

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT14-031
RECEIVED

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

JUL 11 2014

This Section must be completed for all projects.

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Facility/Project Identification

Facility Name:	The University of Chicago Medical Center - LDR Improvements		
Street Address:	5841 South Maryland Avenue		
City and Zip Code:	Chicago 60637-1470		
County:	Cook	Health Service Area	HSA 6 Health Planning Area: A-3

Applicant /Co-Applicant Identification

[Provide for each co-applicant [refer to Part 1130.220].

Exact Legal Name:	The University of Chicago Medical Center
Address:	5841 South Maryland Avenue
Name of Registered Agent:	John Satalic
Name of Chief Executive Officer:	Sharon O'Keefe
CEO Address:	5841 South Maryland Avenue
Telephone Number:	773-702-6240

Type of Ownership of Applicant/Co-Applicant

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

- Corporations and limited liability companies must provide an **Illinois certificate of good standing**.
- Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.

APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Primary Contact

[Person to receive ALL correspondence or inquiries]

Name:	John R. Beberman
Title:	Director, Capital Budget and Control
Company Name:	The University of Chicago Medical Center
Address:	14216 South Meadowview Court, Orland Park, IL 60462-2350
Telephone Number:	773-702-1246
E-mail Address:	John.bebberman@uchospitals.edu
Fax Number:	773-702-8148

Additional Contact

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

Name:	Joe Ourth
Title:	Partner
Company Name:	Arnstein & Lehr LLP
Address:	120 S. Riverside Plaza, Suite 1200, Chicago, IL 60606
Telephone Number:	312-876-7100
E-mail Address:	jourth@arnstein.com
Fax Number:	312-876-0288

Post Permit Contact

[Person to receive all correspondence subsequent to permit issuance-THIS PERSON MUST BE EMPLOYED BY THE LICENSED HEALTH CARE FACILITY AS DEFINED AT 20 ILCS 3960]

Name:	John R. Beberman
Title:	Director, Capital Budget and Control
Company Name:	The University of Chicago Medical Center
Address:	14216 Meadowview Court, Orland Park, IL 60462-2350
Telephone Number:	773-702-1246
E-mail Address:	John.bebberman@uchospitals.edu
Fax Number:	773-702-8184

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner:	The University of Chicago Medical Center
Address of Site Owner:	5841 South Maryland Avenue, Chicago, IL 60637
Street Address or Legal Description of Site:	
Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statement, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease or a lease.	
APPEND DOCUMENTATION AS ATTACHMENT-2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

Operating Identity/Licensee

[Provide this information for each applicable facility, and insert after this page.]

Exact Legal Name:	The University of Chicago Medical Center		
Address:	5841 South Maryland Avenue, Chicago, IL 60637		
☒	Non-profit Corporation	☐	Partnership
☐	For-profit Corporation	☐	Governmental
☐	Limited Liability Company	☐	Sole Proprietorship
		☐	Other
- o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. - o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner. - o Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.			
APPEND DOCUMENTATION AS ATTACHMENT-3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Organizational Relationships

Provide (for each co-applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.

APPEND DOCUMENTATION AS ATTACHMENT-4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.
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Flood Plain Requirements

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2005-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at www.FEMA.gov or www.illinoisfloodmaps.org. This map must be in a readable format. In addition please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2005-5 (<http://www.hfsrb.illinois.gov>).

APPEND DOCUMENTATION AS ATTACHMENT-5, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

Provide documentation regarding compliance with the requirements of the Historic Resources Preservation Act.

APPEND DOCUMENTATION AS ATTACHMENT-6, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

DESCRIPTION OF PROJECT**1. Project Classification**

[Check those applicable - refer to Part 1110.40 and Part 1120.20(b)]

Part 1110 Classification:

- ☐ Substantive
- ☒ Non-substantive



THE UNIVERSITY OF
CHICAGO
MEDICINE

Sharon O'Keefe
President

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July 8, 2014

Ms. Kathy J. Olson, Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson, 2nd Floor
Springfield, Illinois 62761

Re: University of Chicago Medical Center ("UCMC", the "Medical Center")
Labor & Delivery Unit Relocation (the "Project") Application for Permit

Dear Chairwoman Olson:

We are pleased to submit our application to the Review Board to relocate our Labor & Delivery Unit from its current location in Mitchell Hospital to the third floor of our Comer Center for Children and Specialty Care. This new space is currently shell space located immediately adjacent to our Comer Children's Hospital.

