ORIGINAL

E-045-14

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OCT 31 2014

HEALTH FACILITIES & SERVICES REVIEW BOARD

APPLICATION FOR EXEMPTION FOR THE CHANGE OF OWNERSHIP FOR AN EXISTING HEALTH CARE FACILITY

1. **INFORMATION FOR EXISTING FACILITY**

Current Facility Name Alexian Brothers Behavioral Health Hospital
Address 1650 Moon Lake Blvd.
City Hoffman Estates, IL Zip Code 60194 County Cook
Name of current licensed entity for the facility Alexian Brothers Behavioral Health Hospital
Does the current licensee: own this facility X OR lease this facility _____ (if leased, check if sublease □)
Type of ownership of the current licensed entity (check one of the following:) _____ Sole Proprietorship
X Not-for-Profit Corporation _____ For Profit Corporation _____ Partnership _____ Governmental
_____ Limited Liability Company _____ Other, specify _____
Illinois State Senator for the district where the facility is located: Sen. Michael Noland
State Senate District Number 22 Mailing address of the State Senator
164 Division Street, Suite 412 Elgin, IL 60120
Illinois State Representative for the district where the facility is located: Rep. Fred Crespo
State Representative District Number 44 Mailing address of the State Representative
1014 East Schaumburg Road Streamwood, IL 60107

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

_____

3. **NAME OF APPLICANT** (complete this information for each co-applicant and insert after this page).
Exact Legal Name of Applicant PLEASE SEE FOLLOWING PAGE
Address _____
City, State & Zip Code _____
Type of ownership of the current licensed entity (check one of the following:) _____ Sole Proprietorship
_____ Not-for-Profit Corporation _____ For Profit Corporation _____ Partnership _____ Governmental _____
Limited Liability Company _____ Other, specify _____

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

Exact Legal Name of Entity to be Licensed Alexian Brothers Behavioral Health Hospital
Address 1650 Moon Lake Blvd.
City, State & Zip Code Hoffman Estates, IL 60194
Type of ownership of the current licensed entity (check one of the following:) _____ Sole Proprietorship _____
Not-for-Profit Corporation X For Profit Corporation _____ Partnership _____ Governmental _____
Limited Liability Company _____ Other, specify _____

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

Exact Legal Name of Entity to be Licensed Alexian Brothers Behavioral Health Hospital
Address 1650 Moon Lake Blvd.
City, State & Zip Code Hoffman Estates, IL 60194
Type of ownership of the current licensed entity (check one of the following:) _____ Sole Proprietorship _____
Not-for-Profit Corporation X For Profit Corporation _____ Partnership _____ Governmental _____
Limited Liability Company _____ Other, specify _____

NAME OF APPLICANT (complete this information for each co-applicant and insert after this page).
Exact Legal Name of Applicant __Alexian Brothers-AHS Midwest Region Health Co._____
Address _____3040 West Salt Creek Road_____
City, State & Zip Code _____Arlington Heights, IL 60005_____
Type of ownership of the current licensed entity (check one of the following:) _____ Sole Proprietorship
___X____ Not-for-Profit Corporation _____ For Profit Corporation _____ Partnership _____ Governmental _____
Limited Liability Company _____ Other, specify _____

NAME OF APPLICANT (complete this information for each co-applicant and insert after this page).
Exact Legal Name of Applicant _____Ascension Health_____
Address _____4600 Edmundson Road _____
City, State & Zip Code _____St. Louis, MO 63134_____
Type of ownership of the current licensed entity (check one of the following:) _____ Sole Proprietorship
___X____ Not-for-Profit Corporation _____ For Profit Corporation _____ Partnership _____ Governmental _____
Limited Liability Company _____ Other, specify _____

NAME OF APPLICANT (complete this information for each co-applicant and insert after this page).
Exact Legal Name of Applicant ____ Adventist Health System Sunbelt Healthcare Corporation _____
Address _____900 Hope Way_____
City, State & Zip Code____Altamonte Springs, FL 32714_____
Type of ownership of the current licensed entity (check one of the following:) _____ Sole Proprietorship
___X____ Not-for-Profit Corporation _____ For Profit Corporation _____ Partnership _____ Governmental _____
Limited Liability Company _____ Other, specify _____

NAME OF APPLICANT (complete this information for each co-applicant and insert after this page).
Exact Legal Name of Applicant ___Alexian Brothers Health System_____
Address _____3040 West Salt Creek Road_____
City, State & Zip Code ___Arlington Heights, IL 60005_____
Type of ownership of the current licensed entity (check one of the following:) _____ Sole Proprietorship
___X____ Not-for-Profit Corporation _____ For Profit Corporation _____ Partnership _____ Governmental _____
Limited Liability Company _____ Other, specify _____

NAME OF APPLICANT (complete this information for each co-applicant and insert after this page).
Exact Legal Name of Applicant _____Adventist Hinsdale Hospital _____
Address _____120 North Oak Street_____
City, State & Zip Code ____Hinsdale, IL 60525_____
Type of ownership of the current licensed entity (check one of the following:) _____ Sole Proprietorship
___X____ Not-for-Profit Corporation _____ For Profit Corporation _____ Partnership _____ Governmental _____
Limited Liability Company _____ Other, specify _____

NAME OF APPLICANT (complete this information for each co-applicant and insert after this page).
Exact Legal Name of Applicant ___Alexian Brothers Behavioral Health Hospital_____
Address _____1650 Moon Lake Blvd. _____
City, State & Zip Code ___Hoffman Estates, IL 60194 _____
Type of ownership of the current licensed entity (check one of the following:) _____ Sole Proprietorship
___X____ Not-for-Profit Corporation _____ For Profit Corporation _____ Partnership _____ Governmental _____
Limited Liability Company _____ Other, specify _____

