16-054

ORIGINAL

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT

RECEIVED
DEC 23 2016
HEALTH FACILITIES & SERVICES REVIEW BOARD

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name:	Northwestern Medicine Kishwaukee Health and Fitness Center		
Street Address:	626 East Bethany Road		
City and Zip Code:	DeKalb, Illinois 60115		
County: DeKalb	Health Service Area	1	Health Planning Area: B-04

Applicant /Co-Applicant Identification
[Provide for each co-applicant [refer to Part 1130.220].

Exact Legal Name:	Kishwaukee Community Hospital d/b/a Northwestern Medicine Kishwaukee Hospital
Address:	1 Kish Hospital Drive, DeKalb, Illinois 60115
Name of Registered Agent:	James C. Dechene
Name of Chief Executive Officer:	Kevin P. Poorten
CEO Address:	1 Kish Hospital Drive, DeKalb, Illinois 60115
Telephone Number:	815-756-1521

Type of Ownership of Applicant/Co-Applicant

- ☑ Non-profit Corporation
- ☐ For-profit Corporation
- ☐ Limited Liability Company
- ☐ Partnership
- ☐ Governmental
- ☐ Sole Proprietorship
- ☐ Other

- Corporations and limited liability companies must provide an **Illinois certificate of good standing.**
- 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:	Bridget Orth
Title:	Director, Regulatory Planning
Company Name:	Northwestern Memorial HealthCare
Address:	211 East Ontario Street, Suite 1750, Chicago, Illinois 60611
Telephone Number:	312-926-8650
E-mail Address:	borth@nmh.org
Fax Number:	312-926-4545

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

Name:	Rob Christie
Title:	Senior Vice President, External Affairs and Communications
Company Name:	Northwestern Memorial HealthCare
Address:	211 East Ontario Street, Suite 1750, Chicago, Illinois 60611
Telephone Number:	312-926-7527
E-mail Address:	rchristi@nmh.org
Fax Number:	312-926-4545

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

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City and Zip Code:	DeKalb, Illinois 60115		
County: DeKalb	Health Service Area	1	Health Planning Area: B-04

Applicant /Co-Applicant Identification
[Provide for each co-applicant [refer to Part 1130.220].

Exact Legal Name:	KishHealth System
Address:	1 Kish Hospital Drive, DeKalb, Illinois 60115
Name of Registered Agent:	James C. Dechene
Name of Chief Executive Officer:	Kevin P. Poorten
CEO Address:	1 Kish Hospital Drive, DeKalb, Illinois 60115
Telephone Number:	815-756-1521

Type of Ownership of Applicant/Co-Applicant

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ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

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Facility/Project Identification

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Street Address:	626 East Bethany Road		
City and Zip Code:	DeKalb, Illinois 60115		
County: DeKalb	Health Service Area	1	Health Planning Area: B-04

Applicant /Co-Applicant Identification
[Provide for each co-applicant [refer to Part 1130.220].

Exact Legal Name:	Northwestern Memorial HealthCare
Address:	251 East Huron Street, Chicago, Illinois 60611
Name of Registered Agent:	James C. Dechene
Name of Chief Executive Officer:	Dean M. Harrison
CEO Address:	251 East Huron Street, Chicago, Ilinois 60611
Telephone Number:	312-926-3007

Type of Ownership of Applicant/Co-Applicant

- ☑ Non-profit Corporation
- ☐ For-profit Corporation
- ☐ Limited Liability Company
- ☐ Partnership
- ☐ Governmental
- ☐ Sole Proprietorship
- ☐ Other

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[Person to receive ALL correspondence or inquiries]

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Title:	Director, Regulatory Planning
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Name:	Rob Christie
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Address:	211 East Ontario Street, Suite 1750, Chicago, Illinois 60611
Telephone Number:	312-926-7527
E-mail Address:	rchristi@nmh.org
Fax Number:	312-926-4545

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:	Bridget Orth
Title:	Director, Regulatory Planning
Company Name:	Northwestern Memorial HealthCare
Address:	211 East Ontario, Suite 1750, Chicago, Illinois 60611
Telephone Number:	312-926-8650
E-mail Address:	borth@nmh.org
Fax Number:	312-926-4545

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Kishwaukee Community Hospital d/b/a Northwestern Medicine Kishwaukee Hospital

Address of Site Owner: 1 Kish Hospital Drive, DeKalb, Illinois 60115

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: Kishwaukee Community Hospital d/b/a Northwestern Medicine Kishwaukee Hospital

Address: 1 Kish Hospital Drive, DeKalb, Illinois 60115

- ☑ Non-profit Corporation
- ☐ For-profit Corporation
- ☐ Limited Liability Company
- ☐ Partnership
- ☐ Governmental
- ☐ Sole Proprietorship
- ☐ Other

- Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.
- 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.
- **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.

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.

Northwestern Medicine Kishwaukee Hospital (Kish) proposes to construct a 2-story health and fitness center on the campus of NM Kishwaukee Hospital located at 1 Kish Hospital Drive, DeKalb, Illinois 60115. The address of the proposed project is 626 East Bethany Road, DeKalb.

The majority of the space in the proposed project will be for the fitness center which will include an aquatic center with two pools, locker rooms, and childcare services. The project will also include physician office space, as well as space for community wellness and education programs. There will also be an auditorium and administrative space.

The anticipated completion date of the project is March 31, 2019.

Total project cost is $46,392,770.

The project is classified as non-substantive because it does not establish a new category of service or facility as defined in 20 ILCS 3960/3.

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			
Site Survey and Soil Investigation			
Site Preparation		$ 1,178,000	$ 1,178,000
Off Site Work			
New Construction Contracts		$ 35,522,000	$ 35,522,000
Modernization Contracts			
Contingencies		$ 3,183,511	$ 3,183,511
Architectural/Engineering Fees		$ 2,520,359	$ 2,520,359
Consulting and Other Fees		$ 75,000	$ 75,000
Movable or Other Equipment (not in construction contracts)		$ 2,738,800	$ 2,738,800
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		$ 1,175,100	$ 1,175,100
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS	$ 0	$ 46,392,770	$ 46,392,770
SOURCE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Cash and Securities		$ 46,392,770	$ 46,392,770
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	$ 0	$ 46,392,770	$ 46,392,770

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 ☐ Yes ☑ No
Purchase Price: $ N/A
Fair Market Value: $ N/A

The project involves the establishment of a new facility or a new category of service
☐ Yes ☑ 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 $ N/A.

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:

☐ None or not applicable ☐ Preliminary
☐ Schematics ☑ Final Working

Anticipated project completion date (refer to Part 1130.140): March, 2019

Indicate the following with respect to project expenditures or to obligation (refer to Part 1130.140):

☐ Purchase orders, leases or contracts pertaining to the project have been executed.
☑ Project obligation is contingent upon permit issuance. Provide a copy of the contingent "certification of obligation" document, highlighting any language related to CON Contingencies
☐ 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:

☑ Cancer Registry
☑ APORS
☑ All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
☑ 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.**

		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept. / Area	**Cost**	**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**.

FACILITY NAME: Kishwaukee Community Hospital			**CITY:** DeKalb		
REPORTING PERIOD DATES: CY15	**From:** 1/1/15		**to:** 12/31/15		
Category of Service	**Authorized Beds**	**Admissions**	**Patient Days**	**Bed Changes**	**Proposed Beds**
Medical/Surgical	70	3,794	18,739	0	70
Obstetrics	16	868	1,837	0	16
Pediatrics	0	0	0	0	0
Intensive Care	12	267	1,098	0	12
Comprehensive Physical Rehabilitation	0	0	0	0	0
Acute/Chronic Mental Illness	0	0	01	0	0
Neonatal Intensive Care	0	0	0	0	0
General Long Term Care	0	0	0	0	0
Specialized Long Term Care	0	0	0	0	0
Long Term Acute Care	0	0	0	0	0
Other ((identify)	0	0	0	0	0
TOTALS:	98	4,929	21,674	0	98

CERTIFICATION

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

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- 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);
- 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);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application for Permit is filed on the behalf of Kishwaukee Community Hospital * **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.**

Kevin P. Poorten	Loren W. Foelske
SIGNATURE	SIGNATURE
Kevin P. Poorten	Loren W. Foelske
PRINTED NAME	PRINTED NAME
President, NM Kishwaukee Hospital	Vice President, Finance
PRINTED TITLE	PRINTED TITLE
Notarization: Subscribed and sworn to before me this 14th day of December, 2016	Notarization: Subscribed and sworn to before me this 14th day of December, 2016
Debra A Sells	Debra A Sells
Signature of Notary	Signature of Notary
Seal "OFFICIAL SEAL" DEBRA A. SELLS NOTARY PUBLIC, STATE OF ILLINOIS My Commission Expires 11/14/20	Seal "OFFICIAL SEAL" DEBRA A. SELLS NOTARY PUBLIC, STATE OF ILLINOIS My Commission Expires 11/14/20

*Insert EXACT legal name of the applicant

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This Application for Permit is filed on the behalf of KishHealth System * **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.**

Kevin P. Poorten	Loren W. Foelske
SIGNATURE	SIGNATURE
Kevin P. Poorten	Loren W. Foelske
PRINTED NAME	PRINTED NAME
President and CEO, KishHealth System	Vice President, Finance
PRINTED TITLE	PRINTED TITLE
Notarization: Subscribed and sworn to before me this 14th day of December, 2016	Notarization: Subscribed and sworn to before me this 14th day of December, 2016
Debra A Sells	Debra A Sells
Signature of Notary	Signature of Notary
Seal "OFFICIAL SEAL" DEBRA A. SELLS NOTARY PUBLIC, STATE OF ILLINOIS My Commission Expires 11/14/20	Seal "OFFICIAL SEAL" DEBRA A. SELLS NOTARY PUBLIC, STATE OF ILLINOIS My Commission Expires 11/14/20

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- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application for Permit is filed on the behalf of Northwestern Memorial HealthCare * **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

Dean M. Harrison
PRINTED NAME

President and CEO, NMHC
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 19 day of December

Signature of Notary

Seal

OFFICIAL
ANGELA CA[illegible]R
NOTARY PUBLIC [illegible] OF ILLINOIS
MY COMMISSION [illegible]RES:10/08/20

SIGNATURE

John A. Orsini
PRINTED NAME

Senior Vice President and CFO, NMHC
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 15 day of DECEMBER

Signature of Notary

Seal

"OFFICIAL SEAL"
MILLISA VASICH
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires 9/9/2017

*Insert EXACT legal name of the applicant

OFFICIAL SEAL
ANGELA CAMPHOR
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:10/08/20

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 tot 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.

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: 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: 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;
_____	g)	All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
	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

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	Cost/Square Foot 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)	
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)			
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

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1	Applicant/Coapplicant Identification including Certificate of Good Standing	24-26
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3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	N/A
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6	Historic Preservation Act Requirements	59-60
7	Project and Sources of Funds Itemization	61-63
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16	Unfinished or Shell Space	N/A
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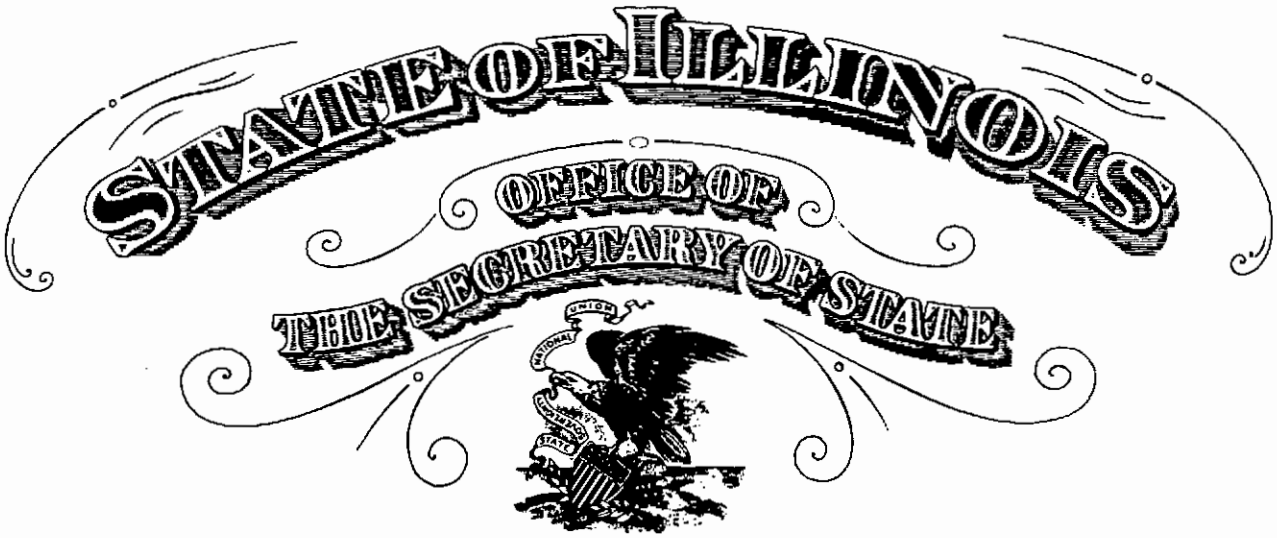
19	Mergers, Consolidations and Acquisitions	N/A
	Service Specific:	
20	Medical Surgical Pediatrics, Obstetrics, ICU	N/A
21	Comprehensive Physical Rehabilitation	N/A
22	Acute Mental Illness	N/A
23	Neonatal Intensive Care	N/A
24	Open Heart Surgery	N/A
25	Cardiac Catheterization	N/A
26	In-Center Hemodialysis	N/A
27	Non-Hospital Based Ambulatory Surgery	N/A
28	Selected Organ Transplantation	N/A
29	Kidney Transplantation	N/A
30	Subacute Care Hospital Model	N/A
31	Children's Community-Based Health Care Center	N/A
32	Community-Based Residential Rehabilitation Center	N/A
33	Long Term Acute Care Hospital	N/A
34	Clinical Service Areas Other than Categories of Service	N/A
35	Freestanding Emergency Center Medical Services	N/A
	Financial and Economic Feasibility:	
36	Availability of Funds	79-96
37	Financial Waiver	79-96
38	Financial Viability	79-96
39	Economic Feasibility	77
40	Safety Net Impact Statement	N/A
41	Charity Care Information	78

File Number 4962-796-3



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

KISHWAUKEE COMMUNITY HOSPITAL, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON FEBRUARY 25, 1970, 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.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 15TH *day of* NOVEMBER *A.D.* 2016 .

Authentication #: 1632002158 verifiable until 11/15/2017
Authenticate at: http://www.cyberdriveillinois.com

Jesse White
SECRETARY OF STATE

ATTACHMENT-1

File Number 5500-387-4

To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

KISHHEALTH SYSTEM, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON MARCH 14, 1988, 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.

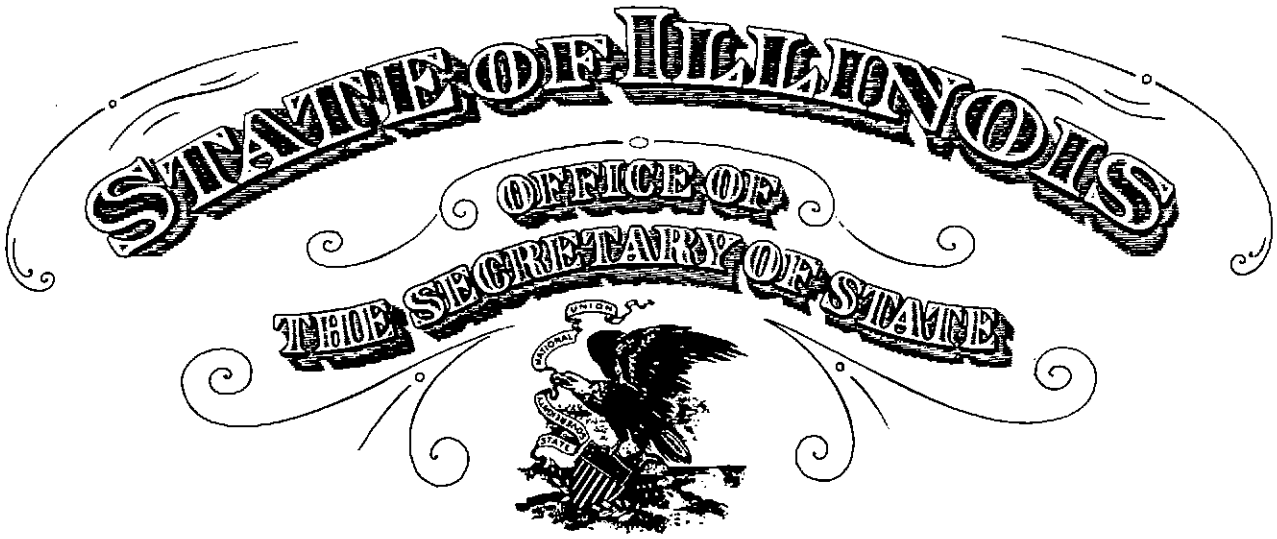
In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 22ND *day of* NOVEMBER *A.D.* 2016 .

