ORIGINAL

E-008-11

ILLINOIS HEALTH FACILITIES PLANNING BOARD
APPLICATION FOR EXEMPTION FOR THE
CHANGE OF OWNERSHIP FOR AN EXISTING HEALTH CARE FACILITY

RECEIVED
MAR 11 2011
HEALTH FACILITIES & SERVICES REVIEW BOARD

I. INFORMATION FOR EXISTING FACILITY

Current Facility Name Prairie Diagnostic Center, LLC
Address 401 East Carpenter Street
City Springfield Zip Code 62702 County Sangamon
Name of current licensed entity for the facility Prairie Diagnostic Center, LLC
Does the current licensee: own this facility X OR lease this facility ____ (if leased, check if sublease □)
Type of ownership of the current licensed entity (check one of the following:) ____ Sole Proprietorship
____ Not-for-Profit Corporation ____ For Profit Corporation ____ Partnership ____ Governmental
X Limited Liability Company ____ Other, specify ____
Illinois State Senator for the district where the facility is located: Sen. Larry K. Bomke
State Senate District Number 50 Mailing address of the State Senator
307 Capitol Building, Springfield, IL 62706
Illinois State Representative for the district where the facility is located: Rep.Raymond Poe
State Representative District Number 99 Mailing address of the State Representative
E-1 Stratton Building Springfield, IL 62706

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

3. **FACILITY'S BED OR DIALYSIS STATION CAPACITY BY CATEGORY OF SERVICE** (Complete "APPENDIX A" attached to this application)

4. **FACILITY'S OTHER CATEGORIES OF SERVICE AS DEFINED IN 77 IAC 1100** (Complete "APPENDIX A" attached to this application)

5. **NAME OF APPLICANT** (complete this information for each co-applicant and insert after this page).
Exact Legal Name of Applicant St. John's Hospital of the Hospital Sisters of the Third Order of St. Francis
Address 800 East Carpenter Street
City, State & Zip Code Springfield, Illinois 62769
Type of ownership of the current licensed entity (check one of the following:) ____ Sole Proprietorship
____ Not-for-Profit Corporation ____ For Profit Corporation ____ Partnership ____ Governmental
X Limited Liability Company ____ Other, specify ____

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

Exact Legal Name of Entity to be Licensed St. John's Hospital of the Hospital Sisters of the Third Order of St. Francis d/b/a Prairie Diagnostic Center at St. John's Hospital
Address. 401 East Carpenter Street
City, State & Zip Code Springfield, Illinois 62769
Type of ownership of the current licensed entity (check one of the following:) ____ Sole Proprietorship
X Not-for-Profit Corporation ____ For Profit Corporation ____ Partnership ____ Governmental
____ Limited Liability Company ____ Other, specify ____

6. **BUILDING/SITE OWNERSHIP.** NAME OF LEGAL ENTITY THAT WILL OWN THE "BRICKS AND MORTAR" (BUILDING) OF THE FACILITY NAMED IN THIS APPLICATION IF DIFFERENT FROM THE OPERATING/LICENSED ENTITY **NOT APPLICABLE**
Exact Legal Name of Entity That Will Own the Site ____
Address ____
City, State & Zip Code ____
Type of ownership of the current licensed entity (check one of the following:) ____ Sole Proprietorship
____ Not-for-Profit Corporation ____ For Profit Corporation ____ Partnership ____ Governmental
____ Limited Liability Company ____ Other, specify ____

NAME OF CO-APPLICANT (complete this information for each co-applicant and insert after this page).
Exact Legal Name of Applicant ___Hospital Sisters Services, Inc.___
Address ___4936 LaVerna Road___
City, State & Zip Code ___Springfield, Illinois 62794___
Type of ownership of the current licensed entity (check one of the following:) _____ Sole Proprietorship
HSSI: X Not-for-Profit Corporation _______ For Profit Corporation ________ Partnership _____ Governmental
PDC: __X__ Limited Liability Company _______ Other, specify ___________

NAME OF CO-APPLICANT (complete this information for each co-applicant and insert after this page).
Exact Legal Name of Applicant ___Hospital Sisters Health System.___
Address ___4936 LaVerna Road___
City, State & Zip Code ___Springfield, Illinois 62794___
Type of ownership of the current licensed entity (check one of the following:) _____ Sole Proprietorship
HSHS: X Not-for-Profit Corporation ______ For Profit Corporation ________ Partnership _____ Governmental
PDC: __X__ Limited Liability Company _______ Other, specify ___________

NAME OF CO-APPLICANT (complete this information for each co-applicant and insert after this page).
Exact Legal Name of Applicant ___Prairie Diagnostic Center, LLC___
Address ___401 East Carpenter Street___
City, State & Zip Code ___Springfield, Illinois 62702___
Type of ownership of the current licensed entity (check one of the following:) _____ Sole Proprietorship
______Not-for-Profit Corporation _______ For Profit Corporation ________ Partnership _____ Governmental
__X__ Limited Liability Company _______ Other, specify ___________

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

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

10. **FUNDING.** Indicate the type and source of funds which will be used to acquire the facility (e.g., mortgage through Health Facilities Authority; cash gift from parent company, etc.) and append as **ATTACHMENT #2.**

11. **ANTICIPATED ACQUISITION PRICE:** $ 9,161,019 for 75% interest in LLC

12. **FAIR MARKET VALUE OF THE FACILITY:** $ 12,214,692 for 100% interest of LLC - see **ATTACHMENT #2A** (to determine fair market value, refer to 77 IAC 1130.140)

13. **DATE OF PROPOSED TRANSACTION:** March 31, 2011, or earlier based upon approval of COE

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

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

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

17. **FINANCIAL INFORMATION** (co-applicants must also provide this information). Per 77 IAC 1130.520(b)(3), an applicant must demonstrate it has sufficient funds to finance the acquisition **and** to operate the facility for 36 months by providing evidence of a bond rating of "A" or better (that must be less than two years old) from Fitch, Moody or Standard and Poor's rating agencies or evidence of compliance with the financial viability review criteria (as applicable) to the type of facility being acquired (as specified at 77 IAC 1120). Append as **ATTACHMENT #6.**

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

Name:	Ms. Amy K. Bulpitt, Vice President – Legal Affairs
Address:	St.. John's Hospital 800 E. Carpenter Street
City, State & Zip Code:	Springfield, Illinois 62769
Telephone	(217) 544-6464 Ext. 48336

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

Name: Ms. Andrea R. Rozran
Address: Diversified Health Resources, Inc. 65 E. Scott St. #9A
City, State & Zip Code: Chicago, Illinois 60610-5274
Telephone (312) 266-0466 Ext.

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

Signature of Authorized Officer ______

Typed or Printed Name of Authorized Officer Mr. Robert P. Ritz

Title of Authorized Officer: President and Chief Executive Officer, St. John's Hospital of the Hospital Sisters of the Third Order of St. Francis

Address: 800 East Carpenter Street

City, State & Zip Code: Springfield, Illinois 62769

Telephone (217) 544-6464 Ext. 44572 Date: ______

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

20. CERTIFICATION

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

Signature of Authorized Officer Lawrence P Schumacher

Typed or Printed Name of Authorized Officer Lawrence P. Schumacher

Title of Authorized Officer: Chief Operating Officer, Hospital Sisters Services, Inc.

Address: 4936 LaVerna Road

City, State & Zip Code: Springfield, Illinois 62794

Telephone (217) 523-4747 Date:

20. **CERTIFICATION**

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

Signature of Authorized Officer Lawrence P Schumacher

Typed or Printed Name of Authorized Officer Lawrence P. Schumacher

Title of Authorized Officer: Chief Operating Officer, Hospital Sisters Health System

Address: 4936 LaVerna Road

City, State & Zip Code: Springfield, Illinois 62794

Telephone (217) 523-4747 Date: ____________

20. CERTIFICATION

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

Signature of Authorized Officer ______ 2/4/2001

Typed or Printed Name of Authorized Officer Frank L. Mikell, M.D.

Title of Authorized Officer: Manager, Prairie Diagnostic Center, LLC

Address: 619 East Mason Street Suite 4P57

City, State & Zip Code: Springfield, Illinois 62701

Telephone (217) 788-0706 Date: ______

APPENDIX A
FACILITY BED AND DIALYSIS STATION CAPACITY AND CATEGORIES OF SERVICE

Complete the following for the facility for which the change of ownership is requested. The facility's bed and dialysis station capacity must be consistent with the State Board's Inventory of Health Care Facilities.

FACILITY NAME Prairie Diagnostic Center, LLC CITY: Springfield

1. Indicate (by placing an "X") the type of facility for which the change of ownership is requested:

☐ Hospital; ☐ Long-term Care Facility; ☐ Dialysis Facility; X Ambulatory Surgical Treatment Center.

2. Provide the bed capacity by category of service:

SERVICE	# of Beds	SERVICE	# of Beds
Medical/Surgical		Nursing Care	
Obstetrics		Shelter Care	
Pediatrics		DD Adults*	
Intensive Care		DD Children**	
Acute Mental Illness		Chronic Mental Illness	
Rehabilitation		Children's Medical Care	
Neonatal Intensive Care		Children's Respite Care	

*Includes ICF/DD 16 and fewer bed facilities; **Includes skilled pediatric 22 years and under

3. Chronic Renal Dialysis: Enter the number of ESRD stations: ____

4. Indicate (by placing an "X") those categories of service for which the facility is approved.

____ Cardiac Catheterization
____ Subacute Care Hospital Model
____ Selected Organ Transplantation
____ Open Heart Surgery
____ Kidney Transplantation
____ Postsurgical Recovery Care Center Model

5. Non-Hospital Based Ambulatory Surgery and Ambulatory Surgical Treatment Centers

Indicate (by placing an "X") if the facility is a X limited or ☐ multi-specialty facility and indicate the surgical specialties provided.