Specifically, this project (the "Project") would relocate and reconfigure our Labor & Delivery Unit, which would consist of nine (9) Labor/Delivery/Recovery Rooms ("LDRs"), five (5) triage rooms, two (2) operating rooms, two (2) recovery rooms, and five (5) antepartum rooms. The Project would enable UCMC to provide better care for its complex obstetric population and to accommodate future growth.

This Project is part of a sequence of capital projects to enable UCMC to concentrate clinical operations for its most fragile patients and would align diagnostic and treatment modalities necessary to care for them in a modern, family-centered environment.

Comer Children's Hospital and Comer Children's Center for Specialty Care

In 2001, the Review Board granted us a permit for project #01-006 to build The University of Chicago Medical Center's Comer Children's Hospital, which opened in 2005. Comer Children's Hospital is a tertiary pediatric facility operating 155 pediatric, pediatric intensive care and neonatal intensive care beds. The facility provides a modern yet child- and family-friendly setting for all inpatient children's health services on the University of Chicago Medical Center campus.

As the only pediatric Level 1 Trauma Center on the south side of Chicago, Comer Children's Hospital provides immediate, highly specialized pediatric emergency services. In 2006, we built a pediatric emergency facility adjacent to Comer Children's Hospital on the first floor of a newly constructed four-story building, known as the Comer Center for Children and Specialty Care ("CCCSC"). The second and fourth floors of this building

house pediatric specialty clinics, and the third floor, currently shell space, will be used for the Labor & Delivery Unit. Collectively, we refer to the Comer Children's Hospital and the CCCSC as "Comer."

With this Project, UCMC would also become one of the few hospitals to provide advanced care for both high-risk moms and babies in a dedicated facility, with the LDRs, high-risk antepartum patients and Level II and III NICU all located within Comer.

Description of Current Project

For UCMC to maintain its exceptional standards of patient care and to continue promoting early prenatal care and healthy pregnancies, we need to convert shell space in the CCCSC to a Labor & Delivery Unit. This Project would increase the LDRs from eight (8) to nine (9) and the Triage Rooms from four (4) to five (5). The number of operating rooms would remain the same.

Relocation of Labor & Delivery Unit. The current labor and delivery unit is located in our existing adult, acute care hospital – Mitchell – which was built in 1983. It consists, in part, of a patchwork of space that has been repurposed from other clinical uses over the years, and its layout presents physical limitations that cannot be effectively or economically overcome. While it suffices for high quality medical care, the needs of patients and their families have also changed. From a patient's perspective, the new LDRs and operating rooms would be large enough to comfortably share the birth experience with the most important people in their life, as well as the numerous pieces of equipment and the number of providers who all work at the bedside in a teaching hospital. The current floor plan does not lend itself to appropriate renovation or provide sufficient square footage for key rooms, including the operating rooms, to meet the needs of our caregivers or our patients. In comparison, we designed the physical layout of the proposed Labor & Delivery Unit to maximize patient safety, comfort and convenience, and to improve workflow efficiency and collaboration among our providers.

The third floor location of Comer would allow us to group more related functions together and offers clinical adjacencies advantageous to patient care. Through a pedestrian bridge, the third floor of Comer adjoins the obstetric clinic in UCMC's outpatient ambulatory care center, which means that expectant mothers who may need to be hospitalized following routine office visits can be more easily accommodated. The location is also in close proximity to procedural, perioperative and other ancillary areas, including the blood bank, pharmacy, and other Comer operating rooms; and it is near the adult ICUs where UCMC frequently monitors medically complex, undelivered obstetric patients. The proposed location shortens distances not just for the obstetricians and maternal fetal medicine physicians to respond to medical emergencies in undelivered patients but also for the neonatologists who are often required to be present during complicated, high-risk births. The Level II and Level III NICUs in Comer are just one

floor away, which means that babies who need special care immediately after birth will no longer have to be transported to a different building across two long pedestrian bridges.

Addition of LDR and Triage Room. With this Project, we propose to increase our LDRs to nine (9) and our triage rooms to five (5), up one from our current eight and four, respectively and to increase the size of the operating rooms. While the overall square footage of the new Labor & Delivery Unit will remain about the same, the configuration of the new space is more logical and efficient. The Project is designed to better meet the unique clinical needs of UCMC's obstetric population, which is medically complex and unpredictable, with heavy reliance on triage and extended lengths of stay, and to accommodate future growth.