Authentication #: 1632702276 verifiable until 11/22/2017
Authenticate at: http://www.cyberdriveillinois.com

Jesse White
SECRETARY OF STATE

ATTACHMENT-1

File Number 5257-740-3



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

NORTHWESTERN MEMORIAL HEALTHCARE, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON NOVEMBER 30, 1981, 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.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 21ST *day of* JULY *A.D.* 2016 .

Authentication #: 1620302580 verifiable until 07/21/2017
Authenticate at: http://www.cyberdriveillinois.com

Jesse White
SECRETARY OF STATE

ATTACHMENT-1

STATE OF ILLINOIS
REAL ESTATE TRANSFER TAX
DEC 31 '80 DEPT. OF REVENUE 24.00
DeKalb County Transfer Tax 24.00

FILED FOR RECORD
DEKALB COUNTY, IL.
DOC. #

80 06635
1980 DEC 31 PM 1:23

Terry Desmond
DEKALB COUNTY RECORDER

WARRANTY DEED

THE ABOVE SPACE FOR RECORDER'S USE ONLY

The Grantor, JOSEPH P. FAIVRE and JOYCE L. FAIVRE, husband and wife,

of the in the County of

DeKalb and State of Illinois for and in consideration of

Ten Dollars and other good and sufficient considerations ~~Dollars~~

in hand paid, CONVEY and WARRANT to KISHWAUKEE COMMUNITY HEALTH SERVICES CENTER, an Illinois not-for-profit corporation,

of the County of DeKalb

State of Illinois/an undivided two-thirds interest in and to the following Real Estate, to wit:

Part of the South Half of Section 1, Township 40 North, Range 4 East of the Third Principal Meridian, DeKalb County, Illinois, described as follows: Commencing at the Southwest corner of said Section 1; thence Easterly along the South line of said Section 1 a distance of 1632.8 feet for the Place of Beginning; thence continuing Easterly along the South line of said Section 1 a distance of 603.2 feet; thence Northerly at right angles to the last described course a distance of 200.0 feet; thence Westerly, parallel with the South line of said Section 1, a distance of 604.0 feet; thence Southerly parallel with the West line of said Section 1 a distance of 200.0 feet to the Place of Beginning,

1632 80

0801 300 019

situated in the County of DeKalb, in the State of Illinois, hereby releasing and waiving all rights under and by virtue of the Homestead Exemption laws of this State.

Dated this 22nd day of December A.D. 1980

Signed, sealed and delivered in the presence of

Joseph P. Faivre (Seal)
JOSEPH P. FAIVRE

(Seal)

Joyce L. Faivre (Seal)
JOYCE L. FAIVRE

(Seal)

STATE OF ILLINOIS
DeKalb County } ss.

I, the undersigned, a Notary Public in, and for said County and State aforesaid, DO HEREBY CERTIFY, that JOSEPH P. FAIVRE and JOYCE L. FAIVRE, husband and wife,

personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed, sealed and delivered the said instrument as their free and voluntary act, for the uses and purposes therein set forth, including the release and waiver of the right of homestead.

Given under my hand and notarial seal this 22nd day of December A.D. 1980

Linda M. Hathaway (SEAL)
Notary Public

Prepared by:
Boyle, Cordes & Witheft
363 E. Lincoln Highway
DeKalb, Illinois 60115
815-756-6328

Mail to: Kishwaukee Community Center
Bethany Road
DeKalb, Illinois

Grantee address: Kishwaukee Community Center
Bethany Road
DeKalb, Illinois

Document Number
80 06635

Taxes to SAME

ATTACHMENT-2

RECORDER OF DEEDS OF DE KALB COUNTY

AFFIDAVIT - PLAT ACT

STATE OF ILLINOIS)
) SS
COUNTY OF DE KALB)

Ronald G.KLein, being duly sworn on oath, states that he resides at 122 South Locust Sycamore, IL. . That the attached deed is not in violation of the Section 1 of Chapter 109 of the Illinois Revised Statutes for one of the following reasons:

1. The sale or exchange is of an entire tract of land not being a part of a larger tract of land.

2. The division or subdivision of land is into parcels or tracts of 5 acres or more in size which does not involve any new streets or easements of access.

3. The division is of lots or blocks of less than 1 acre in any recorded subdivision which does not involve any new streets or easements of access.

4. The sale or exchange of parcels of land is between owners of adjoining and contiguous land.

5. The conveyance is of parcels of land or interests therein for use as a right-of-way for railroads or other public utility facilities which does not involve any new streets or easements of access.

6. The conveyance is of land owned by a railroad or other public utility which does not involve any new streets or easements of access.

7. The conveyance is of land for highway or other public purpose or grants or conveyances relating to the dedication of land for public use or instruments relating to the vacation of land impressed with a public use.

8. The conveyance is made to correct descriptions in prior conveyances.

9. The sale or exchange is of parcels or tracts of land following the division into no more than two parts of a particular parcel or tract of land existing on July 17, 1959, and not involving any new streets or easements of access.

10. The sale is of a single lot of less than 5 acres from a larger tract, the dimensions and configurations of said larger tract having been determined by the dimensions and configuration of said larger tract on October 1, 1973, and no sales, prior to this sale, of any lot or lots from said larger tract having taken place since October 1, 1973, and a survey of said single lot having been made by a registered land surveyor.

CIRCLE NUMBER ABOVE WHICH IS APPLICABLE TO ATTACHED DEED.

AFFIANT further states that he makes this affidavit for the purpose of inducing the Recorder of Deeds of DeKalb County, Illinois, to accept the attached deed for recording, and that all local requirements applicable to the subdivision of land are met by the attached deed and the tract described therein.

Ronald G. Klein

SUBSCRIBED and SWORN to before me this 31st day of December, A.D. 19 80

Lorraine Panttila
NOTARY PUBLIC

80 06635

ATTACHMENT-2

Document prepared by
BOYLE AND CORDES
Attorneys at Law
Drs. Smith Building
DeKalb, Illinois 60115

Exempt under provisions of Paragraph e Section 4 of the Real Estate Transfer Tax Act. Dated: June 6, 1975.

John J. Boyle
Agent

TRUSTEE'S DEED

THIS INDENTURE, made this 6th day of June, 1975, between THE DE KALB BANK, an Illinois Banking Corporation, formerly DeKalb Trust and Savings Bank, as Trustee under the provisions of a deed or deeds in trust, duly recorded or registered and delivered to said Bank in pursuance of a trust agreement dated the 27th day of January, 1955, and known as Trust No. 238, Party of the First Part, and KISHWAUKEE COMMUNITY HEALTH SERVICES CENTER, an Illinois not-for-profit corporation, Party of the Second Part,

W I T N E S S E T H:

That said Party of the First Part, in consideration of the sum of One and no/100 ($1.00) Dollars, and other good and valuable considerations in hand paid, does hereby grant and convey unto said Party of the Second Part, the following described real estate, situated in DeKalb County, Illinois, to-wit:

387188

STATE OF ILLINOIS
COUNTY OF DEKALB
FILED FOR RECORD
JUL 1 - 1975 - 3.15 PM
RECORDER OF DEEDS

7.00

A part of Lot 118 and 119 of the County Clerk's Subdivision of Section 1, Township 40 North, Range 4 East of the Third Principal Meridian, DeKalb County, Illinois, according to the plat thereof, recorded in Book "D" of Plats at Page 50 in the DeKalb County Recorder's Office, more particularly described as follows:

Pt. Bethany Rd

387188

MICROF

ATTACHMENT-2

The North 100 feet of the South 300 feet (both as measured at right angles from the South line of Section 1) of the West 2,301.56 feet of said Section 1 containing in all 5.28 acres, more or less,

together with the tenements and appurtenances thereunto belonging, TO HAVE AND TO HOLD the same unto said Party of the Second Part and to the proper use, benefit and behoof forever of said Party of the Second Part.

This deed is executed by the Party of the First Part, as Trustee, as aforesaid, pursuant to and in the exercise of the power and authority granted to and vested in it by the terms of said Deed or Deeds in Trust and the provisions of said Trust Agreement above mentioned, and of every other power and authority thereunto enabling, SUBJECT, HOWEVER, to:

The liens of all trust deeds and/or mortgages upon said real estate, if any, of record in said county;

All unpaid general taxes and special assessments and other liens and claims of any kind;

Pending litigation, if any, affecting the said real estate;

Building lines;

387188

ATTACHMENT-2

Building, liquor and other restrictions of record, if any;

Zoning and building laws and ordinances;

Mechanic's lien claims, if any;

Easements of record, if any; and

Rights and claims of parties in possession.

IN WITNESS WHEREOF, said Party of the First Part has caused its corporate seal to be hereto affixed, and has caused its name to be signed to these presents by its President and attested by its Cashier, the day and year first above written.

THE DE KALB BANK, as Trustee, as aforesaid,

By James E. Forster
President

Corporate Seal

ATTEST:

Cashier

-3-

387188

ATTACHMENT-2

STATE OF ILLINOIS)
) SS
COUNTY OF DE KALB)

I, the undersigned, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that JAMES E. FORSTER, President of THE DE KALB BANK, and ROBERT E. HOLDRIDGE, Cashier of said Bank, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such President and Cashier respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act, and as the free and voluntary act of said Bank, for the uses and purposes therein set forth; and the said Cashier did also then and there acknowledge that said Cashier, as custodian of the corporate seal of said Bank, did affix the said corporate seal of said Bank to said instrument as said Secretary's own free and voluntary act, and as the free and voluntary act of said Bank, for the uses and purposes therein set forth.

Given under my hand and notarial seal

this 6th day of June, 1975.

Prepared by
Boyle and Cordes
Drs. Smith Building
DeKalb, Illinois 60115
815 756 6328

Return to same.

387188

ATTACHMENT-2

STATE OF ILLINOIS } SS
COUNTY OF DEKALB
FILED FOR RECORD

TRUSTEE'S DEED

383345

NOV 27 1974 -11 15 AM

RECORDER

THE ABOVE SPACE FOR RECORDERS USE ONLY

Form 154 R 2-62

NKA- Lot 100
Resubdivision of
Lots 1 & 2
HENRY'S Subdivision

THIS INDENTURE, made this 21st day of November, 19 74, between CHIC TITLE AND TRUST COMPANY, a corporation of Illinois, as Trustee under the provisions deed or deeds in trust, duly recorded and delivered to said company in pursuance of a trust a ment dated the 10th day of July, 1972, and known as Trust Number 602 party of the first part, and Kishwaukee Community Health Services Center, Illinois not for profit corporation party of the second

WITNESSETH, That said party of the first part, in consideration of the sum of $10.00 DOLL

and other good and valuable considerations in hand paid, does hereby grant, sell and convey said party of the second part, the following described real estate, situated in County, Illinois, to-wit:

Lot 1 in Henry's Subdivision, a subdivision of part of the South Half of Section 1, Township 40 North, Range 4, East of the Third Principal Meridian, according to the plat thereof recorded in Plat Book "Q", Page 2 on October 13th, 1972 as Document No. 368690, in DeKalb County, Illinois.

Subject to:
1. Easements, covenants and restrictions of record.
2. General Taxes for 1975 and subsequent years.
3. Rights of way for drainage ditches, tiles, feeders and laterals.

together with the tenements and appurtenances thereunto belonging.
TO HAVE AND TO HOLD the same unto said party of the second part, and to the proper use, benefit and behoof forever of said party of the second part.

11/25/74

This deed is executed pursuant to and in the exercise of the power and authority granted to and vested in said trustee by the terms of said deed or deeds in trust delivered to said trustee in pursuance of the trust agreement above mentioned. This deed is made subject to the lien of every trust deed or mortgage (if any there be) of record in said county given to secure the payment of money, and remaining unreleased at the date of the delivery hereof.

IN WITNESS WHEREOF, said party of the first part has caused its corporate seal to be hereto affixed, and has caused its name to be signed to these presents by its Assistant Trust Officer and attested by its Assistant Secretary, the day and year first above written

CHICAGO TITLE AND TRUST COMPANY As Trustee as aforesaid,

By Donald B. Bagby — Assistant Trust Officer

Attest Norma L. Clucas — Assistant Secretary

CHICAGO TITLE AND TRUST COMPANY CORPORATE SEAL CHICAGO, ILLINOIS

This space for affixing riders and revenue stamps

STATE OF ILLINOIS, COUNTY OF DE KALB } SS.

I, the undersigned, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY, that the above named Assistant Trust Officer and Assistant Secretary of the CHICAGO TITLE AND TRUST COMPANY, Grantor, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Assistant Trust Officer and Assistant Secretary respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said Company for the uses and purposes therein set forth; and the said Assistant Secretary then and there acknowledged that said Assistant Secretary, as custodian of the corporate seal of said Company, caused the corporate seal of said Company to be affixed to said instrument as said Assistant Secretary's own free and voluntary act and as the free and voluntary act of said Company for the uses and purposes therein set forth.

Given under my hand and Notarial Seal. Date 11-21-74

Notary Public

NOTARY PUBLIC DE KALB COUNTY, ILL.

Document Number

DELIVERY

NAME Boyle & Cordes
STREET Drs. Smith Bldg
CITY DeKalb, Illinois, 60115

OR

INSTRUCTIONS

RECORDER'S OFFICE BOX NUMBER

FOR INFORMATION ONLY
INSERT STREET ADDRESS OF ABOVE DESCRIBED PROPERTY HERE: DeKalb, Ill.

Prepared by:
Norma L. Clucas
108 N. Main Street
Sycamore, Illinois

No Change for 1974 Taxes

5.00

383345

33

ATTACHMENT-2

Pt 0812200019

FILED FOR RECORD
DEKALB COUNTY, IL.

97 APR 24 PM 4: 14

Sharon L. Holmes
DEKALB COUNTY RECORDER

15

97004727

WARRANTY DEED

GRANTEE(S) ADDRESS and TAXES TO:

Kishwaukee Community Hospital
626 Bethany Road
DeKalb IL 60115

RETURN TO:

Kishwaukee Community Hospital
626 Bethany Road
DeKalb IL 60115

THIS INDENTURE WITNESSETH, that the Grantors, **DuWAYNE M. ANDRESEN and MAX C. HEIDE** of the City of DeKalb, in the County of DeKalb and State of Illinois for and in consideration of the sum of Ten ($10.00) Dollars and other good and valuable considerations, the receipt of which is hereby acknowledged, CONVEY and WARRANT to **KISHWAUKEE COMMUNITY HOSPITAL**, a not-for-profit corporation duly organized an existing under and by virtue of the laws of the State of Illinois and whose address is 626 Bethany Road, DeKalb, Illinois, the following described real estate, to wit:

LOT 1 IN LOVE'S SUBDIVISION, A SUBDIVISION OF ASSESSOR'S LOTS 3 AND 34 IN SECTION 12, TOWNSHIP 40 NORTH, RANGE 4, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK "C" OF PLATS, PAGE 66, IN DEKALB COUNTY, ILLINOIS.

P.I.N. 08-12-200-019 (includes other property)

situated in DeKalb County, Illinois, hereby releasing and waiving all rights under and by virtue of the Homestead Exemption Laws of the State of Illinois.

Dated this 24 day of April, 1997.

DuWayne M. Andresen

DuWayne M. Andresen

Max C. Heide

Max C. Heide

ATTACHMENT-2

STATE OF ILLINOIS)
) SS
COUNTY OF DEKALB)

I, the undersigned, a Notary Public, in and for said County and State aforesaid, DO HEREBY CERTIFY THAT **DuWayne M. Andresen and Max C. Heide** personally known to me to be the same persons whose names are subscribed to the foregoing instrument, as having executed the same, appeared before me this day in person and acknowledged that they signed, sealed and delivered the said instrument as their free and voluntary act for the uses and purposes therein set forth, including the release and waiver of the right of homestead.

Given under my hand and notarial seal this 24th day of April, 1997.