X Cardiac Catheterization
____ Cardiovascular
____ Dermatology
____ Gastroenterology
____ General/Other (includes any procedure that is not included in the other specialties)
____ Neurological
____ Obstetrics/Gynecology
____ Ophthalmology
____ Oral/Maxillofacial
____ Orthopedic
____ Otolaryngology
____ Plastic Surgery
____ Podiatry
____ Thoracic
____ Urology

ATTACHMENT 1

ATTACHMENT 2

FUNDING

St. John's Hospital will use cash on hand to acquire 75% membership interest in Prairie Diagnostic Center, LLC.

ATTACHMENT 2A

FAIR MARKET VALUE OF THE FACILITY

The fair market value of the Prairie Diagnostic Center, LLC, was established by commissioning a Valuation Report from Sikich, LLP.

A copy of the Valuation Report for the Prairie Diagnostic Center, LLC, is appended to this Attachment.

PRAIRIE DIAGNOSTIC CENTER LLC

VALUATION REPORT

June 16, 2010

Sikich LLP
Certified Public Accountants & Advisors

TABLE OF CONTENTS

Certified Public Accountants & Business Advisors

Sikich.

Members of American Institute of
Certified Public Accountants

998 Corporate Boulevard • Aurora, IL 60502

June 16, 2010

Mr. Chris Phillips
Partner
Kutak Rock LLP
1650 Farnam Street
Omaha, NE 68102-2186

EXECUTIVE SUMMARY

DESCRIPTION OF THE ASSIGNMENT

Sikich LLP has been retained by Kutak Rock LLP to perform a valuation engagement, as that term is defined in the Statement on Standards for Valuation Services (SSVS) of the American Institute of Certified Public Accountants, of Prairie Diagnostic Center LLC (the Center) to estimate the fair market value of the members' interests as of May 31, 2010. This valuation was performed solely to assist in the determination of value for 75% of members' equity of the Center and corresponding member interests and the resulting estimate of value should not be used for any other purpose or by any other party for any purpose. The estimate of value that results from a valuation engagement is expressed as a conclusion of value.

SUMMARY DESCRIPTION OF THE CENTER

Prairie Diagnostic Center LLC is owned by CDCP, LLC, Memorial Health Ventures, and St. John's Hospital. The Center is the first integrated outpatient diagnostic cardiac imaging center in central Illinois. The Center performs technical services in cardiac catheterization, CAT scans and rents space to other entities. In April 2005 the Illinois Health Facilities Planning Board approved construction of the two-story 27,800 square foot building located in Springfield, Illinois. The Center opened in 2006 and the first full year of operations was 2007.

VALUATION METHOD AND CONCLUSION

To determine the fair market value of the Center we considered various methods of valuation and concluded that an average of several methods is the most appropriate under the circumstances. Under these methods the indication of value for 75% of the members' equity of the Center amounts to $9,161,019.

These conclusions are subject to the Statement of Assumptions and Limiting Conditions found in Appendix 1 and to the representations found in Appendix 2. We have no obligation to update this report or our conclusion of value for information that comes to our attention after the date of this report, but will do so upon request.

Report prepared by:

Sikich LLP

Sikich LLP

V. Gregory McKnight

V. Gregory McKnight, CPA/ABV
Partner

STANDARD OF VALUE

There are a number of standards of value to apply to a valuation project. In this case we have used Fair Market Value as the standard of value.

Fair market value is defined in Rev. Rul. 59-60 as: "... the price at which the property would change hands between a willing buyer and a willing seller when the former is not under any compulsion to buy and the latter is not under any compulsion to sell, both parties having reasonable knowledge of relevant facts. Court decisions frequently state in addition that the hypothetical buyer and seller are assumed to be able, as well as willing, to trade, and to be well informed about the property and concerning the market for such property." (Rev. Rul. 59-60, Sec. 2.02, 1959-1 C.B. 237). However, the value must be predicated on actual existing conditions, not on an assumed market nor is it restricted to an immediate buyer.

PREMISE OF VALUE

The premise of value is going concern.

VALUATION PROCESS

The Internal Revenue Service issued Revenue Ruling 59-60 (1959- 1 C.B. 237) to indicate its viewpoint on the valuation of closely held securities. This ruling, as amended by Rev. Rul. 65-192 and 65-193 (1965-2 C.B. 259, 370), has been accepted by numerous courts and the appraisal community as a basic guideline to the process.

The valuation process must include consideration of the following eight fundamental factors:

1. the nature of the business including its history since organization;
2. the economic status of the industry as a whole, and the nation at the critical date of valuation;
3. asset value;
4. earnings;
5. dividends and dividend paying capacity;
6. the existence or lack of intangible value;
7. sales of the stock and the size of the block to be valued; and
8. the selling price of comparable securities relative to their earnings, dividends, and asset values.

Asset value is essentially considered a liquidation or "floor" value. It is generally obtained from financial statements, then determining fair market value of assets and netting this amount against liabilities expected to be paid or incurred.

Earnings are generally the most important criterion of value when valuing a business engaged in selling a product or a service. In fact, Rev. Rul. 59-60, Sec 5(a) states, "In general, the appraiser will accord primary considerations to earnings when valuing stocks of companies which sell products or services ..."

Earnings should be "normalized" to eliminate noneconomic reserves and contingencies, or to eliminate tax factors, which may create distortion. The use of a weighted average earnings calculation over a period of years is preferable to an arithmetic average. "A Center with earnings increasing from $100,000 to $500,000 over five years is radically different from one with earnings decreasing from $500,000 to $100,000, although the arithmetic average is the same." (Estate of J.L. Snyder v. U.S., 61-1 USTC 11,987 [4th Cir. 1961])

Dividends are not a material element in a valuation where actual or effective control is involved. In those cases, the "dividend paying capacity," rather than actual payments should be considered. (Rev. Rul 59-60, sec 4.02[e].) The courts tend to take a very practical approach to this area, realizing the substantial tax cost of removing earnings as dividends rather than through other methods such as salaries or other forms of tax deductible payments since no tax deduction is allowed to a corporation for dividends paid.

Intangible value or "goodwill" is most properly defined as "transferred expectancy of earnings in excess of normal return on tangibles." (Samual S. Schahet, 18 TCM 243 [1959].) However, excess earnings may not be transferable to the extent they are attributable to the personal characteristics of the owner.

CENTER BACKGROUND AND HISTORY

History, Background, and Operations of the Center

In April 2005, the Illinois Health Facilities Planning Board approved construction of a two-story 27,800 square foot facility that houses Prairie Diagnostic Center LLC. The purpose of the Center is to provide outpatient cardiac diagnostic procedures. By the Center providing these procedures the local hospitals can focus on inpatient procedures such as the placement of stints and higher risk procedures. The Center has two low-radiation, flat-panel catheterization labs and one 64-detector CT scanner used for heart and vascular diagnosis. The Center is electronically linked to both member hospitals to allow immediate access to patient medical records and diagnostic images. This improves accuracy and efficiency with respect to the services provided and provides cooperative improvement to heart and vascular care in the Springfield and surrounding central Illinois area.

The Center has entered into a Support Service Agreement with Prairie Cardiovascular Consultants, Ltd to provide a variety of administrative services such as accounting, billing, human resources, and information systems support. This agreement is renewable annually.

The Center has entered into a lease agreement with Prairie Cardiovascular Consultants, Ltd to lease approximately 10,860 square feet on the 2nd floor of the building for a 25 year period at an annual rental of $156,324. This lease contains an option to lease the balance of the floor or 2,715 square feet at $14.64 per square foot. The tenant is required to pay real estate taxes and common area maintenance expense in proportion to its leased space to the total of the building.

The Center has entered into a space and equipment lease with Prairie Cardiovascular Consultants, Ltd effective in 2009 for the lease of a 64-slice CT scanner. The lease calls for a one-year term with automatic one-year renewal options. The space consists of 1,401 square feet rented at $14.64 per square foot or $20,511 annually. The scanner lease amounts to $123,900 annually. Common area maintenance charges are provided also.

CENTER BACKGROUND AND HISTORY (Continued)

History, Background, and Operations of the Center (Continued)

According to the operating agreement the only services to be provided by the Center will be diagnostic cardiovascular catheterization procedures (with such peripheral vascular angiography as may be incidental to the primary cardiac study) and MRI/MRA or CT services, and such other diagnostic cardiovascular imaging technologies that may from time to time provide for diagnostic cardiovascular imaging services. The Center is licensed to provide such services.

The members provided capital contributions in order for the Center to purchase land, construct the facility, and purchase all of the operating equipment. The Center does not have any debt reflected on its balance sheet.

The operating agreement addresses all key issues with respect to the operations of the Center including general powers and duties of the members, the board, clinical operations, officers, management, capital, allocations of profits and losses, etc. See the operating agreement for more details concerning same.

Management

The Center is managed by Kelly Rabbe (45), chief executive officer and Brad N. Tillman (49), chief financial officer. Marc E. Shelton, M.D. is the medical director. (A listing of all physicians on staff is indicated on the Center's website www.prairiediagnostic.com.)

The board members consist of Bob Ritz, CEO - St. John's Hospital, Kevin England, VP Business Development - Memorial Medical Center, John Gill, MD and Frank Mikell, MD.

Ownership Interests

The Center is closely held and the members' percentages of ownership are as follows:

CDCP, LLC	50.00%
Memorial Health Ventures	25.00%
St. John's Hospital	25.00%

ECONOMIC AND INDUSTRY CONDITIONS AND OUTLOOK

As indicated above the Center operates within the medical & imaging laboratory industry. Exhibit 1 includes an overview of the Medical & Imaging Laboratories Sector which data has been considered in this valuation report.