NAME OF APPLICANT (complete this information for each co-applicant and insert after this page).
Exact Legal Name of Applicant _____Adventist Health System/Sunbelt, Inc._____
Address _____900 Hope Way_____
City, State & Zip Code____Altamonte Springs, FL 32714_____
Type of ownership of the current licensed entity (check one of the following:) _____ Sole Proprietorship
___X____ Not-for-Profit Corporation _____ For Profit Corporation _____ Partnership _____ Governmental _____
Limited Liability Company _____ Other, specify _____

6. **TRANSACTION TYPE. CHECK THE FOLLOWING THAT APPLY TO THE TRANSACTION:**
   - o Purchase resulting in the issuance of a license to an entity different from current licensee;
   - o Lease resulting in the issuance of a license to an entity different from current licensee;
   - o Stock transfer resulting in the issuance of a license to a different entity from current licensee;
   - o Stock transfer resulting in no change from current licensee;
   - o Assignment or transfer of assets resulting in the issuance of a license to an entity different from the current licensee;
   - o Assignment or transfer of assets not resulting in the issuance of a license to an entity different from the current licensee;
   - o Change in membership or sponsorship of a not-for-profit corporation that is the licensed entity;
   - o Change of 50% or more of the voting members of a not-for-profit corporation's board of directors that controls a health care facility's operations, license, certification or physical plant and assets;
   - o Change in the sponsorship or control of the person who is licensed, certified or owns the physical plant and assets of a governmental health care facility;
   - o Sale or transfer of the physical plant and related assets of a health care facility not resulting in a change of current licensee;
   - X Any other transaction that results in a person obtaining control of a health care facility's operation or physical plant and assets, and explain in "Attachment 3 Narrative Description"

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

8. **FUNDING.** Indicate the type and source of funds which will be used to acquire the facility (e.g., mortgage through Health Facilities Authority; cash gift from parent company, etc.) and append as **ATTACHMENT #2.**
   not applicable

9. **ANTICIPATED ACQUISITION PRICE: $___not applicable_____**

10. **FAIR MARKET VALUE OF THE FACILITY: $___34,168,000_____**
    (to determine fair market value, refer to 77 IAC 1130.140)

11. **DATE OF PROPOSED TRANSACTION: ___January 1, 2015_____**

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

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

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

15. FINANCIAL STATEMENTS. (Co-applicants must also provide this information) Provide a copy of the applicants latest audited financial statements, and append it to this application as ATTACHMENT #6. If the applicant is a newly formed entity and financial statements are not available, please indicate by checking YES __X*__ , and indicate the date the entity was formed _September 30, 2014___

    *Alexian Brothers-AHS Midwest Region Health Co., which will serve as the joint operating company

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

Name: Peg Wendell Vice President and General Counsel, Alexian Brothers Health System
Address: 3040 West Salt Creek Road
City, State & Zip Code: Arlington Heights, IL 60005
Telephone ( ) Ext. 847/385-7148

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

Name: Jacob M. Axel President, Axel & Associates, Inc.
Address: 675 North Court, Suite 210
City, State & Zip Code: Palatine, IL 60067
Telephone ( ) Ext. 847/776-7101

18. **CERTIFICATION**

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

Signature of Authorized Officer Mark A. Frey

Typed or Printed Name of Authorized Officer Mark A. Frey

Title of Authorized Officer: President / CEO

Address: 3040 Salt Creek Lane

City, State & Zip Code: Arlington Heights, Il 60005

Telephone (847) 385-7101 Date: 10/29/14

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

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Name: Jacob M. Axel President, Axel & Associates, Inc.
Address: 675 North Court, Suite 210
City, State & Zip Code: Palatine, IL 60067
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Signature of Authorized Officer Katherine A. Arbuckle

Typed or Printed Name of Authorized Officer Katherine A. Arbuckle

Title of Authorized Officer: Senior Vice President and Chief Financial Officer

Address: Ascension Health -- 4600 Edmundson Rd.

City, State & Zip Code: St. Louis, MO 63134

Telephone (314) 733. 8436 Date: 9.24.14

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

Ascension Health

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

Name: Ms. Nanette Bufalino Regional Chief Legal Officer-Adventist Midwest Region
Address: 120 North Oak Street
City, State & Zip Code: Hinsdale, IL 60521
Telephone (630) 856-6050 Ext.

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

Name: Jacob M. Axel_President, Axel & Associates, Inc.
Address: 675 North Court Suite 210
City, State & Zip Code: Palatine, IL 60067
Telephone (847) 776-7101 Ext.

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Signature of Authorized Officer David L Crane

Typed or Printed Name of Authorized Officer David L. Crane

Title of Authorized Officer: Vice President

Address: 5101 S. Willow Springs Rd

City, State & Zip Code: La Grange IL 60525

Telephone (708) 245-6000 Date: 9/29/14

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

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Telephone ( ) Ext. 847/385-7148

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Telephone ( ) Ext. 847/776-7101

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Signature of Authorized Officer [signature]

Typed or Printed Name of Authorized Officer Mark A. Frey

Title of Authorized Officer: President/CEO, ABHS

Address: 3040 Salt Creek Lane

City, State & Zip Code: Arlington Heights, Ill 60005

Telephone (847) 385-7101 Date: 10/29/14

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Address: 120 North Oak Street
City, State & Zip Code: Hinsdale, IL 60521
Telephone (630) 856-6050 Ext.

