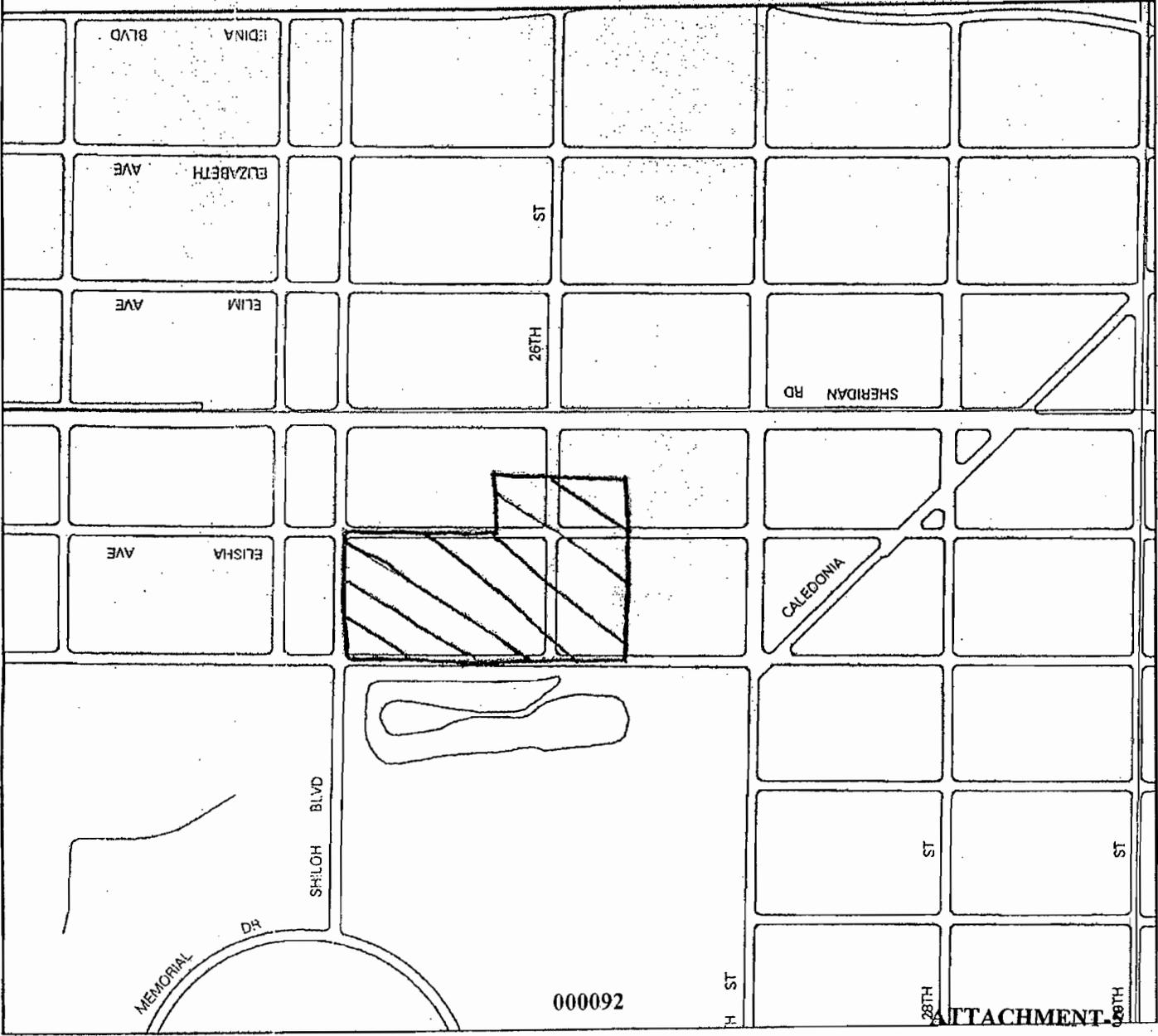
MAP NUMBER
17097C0079 F

EFFECTIVE DATE:
SEPTEMBER 3, 1997



Federal Emergency Management Agency

This is an official copy of a portion of the above referenced flood map. It was extracted using F-MIT On-Land. This map does not reflect changes or amendments which may have been made subsequent to the date on the title block. For the latest product information about National Flood Insurance Program flood maps check the FEMA Flood Map Store at www.msc.fema.gov



000092

28TH

ATTACHMENT

30TH

**MIDWESTERN REGIONAL MEDICAL CENTER
CON APPLICATION
HISTORIC RESOURCES PRESERVATION ACT REQUIREMENTS**

Attached is a letter from the Illinois Historic Preservation Agency determining that the Project does not impact historic resources.



**Illinois Historic
Preservation Agency**

FAX (217) 782-8161

1 Old State Capitol Plaza • Springfield, Illinois 62701-1512 • www.illinois-history.gov

Lake County
Zion

CON - Modernization of Main Hospital, Cancer Treatment Centers of America
Midwestern Regional Medical Center
2520 Elisha Ave.
IHPA Log #007041312

April 25, 2012

RECEIVED

MAY 07 2012

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Tracey Salinski
Arnstein & Lehr LLP
120 S. Riverside Plaza, Suite 1200
Chicago, IL 60606

Dear Ms. Salinski:

This letter is to inform you that we have reviewed the information provided concerning the referenced project.

Our review of the records indicates that no historic, architectural or archaeological sites exist within the project area.

Please retain this letter in your files as evidence of compliance with Section 4 of the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420/1 et. seq.). This clearance remains in effect for two years from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the Illinois Human Skeletal Remains Protection Act (20 ILCS 3440).

If you have any further questions, please contact me at 217/785-5027.

Sincerely,

Anne E. Haaker

Anne E. Haaker
Deputy State Historic
Preservation Officer

A teletypewriter for the speech/hearing impaired is available at 217-524-7128. It is not a voice or fax line.

ATTACHMENT-6

CON Project Cost Detail

1 Preplanning costs		\$	289,803
Precon Fee	\$	67,303	
A/E Precon	\$	222,500	
2 Site Survey and Soil Invest. Costs		\$	90,000
Soil Borings	\$	15,000	
Surveys	\$	25,000	
A/E Site	\$	50,000	
3 Site Preparation costs		\$	1,818,123
Demo	\$	186,809	
Earthwork	\$	1,631,314	
4 Off-site work costs -		\$	65,000
Utility Connection Fees	\$	65,000	
5 Construction and Modernization Contracts		\$	61,392,880
Construction Budget - Less Precon Fee & Contingency	\$	61,392,880	
Less Earthwork and Demolition			
6 Contingencies (unforeseens or modernization costs)		\$	5,532,937
Construction Contingency	\$	3,999,444	
Owner Contingencies, Less CON Fees	\$	1,533,493	
7 A/E Fees		\$	4,571,981
A/E and Consulting Fees	\$	4,371,981	
Architectural Reimbursibles	\$	200,000	

8 Consulting and Other Fees		\$ 1,359,250
CON Fees	\$ 100,000	
Landscape	\$ 70,000	
Acoustical	\$ 50,000	
Furniture/Artwork	\$ 40,000	
IDPH Fees	\$ 40,000	
BNF Tech Review Fees	\$ 50,000	
Master Planning	\$ 130,000	
Programming	\$ 58,000	
Multiple Preliminary Designs	\$ 90,000	
Existing Facility Surveys	\$ 10,000	
Site Evaluation and Planning	\$ 20,000	
Building Information Modeling	\$ 150,000	
Civil Engineering	\$ 268,750	
Architectural Interior Design	\$ 120,000	
Conformed Construction Documents	\$ 17,500	
As-Constructed Record Drawings	\$ 35,000	
Telecom/Data Coordination	\$ 15,000	
Security Evaluation/Planning	\$ 15,000	
Fast-Track Design Services	\$ 60,000	
Medical Equipment Coordination	\$ 20,000	
9 Capital Equipment Not Included in Construction Contracts		\$ 8,980,026
Monitors	\$ 300,242	
Stationary Bikes	\$ 249,975	
Security Systems	\$ 960,000	
Furnishings - Patient Rooms	\$ 500,000	
Furnishings - Guest Quarters	\$ 750,550	
Permanent Interior & Exterior Signage	\$ 498,205	
Artwork	\$ 601,906	
Telecom / IT	\$ 2,600,000	
Info Systems (TV, Phone, Skylite)	\$ 1,720,000	
Other Equipment	\$ 749,098	
Environmental Services	\$ 50,050	
10 Bond Issuance Expense		N/A
11 Net Interest Expense		N/A
12 Other Costs that are to be Capitalized		N/A
13 Acquisition of Buildings and Other Property		N/A
Total		\$ 84,100,000

**MIDWESTERN REGIONAL MEDICAL CENTER
COST SPACE REQUIREMENTS
EXPLANATION OF VACATED SPACE
ATTACHMENT 9**

The space currently used for med/surg and clinical rooms will be vacated as part of this project. The vacated space will be used for outpatient services, but will be undertaken as a separate construction project. Design for the outpatient space will not begin until this Project is closer to completion. The chart showing cost space requirements is attached.

**CANCER TREATMENT CENTERS OF AMERICA
Midwestern Regional Medical Center**

July 24, 2013

Inpatient Tower Expansion

Cost Space Requirements

Dept/Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const	Modernized	As Is	Vacated Space
REVIEWABLE							
Medical/Surgical Nursing Unit	\$ 22,720,562	26365	42107	42107	0	0	26365
Intensive Care Nursing Unit	\$ 4,589,979	7507	8516	8516	0	0	7507
Other*		85781	0	0	0	85781	0
Total Clinical	\$ 27,310,541	119652	50622	50622	0	85781	33871
NON-REVIEWABLE							
Mech/Elec/Storage	\$ 10,085,220	0	23454	23454	0	0	0
Lobby	\$ 7,460,476	5751	13083	13083	0	5751	0
Food Service	\$ 10,845,511	16073	18780	18780	0	16073	0
Public Lounge	\$ 6,032,827	10144	14262	14262	0	0	10144
Public Circulation	\$ 1,916,320	3993	4530	4530	0	0	3993
Guest Rooms	\$ 20,449,104	0	43355	43355	0	0	0
Other*	\$ -	28594	0	0	0	28594	0
Other**	\$ -	67383	0	0	0	67383	0
Total Non-Clinical	\$ 56,789,459	131939	117465	117465	0	117801	14138
TOTAL	\$ 84,100,000	251591	168087	168087	0	203582	48009

Other* - Includes Imaging, Radiation Therapy, Emergency/Urgent Care, Clinic, Surgery, and Infusion.
Other** - Includes Hospital Support, Administration, Volunteer, Pastoral Care, Medical Records, Education, Lab, Care Managers, Pharmacy, and Wellness Center

**BACKGROUND OF APPLICANT
CRITERION 1110.230(a)(3)(A)**

- #1: A listing of all health care facilities owned or operated by the applicant, including licensing, certification and accreditation identification numbers, if applicable.**

Midwestern Regional Medical Center is the only applicant which operates a health care facility. A copy of Midwestern Regional Medical Center's current license, permit, certification and registration issued by the Department of Public Health and its letter of accreditation by The Joint Commission are attached hereto.