Included at Exhibit 2 is an overview of the national economy near the valuation date. The effects of the economy on interest, growth and other general economic factors have been considered throughout this report. The local economy consists of the central Illinois region. The status of the economy has a minimal effect on the Center's business in general.

FINANCIAL ANALYSIS AND NORMALIZATION ADJUSTMENTS

The historical financial statements of the Center are presented on the tax basis of accounting and can be found at Schedules 3 and 4 in the attached schedule section of this report. Operations began in full in 2007. The balance sheet as of May 31, 2010 reflects cash of approximately $44,000 and fixed assets of $8,358,215., Liabilities are zero and members' equity is shown as $8,465,215.

Through May 31, 2010, the members have contributed $14,791,400 in capital to the Center. $4,580,000 has been distributed back to the members since 2006 as a return on capital. This represents a return of approximately 31% of original capital.

The historical income statements on a tax basis indicate cath lab revenues of between $3.6 million and $4.6 million over that last three plus years. Net income or loss on a tax basis ranges from approximately $(464,000) to $939,000.

We have analyzed the Center's financial statements and modified the statements as we deemed necessary and as explained later in this report and included the Center's other assets, liabilities, equity, revenues, and expenses in our analysis of value.

We have made adjustments to the balance sheets as of May 31, 2010 and for the preceding year ends to account for depreciation on the fixed assets as of those dates. We have adjusted depreciation from a tax basis to the basis used under generally accepted accounting principles (GAAP). In addition, we made adjustments to account for the accounts receivable and payable of the Center for certain of the periods reflected. Finally, we have adjusted for the appraised value of the diagnostic equipment and the real estate. The supporting appraisals for the equipment and real estate were performed by accredited appraisers and their full reports are presented in the attached exhibits. (The adjustments for these items are reflected in Schedules 5-13.) As a result total members' equity was adjusted upward from a balance of $8,465,215 to $10,046,240 as of May 31, 2010.

We have made adjustments to the historical income statements to account for certain revenues and expenses on a GAAP basis and to annualize the current year period for comparison to the annual periods presented. We have adjusted depreciation expense to account for GAAP vs. Tax depreciation. We accounted for the change in accounts receivable and payable. We annualized the current year for a full year taking into consideration the procedure volume adjustment in revenue and variable expenses. (The average procedures are reconciled at nine per day for June-December of 2010.) Finally we have tax effected all years presented.

These normalization adjustments are reflected in Schedules 5-13. Schedules 14 and 15 present the adjusted balance sheets and income statements for the Center after the normalization adjustments for the years 2007-2010.

We prepared an analysis of the number of procedures and average reimbursement rates for procedures performed. (See Schedule A.) This analysis indicated that over the last three years the Center has performed approximately 7.5 cath procedures on average per day. The revenue for these procedures has declined and for 2010 is expected to average $1,658 per procedure. This revenue is a mix of Medicare and private pay with approximately 55% generated from Medicare related procedures and 45% from private pay. Through our discussions with management we have been advised that the cath procedures for the balance of 2010 are expected to average nine per day at the current reimbursement rate of $1,658 per procedure.

NON-PUBLIC PEER GROUP FOR FINANCIAL PERFORMANCE COMPARISON

For purposes of comparison with industry financial measures available from non-public company sources, we reviewed the *Annual Statement Studies*, published by The Risk Management Association "RMA." RMA compiled average percentage income statements and balance sheets and key financial ratios of medical laboratories classified under North American Industry Classification System (NAICS) #621511. The comparisons are noted in Schedules 18-22. We believe the RMA data provides limited comparative perspective and strict comparisons should be made with caution.

Key Financial Ratio Analysis

Schedules 18-22 present key financial ratios of the Center and similarly sized businesses operating in the same industry. Five categories of ratios (liquidity, debt coverage, leverage, profitability, and miscellaneous) were used to compare the operating results of the Center with those of the industry median quartile as computed by RMA.

The liquidity ratios give an indication of the Center's ability to meet its current obligations with the use of current assets. As shown in the comparative ratio analysis, the Center's liquidity ratios are generally good compared to the industry median. This results from the fact that the Center is a service business with relatively little accounts receivable or payable and no inventory.

The coverage ratios indicate the Center's ability to meet its obligations related to interest bearing debt. As shown in the comparative ratio analysis, the Center's coverage ratios are not applicable since it has no debt.

The leverage ratios indicate the extent to which the Center's assets are funded by debt. As shown in the comparative ratio analysis schedule, the Center's leverage ratios are also not applicable for the same reason as noted above.

The operating ratios measure management's effectiveness in overseeing the Center's resources. Compared to the industry median, the Company's operating ratios are generally hard to compare given the fact that the Center has no debt and is a relatively new enterprise. Therefore, the comparison of operating ratios to the industry provide relatively little meaningful information.

VALUATION APPROACHES

As discussed in the introduction we have selected an average of several methods as the most appropriate to value the Center. There are three general approaches and several methods within approaches which can be utilized to value a business. We have considered the Asset Approach, Income Approach and Market Approach in the course of estimating the value of the Center. However, we believe an indication of the current value of the Center is best determined by averaging the asset and income methods.

Valuation Approaches Considered But Not Utilized

Industry Specific Approaches

Some industries lend themselves to certain industry specific methods (sometimes referred to as rules of thumb) in the valuation process. Through our discussions with management we were not made aware of any industry specific methods applicable to this industry.

Previous Purchase of Interest Approach

There have not been purchases of the Center's member interest since inception, therefore this method is not deemed appropriate under the circumstances.

Market Approach and Comparative Companies Method

We performed a search for sales of comparative entities as a basis upon which to estimate the market value of the Center. We were able to identify a cross section of ten privately held companies that were subject to sale during the last five years as possible comparable sales. We used only privately held companies to base our search on. We are of the opinion that comparing the Center to publically traded companies is not appropriate as it is privately held and does not have the same access to capital as publically traded companies and generally is much smaller and as a result does not have certain economies of scale a larger Center would have. In our analysis under this method we take multiples resulting from our sample to apply to specific factors for the Center. Specifically we applied multiples to net revenue and cash flow of the Center. The resulting value under this method was $7,109,000. As this value is less than the adjusted book value noted above (the value of all assets less liabilities) we have not included it in our conclusion of value (Schedules 39-42).

Valuation Approach Considered and Methods Selected

In the present case we believe that the assets and earnings based methods are the most appropriate under which to determine a value of the Center. The methods within these approaches are presented below with our corresponding analysis and conclusions of value.

Asset Based Approach and Method

We have estimated the value of the Center under an asset based approach. This approach generally provides a floor value for an entity as it provides for the assets and liabilities to be adjusted to their respective fair market values with the resulting difference being equity. We have utilized appraisals of diagnostic equipment and the real estate. (See Exhibits 4 and 5) Our estimate of value under this approach resulted in an adjusted value of approximately $10,046,000 (Schedule 23).

VALUATION APPROACHES (Continued)

Valuation Approach Considered and Methods Selected (Continued)

Earnings Based Approaches

Capitalized Earnings Method

Capitalization of earnings requires estimates of: (1) ongoing earning power and (2) a capitalization rate (or multiple). The capitalization rate is the required rate of return minus the growth rate. The capitalization multiple is the reciprocal of the capitalization rate. "Capitalization" of earnings effectively determines the present value of the Center's ongoing earning or cash flow power, growing perpetually at a fixed rate and discounted at the required rate of return.

Estimate of Ongoing Earning Power

The analysis in Schedule 24 measures the Net of Debt Pretax Cash Flow representing the ongoing earning power of the Center.

$952,400 is the dollar based estimate of the pretax ongoing earning power. This is a weighted average dollar amount which helps to capture the effects of the fluctuations in the business cycle. The analysis provides an estimate of ongoing pretax gross cash flow of by weight averaging the results of the dollar based estimates with the most recent year weighted the most and the previous year's weighted as indicated in the schedule.

We have adjusted for working capital, but not capital expenditures or long-term debt as our analysis assumes 5% growth into the foreseeable future. In addition, management indicates that no capital expenditures are necessary as the annual ongoing maintenance agreements cover all necessary equipment and software upgrades to keep the equipment at state of the art status.

Selection of Capitalization Factor

There are two primary methods for "building up" a capitalization rate: the build-up method or the capital asset pricing model.

The buildup method, which is used in this case, requires summation of the components of the required rate of return on investment adjusted by subtraction of the expected long-term earnings or cash flow growth rate. We have tax effected our rate by an estimate of the overall effective tax rate of the Center as a pass through entity. The appropriate capitalization rate components for the Company are included at Schedule 25. The rate applied in the current case is 9.54%.

Summary of Capitalized Earnings Method

Schedule 26 presents the conclusions of value using the capitalization of earnings method. The operating value of the Company is estimated to be $10,485,000 before the addition and/or subtraction of premiums, discounts, or excess assets.

VALUATION APPROACHES (Continued)

Valuation Approach Considered and Methods Selected (Continued)

Earnings Based Approaches (Continued)

Discounted Cash Flow Method

We have utilized the discounted cash flow method to value the Center. This income method is the most appropriate method to use because it focuses on the present value of the forecasted future benefits that would accrue to the hypothetical owner both in the short and long run. This method requires an explicit forecast of the future benefit streams over a reasonably foreseeable short term (five years) and an estimate of a long term benefit stream that is stable and sustainable (not varying from period to period and determined to continue into the future without compromise). An appropriate discount rate and an estimate of long term growth beyond the forecast period allow discrete present values to be calculated and summed for all benefit streams to determine the entity value.