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Name: Jacob M. Axel President, Axel & Associates, Inc.
Address: 675 North Court Suite 210
City, State & Zip Code: Palatine, IL 60067
Telephone (847) 776-7101 Ext.

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Signature of Authorized Officer

Typed or Printed Name of Authorized Officer Michael Goebel

Title of Authorized Officer: Chief Executive Officer

Address: 120 N. Oak St.

City, State & Zip Code: Hinsdale, IL 60521

Telephone (630) 856-6056 Date: 9/29/14

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Address: 3040 West Salt Creek Road
City, State & Zip Code: Arlington Heights, IL 60005
Telephone ( ) Ext. 847/385-7148

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City, State & Zip Code: Palatine, IL 60067
Telephone ( ) Ext. 847/776-7101

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Signature of Authorized Officer Donna Gauthier

Typed or Printed Name of Authorized Officer DONNA GAUTHIER

Title of Authorized Officer: Assistant Secretary

Address: 3040 Salt Creek Lane

City, State & Zip Code: Arlington Hts., Ill 60005

Telephone (847) 385-7104 Date: 10/27/14

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

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Name: Ms. Nanette Bufalino Regional Chief Legal Officer-Adventist Midwest Region
Address: 120 North Oak Street
City, State & Zip Code: Hinsdale, IL 60521
Telephone (630) 856-6050 Ext.

17. **ADDITIONAL CONTACT PERSON. Consultant, attorney, other individual who is also authorized to discuss this** application and act on behalf of the applicant.
Name: Jacob M. Axel_President, Axel & Associates, Inc.
Address: 675 North Court Suite 210
City, State & Zip Code: Palatine, IL 60067
Telephone (847) 776-7101 Ext.

18. **CERTIFICATION**
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Signature of Authorized Officer David L Crane

Typed or Printed Name of Authorized Officer David L. Crane

Title of Authorized Officer: Vice President

Address: 5101 S. Willow Springs Rd.

City, State & Zip Code: La Grange IL 60525

Telephone (708) 245-6000 Date: 9/29/14

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

Adventist Health System/Sunbelt, Inc.

VERIFY THE AUTHENTICITY OF THIS MULTI-TONE SECURITY DOCUMENT. CHECK BACKGROUND AREA CHANGES COLOR GRADUALLY FROM TOP TO BOTTOM.

COPYRIGHT CAPTURE/ ANTI-FRAUD PROTECTION

ALEXIAN BROTHERS

Alexian Brothers Health System
3040 Salt Creek Lane
Arlington Heights, IL 60005-1069

70-2322
719

CHECK NO. 000230524

DATE	AMOUNT
09/03/14	******$2,500.00

JPMorgan Chase Bank N.A.
Chicago, IL

ACCOUNTS PAYABLE

Void Over $2,500.00

Details on back

Security Features Included

TWO THOUSAND FIVE HUNDRED DOLLARS AND ZERO CENTS **********

PAY ONLY 2500 00 CTS CTS

Br. Danny McCormick, C.F.A.

TO THE ORDER OF
ILLINOIS DEPARTMENT PUBLIC HEALTH
PO BOX 4263
SPRINGFIELD, IL 62708-4263

⑈000230524⑈ ⑆071923226⑆ 937723203⑈

Attachment 1

FUNDING

This application does not address the acquisition of a licensed health care facility, and the proposed change of control does not involve capitalized costs. As a result, this section of the Certificate of Exemption application form is not applicable.

ATTACHMENT 2

NARRATIVE DESCRIPTION

The applicants are concurrently filing seven (7) Certificate of Exemption ("COE") applications addressing the change of ownership/change of control of the following hospitals:

- Adventist Bolingbrook Hospital, Bolingbrook, Illinois
- Adventist GlenOaks Hospital, Glendale Heights, Illinois
- Adventist Hinsdale Hospital, Hinsdale, Illinois
- Adventist La Grange Memorial Hospital, La Grange, Illinois
- Alexian Brothers Behavioral Health Hospital, Hoffman Estates, Illinois
- Alexian Brothers Medical Center, Elk Grove Village, Illinois
- St. Alexius Medical Center, Hoffman Estates, Illinois

The seven COE applications are required by the contemplated affiliation between Adventist Health System Sunbelt Healthcare Corporation ("Adventist") which "controls" four of the hospitals identified above and Ascension Health ("Ascension"), which "controls" three of the hospitals identified above. The proposed affiliation will be effectuated through the establishment of a joint operating company ("JOC") that will manage and operate the seven hospitals. Adventist and Ascension will have equal representation on the JOC's Board of Directors, and an organizational chart, representing the post-transaction relationships is attached.

Additional COE applications are being filed, consistent with a technical assistance telephone conference held with IHFSRB staff on July 9, 2014, addressing the "re-location" of Adventist LaGrange Memorial Hospital, Adventist Bolingbrook Hospital and Adventist GlenOaks Hospital within the Adventist system. The "re-locating" of these three hospitals will occur simultaneous to the seven changes of ownership/changes of control noted in the first paragraph, above.

This COE application addresses the resultant change of control of Alexian Brothers Behavioral Health Hospital.