Gary W. Cordes
Notary Public

"OFFICIAL SEAL"
Gary W. Cordes
Notary Public, State of Illinois
My Commission Expires 04/04/00

DEKALB COUNTY - ILLINOIS TRANSFER STAMP
- or -
EXEMPT UNDER PROVISIONS OF PARAGRAPH "b"
SECTION 4, REAL ESTATE TRANSFER TAX ACT.

04/24/97 Gary W. Cordes
Date Buyer, Seller or Representative

Prepared By:

Gary W. Cordes
Boyle Cordes and Brown
363 E. Lincoln Highway, Suite B
DeKalb IL 60115

Property Address:

2727 Sycamore Road
DeKalb IL 60115

97004727

ATTACHMENT-2

Pt 0812200019

FILED FOR RECORD
DEKALB COUNTY, IL.

97 APR 24 PM 4:14

Sharon L. Holmes
DEKALB COUNTY RECORDER

97004728

15

WARRANTY DEED

GRANTEE(S) ADDRESS and TAXES TO:

Kishwaukee Community Hospital
626 Bethany Road
DeKalb IL 60115

RETURN TO:

Kishwaukee Community Hospital
626 Bethany Road
DeKalb IL 60115

THIS INDENTURE WITNESSETH, that the Grantors, **DuWAYNE M. ANDRESEN and MAX C. HEIDE** of the City of DeKalb, in the County of DeKalb and State of Illinois for and in consideration of the sum of One ($1.00) Dollar and other good and valuable considerations, the receipt of which is hereby acknowledged, CONVEY and WARRANT to **KISHWAUKEE COMMUNITY HOSPITAL**, a not-for-profit corporation duly organized an existing under and by virtue of the laws of the State of Illinois and whose address is 626 Bethany Road, DeKalb, Illinois, the following described real estate, to wit:

A PART OF THE NORTHEAST 1/4 OF SECTION 12,* AND A PART OF LOT 2 IN SAID LOVE'S SUBDIVISION, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK "C" OF PLATS, PAGE 66, IN DEKALB COUNTY, ILLINOIS, DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHWEST CORNER OF LOT 1 IN SAID LOVE'S SUBDIVISION, THENCE NORTHERLY ALONG THE EXTENSION OF THE WEST LINE OF SAID LOT 1, A DISTANCE OF 75 FEET; THENCE EASTERLY PARALLEL WITH THE NORTH LINE OF SAID LOT 1 TO THE CENTER LINE OF STATE ROUTE 23; THENCE SOUTHWESTERLY ALONG THE CENTER LINE OF STATE ROUTE 23 TO THE EXTENSION EAST OF THE NORTH LINE OF SAID LOT 1; THENCE WEST ALONG THE EXTENDED NORTH LINE AND NORTH LINE OF LOT 1, A DISTANCE OF 354.6 FEET TO THE PLACE OF BEGINNING, IN DEKALB COUNTY, ILLINOIS.

* TOWNSHIP 40 N, RANGE 4 E of 3RD PM

P.I.N. 08-12-200-019 (includes other property)

situated in DeKalb County, Illinois, hereby releasing and waiving all rights under and by virtue of the Homestead Exemption Laws of the State of Illinois.

Dated this 24 day of April, 1997.

DuWayne M. Andresen

DuWayne M. Andresen

Max C. Heide

Max C. Heide

ATTACHMENT-2

STATE OF ILLINOIS)
) SS
COUNTY OF DEKALB)

I, the undersigned, a Notary Public, in and for said County and State aforesaid, DO HEREBY CERTIFY THAT **DuWayne M. Andresen and Max C. Heide** personally known to me to be the same persons whose names are subscribed to the foregoing instrument, as having executed the same, appeared before me this day in person and acknowledged that they signed, sealed and delivered the said instrument as their free and voluntary act for the uses and purposes therein set forth, including the release and waiver of the right of homestead.

Given under my hand and notarial seal this 24th day of April, 1997.

Gary W. Cordes
Notary Public

"OFFICIAL SEAL"
Gary W. Cordes
Notary Public, State of Illinois
My Commission Expires 04/04/00

DEKALB COUNTY - ILLINOIS TRANSFER STAMP
- or -
EXEMPT UNDER PROVISIONS OF PARAGRAPH "e"
SECTION 4, REAL ESTATE TRANSFER TAX ACT.

04/24/97 Gary W. Cordes
Date Buyer, Seller or Representative

Prepared By:

Gary W. Cordes
Boyle Cordes and Brown
363 E. Lincoln Highway, Suite B
DeKalb IL 60115

Property Address:

2729 Sycamore Road
DeKalb IL 60115

97004728

ATTACHMENT-2

SHARON L. HOLMES
RECORDER OF DEEDS OF DEKALB COUNTY
AFFIDAVIT - PLAT ACT

STATE OF ILLINOIS)
) SS
COUNTY OF DEKALB)

Max C. Heide, being duly sworn on oath, states that he resides at 114 Ridge Road, DeKalb, Illinois. That the attached deed is not in violation of 765 ILCS 205/1 for one of the following reasons:

1. The proposed conveyance does not involve the subdivision of land as the term "subdivision" is used in Section 1 of "an Act to revise the law in relation to plats" approved March 1874, as amended from time to time.

2. The sale or exchange is of an entire tract of land not being a part of a larger tract of land.

3. The division or subdivision of land is into parcels or tracts of 5 acres or more in size which does not involve any new streets or easements of access.

4. The division is of lots or blocks of less than 1 acre in a recorded subdivision which does not involve any new streets or easements of access.

5. The sale or exchange of parcels of land is between owners of adjoining and contiguous land.

6. The conveyance is of parcels of land or interests therein for use as a right-of-way for railroads or other public utility facilities which does not involve any new streets or easements of access.

7. The conveyance is of land owned by a railroad or other public utility which does not involve any new streets or easements of access.

8. The conveyance is of land for highway or other public purpose or grants of conveyances relating to the dedication of land for public use or instruments relating to the vacation of land impressed with a public use.

9. The conveyance is made to correct descriptions in prior conveyances.

10. The sale or exchange is of parcels or tracts of land following the division into no more than two parts of a particular parcel or tract of land existing on July 17, 1959, and not involving any new streets or easements of access.

11. The sale is of a single lot of less than 5 acres from a larger tract, the dimensions and configurations of said larger tract having been determined by the dimensions and configuration of said larger tract on October 1, 1973, and no sales, prior to this sale, of any lot or lots from said larger tract having taken place since October 1, 1973, and a survey of said single lot having been made by a registered land surveyor.

CIRCLE NUMBER ABOVE WHICH IS APPLICABLE TO ATTACHED DEED OR LEASE

Affiant further states that he makes this affidavit for the purpose of inducing The Recorder of Deeds of DeKalb County, Illinois to accept the attached for recording. In addition, where item 11 is above checked, affiant further states that all local requirements applicable to the subdivision of land are met, by the attached deed and the tract described therein.

"OFFICIAL SEAL"
Margot A. Ruehl
Notary Public, State of Illinois
My Commission Exp. 09/18/2000
Impress Notary Seal Here

Max C. Heide
(Buyer, Seller or Representative)

Subscribed & Sworn to before me this
3rd day of April, 1997.

Margot A. Ruehl
Notary Public

97004728

ATTACHMENT-2

4+10

0812100032
0812200035
0812200040
0812200003

12152
(3750)
15

This Indenture, Made this 21st day of June, A. D. 19 93, between

THE NATIONAL BANK & TRUST COMPANY OF SYCAMORE

a national banking association, of Sycamore, Illinois, as Trustee under the provisions of a deed or deeds in trust, duly recorded and delivered to said Bank in pursuance of a trust agreement dated the 1st day of March, 19 90, and known as Trust Number 40-349100, party of the first part, and KISHWAUKEE COMMUNITY HOSPITAL, an Illinois not-for-profit corporation of DeKalb, Illinois party of the second part.

WITNESSETH, that said party of the first part, in consideration of the sum of Ten and no/100 Dollars, ($10.00) and other good and valuable considerations in hand paid, does hereby grant, sell and convey unto said party of the second part,

the following described real estate, situated in DeKalb County, Illinois, to-wit:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

SUBJECT TO THE CONDITIONS, COVENANTS AND RESTRICTIONS SET FORTH IN EXHIBIT "B" ATTACHED HERETO AND MADE A PART HEREOF

DE KALB CO. NO. 010 001264
STATE OF ILLINOIS
REAL ESTATE TRANSFER TAX
P.B. 10771 JUN29'93 ★★★ DEPT. OF REVENUE 900.00
DeKalb County Transfer Tax 450.00

DE KALB CO. NO. 019 001265
STATE OF ILLINOIS
REAL ESTATE TRANSFER TAX
P.B. 10771 JUN29'93 ★★★ DEPT. OF REVENUE 600.00
DeKalb County Transfer Tax 300.00

FILED FOR RECORD
DEKALB COUNTY, IL.
93 JUN 29 PM 3:31
DEKALB COUNTY RECORDER

together with the tenements and appurtenances thereunto belonging.

TO HAVE AND TO HOLD the same unto said party of the second part and to the proper use, benefit and behoof of said party of the second part forever.

This deed is executed pursuant to and in the exercise of the power and authority granted to and vested in said trustee by the terms of said deed or deeds in trust delivered to said trustee in pursuance of the trust agreement above mentioned. This deed is made subject to the lien of every trust deed or mortgage (if any there be) of record in said county given to secure the payment of money and remaining unreleased at the date of the delivery hereof and to all unpaid taxes and special assessments, if any, and to any encumbrances and restrictions of record.

IN WITNESS WHEREOF, said party of the first part has caused its corporate seal to be hereto affixed, and has caused its name to be signed to these presents by its Vice-President and attested by its ~~Assistant~~ Secretary, the day and year first above written.

THE NATIONAL BANK & TRUST COMPANY OF SYCAMORE
as Trustee as aforesaid,

By John H. Boies Vice-President

ATTEST:

James M. Kirby
~~Assistant~~ Secretary

39

93008652

ATTACHMENT-2

STATE OF ILLINOIS, }
COUNTY OF DEKALB } ss:

I, Carol L. Luxton, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that John H. Boies Vice-President of THE NATIONAL BANK & TRUST COMPANY OF SYCAMORE, and James M. Kirby ~~Assistant~~ Secretary thereof, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Vice-President and ~~Assistant~~ Secretary respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act, and as the free and voluntary act of said Bank, for the uses and purposes therein set forth; and the said ~~Assistant~~ Secretary did also then and there acknowledge that he as custodian of the corporate seal of said Bank did affix the said corporate seal of said Bank to said instrument as his own free and voluntary act, and as the free and voluntary act of said Bank for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 21st day of June, A. D. 1993

Carol L. Luxton
NOTARY PUBLIC

OFFICIAL SEAL
CAROL L. LUXTON
NOTARY PUBLIC STATE OF ILLINOIS
MY COMMISSION EXP. OCT 22, 1994

PREPARED BY:
The National Bank & Trust Company
of Sycamore
230 West State Street
Sycamore, Illinois 60178

RETURN TO, MAIL TAXES TO & GRANTEE'S ADDRESS:
Kishwaukee Community Hospital
Route 23 & Bethany Road
DeKalb, Illinois 60115

Trustee's Deed

THE NATIONAL BANK & TRUST
COMPANY OF SYCAMORE
TRUSTEE
TO

THE NATIONAL BANK & TRUST
COMPANY OF SYCAMORE
230 West State Street
Sycamore, Illinois

93088652

ATTACHMENT-2

EXHIBIT A

LEGAL DESCRIPTION

PARCEL 1: THE EAST 63.0 FEET OF LOT 6, AS MEASURED ALONG THE NORTH AND SOUTH LINES THEREOF, AND THE WEST 37.0 FEET OF LOT 5, AS MEASURED ALONG THE NORTH AND SOUTH LINES THEREOF, ALL IN BLOCK 1 OF OAKLANDS, A SUBDIVISION OF PART OF SECTION 12, TOWNSHIP 40 NORTH, RANGE 4, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK "D" OF PLATS, PAGE 14, ON OCTOBER 20, 1906, SITUATED IN DEKALB COUNTY, ILLINOIS

0812200027
0812100032
0812200035
0812200040

PARCEL 2: THAT PART OF SECTION 12, TOWNSHIP 40 NORTH, RANGE 4, EAST OF THE THIRD PRINCIPAL MERIDIAN, DEKALB COUNTY, ILLINOIS, BOUNDED AND DESCRIBED AS FOLLOWS:: BEGINNING AT THE SOUTHWEST CORNER OF LOT 1 OF LOVE'S SUBDIVISION OF PARTS OF ASSESSOR'S LOTS 3 AND 34 OF SAID SECTION 12; THENCE WESTERLY 623.45 FEET (623.8 FEET DEED) ALONG THE NORTH LINE OF OAKLANDS, BEING A SUBDIVISION OF PART OF SECTION 12, TO A POINT 15 FEET EAST OF THE NORTHWEST CORNER OF LOT 6, BLOCK 1 OF OAKLANDS; THENCE NORTHERLY 276.85 FEET (277 FEET DEED) PARALLEL WITH THE WEST LINE OF SAID LOT 6; THENCE WESTERLY 67.62 FEET PARALLEL WITH THE NORTH LINE OF SAID LOT 6; THENCE NORTHERLY 1028.85 FEET PARALLEL WITH AND 259.92 FEET EAST OF THE CENTERLINE OF "LOVES LANE" (NOW ABANDONED); THENCE EASTERLY 201.69 FEET ALONG THE NORTH LINE OF LOT "F" OF THE F. D. LOVE ESTATE PARTITION PLAT; THENCE EASTERLY 1,250.72 FEET (1,251.05 FEET DEED) ALONG THE NORTH LINE OF LOTS "F" AND "E" OF SAID PLAT; THENCE SOUTHERLY 905.00 FEET ALONG THE CENTERLINE OF S. B. I. ROUTE 23; THENCE WESTERLY 390.96 FEET (391.1 FEET DEED) PARALLEL WITH THE NORTH LINE OF SAID LOT 1 OF LOVE'S SUBDIVISION; THENCE SOUTHERLY 300.00 FEET ALONG THE WEST LINE AND THE NORTHERLY EXTENSION OF THE WEST LINE OF SAID LOT 1, TO THE POINT OF BEGINNING.

JAB
JK

PARCEL 3: THE SOUTH 80 FEET OF THE EAST 565 FEET OF ASSESSOR'S LOT 5, SITUATED ON THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 12, TOWNSHIP 40 NORTH, RANGE 4, EAST OF THE THIRD PRINCIPAL MERIDIAN, EXCEPTING THEREFROM THAT PORTION THEREOF DEDICATED TO THE STATE OF ILLINOIS, FOR THE PURPOSE OF A PUBLIC HIGHWAY, SITUATED IN THE COUNTY OF DEKALB, IN THE STATE OF ILLINOIS.

ok
0812200003?

map at lots

93008652

ATTACHMENT-2

EXHIBIT B

Grantee, its successors and assigns, for a period of fifteen (15) years from the date of this Deed, shall not use the above-described real estate conveyed herein (the "Property"), or any portion thereof, for the operation of a freestanding ambulatory outpatient surgery center, or for a recovery care center (meaning a freestanding facility at which medical or surgical patients stay overnight, but not including a hospital) or for the retail sale of prescription eyeglasses. No signage pertaining to the foregoing restricted uses may be placed on the Property during such fifteen (15) year period. These restrictions shall attach to and run with the land and shall be binding on Grantee, its successors and assigns and shall apply not only to the first use of the Property but also to any subsequent use of the Property during the duration of these restrictions. Should Grantor, its successors and assigns enforce these restrictions by injunctive or other relief, Grantor shall be entitled to recover its costs, including attorneys fees from Grantee, its successors and assigns.

93008652

ATTACHMENT-2

F:\SUSAN_N\CLOSINGS\ROSS.AFF

AFFIANT further states that ___he makes this affidavit for the purpose of inducing the Recorder of Deeds of DeKalb County, Illinois to accept the attached deed for recording.

Affiant

SUBSCRIBED and SWORN to before me this 18th day of June, 19 93.

Notary Public

"OFFICIAL SEAL"
Sally Jane Bruch
Notary Public, State of Illinois
My Commission Expires 4/25/96

93008652

PLAT ACT AFFIDAVIT

STATE OF ILLINOIS)
) SS
COUNTY OF DEKALB)

Neil L. Ross, M.D., being duly sworn on oath, states that __he resides at 2240 Gateway Drive, Sycamore, Illinois 60178. That the attached deed is not in violation of Section 1 of Chapter 109 of the Illinois Revised Statutes for one of the following reasons:

1. The sale or exchange is of an entire tract of land not being a part of a larger tract of land.

2. The division or subdivision of land is into parcels or tracts of five (5) acres or more in size which does not involve any new streets or easements of access.