To utilize this method we have discussed with management the expected/projected revenues and expenses estimated for the next five years. We have based the projected future operations largely on historical operations. However, we have assumed a static reimbursement rate for procedures to be performed in the future. (From our discussions with management we understand that a hospital owned entity will be able to receive a higher reimbursement rate for procedures performed than under the current ownership arrangement. However, we have not included this higher rate in our analysis as the state of Medicare reimbursements in the future is very uncertain.) Our analysis assumes the Center will continue to perform the same number of procedures as currently performed (nine per day) even though the facility has the ability and is currently staffed to perform approximately 12 per day. The historical procedures analysis supports the nine per day scenario. Management believes the future operations are attainable and cash flows are the best basis upon which to value a Center.

We have reviewed management's estimates of earnings/cash flow and performed our own analysis of the target market, revenue projections, the competition, the technology utilized, and diagnostic equipment in use and the need for additional capital investment. We have discussed our analysis with management.

The supporting Schedules 27-38 present the analysis of the discounted cash flow method for valuing the Center. The analysis consists of management's projections of revenues, costs, and expenses for the years 2011-2015 as of May 31, 2010. The future revenues of the Center for the next five years are expected to remain relatively flat from an adjusted based for 2010 assuming nine procedures per day (no increase) at approximately $1,658 per procedure. We have included an inflation factor of 2% per year to the revenue stream resulting from discussions with management. Minor increases in rental income are expected based on inflationary increases in operating expenses of the facility. Depreciation has been accounted for on a GAAP basis from specific schedules run for this purpose. Schedule 28 describes the projections for the income statement and related assumptions.

VALUATION APPROACHES (Continued)

Valuation Approach Considered and Methods Selected (Continued)

Earnings Based Approaches (Continued)

Discounted Cash Flow Method (Continued)

Discounted cash flow requires estimates of: (1) ongoing earnings/cash flow and (2) a discount rate. The discount rate is the required rate of return minus the growth rate. "Capitalization" of earnings/cash flow effectively determines the present value of the Center's ongoing earning or cash flow power, growing perpetually at a fixed rate and discounted at the required rate of return.

Estimate of Ongoing Earning Power

The analysis in Schedule 36 estimates the future projected Pre Tax Cash Flows of the Center for the next five years. These cash flows take into consideration the non cash expenses of the Center and the working capital, debt service and capital expenditure needs (if any) of the Center over this period of time. The historical adjusted income statements of the Center provide a basis for our analysis adjusted for management's forecast of future revenues and related operating expenses. Based on our discussions with management we determined that no provision for capital expenditures is necessary over the forecast period, as noted above. Management indicates that all diagnostic equipment is presently maintained through annual service contracts with software upgrades provided throughout each year as needed. In addition, were capital expenditures required the members would provide the necessary capital through a capital call. Therefore there is no effect to the annual projected future cash flows related to capital expenditures or related debt is included in our analysis.

Selection of Discount Rate

The discount rate represents the risk an investor is willing to accept for the potential reward an investment in a company will return. Different rates apply to types of businesses. It is also known as the return that an investor requires by generating the investment. This risk is not calculated in a vacuum or a sterile environment but rather it is calculated based on the factors that can be contrasted against investing in other vehicles that are available and in the specific environment as of the valuation date.

There are two primary methods for "building up" a discount rate: the build-up method or the weighted average cost of capital (WACC) method. The build-up method layers different risk estimates to build up a discount rate. The appropriate discount rate components for the Center are the risk free rate, equity risk premium, size premium, and industry premium. We have utilized a rate of 14.54% to discount the present value of the Pre Tax Cash Flows to determine an indication of value of the members' equity of the Center.

The build-up method discount rate components for the Center are detailed at Schedule 37. The discount rate is developed considering the risk free rate combined with additional rates for equity risk premium, and industry risk/premium, etc. as noted above. These rates are provided from independent third party published sources as noted in the appendix.

The risk free rate measure the rate of return an investor can earn without taking any additional risk. US Treasury bonds are an example of a risk free investment.

VALUATION APPROACHES (Continued)

Valuation Approaches Considered and Methods Selected (Continued)

Earnings Based Approaches (Continued)

Discounted Cash Flow Method (Continued)

Selection of Discount Rate (Continued)

The risk premium represents the risk an investor takes on for investing in large public companies over the risk free rate. This risk is measured by taking the returns since 1963 and subtracting the risk free return over the same period. It takes into account the size premium also.

The industry risk premium represents a discount or premium for the industry that the Center operates in as published by Morningstar.

We have tax effected our rate by an estimate of the overall effective tax rate of the Center as a pass through entity.

The discount rate determined under this method is then calculated at 14.54% on a pretax basis.

We estimate 5.0% long-term compound annual growth from our discussions with management and review of the expected industry growth from the information provided by First Research Industry Profiles. This growth estimate is based upon our assessment of the Center's prospects for sustained growth in relationship to the estimate of ongoing cash flow power developed above. It considers inflation at approximately 2% and real growth of 3%.

Summary of Discounted Cash Flow Method

Schedule 38 presents the conclusion of value using the discounted cash flow method. The After Tax Cash Flows are scheduled for the five years of the forecast period. They are each then brought back to their respective present values using the discount rate of 14.54%. In addition, a terminal value is computed for all estimated future cash flows which are estimated to grow at 5% into perpetuity. The present value of all cash flows amounts to $10,397,434 which has been rounded to $10,397,000.

CONCLUSION OF FAIR MARKET VALUE

Indication of Fair Market

As noted above we have considered various methods upon which to value the Center. We have selected the Asset Based Method, Capitalized Earnings Method and Discounted Future Cash Flows methods as the most appropriate for the reasons noted above. The primary reasons relate to the appraised values of the assets employed, the Center's historical earnings result from a lower number of procedures than are currently being performed, but at decreasing reimbursement rates (which are expected/assumed to continue into the future), and significant cash distributions have been made to members. The Discounted Cash Flow Method is forward looking and accounts for a slightly greater number of procedures than were historically performed. However, the amount of Medicare and other reimbursement rates in the future is subject to substantial risk. For these reasons, we have developed our conclusion of value by averaging two methods noted above; the asset based method and the discounted cash flow method.

CONCLUSION OF FAIR MARKET VALUE (Continued)

Indication of Fair Market Value (Continued)

In summary the average fair market value of 100% of the common equity of the Center under the Methods noted above is determined as follows (see Schedule 43):

Indicated value of the Center	$ 10,221,500

Consideration of Discounts or Premium

We have considered whether or not discounts or premiums should be applied to the valuation determined above. Generally, the most important considerations would be a lack of control/ minority interest discount, and/or a marketability discount or a premium.

A minority interest discount is a reduction to the initial indicated value due to a lack of control prerogatives such as declaring dividends, liquidating the company, going public, issuing or buying stock, directing management, setting management's salaries, etc. In the present case no member is in a control position.

Marketability relates to the liquidity of an investment relative to a comparable and actively traded alternative. In essence, impairment of liquidity increases an investor's expected rate of return. As a result, the market-clearing price of a non-marketable security is discounted relative to the price of its marketable counterpart. The discount for lack of marketability is stated as a percentage of a marketable value. In the present case a marketability discount has not been considered as a transaction for a controlling interest is being considered and the estimated holdings period for the indicated transaction is near term.

A premium relates to the valuable rights that a controlling interest retains in a business enterprise. In certain circumstances a non-controlling interest may enjoy some of elements of control through the ability to cast a swing vote in conjunction with another member. In the present case we believe a premium for control is appropriate. We have researched control premiums paid with respect to transactions developed from sales of medical laboratories over a six-year period. (See Schedule E). This analysis indicates a control premium of 19.5% is appropriate. Accordingly we have included a control premium in our final conclusion of value for the 75% members' interest in the Center.

Conclusion of Fair Market Value

Indicated fair market value	$ 10,221,500
Control premium	1.195
Conclusion of fair market value	$ 12,214,692
Conclusion of fair market value of 75% interest	$ 9,161,019

In our opinion the fair market value of a 75% interest in the common equity of Prairie Diagnostic Center LLC as of May 31, 2010 was $9,161,019 with consideration of a control premium. It is our opinion that a sale of the members' interests for this value is commercially reasonable.

CONCLUSION OF FAIR MARKET VALUE (Continued)

Test of Reasonableness

As noted in Schedules 44-47, we have prepared an analysis to determine the reasonableness of the value noted above. Our analysis provides the appraised value of $9,161,019 for the 75% ownership interest. The purpose of this analysis is to estimate the payback period for an investment of $9,161,019. We assumed $1,179,000 of cash flow and a modest 2% growth rate. We have made the same assumptions as to capital expenditures and debt as noted above. We have also assumed no income tax effect since the potential buyer is a non-profit entity. The payback period is estimated to be in the 5th year (Schedule 46). The computed internal rate of return then is 14.96% (Schedule 47). Both are indicative of a reasonable price.

ATTACHMENT 3

NARRATIVE DESCRIPTION

St. John's Hospital of the Hospital Sisters of the Third Order of St. Francis (St. John's Hospital) proposes to purchase 75% membership interest in Prairie Diagnostic Center, LLC, for the sum of $9,161,019.

St. John's Hospital currently owns a 25% interest in Prairie Diagnostic Center, LLC, which owns and operates Prairie Diagnostic Center, a single-specialty Ambulatory Surgical Treatment Center (ASTC) that provides only the Cardiac Catheterization "surgical" specialty.

St. John's Hospital proposes to purchase the remaining 75% membership interest in Prairie Diagnostic Center, LLC, from its other members: CDCP, LLC (50% ownership of the limited liability corporation) and Memorial Health Ventures (25% ownership of the limited liability corporation).

Prairie Diagnostic Center is located approximately ½ mile from St. John's Hospital in Springfield.

The purchase price was established as fair market value for the 75% membership interest in Prairie Diagnostic Center, LLC, that is not currently owned by St. John's Hospital.

