

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR EXEMPTION FOR THE
CHANGE OF OWNERSHIP FOR AN EXISTING HEALTH CARE FACILITY

RECEIVED

JUN 13 2014

1. INFORMATION FOR EXISTING FACILITY

Current Facility Name Cadence Ambulatory Surgery Center d/b/a Cadence Surgery Center HEALTH FACILITIES & SERVICES REVIEW BOARD
Address 27650 Ferry Road
City Warrenville Zip Code 60555 County DuPage
Name of current licensed entity for the facility Cadence Ambulatory Surgery Center, LLC d/b/a Cadence Surgery Center
Does the current licensee: own this facility _____ OR lease this facility X (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. Michael Connelly
State Senate District Number 21 Mailing address of the State Senator _____
1725 South Naperville Road, Suite 200, Wheaton, IL 60189
Illinois State Representative for the district where the facility is located: Rep. Darlene Senger
State Representative District Number 41 Mailing address of the State Representative _____
401 South Main Street, Suite 300, Naperville, IL 60540

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 . If yes, refer to Section 1130.520(f), and indicate the projects by Project # _____

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

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

Exact Legal Name of Entity to be Licensed Cadence Ambulatory Surgery Center, LLC d/b/a Cadence Surgery Center
Address 27650 Ferry Road
City, State & Zip Code Warrenville, IL 60555
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 _____

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

Exact Legal Name of Entity That Will Own the Site CDH-Delnor Health System d/b/a Cadence Health
Address 25 North Winfield Road
City, State & Zip Code Winfield, IL 60190
Type of ownership of the current licensed entity (check one of the following:) _____ Sole Proprietorship
X Not-for-Profit Corporation _____ For Profit Corporation _____ Partnership _____ Governmental
_____ Limited Liability Company _____ Other, specify _____

6. TRANSACTION TYPE. CHECK THE FOLLOWING THAT APPLY TO THE TRANSACTION:

- Purchase resulting in the issuance of a license to an entity different from current licensee;
- Lease resulting in the issuance of a license to an entity different from current licensee;
- Stock transfer resulting in the issuance of a license to a different entity from current licensee;
- Stock transfer resulting in no change from current licensee;
- Assignment or transfer of assets resulting in the issuance of a license to an entity different from the current licensee;
- Assignment or transfer of assets not resulting in the issuance of a license to an entity different from the current licensee;
- Change in membership or sponsorship of a not-for-profit corporation that is the licensed entity;
- 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;
- 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;
- Sale or transfer of the physical plant and related assets of a health care facility not resulting in a change of current licensee;
- Any other transaction that results in a person obtaining control of a health care facility's operation or physical plant and assets, and explain in "Attachment 3 Narrative Description"

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

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

9. ANTICIPATED ACQUISITION PRICE: \$ See Attachment Response 9

10. FAIR MARKET VALUE OF THE FACILITY: \$ See Attachment Response 10
(to determine fair market value, refer to 77 IAC 1130.140)

11. DATE OF PROPOSED TRANSACTION: September 1, 2014

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

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

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

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

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

Name: Bridget Orth
Address: 211 East Ontario Street, Suite 1750
City, State & Zip Code: Chicago, IL 60611
Telephone () Ext. 312-926-8650

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

Name: Danae Prousis
Address: 680 North Lake Shore Drive, Suite 1118
City, State & Zip Code: Chicago, IL 60611
Telephone () Ext. 312-695-6609

18. CERTIFICATION

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

Signature of Authorized Officer See Attachment Reponse 18

Typed or Printed Name of Authorized Officer _____

Title of Authorized Officer: _____

Address: _____

City, State & Zip Code: _____

Telephone () _____ Date: _____

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

3a. NAME OF APPLICANT

Exact Legal Name of Applicant Northwestern Memorial HealthCare (NMHC)
Address 251 East Huron Street
City, State & Zip Code Chicago, IL 60611
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 _____

3b. NAME OF APPLICANT

Exact Legal Name of Applicant CDH-Delnor Health System d/b/a Cadence Health (Cadence)
Address 25 North Winfield Road
City, State & Zip Code Winfield, IL 60190
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 _____

3c. NAME OF APPLICANT

Exact Legal Name of Applicant Cadence Ambulatory Surgery Center, LLC d/b/a Cadence Surgery Center
Address 27650 Ferry Road
City, State & Zip Code Warrenville, IL 60555
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 _____

6. TRANSACTION TYPE.

In the proposed transaction, Northwestern Memorial HealthCare (NMHC) will become the sole corporate member of CDH-Delnor Health System d/b/a Cadence Health (Cadence). As such, NMHC will have the power to direct the management and policies of all Cadence entities. The transaction will constitute an indirect change of control of Cadence's existing health care facilities, including Cadence Ambulatory Surgery Center, LLC, and therefore a change of ownership of the licensees (as defined in 77 IAC §1130.140). Cadence Health and NMHC also anticipate that 50% or more of the Boards of Directors of Cadence Health, CDH, and Delnor will change as a result of the proposed transaction.