3. The division is of lots or blocks of less than one (1) acre in any recorded subdivision which does not involve any new streets or easements of access.

4. The sale or exchange of parcels of land is between owners of adjoining and contiguous land.

5. The conveyance is of parcels of land or interests therein for use as right --of-way for railroads or other public utility facilities, which does not involve any new streets or easements of access.

6. The conveyance of land owned by a railroad or other public utility which does not involve any new streets or easements of access.

7. The conveyance is of land for highway or other public purposes or grants or conveyances relating to the dedication of land for public use or instruments relating to the vacation of land impressed with a public use.

8. The conveyance is made to correct descriptions in prior conveyances.

9. The sale or exchange is of parcels or tracts of land following the division into no more than two (2) parts of a particular parcel or tract of land existing on July 17, 1959, and not involving any new streets or easements of access.

CIRCLE NUMBER ABOVE WHICH IS APPLICABLE TO ATTACHED DEED.

93008652

ATTACHMENT-2

4310

4317

Exempt under Real Estate Transfer Tax, Paragraph E Section 4. Dated 12/6/73

WARRANTY DEED

0812126003
0812202002
0812202009

Deed prepared by Racine and Racine
111 East Elm St., Sycamore, Ill.

The Grantor, DeKALB AgRESEARCH, INC., a corporation created and existing under and by virtue of the laws of the State of Delaware, for and in consideration of One Dollar ($1.00) in hand paid, and pursuant to authority given by the Board of Directors of said corporation, CONVEYS and WARRANTS unto KISHWAUKEE COMMUNITY HEALTH SERVICES CENTER, an Illinois not-for-profit corporation, the following described real estate, to-wit:

0812202002
NKA - Lot 6
Kishwaukee Health
Center Subdivision
by Plat Doc # 402302
Book R Page 58

Part of the Northwest Quarter of Section 12, Township 40 North, Range 4 East of the Third Principal Meridian, DeKalb County, Illinois, described as follows: Commencing at the Northwest corner of said Section 12; thence North 89° 14' East (which bearing is hereinafter used as a reference meridian for all other bearings in this description) along the North line of said Section 12, a distance of 1632.8 feet for the place of beginning; thence continuing North 89° 14' East, a distance of 843.2 feet; thence South 0° 46' East, a distance of 463.4 feet; thence North 89° 14' East, a distance of 470.0 feet; thence North 0° 46' West, a distance of 463.4 feet to the North line of said Section 12; thence North 89° 14' East along the North line of said Section 12, a distance of 983.4 feet to the center line of S.B.I. Route 23, as the same is now located over and across said Section 12; thence South 8° 43' 10" West along the center line of said S.B.I. Route 23, a distance of 992.07 feet; thence North 88° 18' 50" West along the Easterly extension of the North line of the South 80 feet of the East 565 feet of Lot 5 of Assessor's Division of said Section 12, a distance of 588.38 feet to the Northwest corner of the South 80 feet of the East 565 feet of said Lot 5; thence South 1° 06' 50" East along the West line of the South 80 feet of the East 565 feet of said Lot 5, a distance of 80.1 feet to the North line of Lot "E" as shown on the Partition Plat of F. D. Love Estate in Court Record "N", Page 377 in the DeKalb County Recorder's Office; thence North 88° 18' 50" West along the North line of said Lot "E" and the North line of Lot "F" as shown on the Partition Plat of said F. D. Love Estate, a distance of 676.45 feet to an angle point in the boundary line of said Lot "F"; thence South 79° 47' 10" West, a distance of 462.05 feet to the Northwest corner of said Lot "F"; thence North 12° 32' 50" West, a distance of 18.0 feet; thence North 22° 16' 55" West, a distance of 989.39 feet; thence North 19° 16' West, a distance of 150.0 feet to the place of beginning, situated in the County of DeKalb, in the State of Illinois,

hereby excepting and reserving unto the Grantor, all right, title and interest in and to any and all buildings and structures situated on the premises on the date hereof, which the Grantor, without expense to the Grantee, may, at Grantor's option, remove from the premises within one year from date hereof, and, if not so removed, such buildings and structures shall become the sole and exclusive property of the Grantee.

TO HAVE AND TO HOLD the said premises, unto the said KISHWAUKEE COMMUNITY HEALTH SERVICES CENTER, its Grantees, successors and assigns forever, upon the condition, nevertheless,

377381

ATTACHMENT-2

that within six years after the date of this instrument there is constructed on the above described property a hospital (the word "hospital" being defined for purposes of this instrument the same as it is defined in the Hospital Licensing Act of the State of Illinois) with facilities for acute surgical and medical care, not excluding facilities for related services in addition to such care; and, such restriction is hereby declared to be a condition subsequent upon the breach of which, continuing for thirty days after notice thereof shall have been recorded in the office of the Recorder of Deeds of DeKalb County, Illinois, title to the property as to which such breach exists shall revert to and be vested in the Grantor, to whom a right of re-entry is expressly reserved; provided, however, that no reversion of title shall affect the validity of any mortgage, trust deed or other encumbrance made or created in good faith to further the establishment of a hospital as aforesaid, and such restriction is hereby made subject and subordinate to any such mortgage, trust deed or other encumbrance and to any remedy thereon at law or in equity.

The Grantor warrants only that it has not done or suffered to be done anything whereby the premises hereby granted is, or may be, in any manner encumbered or charged; and that it will warrant and forever defend the premises against all persons lawfully claiming, or to claim the same, by, through or under it.

IN WITNESS WHEREOF, the Grantor has caused its corporate seal to be hereto affixed, and has caused its name to be signed to these presents by its Executive Vice Pres., and attested by its _____ Secretary, this 18th day of October, A.D. 1971.

DeKALB AgRESEARCH, INC.

(Corp. Seal)

By: C.C. Roberts
Its Executive Vice President

Attest:

M. E. Perritt
Its _____ Secretary

STATE OF ILLINOIS)
)
COUNTY OF DE KALB)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY, that C.C. Roberts, personally known to me to be the Executive Vice President of DE KALB AgRESEARCH, INC., a Delaware corporation, and M. E. Perritt, personally known to me to be the _____ Secretary of said corporation, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such Executive Vice President and _____ Secretary, they signed and delivered the said instrument as President and _____ Secretary of said

-2- 377381

ATTACHMENT-2

corporation, and caused the corporate seal of said corporation to be affixed thereto, pursuant to authority, given by the Board of Directors of said corporation as their free and voluntary act, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

Given under my hand and official seal this 18th day of October, 1971.

Leone R. Brown
Notary Public

-3-

377381

STATE OF ILLINOIS } SS
COUNTY OF DEKALB
FILED FOR RECORD

DEC 6 - 1973 - 2 .20 PM

Ralph Zimmer RECORDER OF DEEDS

Return -
BOYLE AND CORDES, ATTYS.
261 East Lincoln Highway
DeKalb, Illinois 60115

377381

ATTACHMENT-2

4317

QUIT CLAIM DEED

The Grantor, DeKALB AgRESEARCH, INC., a corporation created and existing under and by virtue of the laws of the State of Delaware, for and in consideration of One Dollar ($1.00) in hand paid, and pursuant to authority given by the Board of Directors of said corporation, CONVEYS and QUIT CLAIMS unto KISHWAUKEE COMMUNITY HEALTH SERVICES CENTER, an Illinois not-for-profit corporation, the following described real estate, to-wit:

Pt 0812126003

Part of the Northwest Quarter of Section 12, Township 40 North, Range 4 East of the Third Principal Meridian, DeKalb County, Illinois, described as follows: Commencing at the Northwest corner of said Section 12; thence North 89° 14' 00" East (which bearing is hereinafter used as a reference meridian for all other bearings in this description) along the North line of said Section 12, a distance of 2352.00 feet for the Place of Beginning; thence continuing North 89° 14' 00" East along the last described course, a distance of 124.00 feet; thence South 0° 46' 00" East, a distance of 241.33 feet; thence South 89° 14' 00" West parallel with the North line of said Section 12, a distance of 124.00 feet; thence North 0° 46' 00" West, a distance of 241.33 feet to the Place of Beginning;

Also, Part of the North Half of Section 12, Township 40 North, Range 4 East of the Third Principal Meridian, DeKalb County, Illinois, described as follows: Commencing at the Northwest corner of said Section 12; thence North 89° 14' 00" East (which bearing is hereinafter used as a reference meridian for all other bearings in this description) along the North line of said Section 12, a distance of 2476.00 feet; thence South 0° 46' 00" East, a distance of 241.33 feet for the Place of Beginning; thence continuing South 0° 46' 00" East along the last described course, a distance of 222.07 feet; thence North 89° 14' 00" East, a distance of 353.00 feet; thence South 0° 46' 00" East, a distance of 218.90 feet; thence South 51° 44' 00" West, a distance of 561.91 feet to the South line of the Hospital property; thence South 79° 47' 10" West along said South Hospital property line, a distance of 170.90 feet to a point that is 170.00 feet East of the Southwest corner of said Hospital property as measured along the South line thereof; thence North 11° 43' 45" West, a distance of 118.00 feet; thence North 65° 00' 22" West, a distance of 198.70 feet; thence North 22° 16' 55"

Exempt under provisions of Paragraph 3, Section 4, Real Estate Transfer Tax Act.

12/6/73 Date

Buyer, Seller or Representative

377380

ATTACHMENT-2

West, a distance of 150.00 feet; thence North 51° 44' 00" East, a distance of 264.42 feet; thence North 0° 46' 00" West, a distance of 308.36 feet to a point that is 241.33 feet South of the North line of said Section 12; thence North 89° 14' 00" East parallel with the North line of said Section 12, a distance of 308.00 feet to the Place of Beginning,

all situated in the County of DeKalb, in the State of Illinois.

IN WITNESS WHEREOF, the Grantor has caused its corporate seal to be hereto affixed, and has caused its name to be signed to these presents by its Executive Vice President, and attested by its _____ Secretary, this 6th day of December, A.D., 1973.

DeKALB AgRESEARCH, INC.

(Corp. Seal)

By: C. C. Roberts
Its Exec Vice President

Attest:

M. E. Grant
Its _____ Secretary

STATE OF ILLINOIS)
)
COUNTY OF DE KALB)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY, that

C. C. Roberts,

personally known to me to be the Exec. Vice-President of DE KALB AgRESEARCH, Inc., a Delaware corporation, and _____

M. E. Grant, personally

known to me to be the _____ Secretary of said corporation, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged

-2-

377380

ATTACHMENT-2

that as such Exec. Vice President and _____ Secretary, they signed and delivered the said instrument as Exec. Vice President and _____ Secretary of said corporation, and caused the corporate seal of said corporation to be affixed thereto, pursuant to authority, given by the Board of Directors of said corporation as their free and voluntary act, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

Given under my hand and official seal this 6th. day of December, 1973.

LESLIE A. HICKEY NOTARY PUBLIC DEKALB COUNTY, ILLINOIS

Leslie A. Hickey
Notary Public

This Deed prepared by:
RACINE AND RACINE
111 East Elm Street
Sycamore, Illinois 60178

Return —
[illegible] AND CORBES, ATTYS.
[illegible] East Lincoln Highway
DeKalb, Illinois 60115

377380

STATE OF ILLINOIS } SS
COUNTY OF DEKALB
FILED FOR RECORD
DEC 6 - 1973 - 2 20 PM
Ralph [illegible] RECORDER OF DEEDS

377380

ATTACHMENT-2

#4527

377379

STATE OF ILLINOIS } SS
COUNTY OF DEKALB
FILED FOR RECORD

DEC 6 - 1973 - 2 20 PM

R. COUNTY RECORDER OF DEEDS

#1

Exempt under Real Estate Transfer Tax Act. Paragraph E, Section 4. 12/5/73

John G. Boyle AGENT

TRUSTEE'S DEED

THIS INDENTURE, made this 5th day of December, 1973, between THE DE KALB BANK, an Illinois Banking Corporation, formerly De Kalb Trust and Savings Bank, as Trustee under the provisions of a deed or deeds in trust, duly recorded or registered and delivered to said Bank in pursuance of a trust agreement dated the 27th day of January, 1955, and known as Trust No. 238, party of the first part, and KISHWAUKEE COMMUNITY HEALTH SERVICES CENTER, an Illinois not-for-profit corporation, party of the second part.

0801300008
& Pt Now Dedicated Bethany Rd

WITNESSETH:

That said party of the first part, in consideration of the sum of ONE AND NO/100 ($1.00) DOLLAR, and other good and valuable considerations in hand paid, does hereby grant and convey unto said party of the second part, the following described real estate, situated in DeKalb County, Illinois, to-wit:

TRACT ONE:

Part of the Southwest Quarter of Section 1, Township 40 North, Range 4 East of the Third Principal Meridian, De Kalb County, Illinois, described as follows: Commencing at the Southwest corner of said Section 1; thence North 89° 14' 00" East (which bearing is hereinafter

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Pt & Bethany Rd

ATTACHMENT-2

used as a reference meridian for all other bearings in this description) along the South line of said Section 1, a distance of 2476.00 feet; thence North 0° 46' 00" West, a distance of 210.00 feet to the Southwest corner of Bethany Road as shown on the Plat of Henry's Subdivision as recorded in Book "Q" of Plats on Page 2 in the De Kalb County Recorder's Office for the Place of Beginning; thence South 89° 14' 00" West parallel with the South line of said Section 1, a distance of 124.00 feet; thence North 0° 46' 00" West, a distance of 80.00 feet; thence North 89° 14' 00" East parallel with the South line of said Section 1, a distance of 124.00 feet to the Northwest corner of Bethany Road as shown on said Plat of Henry's Subdivision; thence South 0° 46' 00" East, a distance of 80.00 feet to the Place of Beginning, containing in all, 0.228 acres, more or less.

TRACT TWO:

Part of the Southwest Quarter of Section 1, Township 40 North, Range 4 East of the Third Principal Meridian, De Kalb County, Illinois, described as follows: Commencing at the Southwest corner of said Section 1; thence North 89° 14' 00" East (which bearing is hereinafter used as a reference meridian for all other bearings in this description) along the South line of said Section 1, a distance of 2352.00 feet for the Place of Beginning; thence continuing North 89° 14' 00" East along the last described course, a distance of 124.00 feet; thence North 0° 46' 00" West, a distance of 210.00 feet to the Southwest corner of Bethany Road as shown on the Plat of Henry's Subdivision as recorded in Book "Q" of Plats on Page 2 in the De Kalb County Recorder's Office; thence South 89° 14' 00" West parallel with the South line of said Section 1, a distance of 124.00 feet; thence South 0° 46' 00" East, a distance of 210.00 feet to the Place of Beginning, containing in all, 0.598 acres, more or less.

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ATTACHMENT-2

TRACT THREE:

Part of the Southwest Quarter of Section 1, Township 40 North, Range 4, East of the Third Principal Meridian, De Kalb County, Illinois, described as follows: Commencing at the South west corner of said Section 1; thence North 89° 14' 00" East (which bearing is hereinafter used as a reference meridian for all other bearings in this description) along the South line of said Section 1, a distance of 2,352.00 feet; thence North 0° 46' 00" West, a distance of 210.00 feet to a point on the Westerly extension of the South line of Bethany Road as shown on the Plat of Henry's Subdivision as recorded in Book "Q" of Plats on Page 2 in the De Kalb County Recorder's Office for the Place of Beginning; thence continuing North 0° 46' 00" West, a distance of 80.00 feet; thence South 89° 14' 00" West parallel with the South line of said Section 1, a distance of 50.00 feet; thence South 0° 46' 00" East, a distance of 80.00 feet; thence North 89° 14' 00" East parallel with the South line of said Section 1, a distance of 50.00 feet to the Place of Beginning, containing in all, 0.092 acres, more or less.

TRACT FOUR:

Part of the Southwest Quarter of Section 1, Township 40 North, Range 4 East of the Third Principal Meridian, De Kalb County, Illinois, described as follows: Commencing at the South west corner of said Section 1; thence North 89° 14' 00" East (which bearing is hereinafter used as a reference meridian for all other bearings in this description) along the South line of said Section 1, a distance of 2302.00 feet for the Place of Beginning; thence continuing North 89° 14' 00" East along the last described course, a distance of 50.00 feet; thence North 0° 46' 00" West, a distance of 210.00 feet to a point on the Westerly extension of the South line of Bethany Road as shown on the Plat of Henry's Subdivision as

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ATTACHMENT-2

recorded in Book "Q" of Plats on Page 2 in the De Kalb County Recorder's Office; thence South 89° 14' 00" West parallel with the South line of said Section 1, a distance of 50.00 feet; thence South 0° 46' 00" East, a distance of 210.00 feet to the Place of Beginning, containing in all, 0.241 acres, more or less,

together with the tenements and appurtenances thereunto belonging, TO HAVE AND TO HOLD the same unto said party of the second part and to the proper use, benefit, and behoof forever of said party of the second part.