After acquiring the 75% membership interest as described above, St. John's Hospital, which will own 100% membership interest in Prairie Diagnostic Center, LLC, plans to dissolve the LLC. As a result, the ASTC will be owned by St. John's Hospital of the Third Order of St. Francis and licensed as St. John's Hospital of the Third Order of St. Francis d/b/a Prairie Diagnostic Center at St. John's Hospital.

ATTACHMENT 4

BACKGROUND OF APPLICANT

Certificates of Good Standing for each of the co-applicants (St. John's Hospital of the Hospital Sisters of the Third Order of St. Francis; Hospital Sisters Services, Inc.; and Hospital Sisters Health System, and Prairie Diagnostic Center, LLC.), are appended to this Attachment.

In addition, a print-out of the Illinois Secretary of State's Corporation File for St. John's Hospital of the Hospital Sisters of the Third Order of St. Francis is appended, indicating that Prairie Diagnostic Center at St. John's Hospital is an active assumed name of St. John's Hospital of the Hospital Sisters of the Third Order of St. Francis.

File Number 3528-156-8

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

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

ST. JOHN'S HOSPITAL OF THE HOSPITAL SISTERS OF THE THIRD ORDER OF ST. FRANCIS, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JUNE 03, 1955, 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* 11TH *day of* FEBRUARY *A.D.* 2011 .

Authentication #: 1104200646

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

Jesse White

SECRETARY OF STATE

CYBERDRIVEILLINOIS JESSE WHITE SECRETARY OF STATE

SERVICES PROGRAMS PRESS PUBLICATIONS DEPARTMENTS CONTACT

CORPORATION FILE DETAIL REPORT

Entity Name	ST. JOHN'S HOSPITAL OF THE HOSPITAL SISTERS OF THE THIRD ORDER OF ST. FRANCIS	File Number	35281568
Status	ACTIVE		
Entity Type	CORPORATION	Type of Corp	NOT-FOR-PROFIT
Incorporation Date (Domestic)	06/03/1955	State	ILLINOIS
Agent Name	LEO A LENN	Agent Change Date	07/09/2007
Agent Street Address	4936 LAVERNA RD	President Name & Address	
Agent City	SPRINGFIELD	Secretary Name & Address	
Agent Zip	62794	Duration Date	PERPETUAL
Annual Report Filing Date	06/04/2010	For Year	2010
Assumed Name	INACTIVE - ST. JOHN'S PHYSICIAN SERVICES ACTIVE - PRAIRIE DIAGNOSTIC CENTER, AN AFFILIATE OF ST. JOHN'S HOSPITAL ACTIVE - PRAIRIE DIAGNOSTIC CENTER AT ST. JOHN'S HOSPITAL		

Return to the Search Screen

Purchase Certificate of Good Standing
(One Certificate per Transaction)

BACK TO CYBERDRIVEILLINOIS.COM HOME PAGE

File Number 5325-639-2

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

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

HOSPITAL SISTERS SERVICES, INC., A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON NOVEMBER 04, 1983, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 11TH *day of* FEBRUARY *A.D.* 2011 .

Authentication #: 1104201044

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

Jesse White

SECRETARY OF STATE

File Number 5163-355-5

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

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

HOSPITAL SISTERS HEALTH SYSTEM, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON DECEMBER 26, 1978, 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* 11TH *day of* FEBRUARY *A.D.* 2011 .

Authentication #: 1104201074

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

Jesse White

SECRETARY OF STATE

File Number 0105852-5

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

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

PRAIRIE DIAGNOSTIC CENTER, LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON NOVEMBER 25, 2003, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY 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* 11TH *day of* FEBRUARY *A.D.* 2011 .

SEAL OF THE STATE OF ILLINOIS AUG. 26TH 1818

Authentication #: 1104200628

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

Jesse White

SECRETARY OF STATE

ATTACHMENT 5

TRANSACTION DOCUMENTS

The transaction document is appended to this Attachment.

MEMBERSHIP INTEREST PURCHASE AGREEMENT

THIS MEMBERSHIP INTEREST PURCHASE AGREEMENT ("**Agreement**") is entered into effective as of December 14th, 2010 (the "**Effective Date**"), by and among St. John's Hospital of the Hospital Sisters of the Third Order of St. Francis, an Illinois not-for-profit corporation ("**Purchaser**"), Memorial Health Ventures, an Illinois not-for-profit corporation ("**MHV**"), CDCP, LLC, an Illinois limited liability company ("**CDCP**") (MHV and CDCP shall be collectively referred to herein as the "**Sellers**" and individually as "Seller"), and Prairie Diagnostic Center, LLC, an Illinois limited liability company (the "**Company**") (collectively, Purchaser, CDCP, MHV and Company may be referred to as the "**Parties**" and individually as a "**Party**").

WITNESSETH:

WHEREAS, MHV is the owner of a 25% membership interest in the Company ("**MHV's Interest**"), CDCP is the owner of a 50% membership interest in the Company ("**CDCP's Interest**"), and Purchaser is the owner of the remaining 25% membership interest in the Company; and

WHEREAS, MHV desires to sell its 25% membership interest in the Company to Purchaser, and CDCP desires to sell its 50% membership interest in the Company (collectively, the "**Purchased Interest**") to Purchaser, and Purchaser desires to purchase the Purchased Interest, all as provided herein (collectively, the "**Transaction**"); and

WHEREAS, in order to induce Purchaser's purchase of the Purchased Interest, the Company is willing to make certain covenants respecting its continued operations.

NOW, THEREFORE, in consideration of the premises, of the mutual promises and covenants contained herein, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, the Parties agree as follows:

1. **Recitals**. The above recitals are incorporated into and made a part of this Agreement.

2. **Sale and Purchase of Purchased Interest**. At the Closing (as defined in Section 4.1), Sellers, separately and not jointly, shall sell, and the Purchaser shall purchase, the Purchased Interest, each upon the terms provided in this Agreement.

3. **Purchase Price; Working Capital.**

3.1 **Purchase Price**. Subject to Section 3.2 below, the Parties agree that the total purchase price (the "**Purchase Price**") for the Purchased Interest shall be Nine Million, One Hundred Sixty One Thousand, Nineteen Dollars ($9,161,019), which amount shall be adjusted based on the difference ("**Difference**") between the Company's Working Capital (as defined in Section 3.2) on the Closing Date (as defined in Section 4.1) and Three Hundred Seventeen Thousand, One Hundred Dollars ($317,100). If the Company's Working Capital on the Closing Date exceeds Three Hundred Seventeen Thousand, One

Hundred Dollars ($317,100), then the Purchase Price shall be increased by the Difference. If the Company's Working Capital on the Closing Date is less than Three Hundred Seventeen Thousand, One Hundred Dollars ($317,100), then the Purchase Price shall be decreased by the Difference. The Parties agree that the Purchase Price and all other terms of the Transaction have been negotiated at arm's length and are fair, reasonable and consistent with fair market value. The Parties further agree that to their knowledge, the Company has title to all assets associated with the operation of the diagnostic center owned by the Company (the "**Center**"), except for those assets specifically identified on **Schedule 1** hereto.

3.2 **Working Capital**. "**Working Capital**", as used herein, means current assets minus current liabilities. Prior to the Closing and as soon as is reasonably possible, the Parties will agree upon a formula to determine the value of the accounts receivables and the other current assets and liabilities of the Company. The Parties shall work in good faith and use best efforts to agree upon a formula to determine the value of the Working Capital. At the Closing, the Parties shall calculate the Working Capital as of the Closing Date, using the agreed upon formula to value the assets and liabilities, each Party having full, complete and equal access to the financial books and records of the Company.

4. **Closing and Termination**.

4.1 **Closing Date; Post-Closing Rights and Obligations**. The Parties shall consummate the Transaction pursuant to this Agreement at a closing (the "**Closing**") to be held as soon as possible, and no later than thirty (30) days, following the date on which all of the Conditions Precedent set forth in **Sections 10 and 11** have been satisfied or waived (the "**Closing Date**"). Upon consummation of the Transaction, the Closing shall be deemed effective as of 12:01 A.M. Central Standard Time on the Closing Date. At the Closing, all transactions contemplated by this Agreement shall be conducted substantially concurrently and no transaction shall be deemed complete until all are completed. Following the Closing, neither MHV nor CDCP shall be a Member of the Company, and neither shall have any rights to receive income or distributions from the Company.

4.2 **Termination**. Any Party may terminate this Agreement by written notice to the other Parties if the Closing shall not have occurred by June 30, 2011. If any Party terminates this Agreement pursuant to this **Section 4.2**, then this Agreement shall become null and void, and all rights and obligations of the Parties hereunder shall terminate without liability of any Party to any other Party other than the liability of a Party for its obligations under **Section 14.13**.

5. **Payment of Purchase Price**. At the Closing, Purchaser shall pay (a) Three Million, Fifty Three Thousand, Six Hundred Seventy Three Dollars ($3,053,673), as adjusted pursuant to **Section 3.1**, to MHV for MHV's Interest in immediately available funds by wire transfer to the bank account designated by MHV and (b) Six Million, One Hundred and Seven Thousand, Three Hundred Forty Six Dollars ($6,107,346), as adjusted pursuant to **Section 3.1**, to CDCP for CDCP's Interest in immediately available funds by wire transfer to the bank account designated by CDCP.

6. **Representations and Warranties of Sellers and Company**. Each Seller and the Company each represents and warrants to Purchaser as follows in its own name and on its own behalf without assuming or accepting liability for the breach of any representation or warranty by any Party other than itself.

6.1 **Authority**. Each Seller has all requisite legal capacity, power, and authority to execute and deliver this Agreement and to perform its obligations hereunder (subject to the approval from Memorial Health System ("MHS") that is required as set forth in Section 11.5). This Agreement has been duly authorized, executed, and delivered by each Seller and constitutes the valid and binding obligation of each Seller enforceable against each Seller in accordance with its terms (subject to the approval from MHS that is required as set forth in Section 11.5). In executing this Agreement, the Company consents to the Transaction pursuant to Section 23 of the Second Amended and Restated Operating Agreement of Prairie Diagnostic Center, LLC, dated December 7, 2006 (the "**Operating Agreement**").