The goals of the affiliation are to:

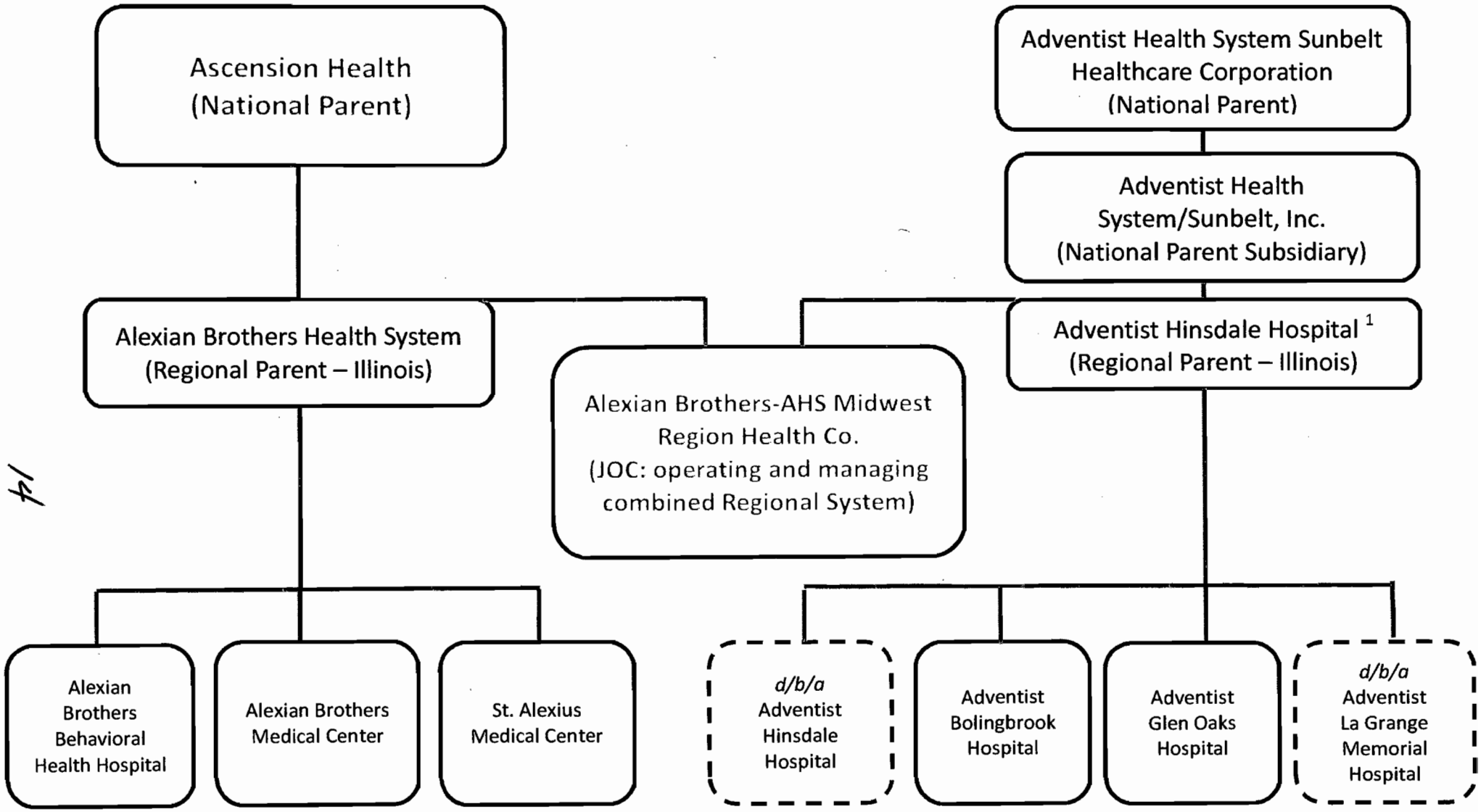
- create a strong regional health care delivery network,
- facilitate the sharing of clinical expertise and resources to provide an enhanced patient care model,
- realize the resultant economies of scale that will reduce costs for patients, and
- facilitate joint negotiations, pricing, and strategic planning.

The proposed affiliation model, as opposed to a traditional merger model, will allow the realization of the goals identified above, while allowing the Ascension and Adventist hospitals to continue to operate within their respective religious codes and directives.

Through the affiliation agreement, Adventist and Ascension will delegate certain management and operational responsibilities to the JOC, thereby, and consistent with the Illinois Health Facilities and Services Review Board's definition of "control", changing the "control" of the individual hospitals. Among the management functions and responsibilities retained by Adventist and Ascension will be the ability to ensure the maintaining of the individual hospitals' religious characteristics and the continued segregation of existing tax-exempt bond financing.

ATTACHMENT 3

Proposed Ascension - Adventist Joint Operating Company



= legal entity

= operating division of legal entity

[1] Once regulatory approval is obtained, the legal entity "Adventist Hinsdale Hospital" will change its name to "Adventist Midwest Health" and will establish "Adventist Hinsdale Hospital" and "Adventist La Grange Memorial Hospital" as d/b/a's for the licensed health care facilities it operates.

14

Adventist
Midwest Health
A Member of Adventist Health System

September 25, 2014

Illinois Health Facilities and
Services Review Board
Springfield, Illinois

To Whom It May Concern:

This letter is being provided on behalf of Adventist Health System Sunbelt Healthcare Corporation and the hospitals identified below, as part of the Certificate of Exemption applications addressing the changes of ownership/changes of control of the following hospitals:

- Adventist Bolingbrook Hospital, Bolingbrook, Illinois
- Adventist GlenOaks Hospital, Glendale Heights, Illinois
- Adventist Hinsdale Hospital, Hinsdale, Illinois
- Adventist La Grange Memorial Hospital, La Grange, Illinois

I hereby attest to the following:

1. The categories of service and number of beds as reflected in the Inventory of Health Care Facilities will not substantially change for any of the above-identified hospitals for at least 12 months following the completion date of the change of ownership/change of control.