Many of UCMC's obstetric patients are high-risk and high-acuity, with multiple co-morbidities, including rates of diabetes, hypertension, and obesity up to eight times the national average. While the average rate of deliveries with clinical complications (e.g., multiple gestational diagnoses, pre-term labor, breech presentation) in Illinois hospitals is 20.8%, as defined by MS-DRGs, deliveries with complications comprise 41.2% of UCMC's patient population. These complicated patients remain in the triage, ante partum rooms and LDRs longer because of their unstable condition and need for ongoing monitoring; in fact, because their condition is often so precarious, these expectant mothers cannot be cared for anywhere else in the hospital. As a result, the average length of stay for complicated patients in UCMC's LDRs is almost double that of UCMC's uncomplicated patients, and our beds are frequently full.

UCMC has had to adopt a different approach to planning its new Labor & Delivery Unit because so many of UCMC's expectant mothers are high risk with long lengths of stay. Additionally, the Project is necessary to accommodate the unpredictable flow of patients in peak periods. In general, the vast majority of patients arriving at a hospital in need of obstetrical care are not scheduled in advance. Rather, these patients arrive in an unscheduled or random way which is not equally spaced over the day, the week, and the year. This is even more so for UCMC where nearly thirty-five percent (35%) of our obstetric patients are walk-in, most of whom have had little to no prenatal care and rely upon obstetric triage, often late in their pregnancies, instead of regularly scheduled prenatal care. In fact, while obstetric triage is typically where patients go when they feel impending signs of labor, the number of triage visits at UCMC has already exceeded the number of deliveries by 1,548 for the most recent ten (10) month period. Additionally, even with electronic medical records that allow the exchange of health information between facilities, it can take more time to safely provide obstetric care to expectant mothers have not previously been seen by our obstetricians.

As one of only ten designated Perinatal Centers in Illinois, UCMC is a regional referral center for women with high-risk pregnancies. Because of the physical inefficiencies in our existing Labor & Delivery Unit, along with the underlying complexity of our patients that produces long lengths of stay, we are sometimes forced to either delay access to care for these patients or to deny transfers when LDRs or other appropriate beds are not available. This affects not just those patients in our community but also patients as far south as Kankakee and communities including Harvey, Clifton and Hazel Crest to whom UCMC also has a responsibility. As a Perinatal Center with advanced resources for mothers and babies and the only Level III hospital on the south side of Chicago, we have a primary obligation to accept transfers from community hospitals, so this situation is far from optimal and one that cannot responsibly be sustained.

The Project is Practical, Prudent, and Timely

Our need for modern facilities come at a pivotal time in the delivery of health care for expectant mothers in Chicago's south side, which has seen its hospital inventory contract over the years, as well as its number of deliveries, as more women seek services outside of the planning area. Increased access to high quality prenatal care and birthing facilities may help to reverse this trend, and we are undertaking the Project because our patients and our community need the care your approval can provide

UCMC remains one of the largest Medicaid providers in the State of Illinois, with Medicaid patients accounting for 57% of our obstetric population. Further, UCMC's obstetric service sustained a 12% operating deficit in the most recent fiscal year or almost \$6 million dollar financial loss. With this Project we will be expanding access to high-quality obstetric services for those who need it most.

The request to relocate and renovate our Labor & Delivery Unit near the CCCSC is part of a multi-year plan to best deploy the space available in our newest hospital buildings in a manner that is cost effective and least disruptive to the delivery of patient care; and to match the use of our medical campus to existing demand for health care within the community.

Very truly yours,



Sharon O'Keefe
President

2. Narrative Description

Provide in the space below, a brief narrative description of the project. Explain **WHAT** is to be done in **State Board defined terms**, **NOT WHY** it is being done. If the project site does NOT have a street address, include a legal description of the site. Include the rationale regarding the project's classification as substantive or non-substantive.

The University of Chicago Medical Center ("UCMC") proposes to relocate its Labor & Delivery Unit from its current location in the existing adult, acute care hospital on campus - Mitchell Hospital - to the third floor of its Comer Center for Children and Specialty Care. This new space is currently shell space located immediately adjacent to its Comer Children's Hospital.

