

July 11, 2013

Ms. Courtney Avery
Administrator
Health Facilities and Services Review Board
525 West Jefferson Second Floor
Springfield, Illinois 62761

RECEIVED

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HEALTH FACILITIES &
SERVICES REVIEW BOARD

Dear Ms. Avery:

Advocate Lutheran General Hospital's certificate of need application, Project 13-026, was deemed complete on May 31, 2013. The Project includes a land purchase. At the time the application was filed, the land purchase had not been executed. Mr. Constantino said that he would accept the application with a letter of understanding between the buyer and the seller, but that a fully executed Purchase Agreement would need to be submitted to the Agency 30 days before the Project could go to hearing.

Enclosed is a fully executed Purchase Agreement. This document replaces the letter of understanding beginning on page 166 of the application as originally filed. We believe this addresses the conditions set forth by Mr. Constantino and that the Advocate Lutheran General Hospital will be on the State Board's August 13, 2013 agenda.

If you have any questions about this replacement document, please call me at 219-464-3969.

Thank you for your assistance in this matter.

Sincerely,



Janet Scheuerman
Senior Consultant

Cc. Mr. Mike Constantino
Mr. Damon Havill, VP of Business Development
Advocate Lutheran General Hospital

REAL ESTATE SALE CONTRACT

THIS REAL ESTATE SALE CONTRACT ("this Contract"), dated as of June ____, 2013 is by and between PARKSIDE CENTER CONDOMINIUM ASSOCIATION, an Illinois not-for-profit corporation ("Seller") and ADVOCATE HEALTH AND HOSPITALS CORPORATION, an Illinois not-for-profit corporation ("Purchaser").

1. **Property.** Seller agrees to transfer, assign, sell, and convey or cause to be transferred, assigned, sold, and conveyed to Purchaser or to a nominee designated by Purchaser the real property consisting of approximately 21,511.599 square feet of land and all improvements and structures located thereon, including without limitation the common elements associated with Unit MRI ("all such land and improvements being collectively referred to herein as the Property") located at 1975 Dempster, Park Ridge, Illinois legally described as follows:

That part of Lot 1 in Lutheran General Hospital Subdivision, No. 1, being a Resubdivision of parts of Lots 1 and 2 in Henry C. Senne's Estate Division of the North ½ of the Northeast ¼ and of the North 55 rods of the East Half of the Northwest Quarter of Section 22, Township 41 North, Range 12 East of the 3rd Principal Meridian the plat of said Lutheran General Hospital Subdivision, No. 1, having been recorded January 26, 1968 as Document No. 20389600, bounded by a line described as follows: Commencing at the intersection of the West line of said Lot 1 with a line 478.0 feet South, measured at right angles, and parallel with the North line of said Lot 1; thence North 90 degrees 00 minutes 00 seconds East along said parallel line, 195.60 feet for a place of beginning, said point being also on the South line of the Parkside Center Condominium recorded June 30, 1983 as Document No. 26667817 and 10.86 feet West of a corner of said condominium parcel; thence continuing along the line of said Parkside Center Condominium North 90 degrees 00 minutes 00 East, 3.43 feet; thence South 00 degrees 00 minutes 00 seconds West, 100.58 feet; thence South 45 degrees 00 minutes 00 seconds East, 37.01 feet; thence South 90 degrees 00 minutes 00 seconds East, 67.66 feet; thence North 45 degrees 00 minutes 00 seconds East, 29.94 feet; thence North 00 degrees 00 minutes 00 seconds East, 119.91 feet; thence South 90 degrees 00 minutes 00 seconds West, 9.55 feet rec., 9.52 feet meas. to that corner shown as North 9486.33 feet and East 11782.80 feet; thence North 00 degrees 00 minutes 00 seconds East, 45.25 feet; thence North 90 degrees 00 minutes 00 seconds East, 72.65 feet; thence North 00 degrees 00 minutes 00 seconds East, 18.50 feet; thence North 90 degrees 00 minutes 00 seconds East, 3.00 feet; thence North 00 degrees 00 minutes 00 seconds East, 3.00 feet to an intersection with a line 396.92 feet South of as measured at right angles and parallel with the North line of said Lot 1; thence North 90 degrees 00 minutes 00 seconds West along said last described line, 59.65 feet; thence South 00 degrees 00 minutes 00 seconds West, 18.50 feet to an intersection with a line 415.42 feet South of as measured at right angles and parallel with the North line of said Lot 1; thence North 90 degrees 00 minutes 00 seconds West along said last described line, 10.54 feet to the Westerly face of an existing brick building; thence North 00 degrees 00 minutes 18 seconds West along said building face, 18.50 feet; thence North 90 degrees 00 minutes 00 seconds West, 14.52 feet to an intersection with the Southwesterly face of an existing concrete wall; thence North 45 degrees 00 minutes 11 seconds West along said last described wall, 17.76 feet to an intersection with the Southeasterly face of an existing brick building; thence South 44 degrees 59 minutes 49 seconds West along said building face 17.21 feet to the Northeasterly face of a concrete area well; (the following three (3) calls being along the exterior face of said area well) thence South 45 degrees 00 minutes 11 seconds East, 5.88 feet; thence South 44 degrees 59 minutes 49 seconds West, 35.01 feet; thence North 45 degrees 00 minutes 11 seconds West, 5.88 feet to the Southeasterly face of said existing brick building; thence South 44 degrees 59 minutes 49 seconds West along said building face, 71.25 feet to the corner of said building; thence South 00 degrees 00 minutes 00 seconds West, 6.32 feet to the point of beginning, in Cook County, Illinois. Containing 21511.599 sq. ft./0.494 Acres.