2. A transaction document signed by all required parties has been provided, and that document contains a provision that execution is subject to HFSRB issuance of an exemption, and that document contains the conditions and terms of the change of ownership/change of control.

3. No adverse action has been taken against any applicant referenced in this letter by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois against any Illinois health care facility owned or operated by an applicant, directly or indirectly, within three years preceding the filing of the applications.

4. A bond rating sufficient to meet HFSRB requirements is held by the applicants.

5. Ownership and control of the above-identified hospitals is intended to be maintained for a minimum of three years.

6. Any projects for which Permits have been issued have been completed, are obligated, or will be completed or altered in accordance with the provisions of this Section.

7. None of the above-identified hospitals will adopt a more restrictive charity care policy than the policy that was in effect one year prior to the transaction; and the charity care policy will remain in effect for a two-year period following the change of ownership/change of control transaction.

8. Failure to complete the project in accordance with applicable provisions of Section 1130.500(d) no later than 24 months from the date of exemption approval (or by a later date established by HFSRB upon a finding that the project has proceeded with due diligence) and failure to comply with the material change requirements of this Section will invalidate the exemption.

Sincerely,

David L Crane

David Crane
President & CEO

Date: September 25, 2014

Notarized:

Mary L. Pirc
Notary Public

September 25, 2014
Date

OFFICIAL SEAL
MARY L PIRC
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES 02/03/17

ALEXIAN BROTHERS
Health System

Illinois Health Facilities and
Services Review Board
Springfield, Illinois

To Whom It May Concern:

This letter is being provided on behalf of Alexian Brothers-AHS Midwest Region Health Co., Alexian Brothers Health System and the hospitals identified below, as part of the Certificate of Exemption applications addressing the changes of ownership/changes of control of the following hospitals:

- Alexian Brothers Behavioral Health Hospital, Hoffman Estates, Illinois
- Alexian Brothers Medical Center, Elk Grove Village, Illinois
- St. Alexius Medical Center, Hoffman Estates, Illinois.

I hereby attest to the following:

1. The categories of service and number of beds as reflected in the Inventory of Health Care Facilities will not substantially change for any of the above-identified hospitals for at least 12 months following the completion date of the change of ownership/change of control.

2. A transaction document signed by all required parties has been provided, and that document contains a provision that execution is subject to HFSRB issuance of an exemption, and that document contains the conditions and terms of the change of ownership/change of control.

3. No adverse action has been taken against any applicant referenced in this letter by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois against any Illinois health care facility owned or operated by an applicant, directly or indirectly, within three years preceding the filing of the applications.

4. A bond rating sufficient to meet HFSRB requirements is held by the applicants.

5. Ownership and control of the above-identified hospitals is intended to be maintained for a minimum of three years.

6. Any projects for which Permits have been issued have been completed, are obligated, or will be completed or altered in accordance with the provisions of this Section.

3040 Salt Creek Lane, Arlington Heights, Illinois 60005
847.385.7100 fax 847.483.7035

7. None of the above-identified hospitals will adopt a more restrictive charity care policy than the policy that was in effect one year prior to the transaction; and the charity care policy will remain in effect for a two-year period following the change of ownership/change of control transaction.

8. Failure to complete the project in accordance with applicable provisions of Section 1130.500(d) no later than 24 months from the date of exemption approval (or by a later date established by HFSRB upon a finding that the project has proceeded with due diligence) and failure to comply with the material change requirements of this Section will invalidate the exemption.

Sincerely,

Mark A. Frey
President & CEO

Date: Mark A. Frey

Notarized: Melissa Kulik
Melissa Kulik
September 23, 2014

MELISSA KULIK
OFFICIAL SEAL
Notary Public, State of Illinois
My Commission Expires
May 19, 2018

ASCENSION HEALTH

September 23, 2014

Illinois Health Facilities and
Services Review Board
Springfield, Illinois

To Whom It May Concern:

This letter is being provided as part of the Certificate of Exemption applications addressing the changes of ownership/changes of control of the following hospitals:

- Alexian Brothers Behavioral Health Hospital, Hoffman Estates, Illinois
- Alexian Brothers Medical Center, Elk Grove Village, Illinois
- St. Alexius Medical Center, Hoffman Estates, Illinois
- Adventist Bolingbrook Hospital, Bolingbrook, Illinois
- Adventist GlenOaks Hospital, Glendale Heights, Illinois
- Adventist Hinsdale Hospital, Hinsdale, Illinois
- Adventist La Grange Memorial Hospital, La Grange, Illinois

I hereby attest on behalf of Ascension Health to the following:

1. The categories of service and number of beds as reflected in the Inventory of Health Care Facilities will not substantially change for any of the above-identified hospitals for at least 12 months following the completion date of the change of ownership/change of control.

2. A transaction document signed by all required parties has been provided, and that document contains a provision that execution is subject to HFSRB issuance of an exemption, and that document contains the conditions and terms of the change of ownership/change of control.

3. No adverse action has been taken against any Illinois applicant health care facility currently controlled by Ascension Health by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois against any Illinois health care facility owned or operated by Ascension Health, directly or indirectly, within three years preceding the filing of the applications.

4. A bond rating sufficient to meet HFSRB requirements is held by the applicants.

5. Ownership and control of the above-identified hospitals is intended to be maintained for a minimum of three years.

6. Any projects for which Permits have been issued have been completed, are obligated, or will be completed or altered in accordance with the provisions of this Section.