In 2001, UCMC received Permit #01-006 from the Review Board approving the construction of a new children's hospital, Comer Children's Hospital, that now houses 155 beds. In 2004, UCMC received Permit #04-054, to construct a pediatric emergency facility adjacent to Comer Children's Hospital on the first floor of a newly constructed four-story building, known as the Comer Center for Children and Specialty Care ("CCCSC"). The second and fourth floors of this building house pediatric specialty clinics, and the third floor remains shelled space.

This Project would relocate UCMC's Labor and Delivery Unit to the shelled space on the third floor of the CCCSC. The reconfigured Labor and Delivery Unit would consist of nine (9) Labor/Delivery/Recovery Rooms ("LDRs") and five (5) triage rooms, up one each from the current eight and four, respectively. The Labor and Delivery Unit will also include two (2) Operating Rooms, two (2) Recovery Rooms, and five (5) ante partum rooms. Labor and Delivery rooms are not included in the obstetrics category of service and there is subsequently no change in the number of authorized beds at the hospital. The Project would enable UCMC to provide better care for its complex obstetric population and to accommodate future growth.

The build out would consist of 25,134 DGSG for both clinical and non-clinical space. The total cost for the Project is expected to be \$16,993,653 and will be funded with cash and securities. The Project is expected to be complete by December 31, 2017.

Pursuant to 77 Ill. Adm. Code 1110.40(b), the Project is classified as "Non-Substantive" because it will not establish a new facility on a new site, establish or discontinue a category of service, or propose a change in the bed capacity.

Project Costs and Sources of Funds

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must equal.

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs			
Site Survey and Soil Investigation	\$11,812	\$3,188	\$15,000
Site Preparation	0	1,450,000	1,450,000
Off Site Work			
New Construction Contracts	7,070,492	1,908,508	8,979,000
Modernization Contracts			
Contingencies	689,017	185,983	875,000
Architectural/Engineering Fees	685,079	184,921	870,000
Consulting and Other Fees	200,459	39,541	240,000
Movable or Other Equipment (not in construction contracts)	3,804,959	236,694	4,041,653
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment			
Other Costs To Be Capitalized	397,050	125,950	523,000
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS	\$12,858,868	\$4,134,785	\$16,993,653
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	\$12,858,868	\$4,134,785	\$16,993,653
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	\$12,908,806	\$4,094,847	\$16,993,653
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Related Project Costs

Provide the following information, as applicable, with respect to any land related to the project that will be or has been acquired during the last two calendar years:

Land acquisition is related to project ☐ Yes ☒ No Purchase Price: \$ _____ Fair Market Value: \$ _____
The project involves the establishment of a new facility or a new category of service ☐ Yes ☒ No
If yes, provide the dollar amount of all non-capitalized operating start-up costs (including operating deficits) through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100. Estimated start-up costs and operating deficit cost is \$ <u>N/A</u> .

Project Status and Completion Schedules

For facilities in which prior permits have been issued please provide the permit numbers.

Indicate the stage of the project's architectural drawings:

- ☐ None or not applicable ☐ Preliminary
☒ Schematics ☐ Final Working

Anticipated project completion date (refer to Part 1130.140): December 31, 2017

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

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

APPEND DOCUMENTATION AS ATTACHMENT-8 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

State Agency Submittals

Are the following submittals up to date as applicable:

- ☒ Cancer Registry
☒ APORS
☒ All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
☒ All reports regarding outstanding permits
Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.

Cost Space Requirements

Provide in the following format, the department/area DGSF or the building/area BGSF and cost. The type of gross square footage either DGSF or BGSF must be identified. The sum of the department costs **MUST** equal the total estimated project costs. Indicate if any space is being reallocated for a different purpose. Include outside wall measurements plus the department's or area's portion of the surrounding circulation space. **Explain the use of any vacated space.**

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
REVIEWABLE							
Medical Surgical							
Intensive Care							
Diagnostic Radiology							
MRI							
Total Clinical							
NON REVIEWABLE							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
TOTAL							

APPEND DOCUMENTATION AS ATTACHMENT 9, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Facility Bed Capacity and Utilization

Complete the following chart, as applicable. Complete a separate chart for each facility that is a part of the project and insert following this page. Provide the existing bed capacity and utilization data for the latest **Calendar Year for which the data are available**. Include **observation days in the patient day totals for each bed service**. Any bed capacity discrepancy from the Inventory will result in the application being deemed **incomplete**.