6.2 **No Conflicts or Required Consents**. Each Party's and the Company's execution, delivery, and performance of this Agreement, and its consummation of the Transaction, do not and will not: (a) conflict with or violate any law, statute, ordinance, rule, regulation, order, judgment, decree, or governmental or nongovernmental permit to which it is subject or by which any of its properties or assets are bound, or (b) constitute or result in a breach or violation of, or a default (with or without the giving of notice or the lapse of time) under, any contracts to which it is a party or by which any of its properties or assets are bound.

6.3 **Ownership of Purchased Interest**. MHV owns MHV's Interest and CDCP owns CDCP's Interest free and clear of all mortgages, liens, pledges, charges, security interests, encumbrances, easements, encroachments, rights of third parties, or other interests of any kind of character, except for the restrictions on transfer of the Purchased Interest contained in the Operating Agreement, the Bylaws of MHS and MHV, and applicable federal and state securities laws. Upon the consummation of the Transaction, Purchaser will possess good title and ownership of the Purchased Interest free and clear of all mortgages, liens, claims, and encumbrances, except for the restrictions on transfer of the Purchased Interest under applicable federal and state securities laws.

6.4 **Full Disclosure**. To its actual knowledge: (a) each Seller has provided Purchaser with all information requested of Seller by Purchaser in writing in connection with Purchaser's decision to purchase the Purchased Interest, and (b) there are no pending or threatened claims or assessments against the Company that have not been disclosed to Purchaser that would reasonably be expected to result in a material adverse affect on the Company's financial condition or prospects.

6.5 **Maintenance of Books and Records**. Company has maintained the books and records of the Company and such books and records fairly reflect the financial condition of the Company in all material respects. On or before the Closing Date, the Company shall provide to Purchaser photocopies or originals of all financial and other records of the Company. To the extent that such records exist in electronic format, the

Company shall provide to Purchaser such records in a usable electronic format to Purchaser.

6.6 **Center Assets**. Each Seller and the Company represent and warrant that all assets involved in the operation of the Center, except those assets specifically described on **Schedule 1** hereto, are titled in the name of Company.

7. **Representations and Warranties of Purchaser**.

7.1 **Authority**. Purchaser has duly executed and delivered this Agreement on the Effective Date with the intent to be bound hereby and to perform Purchaser's obligations hereunder. This Agreement has been duly authorized, executed, and delivered by Purchaser and constitutes the valid and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms (subject to the approval from Hospital Sisters Health System, Inc. ("HSHS") that is required as set forth in **Section 11.5**).

7.2 **No Conflicts or Required Consents**. The execution, delivery, and performance of this Agreement by Purchaser and the consummation of the Transaction does not and will not: (a) conflict with or violate any law, statute, ordinance, rule, regulation, order, judgment, decree, or governmental or nongovernmental permit to which Purchaser is subject or by which any of its properties or assets are bound, or (b) constitute or result in a breach or violation of, or a default (with or without the giving of notice or the lapse of time) under, any contracts to which Purchaser is a party or by which any of the properties or assets of Purchaser is bound.

7.3 **Assurances From CMS**. As of the Effective Date, Purchaser has received reasonable assurances ("Reasonable Assurances") from the Centers for Medicare and Medicaid Services (herein "CMS") that Purchaser will be eligible to receive reimbursement for services provided at the Center as provider based hospital outpatient services.

8. **Covenants of Sellers Prior to Closing**.

8.1 **Non-Competition**. Except as stated below, each Seller agrees in its own name and on its own behalf only that during the period commencing on the Closing Date and expiring on the first anniversary of the Closing Date (**"Noncompete Period"**), it and each of its Affiliates will not (a) directly or indirectly provide within Sangamon County, Illinois, or (b) directly or indirectly own, operate or manage, or subscribe for, purchase or otherwise acquire, a financial, compensation, equity or ownership interest in an entity that provides within Sangamon County, Illinois, diagnostic cardiovascular catheterization services, interventional cardiovascular catheterization services, diagnostic cardiovascular MRI/MRA or diagnostic cardiovascular CT services, and/or other diagnostic cardiovascular imaging services (collectively "Services") that are billed to Medicare or other third party payors as freestanding (i.e., not hospital-based) services. In addition, each Seller acknowledges and agrees in its own name and on its own behalf only that the restrictions contained in this **Section 8.1** do not apply to the professional component of any Services, but do apply to providing diagnostic cardiovascular MRI/MRA or diagnostic cardiovascular CT services provided under arrangements. This noncompetition covenant ("**Noncompetition Covenant**") shall not apply to ownership of an interest in a publicly traded company, so long as the aggregate ownership by a Seller and its Affiliates of any class of ownership interest in such entity is less than five percent (5%) of the total outstanding ownership interest of such class. The Noncompetition Covenant shall not apply to any services that a Seller or Affiliate thereof provides pursuant to a leasing or purchased services arrangement with Purchaser that contemplates the Seller or Affiliate providing such services. At the written request of Purchaser, each Seller shall obtain and present to Purchaser within thirty (30) days following the request, the written agreement of each of its Affiliates to comply with and abide by the Noncompetition Covenant and shall, within thirty (30) days following the date that a person or entity becomes an Affiliate, obtain and present to Purchaser the written agreement of such new Affiliate to comply with and abide by the Noncompetition Covenant. The Noncompetition Covenant will apply to the successors of each Seller (and the Affiliates of such successors) if Seller is merged into, consolidated into or acquired by a third party.

8.2 **Non-Solicitation of Employees or Leased Employees**. Each Seller agrees that for the period commencing on the Effective Date and expiring on the first anniversary of the Closing, neither the Seller, nor any of the Seller's Affiliates, without the written consent of Purchaser, will knowingly solicit for employment any person who it knows was an employee or leased employee of the Company as of the Effective Date. Without limiting the generality of the foregoing, it shall not be a violation of this paragraph for a Seller or one of its Affiliates to hire an employee or leased employee of the Company if it hires an employee or leased employee who responds to a general employment advertisement.

8.3 **Confidential Information**. Neither Seller nor any of either Seller's Affiliates shall at any time knowingly use or disclose to or for the benefit of any Person other than Purchaser, any information, knowledge or data relating to the Company (including, without limitation, information relating to accounts, financial dealings, transactions, trade secrets, intangibles, patient lists, pricing lists, processes, plans and proposals), whether or not marked or otherwise identified as confidential or secret, unless: (a) such information is already known to such third party or to others not bound by a duty of confidentiality or such information becomes publicly available through no fault of such Party, (b) the use of such information is necessary or appropriate in making any filing or obtaining any consent or approval required for the consummation of the Transaction, or (c) the furnishing or use of such information is required by or necessary or appropriate in connection with legal proceedings.

8.4 **Acknowledgments**. Each Seller acknowledges on its own behalf that, in view of the nature of the Company and the business objectives of Purchaser in entering into this Agreement and the Transaction, the restrictions contained in this **Section 8** are reasonably necessary to protect the legitimate business interests of Purchaser and the Company and that any material violation of such restrictions will result in irreparable injury to Purchaser, for which damages will not be an adequate remedy. Each Seller therefore acknowledges on its own behalf that if it materially violates such restriction, Purchaser shall be entitled to preliminary and injunctive relief against it, as well as to an equitable accounting against its earnings, profits and other benefits arising from such violation.

8.5 **Affiliate**. For purposes of this **Section 8**, the term "**Affiliate**" as to a Seller means any other individual or entity that, directly or indirectly, owns, controls, is owned by, is controlled by, is under common ownership with, or is controlled by, the Seller.

8.6 **Person**. For purposes of this **Section 8**, the term "**Person**" means and includes an individual, partnership, limited partnership, limited liability company, trust, estate, corporation, or other entity, and a custodian, trustee, executor, administrator, nominee or individual or entity acting in a representative capacity.

9. **Pre-Closing Covenants**.

9.1 **General**. Between the Effective Date and the Closing Date, each Party will use its reasonable efforts to take all actions and to do all things which are within its control that are necessary, proper or advisable in order to consummate and make effective the Transaction, including, without limitation, the satisfaction of the Conditions Precedent set forth in **Sections 10 and 11**.

9.2 **Governmental Approvals**. Between the Effective Date and the Closing Date, each Party: (a) shall use its reasonable efforts and, as applicable, cooperate with the other Parties, to secure, as promptly as practicable before the Closing Date, all consents, approvals, authorizations, clearances, certificates of need (or certificates of exemption) and licenses required to be obtained from governmental and regulatory authorities in order to carry out the Transaction and to cause all of its covenants and agreements to be performed, satisfied and fulfilled, including a certificate of exemption or certificate of need, as applicable, from the Illinois Health Facilities and Services Review Board ("**IHFSRB**"), and (b) will provide such information and communications to governmental and regulatory authorities as any Party or such authorities may reasonable request.

9.3 **Operations**. Between the Effective Date and the Closing Date, each Party shall: (a) cooperate to ensure that the Company carries on its business in substantially the same manner as presently conducted, does not make any material changes to its business or operations, and maintains the Purchased Assets in good operating condition, ordinary wear and tear excepted; (b) perform all of its obligations under agreements relating to or affecting the Purchased Assets; and (c) use reasonable efforts to maintain and preserve the business of the Company.

9.4 **Full Access**. Between the Effective Date and the Closing Date, each Party shall permit representatives of the other Parties (including legal counsel and accountants) to have reasonable access, at all reasonable times and in a manner so as not to interfere with the normal business operations of the Company, to all premises, properties, management personnel, and business records of or pertaining to the Company.