Cancer
Treatment
Centers
of America

at Midwestern Regional Medical Center

Winning the fight against cancer, every day.®

2520 Elisha Avenue
Zion, IL 60099

tel 847-872-4561

fax 847-872-1591

web cancercenter.com

July 23, 2013

Ms. Courtney R. Avery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Midwestern Regional Medical Center Permit Application – Access to Information

Dear Ms. Avery:

I hereby authorize the State Board and State Agency access to information from any licensing/certification agency in order to verify any and all documentation or information submitted in relation to this permit application. I further authorize the Illinois Department of Public Health to obtain any additional documentation or information that said agency deems necessary for the review of the application as it pertains to Section 1110.230(a)(3)(C) of the Review Board Rules.

Sincerely,

Midwestern Regional Medical Center, Inc.

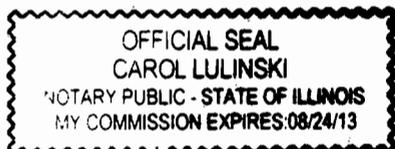
Scott Jones
Chief Executive Officer

Notarization:

Subscribed and sworn to before me
this 23rd day of July, 2013

Signature of Notary Public

Seal





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July 24, 2013

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Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

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Sincerely,

Sheridan Trust U/A/D 4/1/12

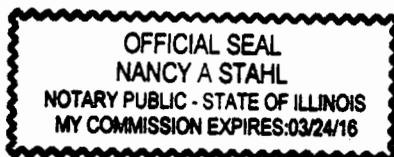
Dennis P. Lynde
Trustee

Notarization:

Subscribed and sworn to before me
this 24 day of July, 2013

Signature of Notary Public

Seal





Cancer
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July ²³__, 2013

Ms. Courtney R. Avery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Midwestern Regional Medical Center Permit Application – No Adverse Action

Dear Ms. Avery:

Please be advised that no disciplinary action relative to “Adverse Action” as defined under Section 1110.230(a)(1) of the Review Board Rules has been adjudicated against Midwestern Regional Medical Center, or against any health care facility owned or operated by it, directly or indirectly, within three (3) years preceding the filing of the permit application.

Midwestern Regional Medical Center is the only applicant or co-applicant which operates a health care facility.

Sincerely,

Midwestern Regional Medical Center, Inc.

Scott Jones
Chief Executive Officer

Notarization:

Subscribed and sworn to before me
this 23rd day of July, 2013

Signature of Notary Public

Seal



10750742.1

00097

ATTACHMENT - 11

DISPLAY THIS PART IN A CONSPICUOUS PLACE

REMOVE THIS CARD TO CARRY AS AN IDENTIFICATION

State of Illinois 2132865
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

This person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity as designated below.

LA HAR HASBROUCK, JR., M.D., M.P.H.
DIRECTOR

EXPIRES	CATEGORY	TYPE	NUMBER
06/30/14	0680	FULL LICENSE	0002956

GENERAL HOSPITAL
EFFECTIVE: 07/01/13

BUSINESS ADDRESS

MIDWESTERN REGIONAL MEDICAL CENTER
2520 ELISHA AVENUE
ZION

The fees for this license have been determined by the State of Illinois, 2007.

State of Illinois 2132865
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

EXPIRES	CATEGORY	TYPE	NUMBER
06/30/14	0680	FULL LICENSE	0002956

GENERAL HOSPITAL
EFFECTIVE: 07/01/13

05/04/13

MIDWESTERN REGIONAL MEDICAL CENTER
2501 EMMAUS AVENUE
ZION

IL 60099

FEE RECEIPT NO.



April 5, 2011

Scott Jones
COO
CTCA at Midwestern Regional Medical
Center
2520 Elisha Avenue
Zion, IL 60099

Joint Commission ID #: 7448
Program: Hospital Accreditation
Accreditation Activity: 60-day Evidence of
Standards Compliance
Accreditation Activity Completed: 04/05/2011

Dear Mr. Jones:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high-quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

The Joint Commission is granting your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

Comprehensive Accreditation Manual for Hospitals

This accreditation cycle is effective beginning January 12, 2011. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 36 months.

Please visit [Quality Check®](#) on The Joint Commission web site for updated information related to your accreditation decision.

We encourage you to share this accreditation decision with your organization's appropriate staff, leadership, and governing body. You may also want to inform the Centers for Medicare and Medicaid Services (CMS), state or regional regulatory services, and the public you serve of your organization's accreditation decision.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

Ann Scott Blouin, RN, Ph.D.
Executive Vice President
Accreditation and Certification Operations

000105

ATTACHMENT-11

00099

**MIDWESTERN REGIONAL MEDICAL CENTER
CON APPLICATION
§1110.230(b)
PURPOSE OF THE PROJECT**

The purpose of this Project is to address clinical and patient need by constructing a new patient tower to modernize in-patient services, particularly to create single occupancy patient rooms, at Midwestern Regional Medical Center ("MRMC"). To address the needs of patients requiring high acuity oncology services, the Project also shifts six licensed beds from med/surg to ICU. In addition, the Project modernizes certain nonclinical areas such as common areas, food services and dietary areas. The Project would also construct additional non-clinical accommodations for outpatients and friends and family of inpatients in two floors of the new bed tower.

MRMC is a destination cancer treatment facility for patients seeking innovative cancer treatments and options for complex and advanced stage cancer cases. MRMC is affiliated with Cancer Treatment Centers of America, Inc. ("CTCA") which is committed to providing cancer treatment while delivering a range of treatment options to heal the whole person. CTCA combines conventional treatments with integrative oncology therapies including naturopathic services, nutrition, oncology rehabilitation and psychosocial and spiritual support and care coordination to help patients maintain strength and improve their overall quality of life.

Service Area

Because MRMC is a nationally-recognized destination hospital offering specialized and integrated cancer treatments, its primary market area is significantly broader than the usual 30-minute drive time typically defined by general or other specialty hospitals located in a particular planning area. Patients come to MRMC from all 50 states in the union, and primarily from Illinois, Ohio, Wisconsin, Michigan, Indiana, Iowa and Minnesota. MRMC defines its primary market area as these seven states and defines its secondary market area as the entire United

States. Included in Attachment 20 is a list which sets forth the number of patients, by state, who received treatment at MRMC during the most recent 12-month period.

Consequently, due to its significantly large primary market area and because MRMC offers decidedly specialty services and integrative oncology treatment plans generally not offered by hospitals which are more general in nature, MRMC poses little competition to those hospitals located within Planning Area A-09. Additionally, as a destination hospital, MRMC provides significant economic development for local businesses in and around Zion. MRMC is the largest employer in Zion.

Modernization of Inpatient Services

Utilization of both med/surg and ICU services at MRMC has increased each year from 2008 through fiscal year 2012 and is projected to increase into the future. ICU utilization in particular has increased dramatically - - almost 20% per year in recent years. The proposed Project allows the Applicant to meet the continuing needs of its patients and to continue to offer innovative cancer treatment options to its patients.

Need for Modernized Inpatient Facilities

Single-occupancy rooms have been the standard of care for new construction projects. Shared occupancy rooms are one of the most commonly cited complaints of hospital stays. More importantly, evidence-based studies show the benefit of private rooms: improved infection control, reduced room transfers, shorter average length of stay, improved bedside communication between the patient and physician, decreased noise level, decreased sleep disturbances, decreased stress, lower fall risk, and a quiet atmosphere for a more restful recovery. Further discussion and medical literature citations are contained in Attachment 20 of the Application.

Non-Clinical Area Improvements

The new replacement tower will also replace the food service and dietary portion of the hospital. The current food service area can seat only 120 people, which is far too small to accommodate the 1,000 plus patients, staff and visitors that may be there on most days.

Because MRMC is a destination hospital, with the vast majority of patients coming from out of state, most outpatients and the families of inpatients require overnight accommodations. MRMC currently has guest quarters facilities in two nearby buildings. The present number of these guest rooms is inadequate and the Project proposes constructing 48 guest rooms as part of the new bed tower. Because MRMC is landlocked, these guest rooms could also provide patient expansion space if future need develops. MRMC outpatient and visitors use an average of 256 guest/hotel rooms per night and 354 rooms on peak nights. In peak periods, patients and visitors must stay as far away as Wisconsin.

**MIDWESTERN REGIONAL MEDICAL CENTER
CON APPLICATION
§1110.230(c) ALTERNATIVES
ATTACHMENT 13**

The Applicants considered the following alternatives to the proposed project:

1. Build a free-standing replacement hospital either on the current Midwestern Regional Medical Center (“MRMC”) property or elsewhere;
2. Refer patients to other CTCA affiliates in other states;
3. Enter into some form of a joint venture agreement;
4. Utilize other health care resources available to serve all or a portion of the population serviced by the Project; and
5. Proceed with proposed Project.

Overview Of Needs To Be Addressed

MRMC is a 73-bed hospital devoted to the care of patients with complex, advanced stage cancers and related diagnoses. MRMC is a nationally-recognized destination cancer treatment center for patients seeking innovative cancer treatments. Patients come to MRMC from all 50 states and primarily from the Midwest: almost 80% of MRMC patients come from outside Illinois. Most patients who seek treatment at MRMC are far away from their homes, families and friends. In addition, many are extremely ill. As a consequence it is typical for family members to travel to MRMC where they will spend a significant amount, if not all, of their time with the patient in the hospital room during a patient’s length of treatment.

MRMC currently provides semi-private room accommodations for inpatients. Patients, family, and clinicians all see the need for single occupancy rooms. (See attached patient comments.) In a semi-private room, there is little physical space in which family and MRMC caregivers of both patients can comfortably move and there is limited space for overnight stays. Furthermore, sharing a room results in a distinct lack of privacy and, for the extremely ill, often

leads to discomfort and raises certain loss of dignity issues. In addition, those patients who require extended stays at MRMC may end up with several roommates over the course of their treatment, which leads to unnecessary disruptions, commotion and a lack of sleep, which in turn lead to compromised recovery.

MRMC plans to modernize its Medical/Surgical Care and Intensive Care units to better respond to patient demands by moving from double occupancy rooms to single occupancy rooms.

Similarly, as the complexity of care increases, there is a need to shift some current beds from med/surg to Intensive Care.

Alternative 1: Build a free-standing replacement hospital either on the current Midwestern Regional Medical Center (“MRMC”) property or elsewhere

One alternative considered by the Applicants was to build a free-standing replacement hospital. The alternative was considered because it addresses the current needs of MRMC.