The University of Chicago					
FACILITY NAME: Medical Center		CITY: Chicago			
REPORTING PERIOD DATES: From: May 1, 2013 to: April 30, 2014					
Category of Service	Authorized Beds	Admissions	Patient Days	Bed Changes	Proposed Beds
Medical/Surgical	338	15,764	96,374	0	338
Obstetrics	46	1,954	6,245	0	46
Pediatrics	60	2,874	14,479	0	60
Intensive Care	114	4,665	28,498	0	114
Comprehensive Physical Rehabilitation					
Acute/Chronic Mental Illness					
Neonatal Intensive Care	47	687	13,732	0	47
General Long Term Care					
Specialized Long Term Care					
Long Term Acute Care					
Other ((identify))					
TOTALS:	605	25,944	159,328	0	605 *

* Permit application 14-013 would increase the number of licensed ICU beds by 12.

CERTIFICATION

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

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application for Permit is filed on the behalf of The University of Chicago Medical Center * in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the permit application fee required for this application is sent herewith or will be paid upon request.

Sharon O'Keefe
SIGNATURE

Sharon O'Keefe
PRINTED NAME

President
PRINTED TITLE

Jennifer Hill
SIGNATURE

Jennifer Hill
PRINTED NAME

Secretary
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 8th day of July 2014

Deborah M. Lewis
Signature of Notary

Seal

"OFFICIAL SEAL"
DEBORAH M. LEWIS
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 4/18/2017

*Insert EXACT legal name of the applicant

Notarization:

Subscribed and sworn to before me
this 8th day of July 2014

Deborah M. Lewis
Signature of Notary

Seal

"OFFICIAL SEAL"
DEBORAH M. LEWIS
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 4/18/2017

SECTION III – BACKGROUND, PURPOSE OF THE PROJECT, AND ALTERNATIVES - INFORMATION REQUIREMENTS

This Section is applicable to all projects except those that are solely for discontinuation with no project costs.

Criterion 1110.230 – Background, Purpose of the Project, and Alternatives

READ THE REVIEW CRITERION and provide the following required information:

BACKGROUND OF APPLICANT

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant during the three years prior to the filing of the application.
3. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
4. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest the information has been previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

APPEND DOCUMENTATION AS ATTACHMENT-11, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 11.

PURPOSE OF PROJECT

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.
2. Define the planning area or market area, or other, per the applicant's definition.
3. Identify the existing problems or issues that need to be addressed, as applicable and appropriate for the project. [See 1110.230(b) for examples of documentation.]
4. Cite the sources of the information provided as documentation.
5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.
6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals **as appropriate**.

For projects involving modernization, describe the conditions being upgraded if any. For facility projects, include statements of age and condition and regulatory citations if any. For equipment being replaced, include repair and maintenance records.

NOTE: Information regarding the "Purpose of the Project" will be included in the State Board Report.

APPEND DOCUMENTATION AS ATTACHMENT-12, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-6) MUST BE IDENTIFIED IN ATTACHMENT 12.

ALTERNATIVES

- 1) Identify **ALL** of the alternatives to the proposed project:

Alternative options **must** include:

- A) Proposing a project of greater or lesser scope and cost;
 - B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;
 - C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and
 - D) Provide the reasons why the chosen alternative was selected.
- 2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short term (within one to three years after project completion) and long term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**
- 3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

APPEND DOCUMENTATION AS ATTACHMENT 13, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION IV - PROJECT SCOPE, UTILIZATION, AND UNFINISHED/SHELL SPACE**Criterion 1110.234 - Project Scope, Utilization, and Unfinished/Shell Space**

READ THE REVIEW CRITERION and provide the following information:

SIZE OF PROJECT:

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive. **This must be a narrative.**
2. If the gross square footage exceeds the BGSF/DGSF standards in Appendix B, justify the discrepancy by documenting one of the following::
 - a. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies;
 - b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that results in a size exceeding the standards of Appendix B;
 - c. The project involves the conversion of existing space that results in excess square footage.

Provide a narrative for any discrepancies from the State Standard. A table must be provided in the following format with Attachment 14.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?