7. None of the above-identified hospitals will adopt a more restrictive charity care policy than the policy that was in effect one year prior to the transaction; and the charity care policy will remain in effect for a two-year period following the change of ownership/change of control transaction.

8. Failure to complete the project in accordance with applicable provisions of Section 1130.500(d) no later than 24 months from the date of exemption approval (or by a later date established by HFSRB upon a finding that the project has proceeded with due diligence) and failure to comply with the material change requirements of this Section will invalidate the exemption.

Sincerely,

Katherine A. Arbuckle
Senior Vice President and Chief Financial Officer
Ascension Health

Date: 9-23-2014

Notarized: Jennifer May

JENNIFER MAY
Notary Public, Notary Seal
State of Missouri
St. Charles County
Commission # 12387737
My Commission Expires August 26, 2016

File Number 6964-462-7

To all to whom these Presents Shall Come, Greeting:

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

ALEXIAN BROTHERS-AHS MIDWEST REGION HEALTH CO., A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON SEPTEMBER 26, 2014, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.

Authentication #: 1427301564

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

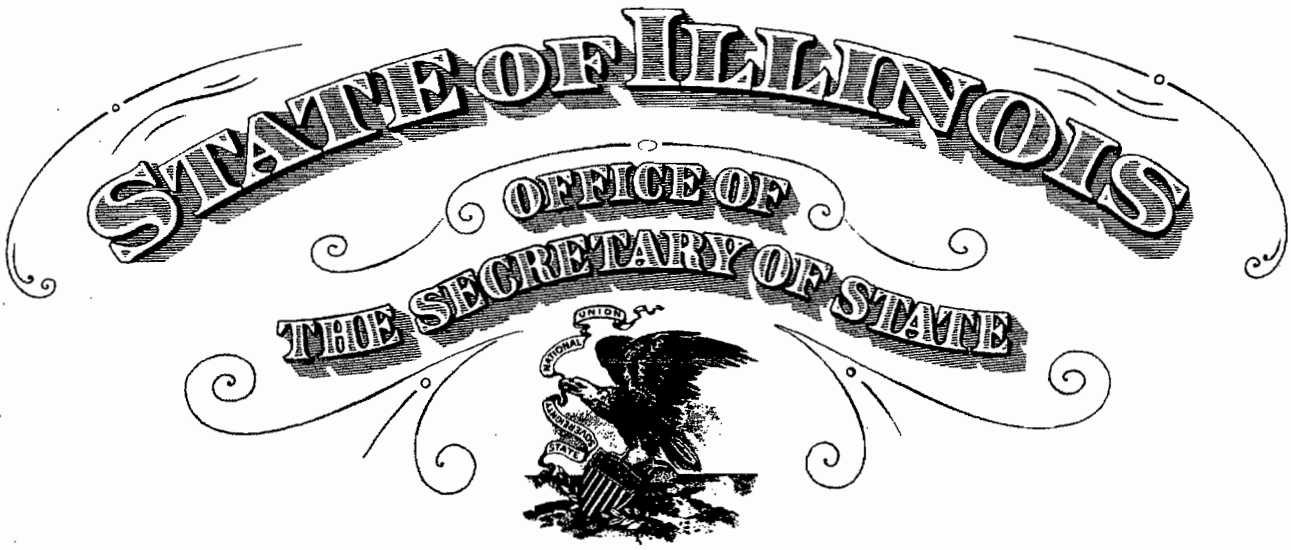
In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 30TH *day of* SEPTEMBER *A.D.* 2014 .

Jesse White

SECRETARY OF STATE

Attachment 4

File Number 6783-860-2



To all to whom these Presents Shall Come, Greeting:

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

ASCENSION HEALTH, INCORPORATED IN MISSOURI AND LICENSED TO CONDUCT AFFAIRS IN THIS STATE ON JUNE 27, 2011, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS A FOREIGN CORPORATION IN GOOD STANDING AND AUTHORIZED TO CONDUCT AFFAIRS 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* 6TH *day of* AUGUST *A.D.* 2014 .

Authentication #: 1421801200

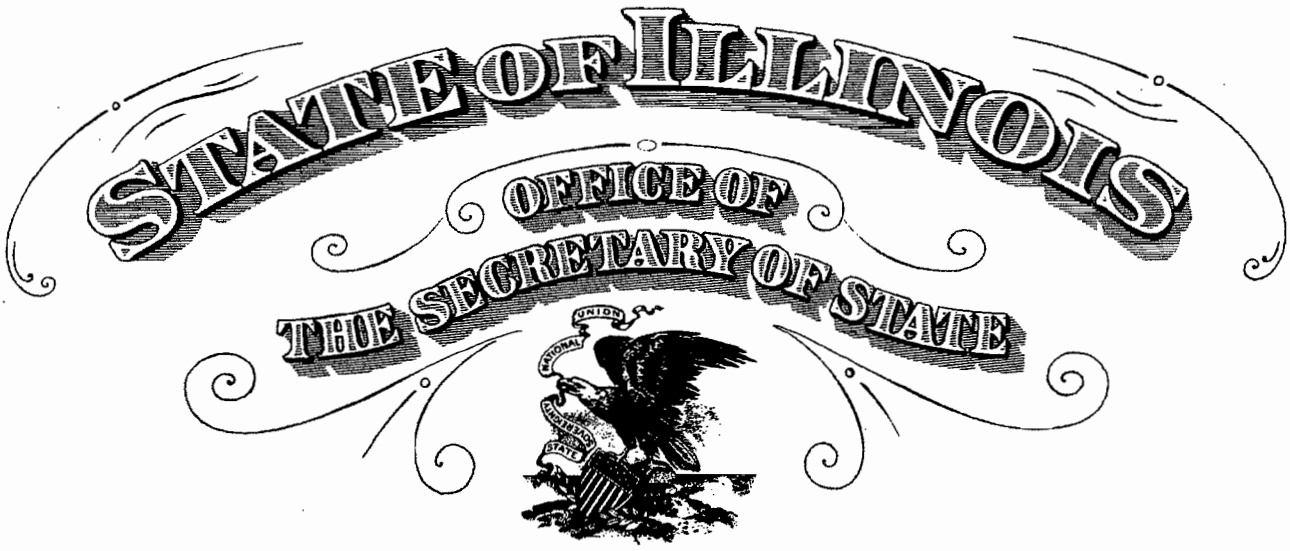
Authenticate at: http://www.cyberdriveillinois.com