together with all of Seller's rights, titles, and interests, if any, in and to all easements, rights of way, privileges, appurtenances, and rights to the same, belonging to or inuring to the benefit of the Property, and all streets, alleys, or other public ways adjacent to the Property.

2. **Purchase Price.** The purchase price to be paid by Purchaser to Seller at Closing for the Property ("the Purchase Price") shall be \$225,000.00.

3. **"As is" condition of Property.** Purchaser acknowledges to and agrees with Seller that Purchaser is purchasing the Property in an "as is" condition without any warranties, representations, or guarantees, either express or implied, of any kind, nature, or type whatsoever from or on behalf of Seller except as may be set forth in the deed.

4. **Title Insurance; Survey; Permitted Exceptions.**

A. Upon execution of this Contract Purchaser shall order, at Purchaser's expense, a commitment ("the Commitment") by Chicago Title Insurance Company ("the Title Insurer") to issue a current form ALTA owner's title insurance policy, in the amount of the Purchase Price, covering title to the Property on or after the date hereof, together with copies of all documents to the extent legible and available (other than mortgages and trust deeds securing obligations which Seller will pay and release prior to or at Closing) scheduled therein as exceptions to title insurance coverage. The Commitment shall be conclusive evidence of good title as therein shown as to all matters committed to be insured, subject only to the exceptions as therein scheduled.

B. Purchaser shall order, at Purchaser's expense, a survey of the Property dated on or after the date of this Contract, prepared in accordance with ALTA/ACSM standards and certified to Purchaser or Purchaser's nominee, Purchaser's lender, the Title Insurer, and any other party designated by Purchaser. Said survey shall show the location of all improvements on the Property; show the location and legal description of each recorded easement and of each visible easement benefiting or burdening the Property; show the location of all party walls, sidewalks, paths, driveways, and utility lines on or under the Property; show all access to public streets or roads surrounding the Property, including access to easements benefiting the Property; show all encroachments either onto the Property by improvements on adjacent premises or onto adjacent premises by improvements on the Property; and certify that the Property is not in a wetland or flood plain.