APPEND DOCUMENTATION AS ATTACHMENT-14. IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

PROJECT SERVICES UTILIZATION:

This criterion is applicable only to projects or portions of projects that involve services, functions or equipment for which HFSRB has established utilization standards or occupancy targets in 77 Ill. Adm. Code 1100.

Document that in the second year of operation, the annual utilization of the service or equipment shall meet or exceed the utilization standards specified in 1110. Appendix B. **A narrative of the rationale that supports the projections must be provided.**

A table must be provided in the following format with Attachment 15.

UTILIZATION					
	DEPT./ SERVICE	HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.	PROJECTED UTILIZATION	STATE STANDARD	MET STANDARD?
YEAR 1					
YEAR 2					

APPEND DOCUMENTATION AS ATTACHMENT-15. IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

UNFINISHED OR SHELL SPACE:

Provide the following information:

1. Total gross square footage of the proposed shell space;
2. The anticipated use of the shell space, specifying the proposed GSF to be allocated to each department, area or function;
3. Evidence that the shell space is being constructed due to
 - a. Requirements of governmental or certification agencies; or
 - b. Experienced increases in the historical occupancy or utilization of those areas proposed to occupy the shell space.
4. Provide:
 - a. Historical utilization for the area for the latest five-year period for which data are available; and
 - b. Based upon the average annual percentage increase for that period, projections of future utilization of the area through the anticipated date when the shell space will be placed into operation.

APPEND DOCUMENTATION AS ATTACHMENT-16, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

ASSURANCES:

Submit the following:

1. Verification that the applicant will submit to HFSRB a CON application to develop and utilize the shell space, regardless of the capital thresholds in effect at the time or the categories of service involved.
2. The estimated date by which the subsequent CON application (to develop and utilize the subject shell space) will be submitted; and
3. The anticipated date when the shell space will be completed and placed into operation.

APPEND DOCUMENTATION AS ATTACHMENT-17, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

O. Criterion 1110.3030 - Clinical Service Areas Other than Categories of Service

1. Applicants proposing to establish, expand and/or modernize Clinical Service Areas Other than Categories of Service must submit the following information:
2. Indicate changes by Service: Indicate # of key room changes by action(s):

Service	# Existing Key Rooms	# Proposed Key Rooms
☐ LDR	8	9
☐ C-Section	2	2
☐		

3. READ the applicable review criteria outlined below and **submit the required documentation for the criteria:**

PROJECT TYPE	REQUIRED REVIEW CRITERIA	
New Services or Facility or Equipment	(b) -	Need Determination - Establishment
Service Modernization	(c)(1) -	Deteriorated Facilities
		and/or
	(c)(2) -	Necessary Expansion
		PLUS
	(c)(3)(A) -	Utilization - Major Medical Equipment
		Or
	(c)(3)(B) -	Utilization - Service or Facility
APPEND DOCUMENTATION AS ATTACHMENT 34, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.		

The following Sections **DO NOT** need to be addressed by the applicants or co-applicants responsible for funding or guaranteeing the funding of the project if the applicant has a bond rating of A- or better from Fitch's or Standard and Poor's rating agencies, or A3 or better from Moody's (the rating shall be affirmed within the latest 18 month period prior to the submittal of the application):

- Section 1120.120 Availability of Funds – Review Criteria
- Section 1120.130 Financial Viability – Review Criteria
- Section 1120.140 Economic Feasibility – Review Criteria, subsection (a)
APPLICANT HAS BOND RATING OF A- OR BETTER.

VIII. - 1120.120 - Availability of Funds

The applicant shall document that financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following sources, as applicable: Indicate the dollar amount to be provided from the following sources:

\$16,993,653	a)	Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:
	1)	the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and
	2)	interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
	b)	Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
	c)	Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
	d)	Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including:
	1)	For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated;
	2)	For revenue bonds, proof of the feasibility of securing the specified amount and interest rate;
	3)	For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.;
	4)	For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment;
	5)	For any option to lease, a copy of the option, including all terms and conditions.
	e)	Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;
	f)	Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
	g)	All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
\$16,993,653	TOTAL FUNDS AVAILABLE	

APPEND DOCUMENTATION AS ATTACHMENT-36 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

IX. 1120.130 - Financial Viability

All the applicants and co-applicants shall be identified, specifying their roles in the project funding or guaranteeing the funding (sole responsibility or shared) and percentage of participation in that funding.