9.5 **Schedules and Other Instruments**. Each Schedule to this Agreement shall be considered a part hereof as if set forth herein in full. From the Effective Date until the Closing Date, Sellers or Purchaser may update Schedules, subject to the approval rights of the other Parties described below. Any other provision herein to the contrary notwithstanding, all Schedules, or other instruments provided for herein and not delivered at the time of execution of this Agreement or which are incomplete at the time of execution of this Agreement shall be delivered or completed within three (3) days prior to the Closing. It shall be deemed a Condition Precedent to the obligations of the Parties that each of the Schedules, and related documents, instruments, books, and records shall meet with the approval of the Parties. If a Party, in its reasonable discretion, determines that it should not consummate the Transaction because of new or supplemental material information contained in a Schedule or other instrument that is delivered to such Party after the execution of this Agreement, then such Party may terminate this Agreement on or before the Closing by giving written notice thereof to the other Parties.

10. **Conditions Precedent to Obligations of Purchaser**. Notwithstanding anything herein to the contrary, the obligations of Purchaser to consummate the Transaction are subject to the fulfillment, on or prior to the Closing Date, of the following "**Conditions Precedent**" unless (but only to the extent) waived in writing by Purchaser at the Closing:

10.1 **Representations/Warranties**. The representations and warranties of Sellers and Company contained in this Agreement shall be true when made and, when read in light of any Schedules which have been updated in accordance with the provisions of **Section 9.5**, as of the Closing Date as though such representations and warranties had been made on and as of the Closing Date. Each and all of the terms, covenants, and conditions of this Agreement to be complied with or performed by Company and/or Sellers on or before the Closing Date pursuant to the terms hereof shall have been duly complied with and performed or waived by Purchaser at the Closing.

10.2 **Pre-Closing Confirmations**. Effective as of the Closing Purchaser shall: (a) have obtained a certificate of exemption or certificate of need, as applicable, from the IHFSRB to consummate the Transaction, and documentation or other evidence satisfactory to Purchaser in its reasonable discretion that Purchaser has received approval from all government entities (e.g., licensure of Purchaser by Illinois Department of Public Health allowing Purchaser to operate the Center) to complete the Transaction; (b) not have obtained from CMS information that vitiates (e.g., voids or annuls) the Reasonable Assurances; and (c) have obtained such other consents and approvals as may be legally or contractually required for the consummation of the Transaction.

10.3 **Actions/Proceedings**. No action or proceeding before a court or any other governmental agency or body shall have been instituted or threatened to restrain or prohibit the Transaction, and no governmental agency or body shall have taken any other action or made any request of any Party as a result of which Purchaser reasonably and in good faith deems it inadvisable to proceed with the Transaction.

10.4 **Adverse Change**. Since the Effective Date, there shall not have occurred any event, change or occurrence that has or could reasonably be expected to have a material adverse effect on the ability of Purchaser to provide Services at the Center as of, or following, the Closing.

10.5 **Insolvency**. Neither the Company nor any Seller shall be in receivership or dissolution; have made any assignment for the benefit of creditors; have admitted in writing its inability to pay its debts as they mature; have been adjudicated a bankrupt; or have filed a petition in voluntary bankruptcy, a petition or answer seeking reorganization, or an arrangement with creditors under the federal bankruptcy law or any other similar law of the United States or any state, nor shall any such petition have been filed against any Seller or the Company.

10.6 **Vesting/Recordation**. The Company and each Seller at the written request of Purchaser, shall have furnished to Purchaser, in form and substance reasonably satisfactory to Purchaser, assignments or other instruments of transfer and consents and waivers by others, necessary or appropriate to transfer to and effectively vest in Purchaser all right, title, and interest in and to the Purchased Interest, in proper statutory form for recording if such recording is necessary or appropriate.

11. **Conditions Precedent to Obligations of Sellers**. Notwithstanding anything herein to the contrary, the obligations of each Seller to consummate the Transaction are subject to the fulfillment, on or prior to the Closing Date, of the following Conditions Precedent unless (but only to the extent) waived in writing by each Seller (on its own behalf) at the Closing:

11.1 **Representations/Warranties**. The representations and warranties of Purchaser contained in this Agreement shall be true when made and, when read in light of any Schedules which have been updated in accordance with the provisions of **Section 9.5**, as of the Closing Date as though such representations and warranties had been made on and as of the Closing Date. Each and all of the terms, covenants, and conditions of this Agreement to be complied with or performed by Purchaser on or before the Closing Date pursuant to the terms hereof shall have been duly complied with and performed or waived by Sellers at the Closing.

11.2 **Governmental Approvals Including Health Planning**. Purchaser, at its sole cost and expense, shall have obtained or made when so required all material consents, authorizations, orders and approvals of (or filings or registrations with) any government entity or other party required in connection with the execution, delivery and performance of this Agreement, including, but not limited to, a certificate of exemption or certificate of need, as applicable, from the IHFSRB to consummate the Transaction.

11.3 **Actions/Proceedings**. No action or proceeding before a court or other governmental agency or body shall have been instituted or threatened to restrain or prohibit the Transaction, and no governmental agency or body shall have taken any other action or made any request of any Party as a result of which either Seller reasonably and in good faith deems it inadvisable to proceed with the Transaction.

11.4 **Insolvency**. Purchaser shall not be in receivership or dissolution; have made any assignment for the benefits of creditors; have submitted in writing its inability to pay its debts as they mature; have been adjudicated as bankrupt; or have filed a petition in voluntary bankruptcy; a petition or answer seeking reorganization, or an agreement with creditors under the federal bankruptcy law or any other similar law of the United States or any state, and no such petition shall have been filed against Purchaser.

11.5 **Board Approval**. The Board of Directors of MHS shall have approved the execution, delivery, and performance of this Agreement and the consummation of the Transaction. In addition, HSHS shall have approved the execution, delivery, and performance of this Agreement and the consummation of the Transaction.

11.6 **Business Alliance Agreement**. Memorial Medical Center and Prairie Cardiovascular Consultants, LLC (**"Prairie"**) shall have entered into an Amended and Restated Business Alliance Agreement in form and substance acceptable to both.

12. **Post-Closing Covenants**.

12.1 **Post-Closing Access to Information**. Each Party agrees that for a period of six (6) years after the Closing it will make available to another Party, upon the other Party's written request and expense, documents and information in its control or possession relating to the business and operation of the Company that the requesting Party may reasonably need to conclude the Transaction; audits, compliance with governmental requirements and regulations; and the prosecution or defense of third-party claims.

12.2 **Indemnification**. Each Party (an "Indemnifying Party") agrees to indemnify, defend, and hold another Party ("Indemnified Party") harmless from, against, for, and in respect of any and all demands, claims, actions, or causes of action, assessments, losses, diminution in value, damages, liabilities, costs, and expenses, including without limitation, interest, penalties, cost of investigation and defense, and reasonable attorneys' and other professional fees and expenses asserted against, paid, suffered, imposed upon, or incurred by such Indemnified Party by reason of, resulting from, based upon, or arising out of or in connection with the breach or non-fulfillment of any representation, warranty or covenant of the Indemnifying Party contained in this Agreement.

13. **Termination Prior to Closing**. Notwithstanding anything herein to the contrary, this Agreement may be terminated at any time on or prior to the Closing Date by the unanimous consent of the Parties; on or prior to the Closing Date by Purchaser, if satisfaction of any condition to Purchaser's obligations under **Section 10** becomes impossible or impractical with the use of reasonable efforts (unless the failure results primarily from Purchaser breaching any representation, warranty, or covenant herein) and such condition shall not have been waived by Purchaser; or on or prior to the Closing Date by either Seller, if satisfaction of any condition to such Seller's obligations under **Section 11** becomes impossible or impractical with the use of commercially reasonable efforts (unless the failure results primarily from such Seller's breaching any representation, warranty, or covenant herein) and such condition shall not have been waived by such Seller.

14. **General Provisions**.

14.1 **Binding Effect; No Third Party Beneficiaries**. Each term and provision of this Agreement shall be binding upon and enforceable against and inure to the benefit of the successors or assigns of the Parties; nothing in this Agreement, express or implied, being intended to confer upon any other person any rights or remedies hereunder.

14.2 **Captions**. Captions and headings of sections and paragraphs hereof are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

14.3 **Counterparts**. This Agreement may be executed simultaneously in four (4) or more counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same document. The signature of any Party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

14.4 **Entire Agreement**. This Agreement contains the entire understanding between the Parties with respect to the Transaction and supersedes and replaces all prior and contemporaneous agreements and understandings, oral or written, with regard to the Transaction.

14.5 **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of the state of Illinois, without giving effect to any choice or conflict of law provision or rules that would cause the application of the laws of any jurisdiction other than the state of Illinois.

14.6 **Modifications to be Written**. Except as otherwise provided herein, this Agreement may not be altered, amended, or modified except by a writing duly executed by the Parties.

14.7 **Non-Waiver**. No waiver, forbearance, or failure by any Party of such Party's right to enforce any provision of this Agreement shall constitute a waiver or estoppel of such Party's right to enforce such provision in the future or such Party's right to enforce any other provision of this Agreement.