One consideration was to build a free-standing replacement hospital on the current MRMC campus. The current campus consists of ten (10) contiguous building components on approximately 4.5 acres of land. The main hospital is one of the 10 contiguous building components located on the current site.

The 4.5 acres of land is landlocked, with insufficient land currently available for expansion. Therefore, to build a free-standing replacement hospital on the current campus, the Applicants would have to demolish the 10 building components and begin building anew.

The Applicants also considered moving out of Zion to build a replacement hospital either on vacant land in the State of Illinois or, alternatively, given its close proximity to the Wisconsin border, on vacant land in Wisconsin.

While the construction of a free-standing facility would certainly address most, if not all, of the Applicants' needs, this alternative was rejected because it is cost prohibitive, unnecessary, and would make for a less prudent use of financial resources by the Applicants than the proposed Project.

Alternative 2: Refer patients to other CTCA affiliates in other states

MRMC is part of the Cancer Treatment Centers of America ("CTCA") family of hospitals. CTCA operates other facilities in the Atlanta, Phoenix, Philadelphia, Tulsa, and Seattle areas. One alternative considered was to curtail operations in Zion and seek to instead treat patients at other CTCA affiliated facilities. CTCA hospitals are destination locations for many patients and these patients could be directed to these other facilities. This option was rejected for several reasons. MRMC staff have developed a reputation for high quality innovative care that could be lost if the facility were to move out of state. Second, loss of the Midwestern location would be disadvantageous for Midwestern patients. [Also, many of the other CTCA hospital have high occupancy and could not accommodate all the MRMC patients.] Finally, CTCA is based in Illinois, MRMC is its original facility and CTCA desires to maintain its Illinois presence.

Alternative 3: Transfer Patients of MRMC to Another Area Hospital to Obtain Med/Surg Services

Review Board rules ask that Applicants consider an alternative of a joint venture.

Medical/surgical services are at the core of care provided by a hospital dedicated to cancer treatment. While joint venture arrangements can, and have successfully, worked for some services (such as diagnostic imaging), entering into a joint venture agreement for the provision of core med/surg beds is not feasible under the current Illinois hospital regulations.

Alternative 4: Utilize other health care resources available to serve all or a portion of the population serviced by the Project

The proposed Project contemplates only the modernization of existing in-patient services to replace semi-private rooms with private rooms and a shift of six med/surg beds to ICU. The Applicants are not adding beds or additional capacity and the utilization of other facilities would not be relevant.

Because the alternative is not applicable to the proposed project, the Applicants rejected this alternative.

Alternative 5: Proceed With Proposed Project

After extended study of multiple options, MRMC chose to proceed with the present Project. Constructing the replacement beds offered a number of benefits. The value of single-occupancy rooms is well documented both clinically and from patient/family needs. The MRMC hospital campus is located within the community of Zion and is essentially land-locked for further expansion beyond this project. The onsite guest quarter is important for patients coming from out-of-state and is consistent with the Cancer Treatment Centers model. Constructing this space certainly now is also less disruptive to patients and more cost effective than a subsequent expansion if need arose. The hospital faced a number of needs, primarily to modernize inpatient rooms in a replacement bed tower.

The single room model also reduces inefficiencies in utilizing beds. Because of the nature of cancer treatment most patients prefer to receive their care during the week. During weekdays when peak occupancy occurs the hospital often faces capacity constraints with shared rooms often blocked to single rooms because of clinical needs or because of male/female restrictions. All single rooms will alleviate the need to block beds and allow for more efficient utilization.

The increasingly high complexity of care required by MRMC cancer patients has also created a pressing need for additional ICU beds. MRMC has consistently operated well above state standards for ICU occupancy. With a 21.9% annual increase in demand for ICU beds, future acute care needs cannot be met without additional ICU beds. The decision to convert licensed med/surg beds rather than adding more total beds was consistent with Planning Act principals and prudent stewardship of health care resources.

After careful consideration of many options and configurations, MRMC determined that the present Project is the best alternative for providing high quality specialty care for its cancer patients.

**Midwestern Regional Medical Center
 Alternatives to the Proposed Project
 Cost/Benefit Analysis**

ALTERNATIVE	COSTS	BENEFITS/LIMITATIONS
1. Build replacement hospital	Dewberry Estimate for replacement hospital was \$235M for construction, plus \$35M for soft costs and Major Medical Equipment, but not including General Equipment and Supplies	Limitation: 1. not possible on existing site because site is too small. 2. Cost would be much higher than bed tower addition.
2. Refer patients to other MRMC affiliates in other states	While there would be limited new capital costs.	The existing hospital capital infrastructure would be lost. --would limit access to care for patients in the Midwest --Existing physician and staff would be lost
3. Exercise some form of joint venture arrangement with other providers.	Unknown.	Joint Ventures for in-patient beds are inapplicable under current law.
4. Utilize other health care resources	No capital costs associated with this alternative.	1. This alternative is not applicable to a modernization project. 2. Not applicable - project does not add beds - Project is included to improve care for existing patients and not to add capacity.

<p>5. Proceed with Proposed Plan</p>	<p>Project cost estimated at \$84,100,000.</p>	<p>1. Only alternative which addresses all issues: --Meets current need of patients for single occupancy beds. --Allows MRMC to adjust bed complement to reflect increased complexity of care.</p>
---	--	--

MIDWESTERN REGIONAL MEDICAL CENTER, INC.
SIZE OF PROJECT
CRITERION 1110.234(a)
ATTACHMENT 14

MRMC has worked closely with its architects to develop a design that best serves patients at a destination cancer care hospital. The severity of the cancer, distance traveled to receive care and average length of stay create unique needs for MRMC patients.

In designing this Project MRMC has sought to carefully balance patient needs with Review Board regulations. The resulting design is slightly larger than Illinois standards, but considerably smaller than similar facilities.

MRMC is affiliated with Cancer Treatment Centers of America (“CTCA”) which operates 4 hospitals in other states. Best practices from these other facilities are being incorporated into the MRMC project. Recent hospital construction projects at other CTCA affiliated hospitals resulted in hospital rooms considerably larger than those proposed for MRMC. The actual patient room in this proposed project is 259 square feet per room. Recent projects at other CTCA affiliated hospital projects in other states were designed with room sizes of 345 square feet and 348 square feet. Although those models offer benefits, the model from these two facilities were scaled back considerably for Illinois to more closely comply with the size of facilities previously approved by the Board. Although the design comes close to state standards (DGSF over by 6.3% for med/surg and by 3.6% for ICU), further size reductions would have compromised patient’s needs.

A comparison of the DGSF of each Unit with the applicable State standard is set forth as follows:

SIZE OF PROJECT			
DEPARTMENT/SERVICE	PROPOSED DGSF	STATE STANDARD	DIFFERENCE
Medical/Surgical	701.8 DGSF	500-660 DGSF	41.8
Intensive Care	709.6 DGSF	600-685 DGSF	24.6

The Review Board recently acknowledged the unique needs of patients at specialty hospitals when it approved med/surg beds at Rehabilitation Institute of Chicago with DGSF of 761 DGSF, 101 square feet larger than the state standard. The attached memorandum from Dewberry Architects highlights the areas for the room difference. The slightly larger rooms result from the unique care provided at MRMC.

Complexity of Care and Average Length of Stay

MRMC's care focuses entirely on cancer treatment and related diagnosis. Consequently, it is not surprising that the average patient experiences considerably greater acuity of care than at a typical hospital.

The complexity of care provided at MRMC also contributes to the much higher average length of stay (ALOS). The average length of stay for MRMC med/surg patients was over 8 days in 2011, considerably higher than Illinois averages. For some stem cell patients, ALOS can be almost one month. A slightly larger single room and private bath become much more important to patients as their length of stay increases. Please see Attachment 20 for a detailed discussion of the clinical and patient benefits of a single occupancy room. A more restful, residential type environment is particularly beneficial in patients fighting cancer.

Rooming In Ability for Family

The ability for a patient to have family and friends nearby is vitally important to patients fighting cancer. Patients and family benefit from having as much family support as possible at this time.

Over 80% of new MRMC cancer patients come from outside of Illinois, traveling an average of over 400 miles for care. Going home for the night is not an option for these families. Because family members often want to spend as much time as possible with patients, family

would like the opportunity to stay with the patient through the night. This family-focused model is becoming the standard of care.

Each med/surg room will be equipped with convertible beds to allow a family member to spend the night with a patient. Rooms are designed with a “family zone” to accommodate family. To adequately accommodate this family area requires considerably more space than in a typical med/surg unit. The room diagram showing this family zone and space requirements is included in this Attachment. A memorandum from the hospital’s architects also details the important other design distinctions relative to state standards.

PLANNING MEMORANDUM

Project: Midwestern Regional Medical Center
PSA-Dewberry #50054709

Subject: Inpatient Bed Tower
Departmental Gross Square Footage Per Patient Bed

Date: July 22, 2013

File: 50054709.072213r

From: Dave Huey

To: Eddie Staren
Joe Ourth

Distribution: Yvonne Elias
Paul Reardon

Dewberry has worked with Midwestern Regional Medical Center to develop conceptual plans for a proposed hospital expansion focused on replacing its Inpatient Beds. Existing Inpatient Beds are antiquated, semi-private rooms, with minimal views/daylight, and fall well below the standard of care at other hospitals affiliated with Cancer Treatment Centers of America.

The State of Illinois Guideline for Square Footages and Utilization indicate that Med/Surg Inpatient Rooms should not exceed 660 DGSF. The 60 Med/Surg Inpatient Rooms proposed for this project average 701.7761 DGSF each.

The State of Illinois Guideline for Square Footages and Utilization indicate that Intensive Care Inpatient Rooms should not exceed 685 DGSF. The 12 Intensive Care Inpatient Rooms proposed for this project average 709.6443 DGSF each.