C. The following matters shall be permitted exceptions to title insurance coverage ("Permitted Exceptions"):

1. General exceptions.
2. The lien of general real estate taxes not due and payable.

3. Mortgages securing obligations of Purchaser or Purchaser's nominee, and other acts by or through Purchaser or Purchaser's nominee.

4. Easements, covenants, conditions and restrictions of record that do not, in Purchaser's reasonable judgment impair the use of the Property by Purchaser, or its occupants thereof, for Purchaser's intended purpose.

D. If the Commitment discloses unpermitted exceptions or if the survey discloses encroachments, boundary line disputes, or other matters which do or may render title to the Property unmarketable (herein referred to as "survey defects"), Seller shall have until on or before the Closing Date to have such unpermitted exceptions removed from the Commitment or to correct such survey defects or to have the Title Insurer commit to insure against loss or damage that may be occasioned by such unpermitted exceptions or survey defects. If within such time Seller fails to have such unpermitted exceptions removed or to correct such survey defects or, in the alternative, to obtain the Commitment specified above as to such unpermitted exceptions or survey defects, then Purchaser may elect, upon notice to Seller within 10 days after the expiration of the 30 day period, to take title as it then is with the right to deduct from the Purchase Price liens or encumbrances of a definite or ascertainable amount. If Purchaser does not so elect, then this Contract shall become null and void without further action of the parties.

E. At the Closing, Seller shall deliver to Purchaser evidence that Purchaser, or Purchaser's nominee, will receive from the Title Insurer, at Purchaser's expense, a current form ALTA owner's title insurance policy insuring the fee simple interest of Purchaser, or Purchaser's nominee, in the Property in the amount of the Purchase Price, subject only to Permitted Exceptions, and providing for:

1. An endorsement over general exceptions.

2. An access endorsement.

3. A fully executed amendment to the Parkside Center Condominium Association Condominium Declaration removing the Property from the Condominium Association.

5. **Contingent on CON Approval.** This Contract shall be contingent upon Purchaser receiving a Certificate of Need from the State of Illinois to proceed with its project to expand its existing emergency department. In the event Purchaser does not received approval on its Certificate of Need, then at the Purchaser's sole discretion this Contract shall be terminated with no further obligations by the parties to proceed with this sale.

6. **Prorations and Credits.**

Seller shall bear the cost to record any instruments necessary to clear Seller's title (including the recording of the amendment to the condominium declaration), one-half the cost of the Closing Escrow and one-half the cost of the "New York Style" closing fee. Purchaser shall bear the cost of any recording fees with respect to the deeds, all costs incurred in connection with obtaining Purchaser's financing for this transaction, if any, the cost of all title endorsements, one-half the cost of the Closing Escrow and one-half the cost of the "New York Style" closing fee.

7. Closing.

A. Within 30 days after Purchaser receives approval from the State of Illinois for its Certificate of Need, the consummation of the transactions described in this Contract ("the Closing") shall occur at (or through, in the event of an escrow pursuant to Paragraph 9) the Wheaton office of the Title Insurer on a date mutually agreed upon by Seller and Purchaser.

B. At the Closing, Seller shall deliver or cause to be delivered to Purchaser the following:

1. A quit claim deed duly executed and acknowledged and in form suitable for recording, conveying the Property to Purchaser.

2. An affidavit of title, appropriately executed and acknowledged by Seller, stating that within 4 months preceding the Closing Date no improvements or repairs have been made in or to the Property, nor any work done, which have not been fully paid for, no materials have been furnished or delivered to the Property which have not been fully paid for, no contract has been made or entered into and nothing has been done, suffered, or permitted in relation to the Property the consequence of which will cause any lien or claim of lien to be made against the Property under the Mechanics Lien Act of the State of Illinois; no person or entity has a right or claim of right to occupy or be possessed of the Property or any part or parts thereof other than Seller and/or tenants; and Seller has done nothing on or subsequent to the effective date of the most current Commitment which would render inaccurate the status of title to the Property as reported in such Commitment.