This deed is executed by the party of the first part, as Trustee, as aforesaid, pursuant to and in the exercise of the power and authority granted to and vested in it by the terms of said Deed or Deeds in Trust and the provisions of said Trust Agreement above mentioned, and of every other power and authority thereunto enabling, SUBJECT, HOWEVER, to: the liens of all trust deeds and/or mortgages upon said real estate, if any, of record in said county; all unpaid general taxes and special assessments and other liens and claims of any kind; pending litigation, if any, affecting the said real estate; building lines; building, liquor and other restrictions of record, if any; zoning and building laws and ordinances; mechanic's lien claims, if any; easements of record, if any; and rights and claims of parties in possession.

IN WITNESS WHEREOF, said party of the first part has

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ATTACHMENT-2

caused its corporate seal to be hereto affixed, and has caused its name to be signed to these presents by its President and attested by its Cashier, the day and year first above written.

THE DE KALB BANK, as Trustee
as aforesaid

By: James E. Forster
President

(Corporate Seal)

Attest:

Robert E. Holbrige
Cashier

STATE OF ILLINOIS)
) SS
COUNTY OF DE KALB)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, THAT JAMES E. FORSTER, President of THE DE KALB BANK and Robert E. Holbrige Cashier of said Bank, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such President and Cashier respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act, and as the free and voluntary act of said Bank, for the uses and purposes therein set forth; and the said Cashier did also then and there acknowledge that said Cashier, as custodian of the corporate seal of said Bank, did affix the said corporate seal of said Bank to said instrument as said Secretary's own free and voluntary act, and as the free and voluntary act of said Bank, for the uses and purposes therein set forth.

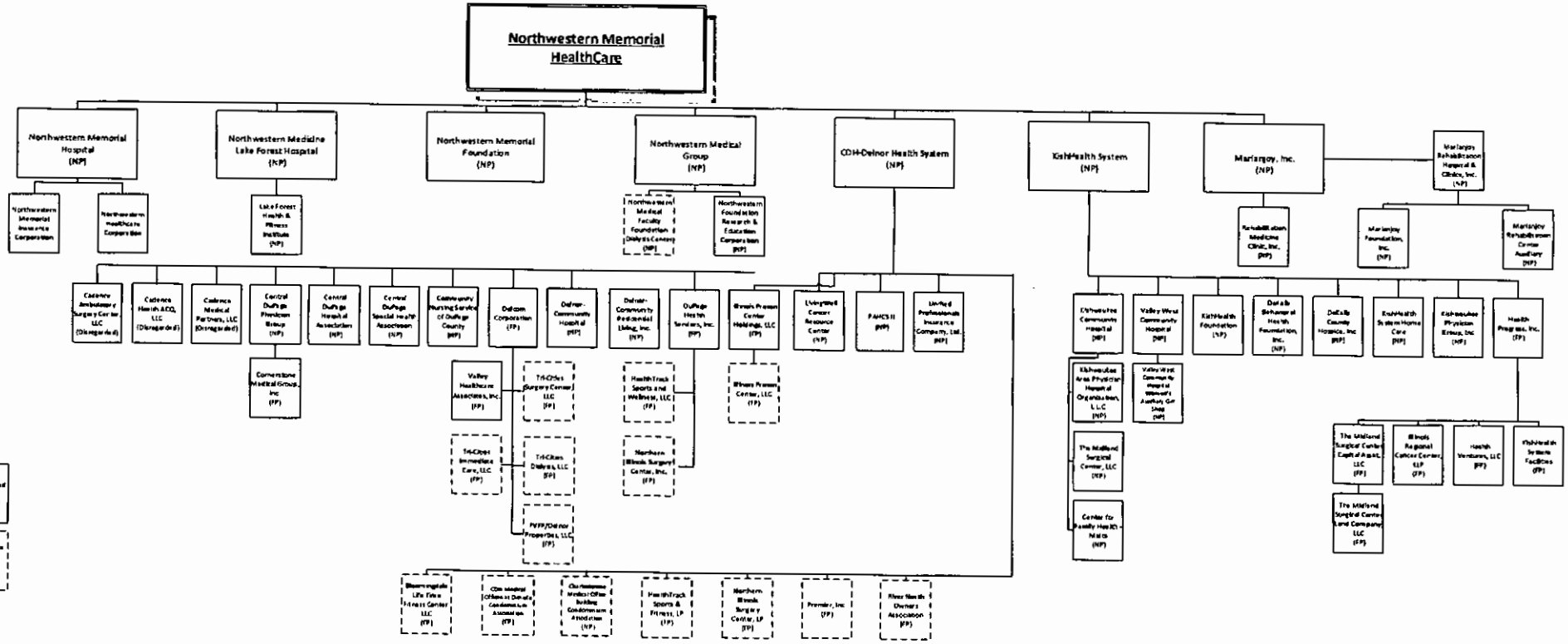
Given under my hand and Notarial Seal this 5th day of December, 1973.

Notary Public

Prepared by:
Boyle and Cordes
Drs. Smith Bldg.
DeKalb, Illinois 60115
815-756-6328
(Return to same.)

377379

ATTACHMENT-2



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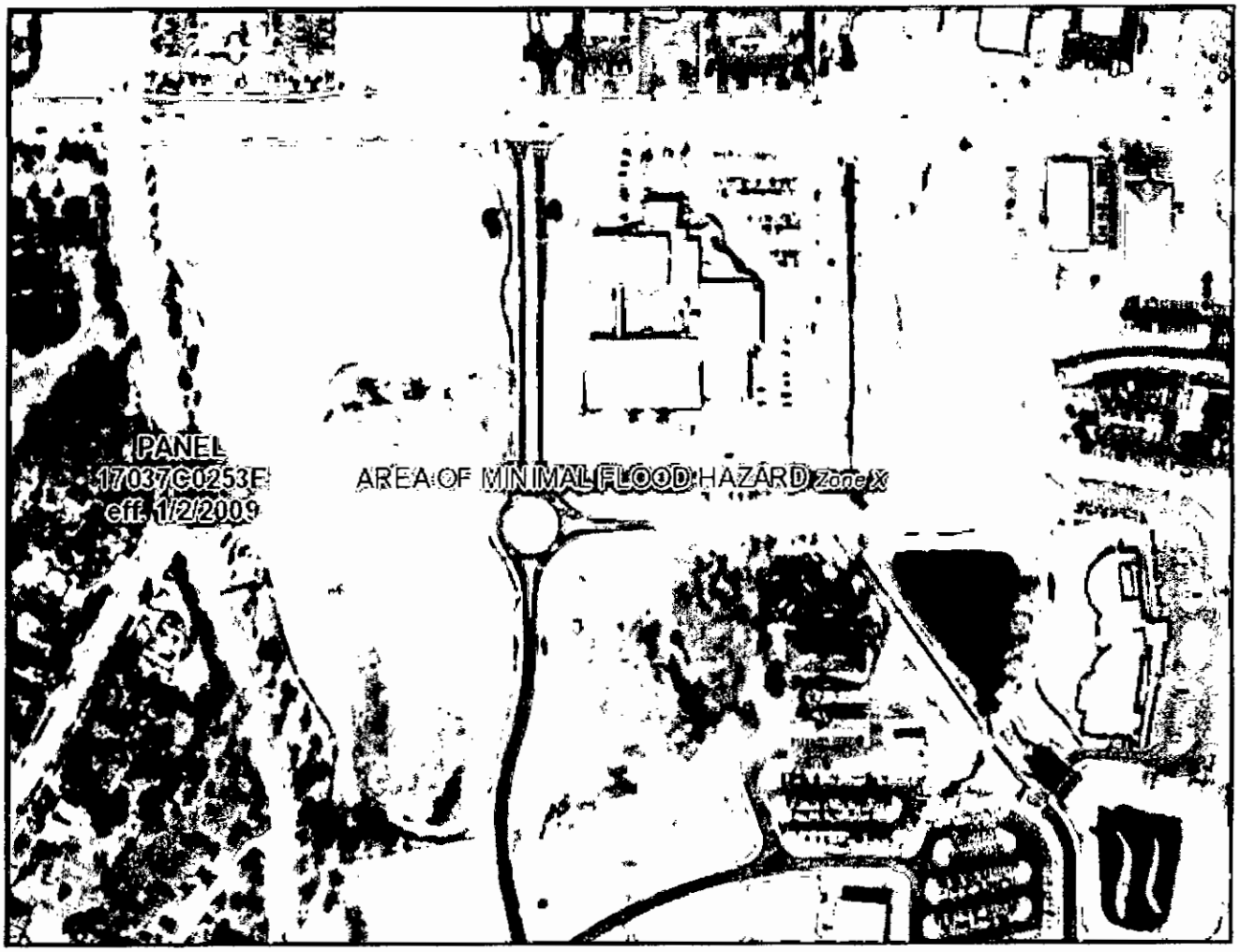
ATTACHMENT-4

Flood Plain Requirements

The location for the proposed Northwestern Medicine Kishwaukee Health and Fitness Center is 626 East Bethany Road, southeast of the Bethany Road and Greenwood Acres Drive intersection in Dekalb. As shown on the map on the following page, the project will not be located in a special flood hazard area and therefore complies with the requirements of Illinois Executive Order #2005-5.

FEMA's National Flood Hazard Layer (Official)

Data from Flood Insurance Rate Maps (FIRMs) where available digitally. New NFHL FIRMette Print app available: http://tinyurl.com/j4xwp5e



National Geospatial-Intelligence Agency (NGA); Delta State University; Esri | scott.mcafee@fema.dhs.gov

ATTACHMENT-5

Historic Resources Preservation Act Requirements

The location for the proposed Northwestern Medicine Kishwaukee Health and Fitness Center is 626 Bethany Road, DeKalb which is currently a vacant field southeast of the Bethany Road and Greenwood Acres Drive intersection. The attached letter from the Illinois Historic Preservation Agency indicates that the project area is not considered a historic, architectural or archaeological site.

Illinois Historic Preservation Agency

1 Old State Capitol Plaza, Springfield, IL 62701-1512

FAX 217/524-7525
www.illinoishistory.gov

DeKalb County
Dekalb
SE of Bethany Road & Greenwood Acres Drive
IHFSRB
New construction, Northwestern Medicine's Kish Health & Wellness Center

PLEASE REFER TO: IHPA LOG #002101216

October 20, 2016

Bridget Orth
Northwestern Memorial HealthCare
251 E. Huron St.
Chicago, IL 60611-2908

Dear Ms. Orth:

The Illinois Historic Preservation Agency is required by the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420, as amended, 17 IAC 4180) to review all state funded, permitted or licensed undertakings for their effect on cultural resources. Pursuant to this, we have received information regarding the referenced project for our comment.

Our staff has reviewed the specifications under the state law and assessed the impact of the project as submitted by your office. We have determined, based on the available information, that no significant historic, architectural or archaeological resources are located within the proposed project area.

According to the information you have provided concerning your proposed project, apparently there is no federal involvement in your project. However, please note that the state law is less restrictive than the federal cultural resource laws concerning archaeology. If your project will use federal loans or grants, need federal agency permits, use federal property, or involve assistance from a federal agency, then your project must be reviewed under the National Historic Preservation Act of 1966, as amended. Please notify us immediately if such is the case.

This clearance remains in effect for two (2) years from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the IL Human Skeletal Remains Protection Act (20 ILCS 3440).

Please retain this letter in your files as evidence of compliance with the Illinois State Agency Historic Resources Preservation Act.

Sincerely,

Rachel Leibowitz, Ph.D.
Deputy State Historic
Preservation Officer

For TTY communication, dial 888-440-9009. It is not a voice or fax line.

ATTACHMENT-6

Project Costs and Sources of Funds

All of the project costs for this project are for non-reviewable components of the project and therefore cost standards detailed in 77 IAC §1120.APPENDIX A do not apply to this project.

Itemization of each line item:

Line 3 – Site Preparation – ($1,178,000) – this includes:

- Excavation and backfill

Line 5 – New Construction Contracts – ($35,522,000) – this includes:

- All construction contracts/costs to complete the project (excluding those costs that are considered an expense of operation such as demolition). Includes Group I fixed equipment and contractor's markups, overhead, and profit. Costs are escalated to the mid-point of construction (FY17).

Line 7 – Contingencies - ($3,183,511) – this includes:

- Allowance for unforeseen new construction costs or changes

Line 8 – Architectural / Engineering Fees – ($2,520,359) – this includes:

- Schematic Design:
  - Develop diagrammatic plans and documentation to describe the size and character of the space in a way that meets all programmatic and functional objectives
- Design Development
  - Develop detailed drawings and documentation to describe the size and character of the space. Includes room layouts, structural, mechanical, electrical, and plumbing.
  - The equipment and furniture consultants will prepare room-by-room FF&E requirements lists. The requirements lists identify room name, item description, product specification, and total quantity required. The product specifications include installation requirements that will be provided to the architect/engineer to ensure that spaces and building systems are planned to appropriately accommodate the equipment.
- Construction Documents:
  - Provide proposed Reconciled Statement of Probable Construction Cost
  - Provide drawings and specifications
  - Prepare documentation for alternate bids
  - Assist in filing Construction Documents for approval by City and State agencies
  - Signage and Way Finding expertise
- Bidding and Negotiation Phase Services:
  - Revise Construction Documents as necessary in accordance with Reconciled Statement of Probable Construction Cost

Line 9 – Consulting and Other Fees – ($75,000) – this includes:

- Charges for the services of various types of consulting and professional experts including:
  - Testing and Inspection
  - Commissioning Consultant
  - Legal and Accounting Services
  - Architectural Consulting and Model Development

- Art Consultants
- Universal Code Searches
- Development Manager Fees
- Building Information Modeling ("BIM") Services
- Permit Expeditors
- Pre-Construction Services
- Third Party Cost Estimating
- Traffic Consultant
- Equipment Planning Consultant
- Telecommunications Consultant
- Code Consultant
- Activation/Transition Planning Consultant
- Functional Programming Consultant
- Vibration Consultant
- Materials Management Consultant
- Retail Consultant
- Exterior Wall Consultant

Specific budgets by consultant type have not been set at this stage.

Line 10 – Movable Capital Equipment – ($2,738,800) – this includes:

At this stage, the itemized list of equipment to be purchased is not complete. The aggregate equipment budget, however, is considered appropriate, as it is based on input from consultants and NMHC personnel with experience on previous system projects.

The equipment consultant, and other furnishings consultants such as the art consultant and signage consultant, will be retained to provide specific expertise during equipment and furnishing procurement and specification, and to assist the hospital in ensuring effective use of available funding. The cost of these consultants is included in Line 9 – Consulting and Other Fees. Equipment and furnishing planning will be closely coordinated with architectural design. Furniture procurement will be managed by the hospital with support from outside consultants.

Total acquisition costs will be evaluated during market assessment and contract award, including purchase, installation, training, and maintenance. The approval process during contract award will be consistent with existing hospital financial procedures.

Consultant services related herein may include: development of bid and contract documents, preparation of requests for proposal, analysis of bids and contract award, placement of purchase orders, delivery scheduling, expediting, warehousing, receiving, acceptance, and approval for payment.

Product standards will facilitate detailed equipment planning and appropriate building design, maximize the effectiveness of competitive bidding, and minimize costs for training and long-term maintenance.

A major assumption within the cost estimate is that current prices have been escalated to 2017 prices.

Line 14 – Other Costs To Be Capitalized – ($1,175,100) – this includes:

- In-House Staff (Contracted Project Managers)
- Permits and Fees
- Printing Costs
- Project Web-Cam
- Landscaping Features such as meditation garden, healing grove, jogging path, water feature area, etc.

Project Status and Completion Schedules

Stage of the project's architectural drawings: Construction Documents/Drawings

Anticipated project construction start date: April, 2017

Anticipated midpoint of construction date: November, 2017

Anticipated project construction substantial completion date: July, 2018

Anticipated project completion date: March, 2019

Project obligation is contingent upon permit issuance. NM Kishwaukee Hospital plans to sign the contract with the general construction contractor in March, 2017 that will be subject to CON approval. This contract will obligate the project. A sample of the contract is included in this section.