Factors that contribute to the average DGSF being above State Guidelines include the following:

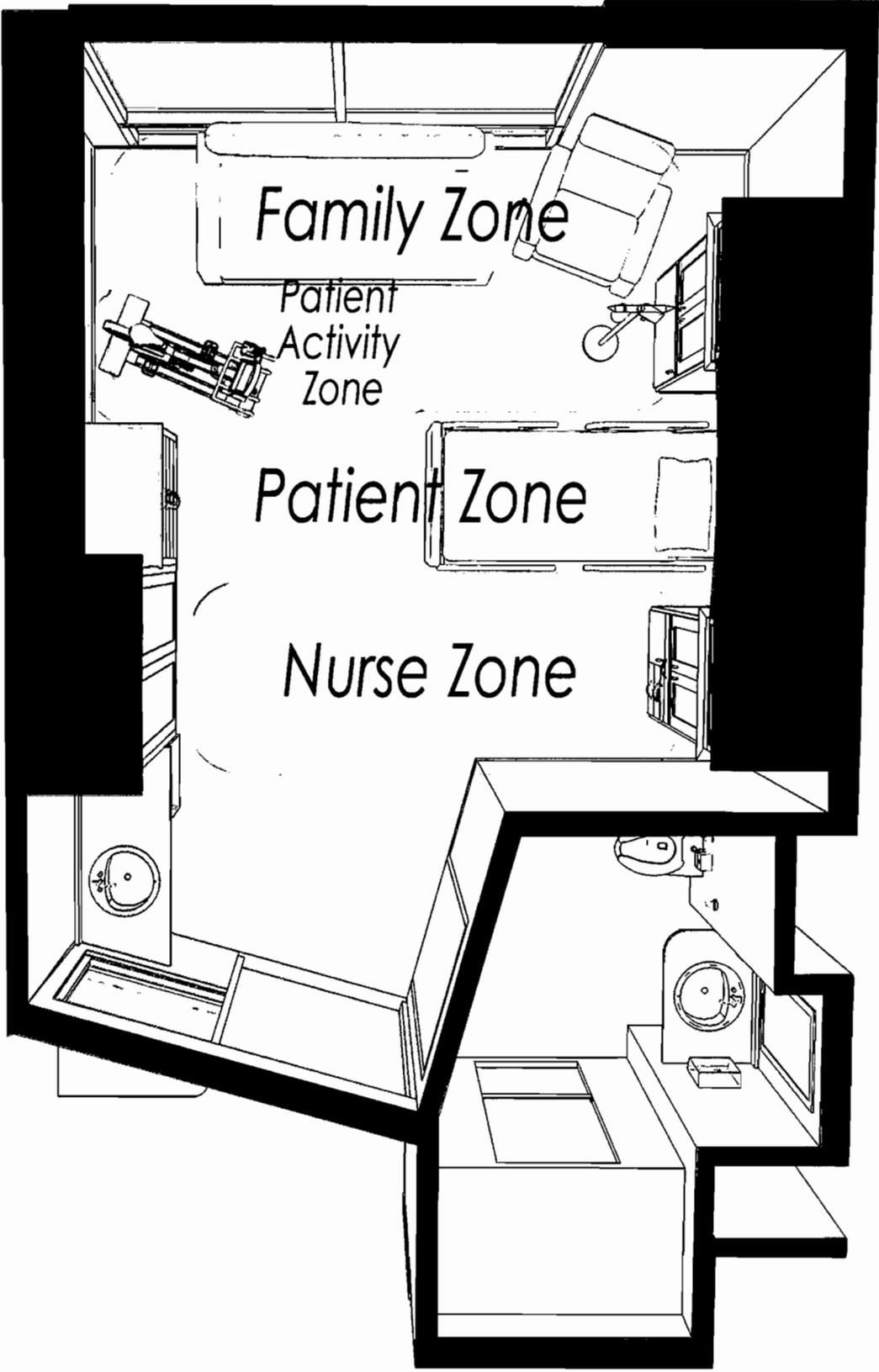
- All Patient Rooms are private which results in much higher DGSF per bed than in semi-private rooms.
- All Patient Restrooms are private rather than sharing with up to two Inpatient Rooms and up to four beds.

- All Patient Rooms provide space for family members who may want to room with the patient as would be expected in a family-centered care model of patient care and are designed to allow space for sleeper sofas to accommodate overnight stays in the room for family or friends.
- 20% of the Patient Restrooms are fully handicap accessible, in excess of the required 10%.
- A sink is provided in each Patient Restroom in addition to a sink provided in the Inpatient Room.
- A minimum of 4'-6" is provided at each side and the foot of the patient bed rather than the State minimum of 3'-0" to improve access to the patient and to accommodate equipment necessary in the care of the patient.
- Two Nurse Offices are provided in excess of the required single office.
- A Unit Secretary Office is provided, separate from Nurse Work Areas.
- Decentralized Nurse Work areas are provided adjacent to each pair of Patient Rooms to provide better visibility of the patient and better accessibility to provide patient care.
- Eleven Hand Wash Facilities are provided in the Corridors for easy access from Decentralized Nurse Work Areas.
- All Patient Rooms include a 2'-0" deep footwall to provide ample space for patient belongings, family work surface, and nurse work area with lockable drawers for supplies, etc.
- A Family Waiting Room is provided in each Nursing Unit in addition to the required Intensive Care Unit Family Waiting Room.
- Bathing facilities are provided in each Patient Restroom rather than providing one Tub Room per twelve beds.
- A Medication Room is provided in lieu of the minimally required Medicine Dispensing Unit Alcove, and is sized to accommodate Supply Dispensing Units, as well.
- Two Soiled Utility Rooms are provided for improved access rather than the required one Soiled Utility Room.
- Two Isolation Rooms with Anterooms are provided per floor, in excess of the minimum requirements.
- A Physician Dictation Room is provided, separate from Nurse Charting area.
- 18 of the rooms will be used as Stem Cell Rooms. Stem cell cancer patients have much higher immunity risks than traditional patients and must perform their exercise functions within the room. Accordingly the room size is designed to include exercise equipment (see attached room drawing).
- All Med/Surg rooms have been designed so that, if necessary in the future, they could be adapted at minimal cost to meet IDPH design requirements for ICU beds.
- All rooms, whether Med/Surg (including Stem Cell) or ICU have been designed using the same room plate.

A drawing of a patient room, including exercise equipment, is attached.

END OF MEMORANDUM





**MIDWESTERN REGIONAL MEDICAL CENTER
CON APPLICATION
PROJECT SERVICES UTILIZATION
CRITERION 1110.234
ATTACHMENT 15**

In this proposed Project MRMC proposes to modernize inpatient beds which have become functionally obsolete. The replacement bed tower will provide single occupancy rooms for all patients. The number of licensed beds will remain at 73. To reflect the increasingly higher patient acuity, MRMC's bed complement would shift from 67 med/surg and 6 ICU beds to 61 med/surg and 12 ICU.

The tables below show the utilization for both med/surg and ICU beds. The charts contain actual historical utilization data for the five years from 2008 through 2012. For the subsequent five years the projections have been calculated using prior actual growth rates in utilization. Projections are based upon historical average growth rates for each service, projected out to the second year following Project completion.

MEDICAL SURGICAL INPATIENT UTILIZATION						
Year	Licensed Medical/Surgical Beds	Historical Utilization Patient Days	Projected Utilization	CON Occupancy	State Standard Occupancy	Met Standard?
2008	91	10,599		31.9%	75%	
2009	73	10,541		39.6%	75%	
2010	69	10,570		42.0%	75%	
2011	69	12,613		50.1%	75%	
2012	69	13,687		54.3%	75%	
2013	67		14,684	60.0%	75%	
2014	67		15,754	64.4%	75%	

2015	67		16,901	69.1%	75%	
2016	61		18,132	81.4%	75%	
2017*	61		19,453	87.4%	75%	YES

*Second Full Year Following Year of Project Completion

Medical/Surgical. Medical/surgical patient days have grown at an average annual rate of over 7.28% for the last 5 years. Projected growth was based on the actual historical growth rate over the past five-year period. The Project maintains the same total number of beds currently licensed, but because of high patient acuity demands, med/surg beds are decreased by 6 and ICU is increased by the same amount.

INTENSIVE CARE UTILIZATION						
Year	Licensed Intensive Care Beds	Historical Utilization Patient Days	Projected Utilization	CON. Occupancy	State Standard Occupancy	Met Standard?
2008	4	831		56.9%	60%	
2009	4	1,215		83.2%	60%	
2010	4	1,207		82.7%	60%	
2011	4	1,242		85.1%	60%	
2012	4	1,482		101.5%	60%	
2013	6		1,772	80.9%	60%	
2014	6		2,119	96.8%	60%	
2015	6		2,534	115.7%	60%	
2016	12		3,031	69.2%	60%	
2017*	12		3,625	82.8%	60%	YES

*2017 is the Second Year Following Project Completion.

Intensive Care. Intensive Care patient days have grown at an average annual rate of over 21.9% since 2008. Projected growth was based on the actual historical growth rate over the past five-year period.

As the table above shows, ICU has achieved target occupancy each year since 2009 and both ICU and Med/Surg will again achieve target occupancy no later than the second year following Project completion.



Cancer
Treatment
Centers
of America

at Midwestern Regional Medical Center

Winning the fight against cancer, every day.®

2520 Elisha Avenue
Zion, IL 60099

tel 847-872-4561

fax 847-872-1591

web cancercenter.com

July 23, 2013

Ms. Courtney R. Avery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Midwestern Regional Medical Center Permit Application – Assurances

Dear Ms. Avery:

In compliance with Section 1110.530(g) of the Review Board Rules, Midwestern Regional Medical Center hereby attests that, to our understanding, by the second year of operation after the Project completion, the proposed project will achieve and maintain the occupancy standards specified in 77 Ill. Adm. Code 1100 for the medical/surgical and intensive care categories of service.

Sincerely,

Midwestern Regional Medical Center, Inc.

Scott Jones
Chief Executive Officer

Notarization:

Subscribed and sworn to before me
this 23rd day of July, 2013

Signature of Notary Public

Seal



**MIDWESTERN REGIONAL MEDICAL CENTER
CON APPLICATION
§1110.530—MEDICAL/SURGICAL, OBSTETRIC, PEDIATRIC AND INTENSIVE
CARE
ATTACHMENT 20**

1110.530(b)(2) – Planning Area Need – Service to Planning Area Residents

MRMC is a destination hospital specializing in care for patients with advanced stage cancer. The hospital treats patients from all 50 states. New patients travel an average of 400 miles for care at MRMC. This Project will continue to provide care to its national service area, with a primary focus on the Midwest.

A list of new MRMC patients, by state is included as part of this Attachment 20.