NORTHWESTERN MEMORIAL HEALTHCARE
541 N. Fairbanks Ct., 16th Floor
Chicago, Illinois 60611

PAGE: 1 of 1

DATE: June 10, 2014
TRACE NUMBER: 554662113505
CHECK NUMBER: 113505
AMOUNT PAID: \$2,500.00



00001 CKS LB 14160 - 0000113505 YNNNNNNNNMN 1605100005901 X375A1 C
ILLINOIS DEPT OF PUBLIC HEALTH
DIVISION OF FINANCIAL SERVICES
ATTN: VALIDATION UNIT
535 W. JEFFERSON ST. - 4TH FLOOR
SPRINGFIELD IL 62761

VENDOR NO: 0000005878

INVOICE NO.	INVOICE DATE	VOUCHER	GROSS AMOUNT	DISCOUNT	NET AMOUNT
250000060614	06/06/14	00003526	\$2,500.00	\$0.00	\$2,500.00
Cadence Surgery Center -Certificate Exemption application filing fee					
TOTALS			\$2,500.00	\$0.00	\$2,500.00

PLEASE DETACH BEFORE DEPOSITING CHECK

**Northwestern Memorial®
HealthCare**
NORTHWESTERN MEMORIAL HEALTHCARE
541 N. Fairbanks Ct., 16th Floor
Chicago, Illinois 60611

CHECK NUMBER 113505
June 10, 2014

2-1
710

PAY TO THE ORDER OF: ILLINOIS DEPT OF PUBLIC HEALTH
DIVISION OF FINANCIAL SERVICES
ATTN: VALIDATION UNIT
535 W. JEFFERSON ST. - 4TH FLOOR
SPRINGFIELD, IL 62761

CHECK AMOUNT
\$2,500.00

EXACTLY *****2,500 DOLLARS AND 00 CENTS

JPMorgan Chase Bank, N.A.
Chicago, Illinois



Douglas M. Young

ATTACHMENT #1
Attachment Response 7

8. **FUNDING.** Indicate the type and source of funds which will be used to acquire the facility (e.g., mortgage through Heath Facilities Authority; cash gift from parent company, etc.).

NOT APPLICABLE

There is no acquisition price for this transaction (see Attachment Response 9).

9. ANTICIPATED ACQUISITION PRICE.

There is no anticipated acquisition price for this transaction; however, as stated in the Agreement, as of the closing, there will be a fund created with the unrestricted net cash position of the Cadence System at closing. This fund can be used for the capital needs of the Cadence Health entities.

10. FAIR MARKET VALUE OF THE FACILITY.

In May, 2014, NMHC and Cadence engaged Principle Valuation, LLC to perform a business enterprise valuation of Cadence. A business enterprise value range was determined for Cadence using three valuation methodologies: 1) discounted cash flow analysis, 2) public market comparables analysis, and 3) comparable transaction analysis. Based on a weighted average of the three above methodologies, the enterprise value, net of long-term liabilities, of Cadence was concluded to be in the range of \$2.7 billion to \$3.0 billion.

See Application E-008-14 for the full valuation report.

11. DATE OF PROPOSED TRANSACTION.

The date of the proposed transaction finalization is September 1, 2014, contingent upon receipt of all necessary regulatory approvals.

12. NARRATIVE DESCRIPTION. Provide a narrative description explaining the transaction.

Northwestern Memorial HealthCare (NMHC) and CDH-Delnor Health System d/b/a Cadence Health (Cadence) seek approval of this Certificate of Exemption (COE) to allow for an affiliation which will result in a single integrated health system operating under the name "Northwestern Medicine" (NM System) that supports NMHC and Cadence's common and unifying non-profit health care mission to improve the quality and expand the scope and accessibility of affordable health care and health care-related services for the residents of Cook County, Lake County, DuPage County, Kane County, and surrounding regions in a culture of compassion, respect, integrity, and excellence.

It is NMHC and Cadence's vision to create a combined health system that would support significant improvements in health care delivery and outcomes and would preserve their investments in their communities. The proposed affiliation would create a strong and effective long-term relationship between the NMHC System and the Cadence System ensuring that they continue to achieve their charitable missions.