3. A non-foreign seller affidavit in accordance with the requirements of Section 1445 of the Internal Revenue Code of 1986, as amended.

4. Transfer tax declarations for the State of Illinois, County of Cook, and, to the, City of Park Ridge.

5. An ALTA statement and all other documents required by the Title Insurer to issue a policy of title insurance conforming to the requirements of this Contract.

6. Such other documents and instruments as may reasonably be required Purchaser, its counsel or the title insurer to effect the agreements of the parties hereto.

C. At the Closing, Purchaser shall deliver or cause to be delivered to Seller the balance of the Purchase Price, plus or minus prorations and credits as provided herein.

D. Seller and Purchaser shall jointly prepare a closing statement reciting the Purchase Price and all credits, prorations, and adjustments thereto.

8. **Possession.** Seller shall deliver possession of the Property to Purchaser at closing together with keys to all locks in Seller's possession or control.

9. **Escrow.** At the request of either party the Earnest Money shall be placed in escrow and the transactions described herein shall be closed through a deed and money escrow at the office of the Title Insurer. The attorneys for the parties are authorized to sign the escrow instructions on behalf of the parties. This Contract shall not be merged into the escrow agreement but the latter shall be deemed auxiliary to this Contract, and as between the parties hereto, upon failure of the escrow or otherwise, the provisions of this Contract shall be controlling. The cost of the deed and money escrow shall be borne equally by Seller and Purchaser. Purchaser shall pay any escrow charges for money lender's escrow, if any.

10. **Maintenance Prior to Closing; Casualty; Condemnation.**

A. During the pendency of this Contract prior to Closing, Seller shall maintain the Property substantially in accordance with the manner the Property has been maintained in the past. In the event of any deterioration in said standard of maintenance which has a material impact on the condition of the Property, Purchaser shall have the right to terminate this Contract, in the event of which termination the Earnest Money and all interest thereon shall be returned in full to Purchaser and neither party shall have any further obligation or liability to the other.

B. Prior to the Closing, and notwithstanding the pendency of this Contract, the entire risk of loss or damage to the Property is borne and assumed by Seller, and in the event of a fire or casualty affecting to the premises, Purchaser shall have the right to terminate this Contract, in the event of which termination the Earnest Money and all interest thereon shall be returned in full to Purchaser and neither party shall have any further obligation or liability to the other.

C. If Seller is notified by any governmental agency or authority that the Property, or any part or parts thereof, will be condemned or otherwise taken under power of eminent domain, or if Seller learns that a condemnation or taking is contemplated by any governmental agency or authority, then Seller shall promptly give Purchaser written notice thereof including, with or in such written notice, a copy of the notice received by Seller or a description of the information learned by Seller. Within 21 days after Seller gives such notice to Purchaser, Purchaser shall, by written notice to Seller, elect either to rescind this Contract or to perform notwithstanding such

condemnation or taking. If Purchaser elects to perform notwithstanding such condemnation or taking, then Purchaser shall be entitled to all proceeds paid by the applicable governmental agencies or authorities in respect thereof. Purchaser's failure to give such written notice of election within such time shall not be deemed an election to rescind this Contract.

11. Rights Upon Default.

A. If Purchaser shall be in material default hereunder before Closing then, as Seller's sole remedy, Seller shall be entitled to bring a lawsuit in Cook County, Illinois against Purchaser for breach of Contract, and this Contract shall thereupon terminate.

B. If Seller shall be in material default hereunder before Closing, then as Purchaser's sole and exclusive remedies Purchaser shall either (i) rescind this Contract in which event all sums paid by Purchaser as Earnest Money or on the Purchase Price, together with all interest thereon, shall be immediately returned to Purchaser or (ii) enforce this Contract by specific performance.

C. If a party brings suit against the other party, then the prevailing party shall be entitled to recover from the other all reasonable attorneys' fees and costs of suit incurred in connection therewith.