ATTACHMENT 20

**MIDWESTERN REGIONAL MEDICAL CENTER
 CON APPLICATION
 ATTACHMENT 20
 NUMBER OF NEW PATIENTS BY STATE
 MOST RECENT 12-MONTH PERIOD**

STATE	NUMBER OF PATIENTS	STATE	NUMBER OF PATIENTS
AK	2	MT	11
AL	56	NC	55
AR	20	ND	9
AZ	40	NE	19
BA	1	NH	2
CA	26	NJ	8
CO	11	NM	18
CT	6	NV	9
DC	3	NY	43
DE	9	OH	140
FL	48	OK	53
GA	44	OR	17
HI	8	PA	120
IA	68	PR	2
ID	9	RI	2
IL	405	SC	24
IN	145	SD	8
KS	51	TN	61
KY	41	TX	125
LA	25	UT	2
MA	2	VA	54
MD	47	VI	1
ME	2	VT	1
MI	201	WA	21
MN	54	WI	102
MO	63	WV	11
MS	20	WY	8
		Total	2333

ATTACHMENT 20

1110.530(b)(4) – Planning Area Need – Service Demand

MRMC is increasing ICU beds by six beds and reducing med/surg beds by like amount. ICU beds is the only category being expanded. The need for ICU beds has increased dramatically in the last several years - - growing from 831 patient days in 2008 to 1,482 patients days in 2012. This growth represents an annual increase of over 21.9% that period. MRMC consistently operates well above the state standard for ICU utilization and will continue to meet state standards. Because of the need for ICU beds MRMC converted 2 beds from med/surg to ICU by notice to the Board on May 2, 2013. We also note that because the beds being converted are less than 10 beds or 10%, the beds could be increased pursuant to that rule. This application nevertheless provides the information for ICU bed expansion. According to the Review Board Inventory there is now a calculated need for 24 additional ICU beds in Planning Area A-9.

There is no expansion on med/surg beds in the project as they will decrease from 67 to 61.

A chart showing the historical and projected ICU utilization is below.

INTENSIVE CARE UTILIZATION						
Year	Licensed Intensive Care Beds	Historical Utilization Patient Days	Projected Utilization	CON Occupancy	State Standard Occupancy	Met Standard?
2008	4	831		56.9%	60%	No
2009	4	1,215		83.2%	60%	Yes
2010	4	1,207		82.7%	60%	Yes
2011	4	1,242		85.1%	60%	Yes
2012	4	1,482		101.5%	60%	Yes
2013	6		1,772	80.9%	60%	Yes
2014	6		2,119	96.8%	60%	Yes
2015	6		2,534	115.7%	60%	Yes

2016	12		3,031	69.2%	60%	Yes
2017*	12		3,625	82.8%	60%	Yes

*Second year following project completion

1110.530(d) - Modernization

Midwestern Regional Medical Center (“MRMC”) is in need of modernization of its inpatient bed facilities, which have deteriorated and become functionally obsolete. The current facilities were constructed over twenty years ago and no longer meet the needs of the facility or its patients. Modernization of the facility is supported by an industry-wide evolution in the understanding of optimal bedside care, clinical feedback and the requirements of MRMC’s unique patient population. In order to modernize the facility, MRMC plans to move to larger single-occupancy patient rooms.

A. Optimal Bedside Care is Achieved through Private Rooms

Globally, the health care industry has recognized the value of private hospital rooms. Cancer Treatment Centers of America (“CTCA”), with which MRMC is affiliated, has embraced the value of single-occupancy rooms and each of its hospitals other than MRMC’s Zion facility feature 100% private hospital rooms. Furthermore, clinical research and literature supports the use of private rooms. In 2006, the Facilities Guidelines Institute and the American Institute of Architects’ Academy of Architecture for Health officially recommended private rooms for hospitals from a cost of construction and patient care perspective. (Landro, 2006). Similarly, another study found that private rooms lead to lower operating costs based upon the fact that patients were not required to move as frequently as when they are in shared rooms. (Chaudhury, 2005). Several other studies have likewise found that private hospital rooms are more beneficial than shared rooms (see attached list).

The evidence based benefits of private rooms are: improved infection control, reduced room transfers, shorter average length of stay, improved bedside communication between the patient and physician, decreased noise level, decreased sleep disturbances, increased stress

reduction, lower fall risk, and a quiet atmosphere for a more restful recovery. As an example, shared rooms in the current MRMC facility have a single overhead lighting switch, which means that the entire room must be illuminated for exams or lab draws for one patient at any time day or night. The other patient sharing the room is inconvenienced by the noise, light and interruption of these exams. Such inconvenience is made all the more serious by the fact that it often disturbs sleep, which can negatively affect patient recovery time.

Perhaps even more importantly, private rooms allow hospitals to limit the spread of infections. Infections in a hospital setting are a very serious problem and private rooms allow a hospital to quarantine patients with infections in order to keep other patients healthy. Other operational problems can also be solved with single occupancy rooms, such as incompatible roommates and assignment of rooms based on gender. Evidence supports the move to private rooms and CTCA has adopted private rooms as part of its brand standard. Similarly, private rooms have become the standard of care for all hospitals.

B. Larger Rooms Promote Healing

Larger rooms are becoming more common in new construction. Patients and their family members need room to ambulate during their stay. For example, patients undergoing stem cell transplants can have long lengths of stay while their immune system rebuilds after the transplant. These patients are often confined to their room and require space to move around. Likewise, studies have shown that physical therapy helps the body fight chronic illness and can reduce re-occurrence and mortality. In fact, multiple studies have shown benefits to recovery and prolonged survival from physical therapy in breast and colon cancer patients. Larger rooms facilitate physical activity by allowing for patients to have the ability to move around and, thereby, improve their recovery.

C. MRMC's Unique Patient Population Requires Larger Private Rooms

MRMC attracts a unique patient population that differs substantially from other Illinois hospitals. MRMC's patient population is unique in that these patients travel long distances to receive care, have a high severity of cancer and have longer average lengths of stay. MRMC's patients travel an average of 400 miles to reach the hospital and in 2012, 85% of patients traveled from out of state. These patients are attracted to MRMC for its integrative therapies and advanced services, such as Hyperthermic Intraperitoneal Chemotherapy and Stem Cell Transplant Therapy.

These patients not only travel long distances, but also arrive with higher acuity and have longer lengths of stay. When these patients travel, they often bring along their family and loved ones to help support them. Patients require room for their loved ones to visit and for other hospital services such as rehabilitation. It is important that MRMC's patients are welcomed into a warm and restful environment that promotes healing.

D. Documentation Supports the Move to Larger Private Rooms

MRMC is not seeking to modernize its inpatient bed facilities because of non-compliance with licensing or other safety codes, but to meet the new standard of care reflected in single occupancy rooms. Documentation from multiple studies, as well as documented patient complaints, support the move to larger private rooms. MRMC patient surveys have revealed that the most common complaint about MRMC's facilities is lack of private inpatient bed rooms. These complaints are often driven by excessive noise, the lack of space for caregivers, the need for privacy, and incompatible roommates. Attached are sixteen documented complaints regarding the size and lack of privacy of MRMC's current rooms. MRMC's patients are often dealing with advanced stage cancer and need privacy to spend time with their family while

staying at MRMC. MRMC's current facilities simply do not allow for the privacy or space that these patients desire. These issues are not only related to patient comfort but also are valid medical concerns. Accordingly, evidence supports the move to larger private rooms, as do patient needs, to keep current with the standard of care.

ATTACHMENT 20

Works in Support of Larger Private Rooms

- American Hospital Directory. Free Hospital Profiles. AHD, n.d. Web. 25 July 2013.
<<http://www.ahd.com/freesearch.php>>
- Chaudhury, Habib, Atiya Mahmood, and Marie Valente. "Advantages and Disadvantages of Single-Versus Multiple-Occupancy Rooms in Acute Care Environments." *Environment and Behavior* 37.6 (2005): 760-86. Print.
- Landro, Laura. "New Standard for Hospitals Call for Patients to Get Private Rooms." *Wall Street Journal*, 26 Mar. 2006. Web. 25 July 2013.
<<http://online.wsj.com/article/SB114298897540904723.html>>
- Lorenz, and Dreher. "Hospital Room Design and Health Outcomes of the Aging Adult." *HERD* 4.2 (2011): 23-35. Print.
- Meyerhardt, Jeffrey A., Denise Heseltine, Donna Niedzwiecki, Donna Hollis, and Leonard Saltz. "Impact of Physical Activity on Cancer Recurrence and Survival in Patients with Stage III Colon Cancer." *Journal of Clinical Oncology* 24.22 (2006): 3535-41. Print.
- Molinaro, Jane, Margret Kleinfeld, and Sherry Lebed. "Physical Therapy and Dance in the Surgical Management of Breast Cancer." *Physical Therapy* 66.6 (1986): 967-69. Print.
- van de Glind, I, S van Dulmen, and A Goossensen. "Physician-Patient Communication in Single-Bedded Versus Four Bedded Hospital Rooms." *Institute of Health Policy and Management, Erasmus Medical Center* (2008). Print.
- Warburton, Darren, Crystal W. Nichol, and Sharron Bredin. "Health Benefits of Physical Activity: the Evidence." *Canadian Medical Association Journal* 174.6 (2006): 801-09. Print.

1110.530(e) – Staffing Availability

Total licensed beds for the hospital remain the same 73. Because the number remains the same, it is not expected that there will be any significant changes in staffing requirements.

1110.530(f) – Performance Requirements

The resultant number of med/surg beds at MRMC will remain unchanged.

1110.530(g) – Assurances

See accompanying letter of assurance by Scott Jones, CEO, attesting to the expectation that MRMC will meet the targeted utilization.