Currently, Cadence is the ultimate corporate parent of the following legal entities holding licenses as existing health care facilities (as defined in 77 IAC §1130.140): Central DuPage Hospital Association (CDH) (wholly owned by Cadence), Delnor-Community Hospital (Delnor) (wholly owned by Cadence), Cadence Ambulatory Surgery Center, LLC d/b/a Cadence Surgery Center (wholly owned by Cadence), Illinois Proton Center, LLC d/b/a CDH Proton Center (partially owned by Illinois Proton Center Holdings, LLC, which is wholly owned by Cadence), Tri-Cities Surgery Center, LLC (partially owned by DelCom Corporation, Cadence's wholly-owned subsidiary), Tri-Cities Dialysis, LLC (partially owned by DelCom Corporation, Cadence's wholly-owned subsidiary), and Northern Illinois Surgery Center Limited Partnership d/b/a The Center for Surgery (wholly owned by Northern Illinois S.C., Inc., which is partially owned by DuPage Health Services, Inc., Cadence's wholly owned subsidiary).

Cadence has entered into an Affiliation Agreement dated May 15, 2014 with NMHC pursuant to which NMHC will become the sole corporate member of Cadence effective on or around September 1, 2014 and subject to the satisfaction of various closing conditions, including approval of this application by the Illinois Health Facilities and Services Review Board. After the closing of the transaction, NMHC will have the power to direct the management and policies of the licensees named above or their direct parent corporations. The transaction will constitute an indirect change of control of the licensees named above, and therefore a change of ownership (as defined in 77 IAC §1130.140). Cadence and NMHC also anticipate that fifty percent or more of the Boards of Directors of Cadence, CDH, and Delnor will change as a result of the Transaction.

The proposed transaction, in and of itself: (a) will not affect any of the licensees' status as the licensee/operating entity of the existing health care facilities named above; and (b) will not change the legal entity that owns the "bricks and mortar" (buildings) of the existing health care facilities named above. In addition, the transaction will not, in and of itself, effect a transfer, conveyance or change in the ownership of any Cadence joint venture or NMHC joint venture to any other person (See attached letters from Cadence joint venture partners acknowledging the proposed affiliation between Cadence and NMHC).

Affiliation Goals and Objectives

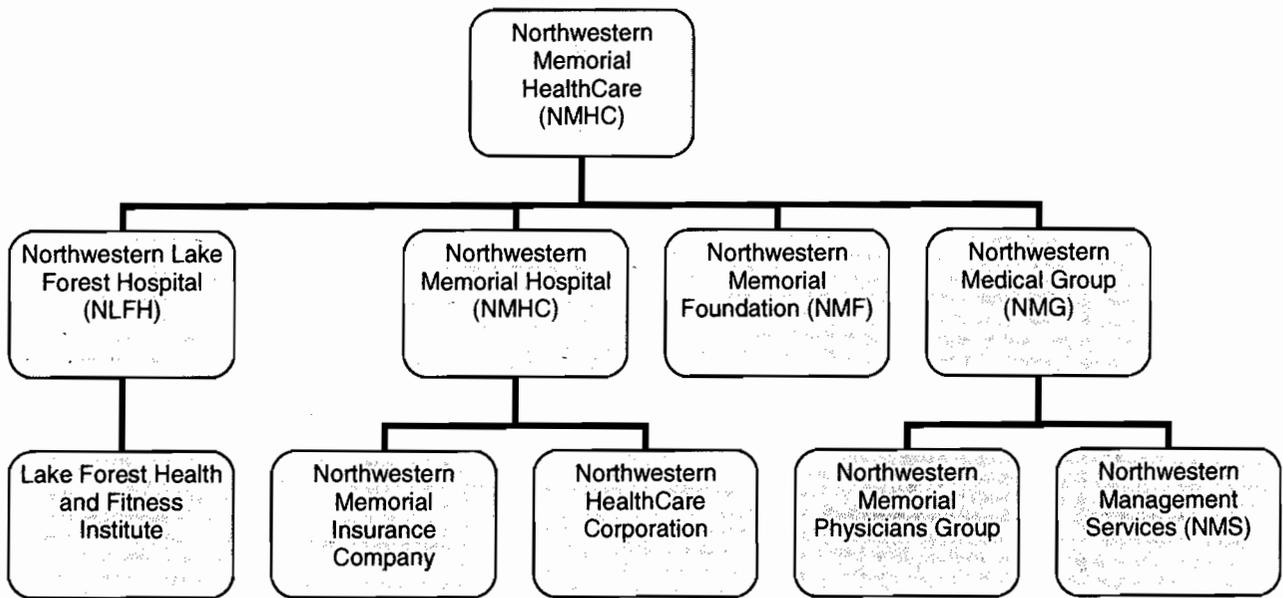
The proposed affiliation intends to create an integrated network comprised of nationally leading premier academic health enterprise and an exceptionally successful, community-based health system that incorporates and builds upon the best elements of NMHC and Cadence's current health systems. Central to the vision of the NM System is the concept of "innovation", which includes:

- Innovation in developing, aligning, sharing, supporting, and adopting the use of best clinical and operational practices across the NM System;
- Innovation in provider relationships, whether through the integration of additional providers into the NM System, or novel relationships intended to support defined mutual interests;
- Innovation in the patient and family experience, so that exceptional care is rendered in an exceptional environment supported by exceptional staff and physicians;
- Innovation in advancing the boundaries of medical science, medical education, and clinical practice through the discovery, translation into clinical care, and dissemination of knowledge.

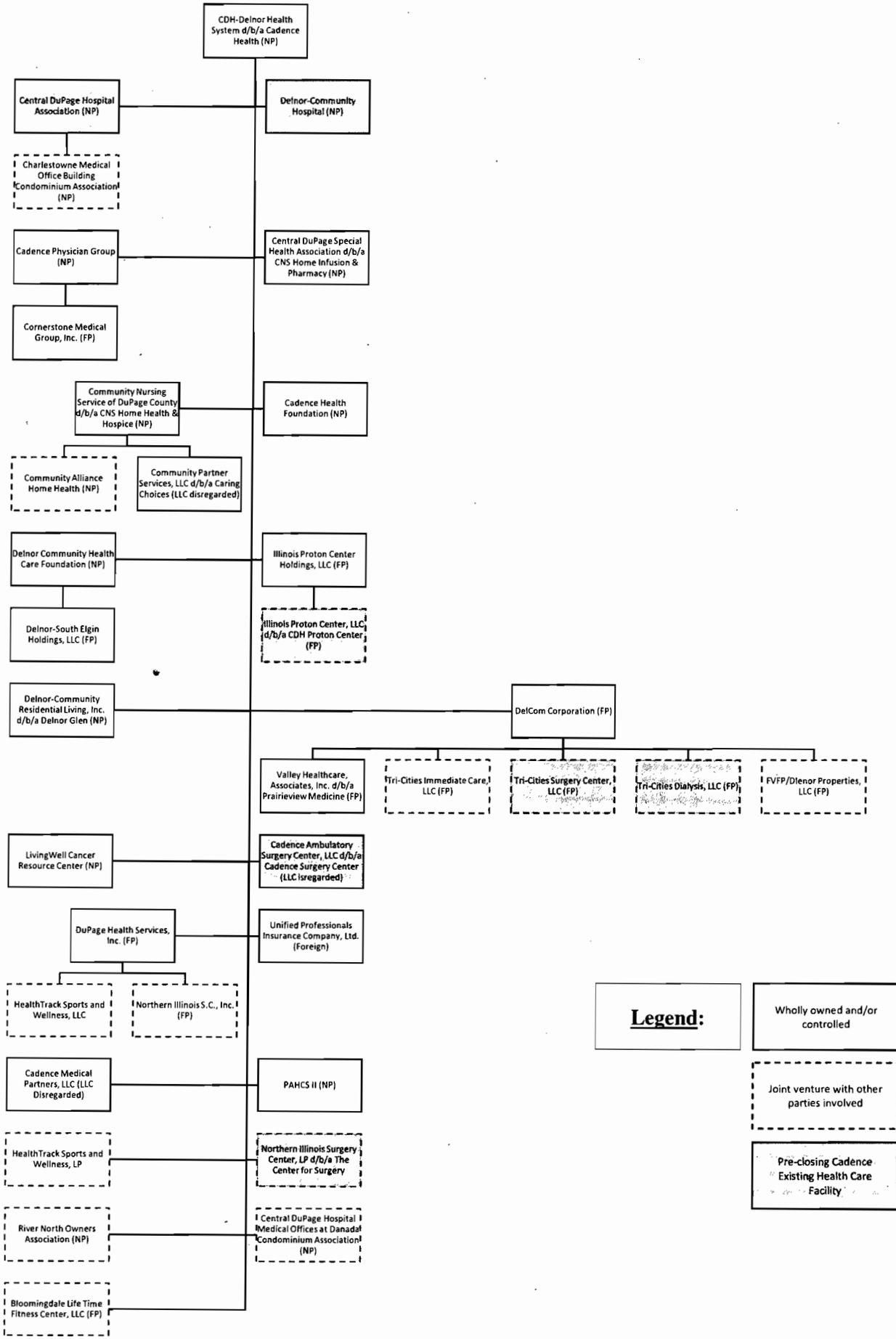
NMHC and Cadence will work to define and implement the affiliation in a manner that:

- furthers the charitable missions of NMHC and Cadence
- continues to improve access to comprehensive, convenient, high quality, lower cost inpatient and outpatient healthcare throughout the communities served by the NM System
- continues to improve the health status of the population of the communities served by the NM System
- promotes community health and well being through patient care, wellness, research and educational efforts
- builds the medical community through developing strongly aligned relationships with primary care, core specialist, subspecialist, and group practice physicians
- enhances sound stewardship through the efficient delivery of all services, resulting in favorable financial performance for the NM System entities
- develops a comprehensive delivery system, emphasizing the efficacy of care, resulting in improved outcomes and quality of life for patients, recognition for quality and service excellence, and growth initiatives and service expansion opportunities for the NM System entities
- enhances physician, payor and patient preference
- enhances community benefit and public policy advocacy
- maintains all appropriate accreditation and all relevant and necessary federal, state and local licenses and permits

NMHC Pre-Transaction Organization Chart



Cadence Health Pre-Transaction Organizational Chart

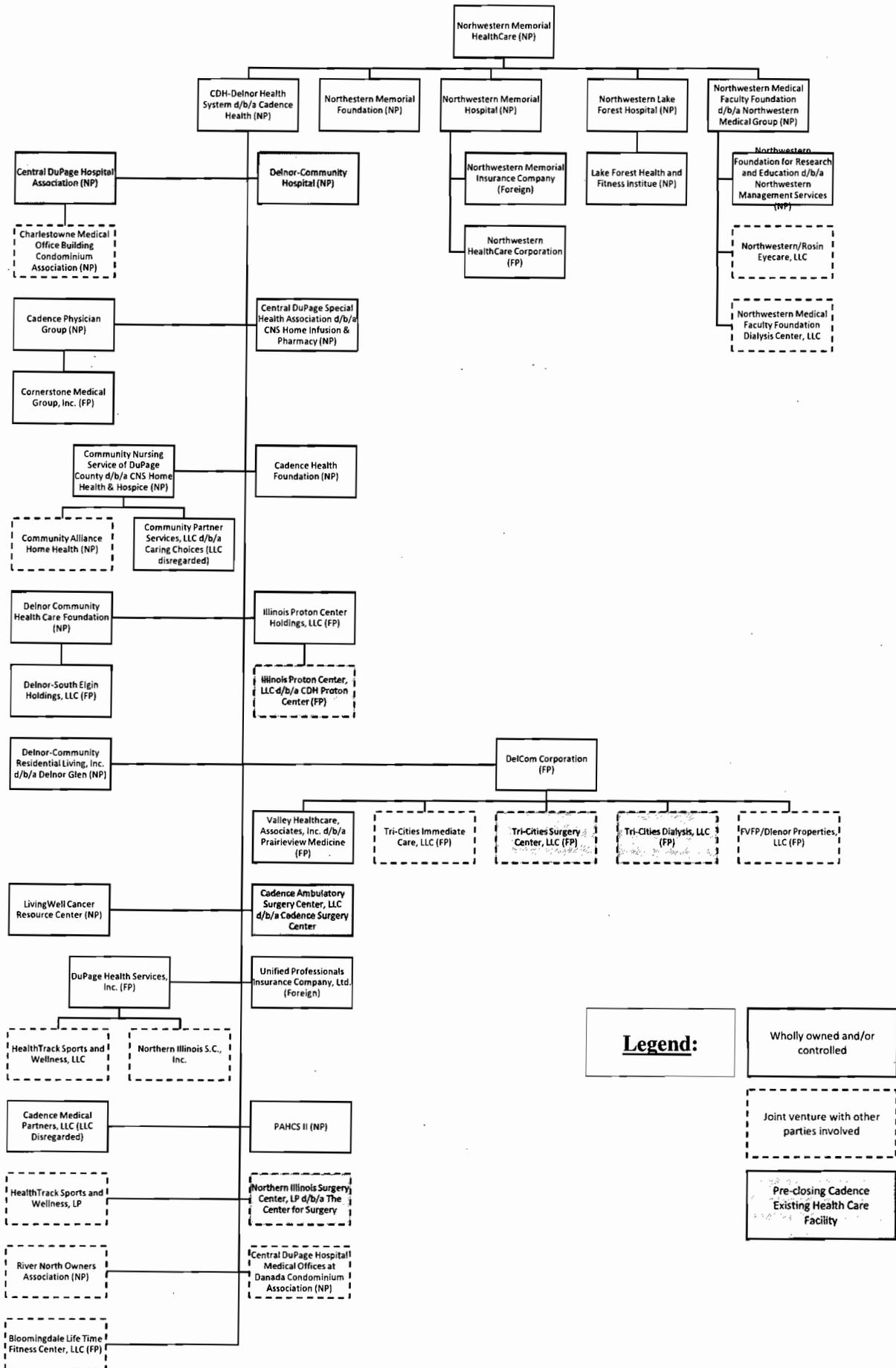


Cadence Health's Existing Health Care Facilities

HEALTH CARE FACILITY	DIRECT CORPORATE OWNERSHIP	LICENSEE	PROPERTY OWNER
Central DuPage Hospital	<ul style="list-style-type: none"> • CDH-Delnor Health System d/b/a Cadence Health, 100% 	Central DuPage Hospital Association	CDH-Delnor Health System d/b/a Cadence Health
Delnor-Community Hospital	<ul style="list-style-type: none"> • CDH-Delnor Health System d/b/a Cadence Health, 100% 	Delnor-Community Hospital	CDH-Delnor Health System d/b/a Cadence Health