SCHEDULE 1

AGREEMENT BETWEEN
NORTHWESTERN MEMORIAL HEALTHCARE AND CONTRACTOR

(Cost of the Work Plus a Fee with a Guaranteed Maximum Price)

The Project is:	**NORTHWESTERN MEDICINE KISHWAUKEE HEALTH AND FITNESS CENTER ("THE PROJECT")**
The Architect is:	**PLUNKETT RAYSICH ARCHITECTS LLP** **A WISCONSIN LIMITED LIABILITY PARTNERSHIP** **209 S. WATER STREET** **MILWUAKEE, WISCONSIN 53204**

1. The date of commencement of the Work is _____. The parties acknowledge that, prior to the execution of this Agreement, the Contractor and NMHC may have performed certain of the obligations included within the scope of this Agreement, including the payment of certain sums of money by NMHC to the Contractor. Notwithstanding such performance, it is the intention of the parties that such obligations be included in and governed by the terms of this Agreement.

2. The Scheduled Substantial Completion Date of the Work is _____, subject to adjustments in the Contract Time as provided in the Contract Documents.

3. The Scheduled Final Completion Date of the Work is _____, subject to adjustments in the Contract Time as provided in the Contract Documents.

4. The initial Contract Time is measured from the date of commencement of the Work to the Scheduled Substantial Completion Date and is _____calendar days, subject to adjustments as provided in the Contract Documents.

5. The Milestone Dates are as follows:

6. The Contractor's Fee is _____percent (_____%) of the Cost of the Work as provided for in the Agreement.

7. If NMHC elects to terminate the Contractor's performance of this Agreement prior to construction, then the amount to be paid to the Contractor shall not exceed _____($_____).

8. The Guaranteed Maximum Price for the Work is _____ Dollars ($_____).

9. (a) The General Conditions Sum (check applicable box):

   ☐ shall not exceed _____Dollars ($_____).

   ☐ is a stipulated sum of _____Dollars ($_____), notwithstanding anything to the contrary in the Contract Documents.

   (b) The General Conditions Sum is itemized as follows:

10. The Contractor shall perform all design Work, in addition to construction Work for the following:

11. The Alternates:

(a) accepted by NMHC as of the date of the Agreement are as follows:

(b) which have <u>not</u> yet been accepted by NMHC as of the date of the Agreement are as follows:

12. Unit Prices are as follows:

13. The Allowances, if any, are as follows:

14. A list of the Addenda is as follows:

15. A list of the Drawings with revision dates is as follows:

16. A list of the Specification sections with revision dates is as follows:

17. Contractor's supervisory or administrative personnel stationed at the site or at Contractor's offices working on the Project whose costs are reimbursable as a "Cost of the Work" are as follows:

18. The name of NMHC's Representative, address and other information with respect thereto is as follows:

19. The name of the Contractor's Representative, address and all other information with respect is thereto as follows:

20. The Contractor's key personnel, addresses and other information with respect thereto are as follows:

21. This Schedule 1 and the following Exhibits form part of the Contract Documents:

Bid Breakdown	Exhibit A
Qualifications and Assumptions	Exhibit B
Construction Schedule	Exhibit C
Insurance Schedule and Certificate	Exhibit D
Labor Burden Exhibit for Contractors	Exhibit E
BIM Guidelines and Standards	Exhibit F
General Conditions to Agreement	Exhibit G
Construction Document Management Procedure	Exhibit H
Reserved	Exhibit I
Construction Pay Application Process	Exhibit J
Project Risk Mitigation Management	Exhibit K
NMHC Safety Standards/Requirements	Exhibit L
Project Closeout Checklist	Exhibit M
Project Closeout Matrix	Exhibit N
NMHC Travel and Reimbursement Guidelines	Exhibit O

22. The Supplementary and other Conditions that form a part of the Agreement are as follows:

NMHC and Contractor acknowledge and agree that this Agreement is subject to Certificate of Need and other regulatory approvals.

Cost Space Requirements

Department	Cost	Departmental Gross Square Feet: Existing DGSF	Departmental Gross Square Feet: Proposed DGSF	Building Gross Square Feet: Floor Gross Factor	Building Gross Square Feet: Proposed BGSF	Amount of Proposed Total Building Gross Square Feet That Is: New Const.	Modern-ized	As Is	Vacated Space
CLINICAL									
Clinical Subtotal =	$ -	*	0		0	0			
NON-CLINICAL									
Fitness Center	$ 26,822,000		60,917	1.1901	72,500	72,500			
Physician Office Space	$ 3,700,000	*	16,133	1.1901	19,200	19,200			
Conference Rooms/Auditorium	$ 1,150,000	*	3,361	1.1901	4,000	4,000			
Lobby	$ 1,200,000	*	3,781	1.1901	4,500	4,500			
Administrative Space	$ 1,450,000	*	6,050	1.1901	7,200	7,200			
MEP Systems	$ 1,200,000	*	3,113	1.1901	3,705	3,705			
Non-Clinical Subtotal =	**$ 35,522,000**		**93,355**		**111,105**	**111,105**			
TOTAL =	**$ 35,522,000**		**93,355**		**111,105**	**111,105**			
OTHER									
Preplanning Costs									
Site Survey & Soil Investigation Fees									
Site Preparation	$ 1,178,000								
Off-Site Work									
Contingencies	$ 3,183,511								
A/E Fees	$ 2,520,359								
Consulting & Other Fees	$ 75,000								
Movable or other Equipment	$ 2,738,800								
Bond Issuance Expense									
Net Interest Expense During Construction									
Other Costs To Be Capitalized	$ 1,175,100								
Other Subtotal =	**$ 10,870,770**								
GRAND TOTAL =	**$ 46,392,770**								

* The proposed project is new construction and therefore does not have any existing departments.

ATTACHMENT-9

BACKGROUND OF APPLICANT

Northwestern Medicine Kishwaukee Hospital's licensing, certification and accreditation identification information:

IDPH License, Permit, Certification, Registration I.D. Number: 0005470

Medicare Provider Number: 140286

Medicaid Provider Number: 237087041001

The Joint Commission Organization I.D. Number: 7325

Northwestern Memorial HealthCare is the parent corporation of Northwestern Medicine Kishwaukee Hospital.

Northwestern Medicine®
Northwestern Memorial HealthCare

251 East Huron Street
Chicago, Illinois 60611-2908
312.926.2000
northwesternmedicine.org

December 19, 2014

Ms. Kathryn J. Olson
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street – Second Floor
Springfield, Illinois 62751

Dear Ms. Olson:

As President and Chief Executive Officer of Northwestern Memorial HealthCare, I hereby certify that no adverse action has been taken against Northwestern Memorial Hospital, directly or indirectly, within three years prior to the filing of this application. For the purpose of this letter, the term "adverse action" has the meaning given to it in the Illinois Administrative Code, Title 77, Section 1130.

I hereby authorize HFPB and IDPH to access any documentation which it finds necessary to verify any information submitted, including, but not limited to: official records of IDPH or other State agencies and the records of nationally recognized accreditation organizations.

If you have questions or need additional information, please contact Bridget Orth at (312) 926-8650.

Sincerely,

Dean M. Harrison
President and Chief Executive Officer
Northwestern Memorial HealthCare

ATTACHMENT-11

PURPOSE OF PROJECT

1. The purpose of this project is to address some of the most pressing issues facing healthcare today. As healthcare reform increases pressures on providers to control costs and shift the traditional model of providing expensive "rescue care" to less costly "health care," hospitals are shifting their focus instead to engaging consumers before they are acutely ill and when preventative methods can be used to provide care before the patient is admitted into a hospital or emergency department. The proposed project will serve patients, Kish employees, and community members and will improve the healthcare of residents of DeKalb County (the Planning Area), and the region by enhancing access to preventative health, wellness, and fitness programming.

2. The market area for the project is DeKalb County, which is also Kish's planning area. As stated in Kishwaukee Hospital's 2015 Community Health Needs Assessment (CHNA), Kishwaukee Hospital serves the largest portion of DeKalb County residents. In FY16, 83% of Kish's patients originated from DeKalb County.

3. Cardiovascular disease is the leading cause of death in the U.S. for both men and women among all racial and ethnic groups and is also the leading cause of death among DeKalb County residents (Centers for Disease Control and Prevention, 2012). Cardiovascular disease is the most widespread and costly health problem, although heart disease and stroke are often preventable. High cholesterol is one of the major risk factors leading to heart disease, heart attack, and stroke and uncontrolled high blood pressure can injure or kill. Over one-fourth of DeKalb County residents have high cholesterol (25.9%) or high blood pressure (27.3%) and almost two-thirds (64.4%) are overweight or obese based on body mass index (BMI). The percentage of obese individuals has risen substantially since 2001, when the percentage was around 18.8%. Being overweight or obesity increases risk for high cholesterol, high blood pressure, insulin resistance, and is a precursor of type 2 diabetes – all factors that heighten risk for cardiovascular disease.

4. Sources of information include:
    - Hospital Records
    - Kishwaukee Hospital 2015 Community Health Needs Assessment
    - Centers for Disease Control and Prevention

5. The proposed health and fitness center will focus on wellness and prevention, with special emphasis on the most preventable health conditions and lifestyle behaviors impacting the health of individuals and the community. Better prevention and management of high cholesterol, high blood pressure, and/or diabetes helps to lower the risk for heart disease. Programs and services, including but not limited to, recreation and fitness and educational programing will address the needs of the community.

6. The goal of the proposed project is to provide access to preventative methods of healthcare and to improve the overall health of DeKalb County. The focus of the programs offered will be to not only help improve an individual's overall health status, but to also help reduce the need for traditional "sick care" services, decrease admissions and readmissions to the hospital for chronic illnesses, and improve the health of the communities served by Kish, including Kish employees. The proposed health and fitness center will provide a tangible destination for the community to improve or maintain their health.

ALTERNATIVES

The proposed project addresses the need for a comprehensive approach to wellness and prevention on the Kish campus. Historically, the delivery of wellness services (i.e. health promotion, lifestyle management and fitness) has been fragmented. In general, providers have focused on only select aspects of wellness/prevention services and have not created integrated, individualized, more comprehensive services focused on improving long-term health. Hospitals and healthcare organization are uniquely positioned to educate and encourage individuals on the benefits of regular exercise to live a healthier lifestyle.

The proposed fitness center will position NM Kishwaukee Hospital to meet the challenges of providing healthcare in the future. As healthcare reform continues to evolve, maintaining the health of discharged patients will continue to be a risk to hospitals. The proposed health and fitness center is designed to be a mechanism for engaging the community population before requiring rescue care.

The following alternatives were considered for the project:

1. Construct a fitness center without physician offices
2. Purchase and convert an existing fitness center into a medically affiliated fitness center
3. Do nothing

Alternative 1: Construct a Fitness Center without Physician Office Space

Even preventative health can be confusing and the definition can vary. Often consumers only have a partial understanding of diseases or preventative testing and what it means. The act of taking a Health Risk Assessment or having Biometrics measured can be taken as a substitute for actually performing a health act. The screening itself may show life-threatening markers but the extent to which it is acted upon is typically borne exclusively by the patient.

The distinction of a medically affiliated fitness center is that it incorporates active and regular medical oversight. Decisions, including individual exercise plans, are reviewed by a qualified medical professional. One of the goals of the proposed project is to offer care in a safe, holistic environment where consumers feels comfortable sharing their health history and have medical resources available to address questions and provide follow-up. To best accomplish this goal, physicians must share space with the fitness center and wellness programs.

While building the project without the physician office space would reduce the project cost by approximately $4 million, it does not meet the need for an integrated wellness platform.

This alternative was rejected because it does not meet the program need for integrated wellness services at Kish.

Alternative 2: Purchase and Convert an Existing Fitness Center into a Medically Affiliated Fitness Center

Kish's primary service area has a small number of fitness centers of varying sizes and program scopes. However, there are currently no medially affiliated fitness centers in the area. Additionally, there are no existing fitness centers that are large enough to accommodate the proposed scope of the project or that have important program elements, such as the exercise and therapy pool, and physician office space.

This alternative was rejected because it does not meet the program need for the fitness and wellness center. Cost estimates were not developed for this option since it is not realistic for the project.

Alternative 3: Do Nothing

The benefits of regular exercise, the fragmented fitness industry, and existing Kish Wellness programs all support the tremendous value of constructing a medically affiliated fitness center.

Because a medically affiliated fitness center incorporates medically-trained personnel into the staff, a safe environment is created for people with mobility challenges or those who have not typically exercised. Studies show that 40-60% of members of medically-based fitness centers have never been a member of another fitness center. Some reasons include being uncomfortable about personal health, having unique health situations and fitness program needs, the perception that fitness centers are for the young and fit, etc.

If the proposed project is not approved, the need for a medically affiliated fitness center would not be met for the community.

This alternative was rejected because it does not meet the need/demand for wellness services in DeKalb.

SIZE OF PROJECT

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive.

The size of the proposed project was driven by the amount of space needed to accommodate a successful medically integrated health and wellness center. Additional space in the building is provided for physician office space, conference rooms/auditorium and other support functions such as loading docks and building systems.

There are no State Guidelines for any components of this project. In determining their sizes, NMHC's planning team members, architects and consultants utilized existing functional standards and incorporated experience from other developments during the past two decades.

Health and Fitness Center Stacking Diagram

Floor One	Fitness Area, Lobby, Auditorium, Physician Office Space
Lower Level	Conference Rooms, Receiving, Fitness Center Childcare, Locker Rooms, Gymnasium, Pools

Clinical Components of the Project

There are NO clinical components of this project.

Non-Clinical Components of the Project

The following non-clinical programs are included in the proposed project:

Fitness Area Including Gymnasium & Pools
The fitness components of the proposed project are provided to help bridge the gap between health care and fitness by introducing post-therapeutic programs for individuals transitioning into daily activities and exercise. The spaces include an indoor walk/jog track, a gymnasium, group cycling room, stretching and abdominal exercise spaces, free weights, circuit weights, mind/body exercise and a group exercise studio. There will also be a fully accessible exercise pool, warm water therapy pool and hydrotherapy pools. A childcare area is provided to supervise children while their parents are exercising. Locker rooms and other accessory spaces support these fitness components.

The Fitness Area of the proposed project totals 60,917 DGSF

Physician Office Space
Physician office space will be provided to support diabetes education, community wellness and transitional care. A mix of exam rooms, consult rooms and work rooms promotes positive staff interaction, individualized attention, and continued correspondence to and from the referring source to make the programs a success.

The Physician Office Space area of the proposed project total 16,133 DGSF.

Conference Rooms / Auditorium

Flexible conference rooms and an auditorium are required to support the wellness programs as well as the physician office space. Appropriate space for presentations to various size groups are accommodated in the various rooms and configurations, including lecturing and teleconferencing facilities as required.

The Conference rooms / Auditorium spaces of the proposed project total 3,361 DGSF.

Lobby

There will be lobby on the first floor of the building. It will include a small retail space for food, coffee, and conveniences.

The Lobby of the proposed project totals 3,781 DGSF.

Administrative Space

The Administrative spaces in the proposed project include:

- Staff offices/Staff Support – there will be a break room, lockers and open office for staff and managers.
- Materials Management/Loading Dock – the loading dock and main materials management space will be located on the lower level. There will be a single garage door accessible from a ramp up to the parking lot.
- Environmental Services – EVS closets will have a mop sink and cleaning supplies.
- Storage – there will be small storage areas on each of the floors for building storage.

The Administrative Space areas of the proposed project total 6,050 DGSF.

Mechanical/Electric/Plumbing (MEP) Systems

The major air handling equipment will be located on the roof. There will be spaces included for water equipment, pool equipment, boilers, electrical rooms & communication rooms.

The MEP spaces of the proposed project total 3,113 DGSF.

X. 1120.140 – Economic Feasibility

A. Reasonableness of Financing Arrangements

Not Applicable – see bond rating documents.

B. Conditions of Debt Financing

Not Applicable – the proposed project will be funding by cash and securities.