ADDENDUM TO INVENTORY OF HEALTH CARE FACILITIES
October 12, 2011 - June 27, 2013

PLANNING AREA	Change or Permit #	EFFECTIVE DATE	Identification and Description of Transaction
A-08	12-100	3/26/2013	Saint Francis Hospital, Evanston, received permit to discontinue a 12-bed Pediatric category of service. Hospital Planning Area A-08 now has a total of 687 Medical-Surgical/Pediatric beds, with a calculated excess capacity of 20 Medical-Surgical/Pediatric beds.
A-14	Bed Change	4/1/2013	Riverside Medical Center, Kankakee, discontinued 6 Pediatrics care beds. The facility is now authorized for 18 Pediatrics care beds. Hospital Planning Area A-14 now has a total of 299 authorized Medical-Surgical/Pediatrics beds. There is a calculated excess capacity of 86 Medical-Surgical/Pediatric beds.
A-05	Bed Change	4/22/2013	Central DuPage Hospital, Winfield, added 20 Medical-Surgical beds to an existing category of service. The hospital now has 233 authorized Medical-Surgical beds. Hospital Planning Area A-05 now has a total of 1,100 authorized Medical-Surgical/Pediatric beds. There is a calculated excess capacity of 81 Medical-Surgical/Pediatric beds.
A-09	Bed Change	4/25/2013	Vista Medical Center East, Waukegan, discontinued 98 Medical-Surgical and 10 Pediatric beds. Facility is now authorized for 151 Medical-Surgical and 25 Pediatric beds. Hospital Planning Area A-09 now has a total of 785 Medical-Surgical/Pediatric beds. There is a calculated need for 22 additional Medical-Surgical/Pediatric beds.
A-11	E-001-13	5/14/2013	Sherman Hospital, Elgin, received exemption for change of ownership. No change in authorized beds in Hospital Planning Area A-11.
A-05	E-008-13	5/14/2013	Elmhurst Memorial Hospital, Elmhurst, received exemption for change of ownership. No change in authorized beds in Hospital Planning Area A-05.
A-06	E-011-13	5/14/2013	Loyola University Medical Center Foster McGaw Hospital, Maywood, received exemption for change of ownership. No change in authorized beds in Hospital Planning Area A-06.
A-06	E-012-13	5/14/2013	Gottlieb Memorial Hospital, Melrose Park, received exemption for change of ownership. No change in authorized beds in Hospital Planning Area A-06.
A-03	E-015-13	5/14/2013	Mercy Hospital and Medical Center, Chicago, received exemption for change of ownership. No change in authorized beds in Hospital Planning Area A-03.
D-01	Bed Change	5/10/2013	Carle Foundation Hospital, Urbana, added 7 Obstetrics beds to an existing category of service; facility now authorized for 35 Obstetrics beds. Hospital Planning Area D-01 now has a total of 62 authorized Obstetrics beds. There is a calculated excess capacity of 34 beds.
A-09	Bed Change	5/2/2013	Midwestern Regional Medical Center, Zion, increased Intensive Care beds by 2 and decreased Medical-Surgical beds by 2. Hospital is now authorized for 67 Medical-Surgical beds and 6 Intensive Care beds. Hospital Planning Area A-09 now has a total of 783 authorized Medical-Surgical/Pediatric beds, with a calculated need for 24 additional beds. The planning area has a total of 86 authorized Intensive Care beds, with a calculated need for 38 additional beds.
A-06	E-007-13	6/26/2013	Rush Oak Park Hospital, Oak Park, received exemption for change of ownership; no change in authorized hospital beds in Hospital Planning Area A-06.
A-09	13-014	6/26/2013	Northwestern Lake Forest Hospital, Lake Forest, received permit to discontinue 10 bed Pediatric category of service. Hospital Planning Area A-09 now has a total of 773 authorized Medical-Surgical/Pediatric beds. There is a calculated need for 34 additional Medical-Surgical/Pediatric beds.
A-09	Bed Change	6/26/2013	Northwestern Lake Forest Hospital, Lake Forest, added 10 bed Medical-Surgical beds to existing category of service. Hospital Planning Area A-09 now has a total of 783 authorized Medical-Surgical/Pediatric beds. There is a calculated need for 24 additional Medical-Surgical/Pediatric beds.
A-03	13-015	6/26/2013	Advocate Trinity Hospital, Chicago, received permit to add 12 Intensive Care beds to an existing category of service. Hospital is now authorized for 24 Intensive Care beds. Hospital Planning Area A-03 now has a total of 235 authorized Intensive Care beds. There is a calculated need for 30 additional beds.
A-09	13-016	6/26/2013	Advocate Good Shepherd Hospital, Barrington, received permit to discontinue 1 Medical-Surgical and 6 Pediatric beds, and to add 14 Intensive Care beds. The hospital is now authorized for 112 Medical-Surgical beds; 8 Pediatrics beds; and 32 Intensive Care beds. Hospital Planning Area A-09 now has a total of authorized 776 Medical-Surgical/Pediatric beds and 100 Intensive Care beds. There is now a calculated need for 31 Medical-Surgical/Pediatric beds. There is now a calculated need for 24 additional Intensive Care beds.

ILLINOIS DEPARTMENT OF PUBLIC HEALTH
 REVISED BED NEED DETERMINATIONS
 6/27/2013

Hospital Planning Area	MEDICAL-SURGICAL/PEDIATRIC BEDS				INTENSIVE CARE BEDS				OBSTETRIC BEDS			
	Beds	Calculated Bed Need	Bed Need	Excess	Beds	Calculated Bed Need	Bed Need	Excess	Beds	Calculated Bed Need	Bed Need	Excess
A-001	2,183	1,457	0	726	365	428	63	0	246	116	0	130
A-002	1,751	1,183	0	568	392	388	0	4	237	85	0	152
A-003	1,665	1,427	0	238	235	265	30	0	194	164	0	30
A-004	2,357	2,141	0	216	364	365	1	0	214	182	0	32
A-005	1,100	1,019	0	81	243	257	14	0	182	100	0	82
A-006	1,157	722	0	435	225	262	37	0	126	85	0	41
A-007	1,258	1,021	0	237	192	188	0	4	172	41	0	131
A-008	687	667	0	20	98	109	11	0	70	43	0	27
A-009	776	807	31	0	100	124	24	0	127	112	0	15
A-010	306	344	38	0	41	51	10	0	53	55	2	0
A-011	296	379	83	0	45	51	6	0	28	85	57	0
A-012	410	274	0	136	58	59	1	0	68	59	0	9
A-013	700	852	152	0	98	96	0	2	91	168	77	0
A-014	299	213	0	86	66	64	0	2	42	17	0	25
B-001	745	508	0	237	97	111	14	0	82	58	0	24
B-002	122	99	0	23	8	8	0	0	14	11	0	3
B-003	159	122	0	37	14	15	1	0	17	13	0	4
B-004	97	109	12	0	19	8	0	11	22	18	0	4
C-001	800	561	0	239	207	213	6	0	95	52	0	43
C-002	283	198	0	85	30	28	0	2	41	20	0	21
C-003	202	126	0	76	21	26	5	0	17	11	0	6
C-004	101	83	0	18	12	10	0	2	16	9	0	7
C-005	403	268	0	135	34	32	0	2	42	24	0	18
D-001	384	235	0	149	55	53	0	2	62	28	0	34
D-002	289	223	0	66	31	25	0	6	46	27	0	19
D-003	212	176	0	36	20	13	0	7	23	18	0	5
D-004	417	250	0	167	48	47	0	1	44	24	0	20
D-005	106	103	0	3	8	9	1	0	19	15	0	4
E-001	705	530	0	175	100	108	8	0	62	33	0	29
E-002	89	83	0	6	8	4	0	4	3	12	9	0
E-003	80	43	0	37	4	3	0	1	6	7	1	0
E-004	122	80	0	42	13	9	0	4	11	8	0	3
E-005	193	155	0	38	26	26	0	0	27	14	0	13
F-001	1,134	608	0	526	116	102	0	14	189	69	0	120
F-002	157	128	0	29	12	12	0	0	21	12	0	9
F-003	176	124	0	52	12	5	0	7	14	13	0	1
F-004	263	230	0	33	38	33	0	5	18	14	0	4
F-005	131	90	0	41	0	0	0	0	0	11	11	0
F-006	195	197	2	0	26	29	3	0	12	18	6	0
F-007	271	188	0	83	15	19	4	0	28	11	0	17
Totals	22,781	18,023	318	5,076	3,496	3,655	239	80	2,781	1,862	163	1,082

**MIDWESTERN REGIONAL MEDICAL CENTER
AVAILABILITY OF FUNDS
Section 1120.120**

ATTACHMENT 36

The Project will be financed from internal sources/cash flow but secured by a Performance Bond.

To provide assurance to the Board of the Availability of Funds, MRMC has arranged to obtain a Performance Bond guarantying the completion of the Project lien-free. This Attachment 36 includes the form of Performance Bond that would be provided, listing the Review Board as a Performance Bond holder. Also attached is the letter from Zurich attesting to their inclination to issue the Bond.

So as not to incur the expense of the surety bond prior to obtaining a CON, the Applicant would agree to make a permit conditional upon providing to the Board a Performance Bond from Zurich, or some similarly rated surety, within 60 days. Zurich has specified that it believes the Bond could be issued within 60 days.



ZURICH

July 30, 2013

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson, 2nd Floor
Springfield, Illinois 62761-1146

Re: **Midwestern Regional Medical Center Patient Tower**

Dear Ms. Avery:

Fidelity & Deposit Company of Maryland is pleased to advise we currently extend a program of committed surety credit to Midwestern Regional Medical Center, Inc. and we highly recommend them.

Our experience with Midwestern Regional Medical Center, Inc. has been excellent. Should they elect to proceed on the captioned project, Zurich is prepared to provide a bond up to \$100,000,000 on behalf of Midwestern Regional Medical Center, Inc. for the Midwestern Regional Medical Center Patient Tower. Subject to acceptable review of the bond form language and pertinent underwriting information at the time of the request, we anticipate that we could provide this performance bond to the Review Board within 60 days of the Review Boards approval of the Certificate of Need.

Zurich
Surety

10 S. Riverside Plaza
Chicago
IL
60606

Phone (312) 496-9066
Fax (866) 787-1046

Fidelity and Deposit Company of Maryland is "A+" (Superior) Rated and approved for federal work by the U.S. Department of the Treasury (T-Listed). This surety company's financial size category is XV (\$2 Billion or greater).

Sincerely,

Thomas Dabovich
Regional Vice President, Fidelity & Deposit Company of Maryland

11113262.2

Fidelity and Deposit Company of Maryland

Home Office: 1400 American Lane, Schaumburg, IL 60196

Bond No.

PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS, that we, Midwestern Regional Medical Center, Inc. as Principal, and Fidelity and Deposit Company of Maryland, of Schaumburg, Illinois, as Surety, are held and firmly bound unto the State of Illinois, Illinois Health Facilities and Services Review Board in the sum of Eighty-Four Million One Hundred Thousand 00/100 (\$84,100,000.00) Dollars for the payment of which, well and truly to be made, we jointly and severally bind ourselves, our heirs, legatees, executors, administrators, personal representatives, successors and assigns firmly by these presents.

This bond is given pursuant to Title 77, Section 1120.130 (a) (3) of the Illinois Administrative Code to assure lien-free project completion as outlined in the Project Agreement, a copy of which is attached hereto and incorporated herein by reference, for the development known as Midwestern Regional Medical Center Patient Tower, located in the County of Lake, State of Illinois.

THE CONDITIONS OF THE ABOVE OBLIGATION ARE SUCH THAT:

Now, if said Midwestern Regional Medical Center, Inc. shall complete or cause to be completed said development free of liens and claims on or before the latest completion date specified in the Project Agreement, or an extension thereof given in writing by Obligee to Principal and assented to in writing by Surety, then this obligation shall be null and void; otherwise, it shall remain in full force and effect.

A suit or action of this bond must be filed within two (2) years after the latest completion date set forth in the Project Agreement or any extension thereof given in writing by Obligee to Principal and assented to in writing by Surety.

In Witness Whereof, Principal and Surety have caused these presents to be duly signed and sealed this ____ day of _____, 2013.

Midwestern Regional Medical Center, Inc. Principal

By: _____

FIDELITY AND DEPOSIT COMPANY OF MARYLAND Surety

By: _____

Attorney-in-Fact

**MIDWESTERN REGIONAL MEDICAL CENTER
FINANCIAL VIABILITY
CRITERION §1120.130**

ATTACHMENT 37

The co-applicants for the permit application are Midwestern Regional Medical Center and Sheridan Trust U/A/D 4/1/12.