Cadence Ambulatory Surgery Center, LLC d/b/a Cadence Surgery Center	<ul style="list-style-type: none"> • CDH-Delnor Health System d/b/a Cadence Health, 100% 	Cadence Ambulatory Surgery Center, LLC	CDH-Delnor Health System d/b/a Cadence Health
Illinois Proton Center, LLC d/b/a CDH Proton Center	<ul style="list-style-type: none"> • Illinois Proton Center Holdings, LLC, 81.25% (sole owner of which is CDH-Delnor Health System d/b/a Cadence Health) • Chicago Proton Treatment Investment, LLC, 18.75% 	Illinois Proton Center, LLC d/b/a CDH Proton Center	Land - owned by CDH-Delnor Health System d/b/a Cadence Health Ground Lease from Cadence Health to Proton Center Building - Illinois Proton Center, LLC d/b/a CDH Proton Center
Tri-Cities Surgery Center, LLC	<ul style="list-style-type: none"> • DelCom Corporation, 50% • Tri-Cities Physician Group, LLC, 50% 	Tri-Cities Surgery Center, LLC	Delnor Community Hospital
Tri-Cities Dialysis, LLC	<ul style="list-style-type: none"> • DelCom Corporation, 49% • F.V.D. II, LLC, 51% 	Tri-Cities Dialysis, LLC	Leases space in building owned by by Delnor-Community Health Care Foundation
Northern Illinois Surgery Center LP d/b/a The Center for Surgery	<ul style="list-style-type: none"> • CDH-Delnor Health System d/b/a Cadence Health, 33% LP interest • Edward Health Ventures, 33% LP interest • DuPage Doctors Limited Partnership, 33% LP interest • Northern Illinois Surgery Center, Inc., 1% GP interest 	Northern Illinois Surgery Center LP d/b/a The Center for Surgery	Northern Illinois Surgery Center, LP d/b/a The Center for Surgery

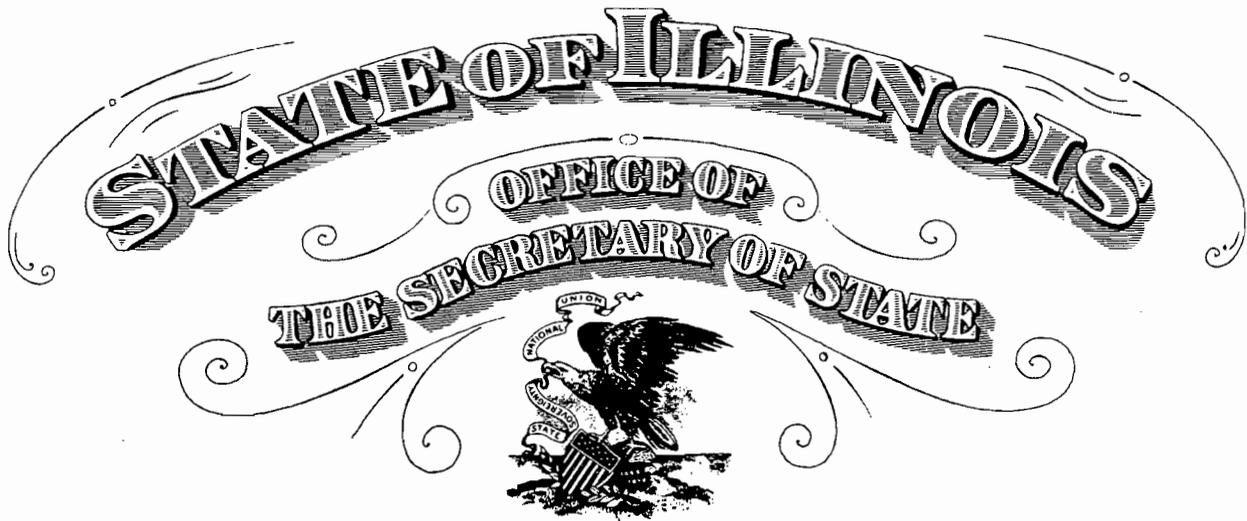
Bold: Cadence entity

NMHC – Cadence Health Affiliation Post-Transaction Organization Chart



Legend:

- Wholly owned and/or controlled
- Joint venture with other parties involved
- Pre-closing Cadence Existing Health Care Facility



To all to whom these Presents Shall Come, Greeting:

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

CADENCE AMBULATORY SURGERY CENTER, LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON JULY 27, 2012, 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.



Authentication #: 1415701448

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

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

Jesse White

SECRETARY OF STATE

14. TRANSACTION DOCUMENTS. Provide a copy of the complete transaction document(s) including schedules and exhibits which detail the terms and conditions of the proposed transaction.

See Application E-008-14 for the full transaction document.

15. FINANCIAL STATEMENTS. (Co-applicants must also provide this information). Provide a copy of the applicants latest audited financial statements, and append it to this application.

NMHC has an Aa2 bond rating from Moody's Investors Service and an AA+ from Standard & Poor's Ratings Services.

See Application E-008-14 for NMHC's applicable bond ratings and the most recent audited financial statements.

18a. CERTIFICATION

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

Northwestern Memorial HealthCare (NMHC)

Signature of Authorized Officer 

Typed or Printed Name of Authorized Officer Dean M. Harrison

Title of Authorized Officer: President and Chief Executive Officer, Northwestern Memorial HealthCare

Address: 251 East Huron Street

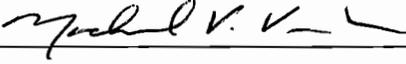
City, State & Zip Code: Chicago, IL 60611

Telephone (312) 926-3007 Date: 6/9/14

18b. CERTIFICATION

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

CDH-Delnor Health System (Cadence Health)

Signature of Authorized Officer 

Typed or Printed Name of Authorized Officer Michael V. Vivoda

Title of Authorized Officer: President and Chief Executive Officer, Cadence Health

Address: 25 North Winfield Road

City, State & Zip Code: Winfield, IL 60190

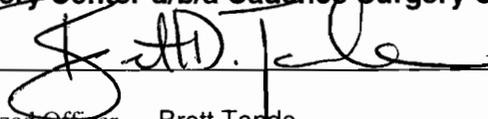
Telephone (630) 933-5066 Date: 6-9-14

18c. CERTIFICATION

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

Cadence Ambulatory Surgery Center d/b/a Cadence Surgery Center

Signature of Authorized Officer



Typed or Printed Name of Authorized Officer

Brett Tande

Title of Authorized Officer:

Manager, Cadence Ambulatory Surgery Center, LLC

Address:

27650 Ferry Road

City, State & Zip Code:

Warrenville, IL 60555

Telephone

(630) 933-5013

Date:

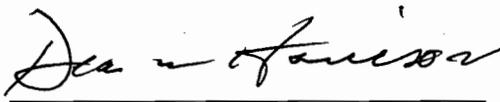
6-9-14

Section 1130.520 Information Requirements

Affirmations

1. Northwestern Memorial HealthCare affirms that the categories of service and number of operating rooms as reflected in the Inventory of Health Care Facilities for Cadence Ambulatory Surgery Center, LLC will not substantially change for at least 12 months following the project's completion date.
2. Northwestern Memorial HealthCare certifies that the transaction agreement that has been signed by both Northwestern Memorial HealthCare and Cadence Health, contains a provision that execution is subject to HFSRB issuance of an exemption and contains the conditions and terms of change of ownership.
3. Northwestern Memorial HealthCare certifies that there has been no adverse action taken against any healthcare facility owned and operated by them by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois within the past three years.
4. There is no acquisition price for the transaction therefore Northwestern Memorial HealthCare does not need any funding to finance the terms of the change of ownership agreement. However, proof of NMHC's bond rating is provided in Application E-008-14.
5. Northwestern Memorial HealthCare affirms that ownership and control of Cadence Ambulatory Surgery Center, LLC will be maintained by NMHC for a minimum of three years following the receipt of the Certificate of Exemption for Change of Ownership.
6. Northwestern Memorial HealthCare affirms that any projects for which Certificate of Need or Certificate of Exemption permits have been issued have been completed or will be completed or altered in accordance with the provisions in Section 1130.520.
7. Northwestern Memorial HealthCare hereby affirms that Cadence Ambulatory Surgery Center, LLC will not adopt a more restrictive charity care policy than the policy in effect one year prior to the transaction. Cadence Ambulatory Surgery Center, LLC will maintain the compliant charity care policy for two-years, following the change of ownership transaction.
8. Northwestern Memorial HealthCare affirms that it understands that failure to complete the change of ownership of Cadence Ambulatory Surgery Center, LLC in accordance with the applicable provision of Section 1130.500(d) no later than 24 months from the date of exemption approval and failure to comply with the material change requirements of this Section will invalidate the exemption.