C. Reasonableness of Project and Related Costs

COST AND GROSS SQUARE FEET BY DEPARTMENT									
Department	A	B	C	D	E	F	G	H	
	Cost/Square Foot		DGSF		BGSF		Const. $	Mod. $	Total Cost
	New	Mod.	New	Circ.*	New	Circ.*	(A x C)	(B x E)	(G + H)
CLINICAL									
Clinical Subtotal =	$ -		0		0		$ -		$ -
NON-CLINICAL									
Fitness Center	$369.96		60,917		72,500	16.0%	$26,822,000		$26,822,000
Physician Office Space	$192.71		16,133		19,200	16.0%	$ 3,700,000		$ 3,700,000
Conference Rooms/Auditorium	$287.50		3,361		4,000	16.0%	$ 1,150,000		$ 1,150,000
Lobby	$266.67		3,781		4,500	16.0%	$ 1,200,000		$ 1,200,000
Administrative Space	$201.39		6,050		7,200	16.0%	$ 1,450,000		$ 1,450,000
MEP Systems	$323.89		3,113		3,705	16.0%	$ 1,200,000		$ 1,200,000
Non-Clinical Subtotal =	$319.72		93,355		111,105	16.0%	$35,522,000		$35,522,000
GRAND TOTALS =	$319.72		93,355		111,105	16.0%	$35,522,000	$ -	$35,522,000

D. Projected Operating Costs

Not Applicable – the proposed project does not include any hospital-provided clinical services.

E. Total Effect of the Project on Capital Costs

Not Applicable – the proposed project does not include any hospital-provided clinical services.

XII. Charity Care Information

Charity Care

KISH CHARITY CARE			
	FY13	FY14	FY15
Net Patient Revenue	$ 177,904,226	$ 167,859,353	$ 173,345,496
Amount of Charity Care (charges)	$ 14,930,269	$ 16,279,144	$ 12,368,641
Cost of Charity Care	$ 4,614,102	$ 4,757,921	$ 3,352,545

To help meet the needs of our community during FY15, Northwestern Medicine Kishwaukee Hospital contributed $52.2 million in community benefits including charity care, other unreimbursed care, research, education, language assistance, donations and other community benefits.

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Northwestern Memorial HealthCare, Illinois; Hospital

Credit Profile		
Illinois Fin Auth, Illinois		
CDH/Delnor Hlth Sys d/b/a Cadence Hlth & Affiliates, Illinois		
Series 2009		
Long Term Rating	AA+/Stable	Upgraded
Illinois Fin Auth, Illinois		
Northwestern Mem HlthCare, Illinois		
Series 2009 A&B. 2013		
Long Term Rating	AA+/Stable	Affirmed
Illinois Hlth Fac Auth, Illinois		
Delnor Comnty Hosp, Illinois		
Illinois Hlth Fac Auth (Delnor Community Hospital)		
Unenhanced Rating	AA+(SPUR)/Stable	Upgraded

Rationale

Standard & Poor's Ratings Services affirmed its 'AA+' long-term rating on the Illinois Finance Authority's series 2013, 2009A, and 2009B bonds, and its 'AA+/A-1+' dual rating on the authority's series 2002C, 2007A-2, 2007A-4, 2008A-1, 2008A-2, 2007A-1, and 2007A-3 bonds. All bonds were issued on behalf of Northwestern Memorial HealthCare (NMHC). The outlook is stable.

At the same time, Standard & Poor's raised to 'AA+' from 'AA' its long-term rating on the authority's series 2009 and 2009B fixed-rate revenue bonds issued for Central DuPage Hospital Assn. (CDH) and its underlying rating (SPUR) on the authority's series 2002 and 2003 hospital fixed-rate revenue bonds issued for Delnor Community Hospital (Delnor). CDH and Delnor together previously operated as CDH-Delnor Health System, doing business as Cadence Health. The ratings were raised because Cadence became a part of the obligated group NMHC, the parent of Northwestern Memorial Hospital. The outlook is stable.

The ratings reflect our view of NMHC's strong operations for the first nine months of fiscal 2015. As a system, NMHC has smoothly transitioned Cadence Health into the operations and is outperforming its budget for fiscal 2015. NMHC reports that the system has moved into the mode of activating the system from the integration phase. Although more actions must be completed over the near term, NMHC is poised to continue to perform at a high level into the near future. With the smooth integration of Cadence, management has maintained financial flexibility so that NMHC is able to assess the future acquisition of other organizations in the greater Chicagoland area. With this in mind, NMHC recently signed a definitive agreement with KishHealth System, located in DeKalb, Ill. The affiliation, if finalized, will bring NMHC to a total of six hospitals and more than 90 locations covering eight counties. Finally, NMHC's

management team maintained its solid balance sheet even amid continued investments in capital, and this helps NMHC remain a relevant provider in the very competitive Chicagoland market.

The 'AA+' rating further reflect our view of NMHC's:

- Strong liquidity, with approximately 470 days' cash on hand as of May 31, 2015;
- Good maximum annual debt service (MADS) coverage of 8.8x as a result of the solid operations noted above and solid investment income for the first nine months of fiscal 2015;
- Outstanding governance and management, including the numerous benefits realized through affiliations with all Northwestern University-related entities, including the Feinberg School of Medicine; and
- Growing business position through its acquisition strategy.

Partly offsetting the above strengths, in our view, are NMHC's:

- Capital plans that include a replacement of the NLFH campus; and
- Increasingly competitive service area, with provider consolidation continuing in the greater Chicago market.

The 'AA+' rating is based on our view of NMHC's group credit profile and the credit group's "core" status. Accordingly, we rate the bonds at the same level as the group credit profile. The analysis and financial figures in this report pertain to the activities of NMHC, the sole corporate member of Northwestern Memorial Hospital (NMH), Northwestern Lake Forest Hospital (NLFH), Northwestern Medical Faculty Foundation (NMFF, doing business as Northwestern Medical Group, or NMG), Northwestern Memorial Foundation (NMF) and Cadence Health. The revenue bonds are an unsecured general obligation (GO) of the NMHC obligated group, which consists of NMHC, NMH, NLFH, NLHF's not-for-profit subsidiary, NMF, NMG, and NMG's not-for-profit subsidiary. As of Nov. 25, 2014, Cadence Health, CDH, Delnor and Cadence Physician Group became members of NMHC's obligated group and NMHC provided guarantees of the obligations of the Cadence Health obligated group for full and timely payment of the debt of the aforementioned entities.

Outlook

The stable outlook reflects our opinion that the system will continue to post strong operations as NMHC's leadership implements its strategies to maintain the expense base, update its electronic medical record, and expand the system through affiliations. Also, as NMHC spends capital to help sustain the system, we anticipate that the balance sheet will not suffer.

Downside scenario

NMHC has defined a level of operations that it will need to achieve to meet its future needs. However, if operations begin to trend negative for a sustained period and capital spending begins to negatively affect the balance sheet, we could lower the rating or revise the outlook to negative. Finally, because of market consolidation, a dilutive acquisition or loss of leading market position by NMHC could also affect the rating.

Upside scenario

We do not anticipate raising the rating in the outlook period.

Enterprise Profile

NMHC is the corporate parent of NMH, NLFH, NMG, NMF, and Cadence Health. NMH has a total of 894 licensed beds (823 staffed) in the Feinberg/Galter Pavilion and Prentice Women's Hospital. It is the primary teaching hospital for Northwestern University's Feinberg School of Medicine. NLFH is a 201-bed community hospital with more than 700 physicians who are board certified in 68 medical specialties and who are located in offices throughout Lake County. NMG has approximately 1,100 employed physicians, including 145 physicians from Northwestern Memorial Physicians Group, a primary care medical group practice that merged with NMG on May 1, 2014. NMHC also includes Northwestern Memorial Insurance Co.

Northwestern University (AAA) is a separate corporation and is not obligated to repay debt service associated with the bonds. However, in our opinion, the university's Feinberg School of Medicine is integrally linked with NMHC through a shared strategic plan.

Cadence Health formally came together in April 2011. CDH is a 347-licensed-bed hospital and Delnor is a 159-licensed-bed hospital. CDH and its affiliates are located in Winfield, a western suburb of Chicago, and Delnor is located approximately 11 miles west of CDH. Other entities that are part of Cadence Health but are not part of the Cadence Health obligated group are Community Nursing Service of DuPage County Inc. (providing home health care and hospice), Cadence Physician Group (which employs more than 230 physicians, including the 23-member orthopedic group acquired in early fiscal 2013), an orthopedic ambulatory surgery center, a foundation for both Delnor and CDH, a residential living facility, a captive for managing self-insurance, and a few smaller entities with more limited operations.

Utilization

Anecdotally, NMHC's inpatient volume has continued to decline, but that is a challenge that has been witnessed across the industry. Management remains keenly aware of the decline and continues to look at numerous strategies to help maintain or improve admissions and other utilization statistics. Management attributes the decline mostly to the continued shift to outpatient services. However, management does note that it is seeing inpatient volume growth at both Delnor and NLFH. The growth at NLFH results mainly from NMG's physicians' sending more patients to the facility.

As with many others in the industry, NMHC notes that if it can keep the NMHC-aligned physicians' patients within the system and if it can continue to take advantage of the favorable geographic relationship of the hospitals and health care sites, NMHC should be able to maintain if not improve its business position.

NMHC's primary service area market share (a seven-county area) equates to an 8.8% market share. NMHC's market share may seem modest, but admissions and related market share among other hospitals in the service area are stagnant when excluding consolidation. This, coupled with the expectation of further health care reform, continues to lead to more consolidations, with health systems and hospitals aligning to strengthen their competitive position.

Management

NMHC continues to have a strong leadership team. The team has continued to produce strong operations and balance sheet measures while investing in its facilities. NMHC has had no major missteps in aligning with Cadence. With this alignment, Cadence was able to bring three of its executive leaders to the NMHC, which was a big factor in the smooth transition. Coupled with the integration of the three executives, NMHC put in place a strong integration team that incorporated members from both NMHC and Cadence. As the integration proceeded, 12 members of the Cadence board became members of the NMHC board. The Cadence and Delnor boards came together and function as new Northwestern Medicine West Regional board of directors. Now NMHC operates in three regions: Central region for NMH and facilities in downtown Chicago, North region for the areas surrounding NLFH, and West region for the areas surrounding Cadence. The management team continues to seek affiliation partners in the greater Chicago area and is reviewing an affiliation with KishHealth. Finally, since the affiliation with Cadence, NMHC has been updating its current long-range plan.

Table 1

Northwestern Memorial HealthCare and Subsidiaries Utilization

	--Nine-month interim ended May 31--	--Fiscal year ended Aug. 31--	
	2015*	**2014**	**2013**
PSA population	9,670,195	8,515,733	8,509,702
PSA market share %	8.8	5.8	5.7
Inpatient admissions§	59,407	51,592	52,949
Equivalent inpatient admissions	133,505	106,505	107,299
Emergency visits	185,198	129,070	133,492
Inpatient surgeries	16,760	14,435	13,920
Outpatient surgeries	31,948	27,349	27,482
Medicare case mix index	1.817	1.895	1.78
FTE employees	16,930	10,362	7,575
Active physicians	3,806	2,508	2,506
Top 10 physician admissions (%)			
Medicare %†	18.3	21.8	23.5
Medicaid %†	8.3	5.0	6.4
Commercial / Blues %†	68.0	67.0	67.2

*Interim period is not comparable to full year as NMHC added Cadence Health to the organization. §Excludes newborns, psychiatric, and rehabilitation admissions. †Based on net revenue. FTE--Full-time equivalent. PSA--Primary service area.

Financial Profile

Operations

NMHC's financial performance remained strong in the first nine months of fiscal 2015 ended May 31. NMHC generated an operating margin of 7.7% for the period compared with a budgeted 5.0%. Because this is the first year of the combined entities, we are not comparing it to earlier periods. The continued success of the operations can still be attributed to the attention that management has placed on watching the expense base as NMHC faces the declining utilization and operates on a much larger scale. With that in mind, management did note an increase medical supply

cost because of a rise in drug prices. To help offset this rise in the expense base, NMHC saw its top line outperform the budget. For the nine-month period, NHMC's net patient revenue was 1.2% ahead of budget. Also, NMHC and other hospitals in the state continued to benefit from the Hospital Assessment Program.

Management reports that NMHC will continue to address strategies to help offset the challenge of inpatient volumes coupled with health care reform. With this in mind, management maintains that its long-term goal is to break even on Medicare patients while continuing to produce operating margins of at least 4.5% to 5.0% to meet NMHC's future needs, which include capital expenditures and the tightening of the relationship with the university and others.

With the strong operations and investment income, NMHC continues to post solid MADS coverage. For the first nine months of fiscal 2015, NMHC posted MADS coverage of 8.8x (6.9x when including operating leases).

Balance sheet

As of May 31, 2015, NMHC's leverage remained in line with that of other 'AA+' rated facilities at 20.9%. For the same date, unrestricted reserves to long-term debt was adequate at 296%, while unrestricted reserves to contingent liabilities was greater than 800%. Unrestricted reserves remain solid at 471 days.

When NMHC acquired NLFH, it agreed to refurbish the existing facility or build a replacement hospital. NMHC has received regulatory approval to build a replacement hospital and construction has begun. In addition, NMHC has committed to spend capital in excess of $1 billion on projects that will be completed over the next three years. To date, NMHC has spent more than $700 million on the projects. NMHC is keenly aware of and plans to maintain its balance sheet strength, adjusting its capital schedule toward that end.

Short-term bank-supported ratings

The 'A-1+' short-term component of the rating on the series 2002C, 2008A1, and 2008A2 bonds reflects the likelihood of payment of tenders as well as a liquidity facility: a standby bond purchase agreement (SBPA) provided by Northern Trust Co. (AA-/A-1+). The SBPA provides for a maximum of 35 days' interest at the 12% maximum rate. We will withdraw our short-term rating on the expiration date unless the SBPA is extended pursuant to its terms or an alternative SBPA is delivered.

The 'A-1' short-term component of the rating on the authority's variable-rate demand revenue bonds (VRDBs) subseries 2007A-2 and 2007A-4, issued for NMH, is based on liquidity facilities provided by Wells Fargo Bank N.A. (AA-/A-1+).

The 'A-1' short-term component of the rating on the authority's VRDBs subseries 2007A-1 and 2007A-3, issued for NMH, is based on liquidity facilities provided by JPMorgan Chase Bank N.A.(A+/A-1).

Bondholders may tender their bonds during the daily and weekly modes upon delivering appropriate notice. The bonds are further subject to mandatory tender upon conversion to another interest rate mode and one business day before expiration, substitution, or termination. The bonds may be called because of optional redemptions and are subject to mandatory sinking fund payments.

Contingent liabilities: swaps, direct purchase debt, and other contingent liabilities

NMHC is a party to two floating- to fixed-rate swaps with a notional amount of $208.4 million as of May 31, 2015: one with a notional amount of $104.2 million with UBS AG (A+/A-1/Negative) as the counterparty, and one with a notional amount of $104.2 million with JPMorgan Chase Bank as the counterparty.

Cadence is party to four variable- to fixed-rate swaps. Two swaps are with CDH, with Morgan Stanley Capital Services Inc. (guaranteed by 'A' rated Morgan Stanley) as the counterparty, for a current notional amount of $125.426 million. The other two variable- to fixed-rate swaps are with Delnor, with UBS AG as the counterparty, for a current notional amount of $59.675 million.

Cadence Health has additional contingent liability risk related to $177.1 million of direct purchase debt (series 2011A, B, and C).

Table 2

Northwestern Memorial HealthCare and Subsidiaries

	--Nine-month interim ended May 31--	--Fiscal year ended Aug. 31--		'AA+' rated health care system medians
	2015*	**2014**	**2013**	**2014**
Financial performance				
Net patient revenue ($000s)	2,753,005	2,296,846	1,592,321	2,678,034
Total operating revenue ($000s)	2,892,965	2,426,460	1,709,666	MNR
Total operating expenses ($000s)	2,670,563	2,284,349	1,578,319	MNR
Operating income ($000s)	222,402	142,111	131,347	MNR
Operating margin (%)	7.69	5.86	7.68	6.50
Net non-operating income ($000s)	150,187	261,462	188,900	MNR
Excess income ($000s)	372,589	403,573	320,247	MNR
Excess margin (%)	12.24	15.01	16.87	9.90
Operating EBIDA margin (%)	16.63	13.45	18.27	12.10
EBIDA margin (%)	20.74	21.87	26.40	15.20
Net available for debt service ($000s)	631,210	587,746	501,277	538,975
Maximum annual debt service (MADS; $000s)	95,490	55,765	52,031	MNR
MADS coverage (x)	8.81	10.54	9.63	7.90
Operating-lease-adjusted coverage (x)	6.93	9.22	7.99	4.50
Liquidity and financial flexibility				
Unrestricted reserves ($000s)	4,230,179	2,648,946	2,388,407	4,024,012
Unrestricted days' cash on hand	471.3	454.1	608.5	440.5
Unrestricted reserves/long-term debt (%)	295.8	339.9	300.9	295.7
Unrestricted reserves/contingent liabilities (%)	860.2	841.9	756.5	MNR
Average age of plant (years)	5.4	8.9	8.5	8.9
Capital expenditures/depreciation and amortization (%)	116.4	135.9	120.4	186.9
Debt and liabilities				
Long-term debt ($000s)	1,429,950	779,337	793,819	MNR
Long-term debt/capitalization (%)	20.9	19.3	22.7	24.1

Table 2

Northwestern Memorial HealthCare and Subsidiaries (cont.)				
Contingent liabilities ($000s)	491,765	314,625	315,725	MNR
Contingent liabilities/long-term debt (%)	34.4	40.4	39.8	MNR
Debt burden (%)	2.35	2.07	2.74	1.70
Defined benefit plan funded status (%)	N.A.	115.06	120.11	94.60

*Interim period is not comparable to full year, as NMHC added Cadence Health to the organization. MNR—median not reported. N.A.—not available.