14.8 **Notices**. Any notice, claim, demand, request or other communication required or permitted under this Agreement shall be valid and effective only if given by written instrument which is delivered personally or sent by certified or registered mail, postage prepaid, return receipt requested or an overnight delivery service, such as UPS or FedEx, addressed to the Parties at their respective addresses, as set forth below:

If to Purchaser:
St. John's Hospital
800 East Carpenter Street
Springfield, IL 62769
Attn: President and CEO
Robert Ritz
cc: Amy Bulpitt
Legal Counsel

If to Company:
Prairie Diagnostic Center, LLC
619 East Mason Street
Suite 4P57
Springfield, Illinois 62701

Attn: Frank L. Mikell
Vice-Chairman

If to MHV:
Memorial Health Ventures
701 North First Street

Springfield, IL 62781
Attn: President

If to CDCP:
CDCP, LLC
619 East Mason Street
Suite 4P57
Springfield, IL 62701
Attn: Frank L. Mikell,
Authorized Officer

Any notice, claim, demand, request, or other communication given as provided in this paragraph, if given personally, shall be effective upon delivery; if given by overnight delivery service, shall be effective one (1) day after transmission; and if given by mail, shall be effective five (5) days after deposit in the mail. Any Party may change the address at which such Party is to receive notice by giving notice to the other Parties as required by this paragraph.

14.9 **Severability**. All terms and conditions of this Agreement shall be severable one from the other so that should any of its provisions be held legally unenforceable by a court of competent jurisdiction, the remaining provisions shall remain in effect.

14.10 **CON/COE Disclaimer**. This Agreement shall not be deemed to be an acquisition of assets or equity interests, an obligation of a capital expenditure or of funds, or a change in ownership or membership within the meaning of the certificate of need or certificate of exemption statutes of Illinois until the appropriate governmental agencies shall have granted a certificate of need or the appropriate approval or rules that no certificate or need or other approval is required.

14.11 **Waiver of Jury Trial**. EACH PARTY IRREVOCABLY WAIVES ANY AND ALL RIGHTS IT MAY HAVE TO DEMAND THAT ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT OR THE RELATIONSHIPS OF THE PARTIES BE TRIED BY JURY. THIS WAIVER EXTENDS TO ANY AND ALL RIGHTS TO DEMAND A TRIAL BY JURY ARISING FROM ANY SOURCE INCLUDING, BUT NOT LIMITED TO, THE CONSTITUTION OF THE UNITED STATES OR ANY STATE THEREIN, COMMON LAW OR ANY APPLICABLE STATUTE OR REGULATIONS. EACH PARTY ACKNOWLEDGES THAT IT IS KNOWINGLY AND VOLUNTARILY WAIVING ITS RIGHT TO DEMAND TRIAL BY JURY.

14.12 **Venue**. The Parties, by their execution of this Agreement, consent and submit to the jurisdiction of any state or federal court located within Sangamon County, Illinois, and agree that any action or proceeding arising out of or in connection with this Agreement may be commenced and maintained only in courts located in Sangamon County, Illinois.

14.13 **Cost of Transaction**. Whether or not the Parties consummate the Transaction, each Party shall be responsible for and pay all fees, expenses and disbursements it and its agents, representatives, accountants and legal counsel incur in connection with the execution, delivery and performance of this Agreement. Purchaser alone shall pay all state and local sales taxes incurred in connection with the sale and purchase of the Purchased Interests. In addition, Purchaser alone shall be responsible for and pay all costs and expenses incurred in connection with and applying for and obtaining all consents, approvals, authorizations, orders and approvals of any governmental entity or other party required in connection with its execution, delivery and performance of this Agreement, including, but not limited to, a certificate of exemption or certificate or need from the IHFSRB to consummate the Transaction.

14.14 **Survival**. The representations and warranties contained in **Sections 6** and 7 shall survive for a period of two (2) years after the Closing.

14.15 **Non-Assignment**. No Party shall assign this Agreement or any part hereof without the prior written consent of the other Parties and any purported assignment in violation hereof shall be null and void.

(Signatures on next page.)

IN WITNESS WHEREOF, the Parties have executed this Agreement, or caused the same to be executed by their duly authorized officers, to be effective as of the Effective Date.

"Purchaser"

St. John's Hospital of the Hospital Sisters of Third Order of St. Francis

12/14/10

Robert Ritz, President and CEO

"Company"

Prairie Diagnostic Center, LLC

Frank L. Mikell, Vice-Chairman

"MHV"

Memorial Health Ventures

Douglas L. Rahn, Chairman

"CDCP"

CDCP, LLC

Frank L. Mikell, Authorized Officer

This Contract Has Been Reviewed By Legal Counsel

SCHEDULE 1

To

MEMBERSHIP INTEREST PURCHASE AGREEMENT

Excluded Assets

The Parties acknowledge that Prairie Cardiovascular Consultants, Ltd. has equipment and other assets that are located on the second floor of the building in which the Company is located. These assets are not assets of the Company and are not being acquired by Purchaser.

ATTACHMENT 6

FINANCIAL INFORMATION

St. John's Hospital of the Hospital Sisters of the Third Order of St. Francis is a member of Hospital Sisters Services, Inc.'s obligated group.

Documentation of Hospital Sisters Services, Inc's "AA-" bond rating from Fitch Ratings is appended to this Attachment.

FitchRatings
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Fitch Affirms Hospital Sisters Services, Illinois' Outstanding Bonds at 'AA-/F1+'; Outlook Stable

Ratings
02 Jul 2009 4:45 PM (EDT)

Fitch Ratings-Chicago-02 July 2009: Fitch Ratings has affirmed the 'AA-' unenhanced rating for Hospital Sisters Services, Inc.'s (HSSI) approximate $588 million of Illinois Finance Authority and Wisconsin Health and Educational Facilities Authority revenue bonds. In addition, Fitch has affirmed the 'F1+' short-term rating on approximately $90.3 million Wisconsin Health and Educational Facilities Authority series 2008B and 2003B revenue bonds outstanding and approximately $127.4 million of Illinois Finance Authority series 2008A revenue bonds outstanding. The Rating Outlook is Stable.

The 'F1+' short-term rating reflects the sufficiency of HSSI's cash and investment available to fund the cost of maturing the series 2008A&B and series 2003B bonds while in a unit pricing (i.e. commercial paper) mode. On May 31, 2009, after assigning appropriate discounts based on underlying ratings and maturity of its holdings (per Fitch's rating criteria related to self liquidity [see Fitch's report 'Guidelines for Rating Variable Rate Demand Bonds and Commercial Paper Issued with Internal Liquidity' dated March 7, 2006]), HSSI had liquid cash and fixed income investments of approximately $752.58 million. Based on Fitch's criteria, HSSI's eligible cash and investments would cover the entire cost of any un-remarketed roll over of the series 2008 A&B bonds and 2003B bonds while in a unit pricing mode by at least 3.45 times (x), well above the required threshold of 1.25x to achieve the 'F1+' short-term rating. HSSI has written procedures in place to ensure payment on the series 2008A&B and 2003B bonds and provides Fitch monthly investment reports which are used to monitor its cash and investment position available for self liquidity.

The 'AA-' rating reflects HSSI's superb balance sheet strength, strong debt service coverage, a relatively low debt burden, and sustained positive operating performance. Liquidity indicators are robust and are considered a primary credit strength. On May 31, 2009 HSSI's unrestricted cash and investments totaled $1.12 billion which translates in 285.6 days cash on hand, a cushion ratio 32.1x and cash-to-debt of 191%, which exceed Fitch's 2008 'AA' medians of 246.4 days cash on hand, 20.9x and 162.9%, respectively. HSSI's debt burden is modest as maximum annual debt service (MADS) represents a light 2.1% of annualized fiscal year end (FYE) 2009 revenues and debt to capitalization of 22.9%. Both compare favorably to Fitch's 'AA' medians of 2.7% and 31.3%, respectively.

HSSI's operating performance continues to improve since the management and organization changes implemented in fiscal 2007. Management has implemented a restructuring of the system with the intent of optimizing scale benefits focusing on initiatives in labor cost management, revenue cycle and supply chain management. This process is a multi-year, multi-faceted plan that is projected to improve upon recent operating performance. At FYE 2008, HSSI's produced operating and operating EBIDTA margins of 2.2% and 9.5% on total revenues of $1.56 billion. Through the 11-month interim period ending May 31, 2009, HSSI reported 2.4% operating and 9.8% operating EBIDTA margins on total revenues of $1.54 billion. This consistent operating performance has enabled HSSI to cover its MADS with operating EBITDA by 4.7x, 4.3x, and 4.6x on May 31, 2009, FYE 2008, and FYE 2007, respectively.

Credit concerns are HSSI's location in mid-sized markets with little projected growth, the concentration of system revenue at one facility, and its reliance on its Wisconsin operations to cover losses at its Illinois facilities. Specifically troubling are the continued operating losses reported at St. John's-Springfield, which accounted for 24.3% of total system revenues in fiscal 2008. St. John's has recorded losses from operations over the last two years averaging $12.2 million per year, and is projected to lose another $12.4 million in FYE 2009. The operating improvement plan currently under way at St. John's is critical to the overall operating success of the system. Historically, HSSI's more profitable Wisconsin operations have offset the weaker performance of the Illinois facilities. Any deleterious change to the Wisconsin healthcare operating environment would likely place pressure on HSSI's already low operating margins and be a negative credit factor.

The Stable Outlook reflects the system's incremental operating improvement and substantial balance sheet strength. Management has implemented several improvement initiatives to better balance operating profitability across the system. Realization of those initiatives combined with HSSI's existing balance sheet strength could result in upward movement of the rating.

HSSI is composed of 13 inpatient hospitals in Illinois (eight facilities) and Wisconsin (five facilities). In fiscal 2008, the system had 2,132 beds in operation and total revenues of $1.56 billion. HSSI covenants to provide bondholders with audited annual information within 120 days of fiscal year-end and unaudited quarterly statements within 45 days of quarterend to the national recognized municipal securities information repositories and through Digital Assurance Certification, L.L.C. The content of HSSI's disclosure to-date has been excellent and includes a balance sheet, income statement, cash flow statement, utilization statistics, and management discussion and analysis.

Contact: Anthony A. Houston +1-312-368-3180 or Jim LeBuhn +1-312-368-2059, Chicago.

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