Signature of Authorized Officer:
Typed Name of Authorized Officer:
Title of Authorized Officer:



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

Section 1130.520 Information Requirements

Affirmations

1. Cadence Health affirms that the categories of service and number of operating rooms as reflected in the Inventory of Health Care Facilities for Cadence Ambulatory Surgery Center, LLC will not substantially change for at least 12 months following the project's completion date.
2. Cadence Health certifies that the transaction agreement that has been signed by both Northwestern Memorial HealthCare and Cadence Health, contains a provision that execution is subject to HFSRB issuance of an exemption and contains the conditions and terms of change of ownership.
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6. Cadence Health affirms that any projects for which Certificate of Need or Certificate of Exemption permits have been issued have been completed or will be completed or altered in accordance with the provisions in Section 1130.520.
7. Cadence Health hereby affirms that Cadence Ambulatory Surgery Center, LLC will not adopt a more restrictive charity care policy than the policy in effect one year prior to the transaction. Cadence Ambulatory Surgery Center, LLC will maintain the compliant charity care policy for two-years, following the change of ownership transaction.
8. Cadence Health affirms that it understands that failure to complete the change of ownership of Cadence Ambulatory Surgery Center, LLC in accordance with the applicable provision of Section 1130.500(d) no later than 24 months from the date of exemption approval and failure to comply with the material change requirements of this Section will invalidate the exemption.

Signature of Authorized Officer:
Typed Name of Authorized Officer:
Title of Authorized Officer:



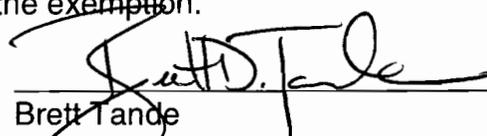
Michael V. Vivoda
President and Chief Executive Officer
Cadence Health

Section 1130.520 Information Requirements

Affirmations

1. Cadence Ambulatory Surgery Center, LLC affirms that the categories of service and number of operating rooms as reflected in the Inventory of Health Care Facilities for Cadence Ambulatory Surgery Center, LLC will not substantially change for at least 12 months following the project's completion date.
2. Cadence Ambulatory Surgery Center, LLC certifies that the transaction agreement that has been signed by both Northwestern Memorial HealthCare and Cadence Health, contains a provision that execution is subject to HFSRB issuance of an exemption and contains the conditions and terms of change of ownership.
3. Cadence Ambulatory Surgery Center, LLC certifies that there has been no adverse action taken against any healthcare facility owned and operated by them by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois within the past three years.
4. There is no acquisition price for the transaction therefore Northwestern Memorial HealthCare does not need any funding to finance the terms of the change of ownership agreement. However, proof of NMHC's bond rating is provided in Application E-008-14.
5. Cadence Ambulatory Surgery Center, LLC affirms that ownership and control of Cadence Ambulatory Surgery Center, LLC will be maintained by NMHC for a minimum of three years following the receipt of the Certificate of Exemption for Change of Ownership.
6. Cadence Ambulatory Surgery Center, LLC affirms that any projects for which Certificate of Need or Certificate of Exemption permits have been issued have been completed or will be completed or altered in accordance with the provisions in Section 1130.520.
7. Cadence Ambulatory Surgery Center, LLC hereby affirms that Cadence Ambulatory Surgery Center, LLC will not adopt a more restrictive charity care policy than the policy in effect one year prior to the transaction. Cadence Ambulatory Surgery Center, LLC will maintain the compliant charity care policy for two-years, following the change of ownership transaction.
8. Cadence Ambulatory Surgery Center, LLC affirms that it understands that failure to complete the change of ownership of Cadence Ambulatory Surgery Center, LLC in accordance with the applicable provision of Section 1130.500(d) no later than 24 months from the date of exemption approval and failure to comply with the material change requirements of this Section will invalidate the exemption.

Signature of Authorized Officer:
Typed Name of Authorized Officer:
Title of Authorized Officer:


Brett Tande
Manager

Cadence Ambulatory Surgery Center, LLC