Related Criteria And Research

Related Criteria

- USPF Criteria: Not-For-Profit Health Care, June 14, 2007
- General Criteria: The Interaction Of Bond Insurance And Credit Ratings, Aug. 24, 2009
- USPF Criteria: Contingent Liquidity Risks, March 5, 2012
- USPF Criteria: Bank Liquidity Facilities, June 22, 2007
- USPF Criteria: Standby Bond Purchase Agreement Automatic Termination Events, April 11, 2008
- USPF Criteria: Assigning Issue Credit Ratings Of Operating Entities, May 20, 2015
- General Criteria: Methodology: Industry Risk, Nov. 20, 2013
- General Criteria: Group Rating Methodology, Nov. 19, 2013
- Criteria: Use of CreditWatch And Outlooks, Sept. 14, 2009

Related Research

- Glossary: Not-For-Profit Health Care Ratios, Oct. 26, 2011
- U.S. Not-For-Profit Health Care Outlook Remains Negative Despite A Glimmer Of Relief, Dec. 17, 2014
- U.S. Not-For-Profit Health Care System Ratios: Operating Performance Weakened In 2013, Aug. 13, 2014
- Health Care Providers And Insurers Pursue Value Initiatives Despite Reform Uncertainties, May 9, 2013
- Standard & Poor's Assigns Industry Risk Assessments To 38 Nonfinancial Corporate Industries, Nov. 20, 2013
- Alternative Financing: Disclosure Is Critical To Credit Analysis In Public Finance, Feb. 18, 2014
- Health Care Organizations See Integration And Greater Transparency As Prescriptions For Success, May 19, 2014
- The Growing And Evolving Role Of Provider-Sponsored Health Plans In U.S. Health Care, June 8, 2015

Ratings Detail (As Of September 8, 2015)

Illinois Fin Auth, Illinois

Northwestern Mem HlthCare, Illinois

Illinois Finance Authority (Northwestern Memorial Hospital) hosp VRDO ser 2007A-1

Long Term Rating	AA+/A-1/Stable	Affirmed

Illinois Finance Authority (Northwestern Memorial Hospital) hosp VRDO ser 2007A-2

Long Term Rating	AA+/A-1+/Stable	Affirmed

Illinois Finance Authority (Northwestern Memorial Hospital) hosp VRDO ser 2007A-3

Long Term Rating	AA+/A-1/Stable	Affirmed

Illinois Finance Authority (Northwestern Memorial Hospital) hosp VRDO ser 2007A-4

Long Term Rating	AA+/A-1+/Stable	Affirmed

Illinois Fin Auth (Northwestern Mem HlthCare) rev bnds ser 2013 dtd 02/27/2013 due 08/15/2033 2037 2042 2043

Long Term Rating	AA+/Stable	Affirmed

Series 2002C

ATTACHMENT-36, 37, 38, 39

Ratings Detail (As Of September 8, 2015) (cont.)		
Long Term Rating	AA+/A-1+/Stable	Affirmed
Series 2008A-1 & A-2		
Long Term Rating	AA+/A-1+/Stable	Affirmed

Many issues are enhanced by bond insurance.

ATTACHMENT-36, 37, 38, 39

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MOODY'S
INVESTORS SERVICE

Rating Update: Moody's affirms Northwestern Memorial HealthCare, IL's Aa2 and Aa2/VMIG 1; stable outlook

Global Credit Research - 11 Feb 2015

Aa2 assigned to $378M of Cadence Health's debt, now secured by NMHC

ILLINOIS FINANCE AUTHORITY
Hospitals & Health Service Providers
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NEW YORK, February 11, 2015 --Moody's Investors Service affirmed the Aa2 and Aa2/VMIG 1 ratings on Northwestern Memorial HealthCare's outstanding bonds. The rating outlook is stable. Cadence Health recently joined NMHC's obligated group; as a result, Cadence's debt is now secured by the NMHC obligated group. At this time, we are assigning ratings to the following Cadence Health outstanding fixed rate bonds: (1) Aa2 rating to the Series 2009 and Series 2009B bonds, originally issued under the name Central DuPage Health, and (2) Aa2 underlying rating (bonds are insured by Assured Guaranty) to the Series 2002A, Series 2002B, Series 2002C, Series 2002D, Series 2003A, Series 2003B, and Series 2003C bonds, originally issued under the name Delnor-Community Hospital.

SUMMARY RATING RATIONALE

The Aa2 long-term rating is based on NMHC's prominent market position in the greater Chicagoland area, excellent investment position providing good coverage of debt, solid operating margins, and improved debt measures. The Aa2 rating also incorporates challenges related to increasing competition in a consolidating market, comparatively moderate liquidity with a relatively high allocation to alternative investments, and several years of low revenue growth. NMHC's recent merger with Cadence will bring integration challenges given the scope of operations and intended consolidation. However, we expect NMHC's measured approach of executing strategies will minimize risks, including coordinating activities among academic and community physicians. Additionally, the combined organization's financial strength affords the system time to implement strategies and realize benefits.

The short-term VMIG 1 ratings are based on support from bank standby bond purchase agreements.

OUTLOOK

The stable rating outlook is based on our expectation that NMHC will maintain strong operating cash flow margins as suggested by proforma numbers and the first quarter including Cadence, integration risks will be manageable with little disruption to operations, and the relative investment position will be maintained given capital spending can be funded with cashflow.

WHAT COULD MAKE THE RATING GO UP

-Diversification of cashflow geographically

-Significant increase in market share

-Material and sustained improvement in operating margins, along with reduction in debt

-Stronger wealth position with greater liquidity

WHAT COULD MAKE THE RATING GO DOWN

-Large increase in debt with weakening of debt metrics

-Multi-year decline in margins or investment position

-Greater than expected integration challenges, resulting in lower margins

-Materially dilutive acquisition or merger

STRENGTHS

-NMHC maintains a prominent market position with attractive facilities (average age of plant is very low at 8.9 years) in favorable locations in the greater Chicago area.

-The merger with Cadence Health expands NMHC's geographic coverage and market share in the western suburbs of Chicago. Cadence Health's exceptional margins and balance sheet result in an accretive impact to most measures.

-Strong growth in investments resulted in over $2.6 billion of unrestricted cash and investments at fiscal yearend 2014, equating to a very strong 446 days of cash on hand and 335% cash-to-debt.

-The system achieved a solid 12% operating cashflow margin in FY 2014, including transfers for academic support, driven by cost reductions that compensated for low revenue growth.

-The Clinical Affiliation Agreement between NMHC and Northwestern Medical Faculty Foundation (d/b/a Northwestern Medical Group (NMG)) and NMHC's relationship with Northwestern University's Feinberg School of Medicine support a strong brand identity.

-Following operating improvement and investment growth, debt metrics improved to be consistent with the rating category with favorably low 1.7 times debt-to-cashflow and 9.7 times peak debt service coverage.

-Medicare and Medicaid dependency is below average, limiting exposure to funding delays and cuts, especially in Medicaid.

-The pension plan is fully funded and the system has modest operating lease obligations.

-The management team has shown a disciplined and detailed approach to evaluating strategic alternatives and capital commitments and ability to adapt to slower revenue growth with effective expense management strategies.

CHALLENGES

-Same-facility revenue growth has been low at 0-2% annually since 2011, in part reflecting declines in area use rates.

-The greater Chicago market is an increasingly competitive market with rapid consolidation, several large academic medical centers in the market, and competitors expanding facilities.

-Integrating the legacy Cadence Health and NMHC organizations poses execution risks given the scope of operations and difference in academic and non-academic cultures.

-NMHC has a high asset allocation to alternative investments, resulting in a low 46% of unrestricted investments that can be liquidated monthly, indicating comparatively less liquidity than other health systems in the Aa rating category. Mitigating factors to this risk are the system's large investment portfolio, manageable liquidity needs related to pension and swap collateral and availability of $130 million in operating lines.

RECENT DEVELOPMENTS

On September 1, 2014, CDH-Delnor Health System d/b/a Cadence Health (Cadence) became a wholly owned subsidiary of NMHC pursuant to a Clinical Affiliation Agreement between NMHC and Cadence. The affiliation was effected through a membership substitution with no consideration paid.

DETAILED RATING RATIONALE

MARKET POSITION: GOOD MARKET POSITION IN COMPETITIVE MARKET

The affiliation with Cadence expands and enhances NMHC's locations in attractive and growing markets in the region, which is especially important in a market that is quickly consolidating. With $3.7 billion in revenue, the combined organization is one of the largest in the region and state. Both legacy organizations have large employed physician groups, including the Northwestern Medical Group and the Cadence Physician Group. While the system may consider adding hospitals, there will be a strong focus on building ambulatory capabilities.

Typical of mergers of this scope, there are integration risks but we expect NMHC to manage these risks to

minimize disruption. Primary risks include integrating hospitals and physician organizations with academic and non-academic cultures as well as eventually combining information systems. The organization will move to centralize corporate services and organize management around regions, which will reduce costs and increase strategic coordination. NMHC has a history of executing strategies with a measured and deliberate approach and the financial strength of both legacy organizations afford NMHC time to achieve benefits while minimizing risk.

NMHC continues to further integrate and coordinate strategies with Northwestern University's Feinberg School of Medicine (NU) through a joint planning process and governance oversight structure that coordinates activities for the school, the faculty practice plan and hospitals. Strategically, we believe closer integration is positive in advancing the strong brand of Northwestern and building on clinical capabilities.

The Chicago market is increasingly competitive with an increase in the pace of consolidation among hospitals. Of note is the intended merger between Advocate Health Network and NorthShore University HealthSystem, which would become the largest healthcare system in the state if completed.

OPERATING PERFORMANCE, BALANCE SHEET AND CAPITAL PLANS: SOLID MARGINS AND REDUCED LEVERAGE

Despite flat same-store revenue for several years, NMHC's operating margins remain solid. Absolute operating cashflow in fiscal year 2014 was relatively stable to fiscal year 2013; the margin declined reflecting the addition of NMG, although the operating cashflow margins remained solid at 12%. Proforma operating cashflow margin approaches 15% with Cadence Health and is very strong at 16% in the first quarter of fiscal year 2015. The system benefitted from extensive cost reductions and increased net payments under the state's Hospital Assessment Program. Margins include transfers to the school of medicine as an operating expense, as noted below. The transfers are formulaic and tied to net patient revenue and operating cashflow of NMHC.

NMHC's primary operating challenge is several years of relatively flat revenue. Same-facility revenue (excluding NMG) grew 2% in fiscal year 2014. Revenue is challenged by declining use rates in the region. NMHC's admissions declined 2.6% in 2014.

Liquidity

NMHC has a strong investment position, but liquidity is less than peers due to the asset allocation. Days cash on hand grew to 446 days at fiscal yearend 2014 and is slightly stronger at approximately 460 days on a proforma basis with Cadence. Proforma cash-to-debt is lower, but still strong, at under 300%. Based on fiscal yearend data, monthly liquidity is low at 46%, reflecting a heavy allocation to alternative investments. NMHC has minimal swap collateral posted and no expected pension payments, which limits liquidity needs.

Capital spending is expected to be manageable and under operating cashflow levels. The largest project is a replacement hospital for Northwestern Lake Forest Hospital, estimated to cost $400 million. While there are no definitive new debt plans, the system is completing a new strategic plan.

DEBT AND OTHER LIABILITIES

With growth in operating cashflow and investments, NMHC has deleveraged and debt measures are more consistent with the peers in the rating category.

Debt Structure

NMHC had 40% variable rate debt at fiscal yearend 2014, including bonds supported by bank standby bond purchase agreements. The bank counterparties are diversified with three banks and expiration dates are staggered. Monthly liquidity-to-demand debt was good at 390%. Cadence adds several series of privately placed bank debt.

Debt-Related Derivatives

As of February 2015, NMHC (including legacy Cadence Health) has interest rate swaps with three counterparties with a total notional amount of $396 million. All of the swaps convert variable rate bonds to synthetic fixed rate bonds. Two of the swaps have $35 million thresholds at Aa2, two have no collateral requirements and two have no collateral requirements unless the rating falls below A3. NMHC has posted limited collateral over time; at FYE 2014 no collateral was posted.

Pensions and OPEB

NMHC's pension plan is fully funded.

MANAGEMENT AND GOVERNANCE

The management team has shown a disciplined and detailed approach to evaluating strategic alternatives and capital commitments and ability to adapt to slower revenue growth with effective expense management strategies. This measured approach will be important as the system integrates the historically academic culture of legacy NMHC and non-academic culture of legacy Cadence.

Debt structure risks have been well managed with diversified counterparties and staggered commitment periods. Importantly, with the merger NMHC amended all bank agreements to make covenants and reporting requirements consistent across agreements.

KEY STATISTICS

Assumptions & Adjustments:

-Based on financial statements for Northwestern Memorial HealthCare & Subsidiaries

-First number reflects audit year ended August 31, 2013

-Second number reflects audit year ended August 31, 2014

-Investment returns normalized at 6% unless otherwise noted

-Comprehensive debt includes direct debt, operating leases, and pension obligation, if applicable

-Monthly liquidity to demand debt ratio is not included if demand debt is de minimis

-Adjustments: $18 million and $41 million of Grants and academic support (representing transfers to the school of medicine and faculty) reallocated to total expenses from nonoperating gains/(losses) in FY 2013 and FY 2014, respectively

-Inpatient admissions: 53,986; 52,607

-Observation stays: 17,864; 17,873

-Medicare % of gross revenues: 33%; 33%

-Medicaid % of gross revenues: 10%; 9%

-Total operating revenues ($): $1.7 billion; $2.4 billion

-Revenue growth rate (%) (3 yr CAGR): 3%; 13%

-Operating margin (%): 6.6%; 4.2%

-Operating cash flow margin (%): 17.2%; 11.8%

-Debt to cash flow (x): 1.7 times; 1.7 times

-Days cash on hand: 601 days; 446 days

-Maximum annual debt service (MADS): $52 million; $52 million

-Moody's-adjusted MADS Coverage with normalized investment income (x): 9.6 times; 9.7 times

-Direct debt ($): $805 million; $791 million

-Cash to direct debt (%): 297%; 335%

-Comprehensive debt: $868 million; $865 million

-Cash to comprehensive debt (%): 275%; 306%

-Monthly liquidity to demand debt (%): 526%; 390%

OBLIGOR PROFILE

NMHC's largest subsidiaries are noted in the Legal Security section. Northwestern Memorial Hospital is a major academic medical center located in the Streeterville neighborhood of Chicago, providing a complete range of adult inpatient and outpatient services, primarily to residents of Chicago and surrounding areas, in an educational and research environment. It is licensed for 894 beds. NMH is the primary teaching hospital for Northwestern University's Feinberg School of Medicine (FSM).

LEGAL SECURITY

The bonds are an unsecured general obligation of the Obligated Group, including Northwestern Memorial HealthCare (parent), Northwestern Memorial Hospital, Northwestern Lake Forest Hospital, Northwestern Memorial Foundation, and Northwestern Memorial Faculty Foundation (dba Northwestern Medical Group). The indentures do not provide limitations on additional indebtedness. On November 25, 2014, Cadence, and three of its subsidiaries, Central DuPage Physician Group (doing business as Cadence Physician Group), Central DuPage Hospital Association and Delnor-Community Hospital became members of the obligated group created under the NMHC Master Indenture. All debt of NMHC and its subsidiaries (other than certain capital leases and letters of credit) is secured by, or guaranteed by, the NMHC obligated group.

USE OF PROCEEDS

Not applicable

RATING METHODOLOGIES

The principal methodology used in this rating was Not-for-Profit Healthcare Rating Methodology published in March 2012. An additional methodology used for the short-term enhanced rating was Variable Rate Instruments Supported by Conditional Liquidity Facilities published in May 2013. Please see the Credit Policy page on www.moodys.com for a copy of these methodologies.

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