12. Notices. Any written notice required or desired to be given hereunder shall be delivered personally, or by United States mail, or by delivery service, or by Fax. A written notice delivered by United States mail is given on the day placed in the United States mail for delivery. Notices to Seller shall be addressed to:

Parkside Center Condominium Association
1875 Dempster
Park Ridge, Illinois 60068
Attn: President, PCCA

Notices to Purchaser shall be addressed to:

Advocate Health and Hospitals Corporation
3075 Highland Parkway, Suite 600
Downers Grove, Illinois 60515
Attn: H. James Slinkman, Associate General Counsel

With copy to:
Advocate Health and Hospitals Corporation
3075 Highland Parkway, Suite 600
Downers Grove, Illinois 60515
Attn: Senior Vice President & General Counsel

Any party may change the address to which written notices are to be given by giving the other party written notice as herein provided but no such change of address shall be effective as to a party until actually received by such party.

13. **Brokers.** The parties hereto represent and warrant, each to the other, that no broker shall be compensated by Seller per separate agreement, was used by any party hereto and that no other broker is entitled to a commission or fee as a result of or in connection with the introduction of the parties, the preparation and negotiation of this Contract, or the consummation of the transactions herein described. The parties hereto agree to protect, indemnify, and defend each other against, and hold each other harmless from, any claim for any commission, finder's fee, or any other fee or payment which may be demanded by any person making a claim therefor as a result of agreements or representations made by such party and which contradict the representations and warranties given herein.

14. **Time for Performance; Counterparts; Entire Agreement; Partial Invalidity; Interpretation; Amendments; Time of the Essence; Binding on Successors and Assigns.**

A. If under the terms hereof the performance of any act will or is required to occur on a Saturday, Sunday, or a holiday recognized in Chicago, Illinois as a day on which banking institutions are generally not open for business, then the performance of such act shall be made on the next day which is not a Saturday, Sunday, or holiday recognized in Chicago, Illinois as a day on which banking institutions are generally not open for business.

B. This Contract may be executed in counterparts, and each counterpart shall, for all purposes for which an original of this Contract must be produced or exhibited, be the contract between the parties hereto, but all such counterparts shall constitute one and the same agreement.

C. This Contract contains the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior understandings, discussions, negotiations and representations, if any, with respect thereto.

D. The invalidity or unenforceability of any provision hereof shall not affect, modify, or impair the validity and enforceability of all other provisions hereof.

E. The use of paragraph headings and of singular or plural, masculine, feminine or neuter nouns and pronouns is for convenience only and shall not affect the construction to be given any of the provisions hereof. This Contract shall be governed by and construed in accordance with the laws of the State of Illinois.

F. This Contract may not be modified, terminated, or amended nor any of its provisions waived except by a written instrument signed by the parties.

G. Time is of the essence of this Contract.

H. This Contract shall be binding upon and inure to the benefit of the heirs, representatives, successors, and assigns of the parties hereto.

I. Seller and Purchaser each warrant that the execution and delivery of this Contract by the signatory or signatories hereto on behalf of Seller and Purchaser respectively have been duly authorized and that this Contract is binding on Seller and Purchaser, respectively, in accordance with its terms, no consent thereto of any other party being required.

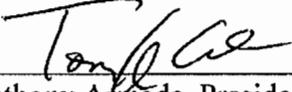
SIGNATURE PAGE TO FOLLOW:

IN WITNESS WHEREOF, the parties hereto have executed this Contract on or as of the date first above written.

SELLER:

PARKSIDE CENTER CONDOMINIUM ASSOCIATION,
an Illinois not-for-profit corporation

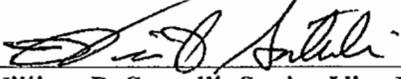
By: _____


Anthony Armada, President

PURCHASER:

ADVOCATE HEALTH AND HOSPITALS CORPORATION, an
Illinois not-for-profit corporation

By: _____


William P. Santulli, Senior Vice President and Chief
Operating Officer