The Sheridan Trust is a family trust that has no obligation for the financing of this Project and is included as a co-applicant only because it has greater than 50% of the voting shares of MRMC. Funding for the Project will come from MRMC resources and thus MRMC has funding responsibility for the Project.

Because the Project will be secured by a Performance Bond in accordance with Board rules, the Board's rules do not require submission of financial viability ratios. Financial statements for the most recent three-year period, however, have been included in this Application.

**MIDWESTERN REGIONAL MEDICAL CENTER, INC.
AND SUBSIDIARY**

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2011 AND 2010

ATTACHMENT-37

00136

**MIDWESTERN REGIONAL MEDICAL CENTER, INC. AND SUBSIDIARY
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CONSOLIDATED STATEMENTS OF CASH FLOWS	6

ATTACHMENT-37



CliftonLarsonAllen LLP
www.cliftonlarsonallen.com

ACCOUNTANTS' COMPILATION REPORT

Shareholder and Members of the Board
Midwestern Regional Medical Center, Inc. and Subsidiary
Zion, Illinois

We have compiled the accompanying consolidated balance sheets of Midwestern Regional Medical Center, Inc. and Subsidiary as of June 30, 2011 and 2010, and the related consolidated statements of operations, shareholders' equity, and cash flows for the years then ended. These consolidated financial statements were compiled by us from full-disclosure consolidated financial statements for the same period that we previously audited as indicated in our report dated October 11, 2011.

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the consolidated financial statements.

Our responsibility is to conduct the compilations in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the consolidated financial statements.

Management has elected to omit all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the consolidated financial statements, they might influence the user's conclusions about the organization's financial position and results of operations. Accordingly, these consolidated financial statements are not designed for those who are not informed about such matters.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
August 2, 2012

ATTACHMENT-37



An independent member of Neta International

(1)

MIDWESTERN REGIONAL MEDICAL CENTER, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2011 AND 2010
(SEE ACCOUNTANTS' COMPILATION REPORT)

ASSETS	2011	2010
CURRENT ASSETS		
Cash	\$ 297,706	\$ 615,532
Current Portion of Trustee Held Investments	111,081	117,940
Patient Accounts Receivable, Net	65,873,173	53,829,797
Other Receivables, Net	369,940	410,822
Inventory	3,055,230	4,071,878
Prepaid Expenses and Other	928,382	1,865,983
Total Current Assets	70,635,512	60,811,762
 TRUSTEE HELD INVESTMENTS, Net of Current Portion	 7,273,224	 7,228,990
 PROPERTY AND EQUIPMENT		
Property and Equipment	110,145,868	104,884,122
Less: Accumulated Depreciation	(57,779,725)	(53,955,502)
Property and Equipment, Net	52,366,143	50,928,620
 OTHER ASSETS		
Receivables from Related Organizations	26,398,752	30,247,937
Deferred Debt Acquisition Costs, Net	1,125,894	1,233,980
Total Other Assets	27,524,646	31,481,917
 Total Assets	 \$ 157,799,525	 \$ 150,551,289

(2)

ATTACHMENT-37

00139

LIABILITIES AND SHAREHOLDERS' EQUITY	<u>2011</u>	<u>2010</u>
CURRENT LIABILITIES		
Current Maturities of Long-Term Obligations	\$ 7,401,875	\$ 6,215,751
Accounts Payable	10,481,759	11,295,909
Accrued Expenses	12,221,481	10,178,552
Accrued Interest Payable	111,081	117,456
Estimated Third-Party Payor Settlements	58,703,713	55,961,387
Income Taxes Payable	50,884	-
Payables to Related Organizations	780,937	757,031
Total Current Liabilities	<u>89,751,730</u>	<u>84,526,086</u>
 LONG-TERM OBLIGATIONS, Net of Current Maturities	 <u>26,133,593</u>	 <u>28,367,534</u>
 Total Liabilities	 115,885,323	 112,893,620
 SHAREHOLDERS' EQUITY		
Common Stock - 500,000 Shares Authorized at \$0 Par 50,000 Shares Issued and Outstanding	1,000	1,000
Paid-In Capital	24,000	24,000
Retained Earnings	41,889,202	37,632,669
Total Shareholders' Equity	<u>41,914,202</u>	<u>37,657,669</u>
 Total Liabilities and Shareholders' Equity	 <u>\$ 157,799,525</u>	 <u>\$ 150,551,289</u>

ATTACHMENT-37

(3)

MIDWESTERN REGIONAL MEDICAL CENTER, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS
YEARS ENDED JUNE 30, 2011 AND 2010
(SEE ACCOUNTANTS' COMPILATION REPORT)

	<u>2011</u>	<u>2010</u>
REVENUE		
Net Patient Revenue	\$ 504,103,521	\$ 419,127,511
Interest Income	593,592	588,098
Other Revenue	11,590,273	9,850,806
Total Revenue	<u>516,287,386</u>	<u>429,364,415</u>
EXPENSES		
Salaries and Benefits	71,581,353	65,884,866
Management Fees	287,810,736	205,148,080
Supplies and Other	144,484,452	125,894,354
Interest	2,687,676	2,916,862
Depreciation and Amortization	9,512,590	8,867,922
Provision for Bad Debt	13,524,425	10,340,789
Total Expenses	<u>509,581,232</u>	<u>418,833,893</u>
INCOME BEFORE INCOME TAXES	6,726,154	10,530,522
Income Tax Expense	<u>58,621</u>	<u>-</u>
NET INCOME	<u>\$ 6,666,533</u>	<u>\$ 10,530,522</u>

(4)

ATTACHMENT-37

00141

MIDWESTERN REGIONAL MEDICAL CENTER, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
YEARS ENDED JUNE 30, 2011 AND 2010
(SEE ACCOUNTANTS' COMPILATION REPORT)

	<u>Common Stock</u>	<u>Paid-In Capital</u>	<u>Retained Earnings</u>	<u>Total Shareholders' Equity</u>
BALANCE AT JUNE 30, 2009	\$ 1,000	\$ 24,000	\$ 27,882,147	\$ 27,887,147
Net Income	-	-	10,530,522	10,530,522
Distribution	-	-	(780,000)	(780,000)
BALANCE AT JUNE 30, 2010	1,000	24,000	37,832,669	37,857,669
Net Income	-	-	6,666,533	6,666,533
Distribution	-	-	(2,410,000)	(2,410,000)
BALANCE AT JUNE 30, 2011	<u>\$ 1,000</u>	<u>\$ 24,000</u>	<u>\$ 41,889,202</u>	<u>\$ 41,914,202</u>

(5)

ATTACHMENT-37

00142

MIDWESTERN REGIONAL MEDICAL CENTER, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2011 AND 2010
(SEE ACCOUNTANTS' COMPILATION REPORT)

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	\$ 6,666,533	\$ 10,530,522
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	9,512,590	8,867,922
Provision for Bad Debt	13,524,425	10,340,799
Gain (Loss) on Disposal of Property and Equipment	(110,209)	24,190
(Increase) Decrease in:		
Patient Accounts Receivable, Net	(25,567,801)	(6,941,183)
Other Receivables, Net	40,682	428,635
Inventory	1,016,848	(251,686)
Prepaid Expenses and Other	937,611	265,283
Increase in:		
Accounts Payable and Accrued Expenses	1,450,480	3,179,195
Income Taxes Payable	50,884	-
Estimated Third-Party Payor Settlements	2,742,326	5,806,568
Net Cash Provided by Operating Activities	10,264,149	32,250,245
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(4,952,199)	(4,656,364)
Proceeds from Sale of Property and Equipment	8,000	-
Purchase of Trustee Held Investments	(2,884,867)	(2,695,227)
Sale of Trustee Held Investments	2,647,292	2,655,076
Net Cash Used by Investing Activities	(4,983,574)	(4,696,515)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Repayment of Capital Lease Obligations	(5,786,492)	(4,343,365)
Repayment of Long-Term Debt Obligations	(1,275,000)	(1,200,000)
Distribution	(2,410,000)	(760,000)
Change in Net Amount Due from/to Related Organizations	3,873,091	(25,239,886)
Net Cash Used by Capital and Related Financing Activities	(5,598,401)	(31,543,251)
DECREASE IN CASH	(317,826)	(3,989,521)
Cash - Beginning of Year	615,532	4,605,053
CASH - END OF YEAR	\$ 297,706	\$ 615,532
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest	\$ 2,694,051	\$ 2,922,662
NONCASH INVESTING AND FINANCING ACTIVITIES		
Equipment Obtained under Capital Leases	\$ 6,013,675	\$ 2,712,972
Obligations Assumed under Capital Leases	6,013,675	2,712,972
CONSTRUCTION IN PROGRESS		
Property and Equipment	\$ 116,669	\$ 344,725
Accounts Payable	116,669	344,725

(8)

ATTACHMENT-37

00143

**MIDWESTERN REGIONAL MEDICAL CENTER, INC.
AND SUBSIDIARY**

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2012 AND 2011

ATTACHMENT-37

**MIDWESTERN REGIONAL MEDICAL CENTER, INC. AND SUBSIDIARY
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YEARS ENDED JUNE 30, 2012 AND 2011**

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CliftonLarsonAllen LLP
www.cliftonlarsonallen.com

ACCOUNTANTS' COMPILATION REPORT

Shareholder and Members of the Board
Midwestern Regional Medical Center, Inc. and Subsidiary
Zion, Illinois

We have compiled the accompanying consolidated balance sheets of Midwestern Regional Medical Center, Inc. and Subsidiary as of June 30, 2012 and 2011, and the related consolidated statements of operations, shareholders' equity, and cash flows for the years then ended. These consolidated financial statements were compiled by us from full-disclosure consolidated financial statements for the same period that we previously audited as indicated in our report dated October 18, 2012.

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the consolidated financial statements.

Our responsibility is to conduct the compilations in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the consolidated financial statements.

Management has elected to omit all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the consolidated financial statements, they might influence the user's conclusions about the organization's financial position and results of operations. Accordingly, these consolidated financial statements are not designed for those who are not informed about such matters.

A handwritten signature in cursive script that reads 'CliftonLarsonAllen LLP'.