Jesse White

SECRETARY OF STATE

ATTACHMENT 4

File Number 5938-890-8



To all to whom these Presents Shall Come, Greeting:

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

ADVENTIST HEALTH SYSTEM SUNBELT HEALTHCARE CORPORATION, INCORPORATED IN FLORIDA AND LICENSED TO CONDUCT AFFAIRS IN THIS STATE ON APRIL 28, 1997, AND MUST CONDUCT ALL AFFAIRS IN THIS STATE UNDER THE ASSUMED NAME OF ADVENTIST HEALTH SYSTEM, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS A FOREIGN CORPORATION IN GOOD STANDING AND AUTHORIZED TO CONDUCT AFFAIRS 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* SEPTEMBER *A.D.* 2014 .

Jesse White

SECRETARY OF STATE

Authentication #: 1426901664

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

Attachment 4

File Number 5322-408-3

To all to whom these Presents Shall Come, Greeting:

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

ALEXIAN BROTHERS HEALTH SYSTEM, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON OCTOBER 03, 1983, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.

Authentication #: 1421801266

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

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 6TH *day of* AUGUST *A.D.* 2014 .

Jesse White

SECRETARY OF STATE

ATTACHMENT 4

File Number 0940-715-4

To all to whom these Presents Shall Come, Greeting:

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

ADVENTIST HINSDALE HOSPITAL, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON NOVEMBER 01, 1904, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.

Authentication #: 1421300328

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

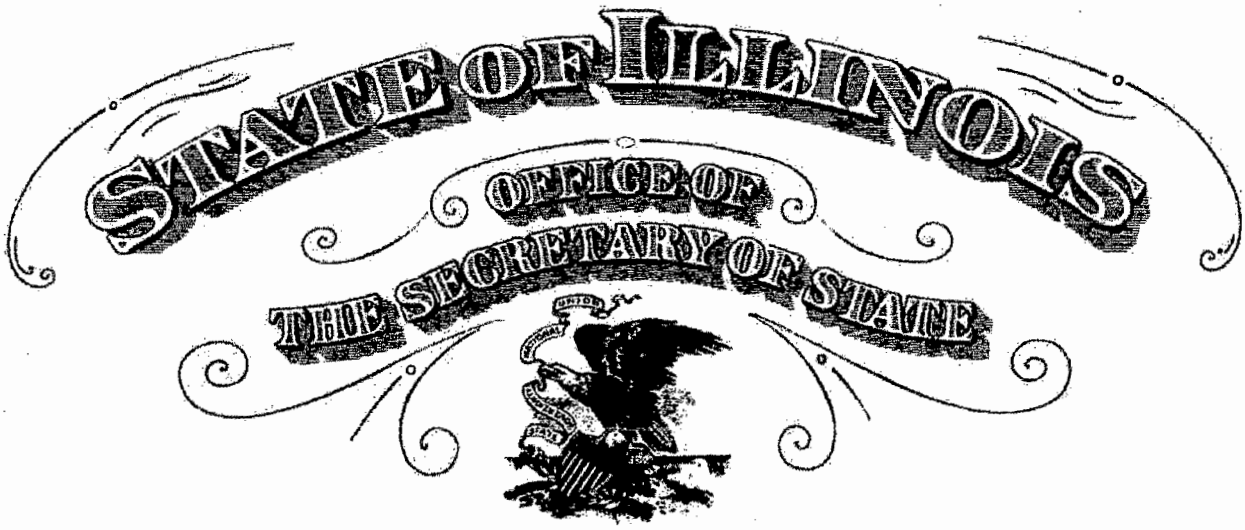
In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 1ST *day of* AUGUST *A.D.* 2014 .

Jesse White

SECRETARY OF STATE

ATTACHMENT 4

File Number 6009-641-4



To all to whom these Presents Shall Come, Greeting:

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

ALEXIAN BROTHERS BEHAVIORAL HEALTH HOSPITAL, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON AUGUST 21, 1998, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.