CliftonLarsonAllen LLP

Minneapolis, Minnesota
January 4, 2013

MIDWESTERN REGIONAL MEDICAL CENTER, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2012 AND 2011
(SEE ACCOUNTANTS' COMPILATION REPORT)

ASSETS	2012	2011
CURRENT ASSETS		
Cash	\$ -	\$ 297,706
Current Portion of Trustee Held Investments	7,435,943	111,081
Patient Accounts Receivable, Net	73,659,488	65,873,173
Other Receivables, Net	335,148	369,940
Inventory	3,915,671	3,055,230
Prepaid Expenses and Other	1,209,848	928,382
Total Current Assets	86,556,098	70,635,512
 TRUSTEE HELD INVESTMENTS, Net of Current Portion	-	7,273,224
 PROPERTY AND EQUIPMENT, Net	62,660,657	52,366,143
 OTHER ASSETS		
Receivables from Related Organizations	65,220,526	26,398,752
Deferred Debt Acquisition Costs, Net	1,017,808	1,125,894
Total Other Assets	66,238,334	27,524,646
 Total Assets	\$ 215,455,089	\$ 157,799,525

ATTACHMENT-37

LIABILITIES AND SHAREHOLDERS' EQUITY	<u>2012</u>	<u>2011</u>
CURRENT LIABILITIES		
Checks Written in Excess of Cash	\$ 127,888	\$ -
Current Maturities of Long-Term Obligations	26,235,728	7,401,875
Accounts Payable	15,955,495	10,481,759
Accrued Expenses	14,688,390	12,221,481
Accrued Interest Payable	104,050	111,081
Estimated Third-Party Payor Settlements	98,551,713	58,703,713
Income Taxes Payable	760,182	50,884
Payables to Related Organizations	804,844	780,937
Total Current Liabilities	<u>157,228,290</u>	<u>89,751,730</u>
LONG-TERM OBLIGATIONS, Net of Current Maturities	<u>10,476,005</u>	<u>26,133,593</u>
Total Liabilities	167,704,295	115,885,323
SHAREHOLDERS' EQUITY		
Common Stock - 500,000 Shares Authorized at \$-0- Par, 50,000 Shares Issued and Outstanding	1,000	1,000
Paid-In Capital	24,000	24,000
Retained Earnings	47,725,794	41,889,202
Total Shareholders' Equity	<u>47,750,794</u>	<u>41,914,202</u>
Total Liabilities and Shareholders' Equity	<u>\$ 215,455,089</u>	<u>\$ 157,799,525</u>

ATTACHMENT-37

MIDWESTERN REGIONAL MEDICAL CENTER, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS
YEARS ENDED JUNE 30, 2012 AND 2011
(SEE ACCOUNTANTS' COMPILATION REPORT)

	<u>2012</u>	<u>2011</u>
REVENUE		
Net Patient Revenue	\$ 569,537,106	\$ 504,103,521
Interest Income	712,926	593,592
Other Revenue	<u>12,518,764</u>	<u>11,590,273</u>
Total Revenue	<u>582,768,796</u>	<u>516,287,386</u>
EXPENSES		
Salaries and Benefits	83,589,920	71,561,353
Management Fees	302,954,119	267,810,736
Supplies and Other	163,862,256	144,464,452
Interest	2,449,475	2,687,676
Depreciation and Amortization	9,999,467	9,512,590
Provision for Bad Debt	<u>11,345,169</u>	<u>13,524,425</u>
Total Expenses	<u>574,200,406</u>	<u>509,561,232</u>
INCOME BEFORE INCOME TAXES	8,568,390	6,726,154
Income Tax Expense	<u>731,798</u>	<u>59,621</u>
NET INCOME	<u>\$ 7,836,592</u>	<u>\$ 6,666,533</u>

ATTACHMENT-37

MIDWESTERN REGIONAL MEDICAL CENTER, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
YEARS ENDED JUNE 30, 2012 AND 2011
(SEE ACCOUNTANTS' COMPILATION REPORT)

	<u>Common Stock</u>	<u>Paid-In Capital</u>	<u>Retained Earnings</u>	<u>Total Shareholders' Equity</u>
BALANCE AT JUNE 30, 2010	\$ 1,000	\$ 24,000	\$ 37,632,669	\$ 37,657,669
Net Income	-	-	6,666,533	6,666,533
Distribution	-	-	(2,410,000)	(2,410,000)
BALANCE AT JUNE 30, 2011	1,000	24,000	41,889,202	41,914,202
Net Income	-	-	7,836,592	7,836,592
Distribution	-	-	(2,000,000)	(2,000,000)
BALANCE AT JUNE 30, 2012	<u>\$ 1,000</u>	<u>\$ 24,000</u>	<u>\$ 47,725,794</u>	<u>\$ 47,750,794</u>

ATTACHMENT-37

MIDWESTERN REGIONAL MEDICAL CENTER, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2012 AND 2011
(SEE ACCOUNTANTS' COMPILATION REPORT)

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	\$ 7,836,592	\$ 6,666,533
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	9,999,467	9,512,590
Provision for Bad Debt	11,345,169	13,524,425
Loss on Disposal of Property and Equipment	(229,452)	(110,209)
(Increase) Decrease in:		
Patient Accounts Receivable, Net	(19,131,484)	(25,567,801)
Other Receivables, Net	34,792	40,682
Inventory	(860,441)	1,016,648
Prepaid Expenses and Other	(281,466)	937,611
Increase in:		
Accounts Payable and Accrued Expenses	7,987,123	1,450,460
Income Taxes Payable	709,298	50,884
Estimated Third-Party Payor Settlements	39,848,000	2,742,326
Net Cash Provided by Operating Activities	57,257,598	10,264,149
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(8,362,029)	(4,946,199)
Purchase of Trustee Held Investments	(2,692,375)	(2,684,667)
Sale of Trustee Held Investments	2,640,737	2,647,292
Net Cash Used by Investing Activities	(8,413,667)	(4,983,574)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Checks Written in Excess of Cash	127,888	-
Repayment of Capital Lease Obligations	(7,121,658)	(5,786,492)
Repayment of Long-Term Debt Obligations	(1,350,000)	(1,275,000)
Distribution	(2,000,000)	(2,410,000)
Change in Net Amount Due from/to Related Organizations	(38,797,867)	3,873,091
Net Cash Used by Capital and Related Financing Activities	(49,141,637)	(5,598,401)
DECREASE IN CASH	(297,706)	(317,826)
Cash - Beginning of Year	297,706	615,532
CASH - END OF YEAR	\$ -	\$ 297,706

ATTACHMENT-37

MIDWESTERN REGIONAL MEDICAL CENTER, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2012 AND 2011
(SEE ACCOUNTANTS' COMPILATION REPORT)

	2012	2011
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest	\$ 2,456,506	\$ 2,694,051
NONCASH INVESTING AND FINANCING ACTIVITIES		
Equipment Obtained under Capital Leases	\$ 11,647,923	\$ 6,013,675
Obligations Assumed under Capital Leases	11,647,923	6,013,675
CONSTRUCTION IN PROGRESS		
Property and Equipment	\$ 63,160	\$ 116,669
Accounts Payable	63,160	116,669

ATTACHMENT-37

COST AND GROSS SQUARE FEE BY DEPARTMENT OR SERVICE

Department (list below)	A	B	C	D	E	F	G	H	Total
	Cost/Square Foot New	Mod.	Gross Sq. Ft. New	Gross Sq. Ft. Circ.*	Gross Sq. Ft. Mod.	Gross Sq. Ft. Circ.*	Const. \$ (A x C)	Mod. \$ (B x E)	Cost (G + H)
Medical / Surgical Nursing Unit	398	N/A	42,106	22.30%	N/A	N/A	16,738,235	N/A	16,738,235
Intensive Care Nursing Unit	400	N/A	8,516	21.86%	N/A	N/A	3,410,379	N/A	3,410,379
Contingency	33		50,622				1,666,189		1,666,189
TOTALS			50,622				21,814,803		21,814,803

*Include the percentage (5) of space for circulation

COST AND GROSS SQUARE FEE BY DEPARTMENT OR SERVICE

Department (list below)	A	B	C	D	E	F	G	H	Total
	Cost/Square Foot New	Mod.	Gross Sq. Ft. New	Gross Sq. Ft. Circ.*	Gross Sq. Ft. Mod.	Gross Sq. Ft. Circ.*	Const. \$ (A x C)	Mod. \$ (B x E)	Cost (G + H)
Mech/Elec/Storage	234	N/A	23,454	13.64%	N/A	N/A	5,479,907	N/A	5,479,907
Lobby	463	N/A	13,083	29.35%	N/A	N/A	6,061,616	N/A	6,061,616
Food Service	408	N/A	18,780	25.56%	N/A	N/A	7,662,240	N/A	7,662,240
Public Lounge	274	N/A	14,015	17.12%	N/A	N/A	3,837,752	N/A	3,837,752
Public Circulation	279	N/A	4,778	100.00%	N/A	N/A	1,330,695	N/A	1,330,695
Guest Rooms	389	N/A	43,355	22.03%	N/A	N/A	16,872,056	N/A	16,872,056
Other*	0		0						
Other**	0		0						
Contingency	33		117,465				3,866,748		3,866,748
TOTALS			117,465				45,111,014		45,111,014

*Include the percentage (5) of space for circulation

Midwestern Regional Medical Center, Inc
 Operating Costs per Patient Day

	Med Surg	ICU	SICU	SCU	Culinary	Total
Salaries	\$ 5,093,999	\$ 2,259,157	\$ 1,670,369	\$ 3,606,771	\$ 2,278,867	\$ 14,909,163
Benefits	2,037,600	903,663	668,147	1,442,708	911,547	5,963,665
Supplies	323,010	72,854	42,593	203,286	3,425,747	4,067,491
	\$ 7,454,609	\$ 3,235,674	\$ 2,381,110	\$ 5,252,765	\$ 6,616,161	\$ 24,940,318

Utilities **1,239,604**

Waste & Hazardous Removal 98,360

Water/Sewer 124,104

Gas 170,344

Electric 602,469

Telecommunications 244,326

Insurance (All types) **237,341**

Property Taxes **1,500,000**

Total Operating Costs **\$ 27,917,263**

Patient Days **16,291**

Operating Cost / PT Day **\$ 1,713.66**

Capital Cost Per Patient Day

Equipment		-
Construction	84,100,000	2,803,333
Total		2,803,333
Patient Days		16,291
Cost per Day		\$ 172.08

**SAFETY NET IMPACT STATEMENT
(Not Applicable)**

ATTACHMENT 40

The Project involves the modernization of the medical/surgical and ICU Departments. There is no increase in the number of licensed beds. The bed complement between ICU and medical/surgical is changing, but by less than 10 beds or 10% of total beds. This Project does not appear to meet the definitions of "Substantive" contained in Section 3960/12 (8) of the Planning Act and is thus "non-substantive." As a non-substantive Project, the Safety Net Impact Statement section is inapplicable.

**MIDWESTERN REGIONAL MEDICAL CENTER
CON APPLICATION
CHARITY CARE INFORMATION**

CHARITY CARE			
	2010	2011	2012
Net Patient Revenue	419,127,511	504,103,521	569,537,108
Amount of Charity Care (charges)	9,413,384	19,313,951	21,063,722.63
Cost of Charity Care	2,866,637	4,623,691	5,903,250

ATTACHMENT-41