Authentication #: 1421702210

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

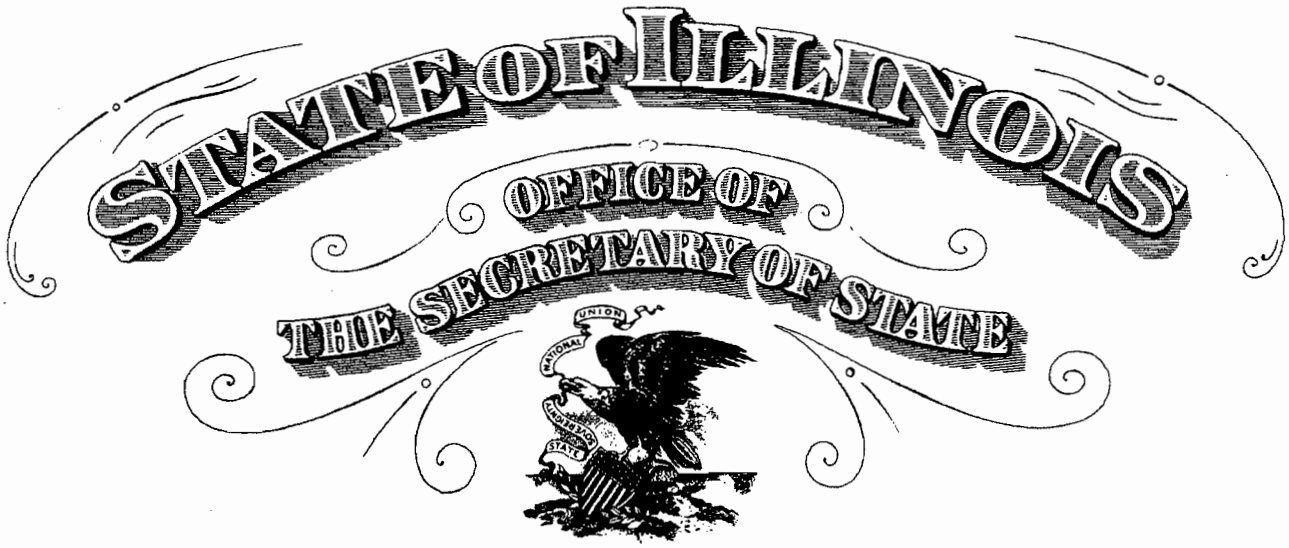
In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 5TH *day of* AUGUST *A.D.* 2014 .

Jesse White

SECRETARY OF STATE

ATTACHMENT 4

File Number 5938-879-7



To all to whom these Presents Shall Come, Greeting:

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

ADVENTIST HEALTH SYSTEM/SUNBELT, INC., INCORPORATED IN FLORIDA AND LICENSED TO CONDUCT AFFAIRS IN THIS STATE ON APRIL 28, 1997, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS A FOREIGN CORPORATION IN GOOD STANDING AND AUTHORIZED TO CONDUCT AFFAIRS IN THE STATE OF ILLINOIS.

Authentication #: 1421300334

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

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 1ST *day of* AUGUST *A.D.* 2014 .

Jesse White

SECRETARY OF STATE

ATTACHMENT 4

Alexian Brothers Behavioral Health Hospital

Income Statement

Year Ended June 30, 2013

		Alexian Brothers Behavioral Health Hospital
Operating revenue:		
Net patient service revenue	$	68,140
Less provision for doubtful accounts	$	2,061
Net patient service revenue, less provision for doubtful accounts		**66,079**
Capitation revenue		603
Other revenue		5,235
Net assets released from restrictions for operations		51
Total operating revenue		**71,968**
Operating expenses:		
Salaries and wages		35,016
Employee benefits		7,312
Purchased services		4,026
Professional fees		5,034
Supplies		1,297
Insurance		792
Interest		1,126
Depreciation and amortization		937
Other		14,111
Total operating expenses before impairment, restructuring, and nonrecurring gains (losses), net		**69,651**
Income (loss) from operations before impairment, restructuring, and nonrecurring gains (losses), net		**2,317**
Impairment, restructuring, and nonrecurring gains (losses), net		–
Income (loss) from operations		2,317
Nonoperating gains (losses):		
Investment return		–
Income (loss) from unconsolidated entities		(15)
Other		0
Total nonoperating gains (losses), net		(15)
Excess (deficit) of revenues and gains over expenses and losses		**2,302**
Less noncontrolling interests		–
Excess (deficit) of revenues and gains over expenses and losses attributable to controlling interest[6]		**2,302**

ATTACHMENT 9

DRAFT

Alexian Brothers Behavioral Health Hospital

Balance Sheet - Assets
As of June 30, 2013

	Alexian Brothers Behavioral Health Hospital
Assets	
Current assets:	
Cash and cash equivalents	$ 2,285
Accounts receivable, less allowances for doubtful accounts	7,573
Estimated third-party payor settlements	–
Inventories	93
Other	205
Total current assets	10,156
Restricted funds	94
Property and equipment, net	23,897
Other assets:	
Investment in unconsolidated entities	–
Other	21
Total other assets	21
Total assets	$ 34,168

ATTACHMENT 6

DRAFT

Alexian Brothers Behavioral Health Hospital

Balance Sheet - Liabilities & Equity
As of June 30, 2013

	Alexian Brothers Behavioral Health Hospital
Liabilities and net assets	
Current liabilities:	
Accounts payable and accrued liabilities	3,850
Estimated third-party payor settlements	2,732
Current portion of self-insurance liabilities	196
Other	4,393
Total current liabilities	11,171
Noncurrent liabilities:	
Self-insurance liabilities	1,783
Other	–
Total noncurrent liabilities	1,783
Total liabilities	12,954
Net assets:	
Unrestricted:	
Controlling interest	$21,120
Noncontrolling interests	$0
Unrestricted net assets	21,120
Temporarily restricted	94
Permanently restricted	-
Total net assets	21,214
Total liabilities and net assets	$ 34,168

ATTACHMENT 6

DRAFT