Financial Viability Waiver

The applicant is not required to submit financial viability ratios if:

1. "A" Bond rating or better
2. All of the projects capital expenditures are completely funded through internal sources
3. The applicant's current debt financing or projected debt financing is insured or anticipated to be insured by MBIA (Municipal Bond Insurance Association Inc.) or equivalent
4. The applicant provides a third party surety bond or performance bond letter of credit from an A rated guarantor.

See Section 1120.130 Financial Waiver for information to be provided

APPEND DOCUMENTATION AS ATTACHMENT 37, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

The applicant or co-applicant that is responsible for funding or guaranteeing funding of the project shall provide viability ratios for the latest three years for which audited financial statements are available and for the first full fiscal year at target utilization, but no more than two years following project completion. When the applicant's facility does not have facility specific financial statements and the facility is a member of a health care system that has combined or consolidated financial statements, the system's viability ratios shall be provided. If the health care system includes one or more hospitals, the system's viability ratios shall be evaluated for conformance with the applicable hospital standards.

Provide Data for Projects Classified as:	Category A or Category B (last three years)			Category B (Projected)
(Enter Historical and/or Projected Years)				
Current Ratio				
Net Margin Percentage				
Percent Debt to Total Capitalization				
Projected Debt Service Coverage				
Days Cash on Hand				
Cushion Ratio				

Provide the methodology and worksheets utilized in determining the ratios detailing the calculation and applicable line item amounts from the financial statements. Complete a separate table for each co-applicant and provide worksheets for each.

2. Variance

Applicants not in compliance with any of the viability ratios shall document that another organization, public or private, shall assume the legal responsibility to meet the debt obligations should the applicant default.

APPEND DOCUMENTATION AS ATTACHMENT 38, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

X. 1120.140 - Economic Feasibility

This section is applicable to all projects subject to Part 1120.

A. Reasonableness of Financing Arrangements

The applicant shall document the reasonableness of financing arrangements by submitting a notarized statement signed by an authorized representative that attests to one of the following:

- 1) That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or
- 2) That the total estimated project costs and related costs will be funded in total or in part by borrowing because:
 - A) A portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or
 - B) Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

B. Conditions of Debt Financing

This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:

- 1) That the selected form of debt financing for the project will be at the lowest net cost available;
- 2) That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;
- 3) That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

1. Identify each department or area impacted by the proposed project and provide a cost and square footage allocation for new construction and/or modernization using the following format (insert after this page).

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE

Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	Circ.*	Const. \$ (A x C)	Mod. \$ (B x E)	
Contingency									
TOTALS									

* Include the percentage (%) of space for circulation

D. Projected Operating Costs

The applicant shall provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service.

E. Total Effect of the Project on Capital Costs

The applicant shall provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full fiscal year at target utilization but no more than two years following project completion.

APPEND DOCUMENTATION AS ATTACHMENT 39, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

XI. Safety Net Impact Statement

SAFETY NET IMPACT STATEMENT that describes all of the following must be submitted for ALL SUBSTANTIVE AND DISCONTINUATION PROJECTS:

1. The project's material impact, if any, on essential safety net services in the community, to the extent that it is feasible for an applicant to have such knowledge.
2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.
3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community, if reasonably known by the applicant.

Safety Net Impact Statements shall also include all of the following:

1. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with an appropriate methodology specified by the Board.
2. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.
3. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service.

A table in the following format must be provided as part of Attachment 43.

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
Total			
Charity (cost in dollars)			
Inpatient			
Outpatient			
Total			
MEDICAID			
Medicaid (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
Total			

Medicaid (revenue)			
Inpatient			
Outpatient			
Total			

APPEND DOCUMENTATION AS ATTACHMENT 40, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

XII. Charity Care Information

Charity Care information **MUST** be furnished for **ALL** projects.

1. All applicants and co-applicants shall indicate the amount of charity care for the latest three **audited** fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.
2. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility under review.
3. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.

Charity care" means care provided by a health care facility for which the provider does not expect to receive payment from the patient or a third-party payer. (20 ILCS 3960/3) Charity Care **must** be provided at cost.

A table in the following format must be provided for all facilities as part of Attachment 44.

CHARITY CARE			
	Year	Year	Year
Net Patient Revenue			
Amount of Charity Care (charges)			
Cost of Charity Care			

APPEND DOCUMENTATION AS ATTACHMENT 41, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

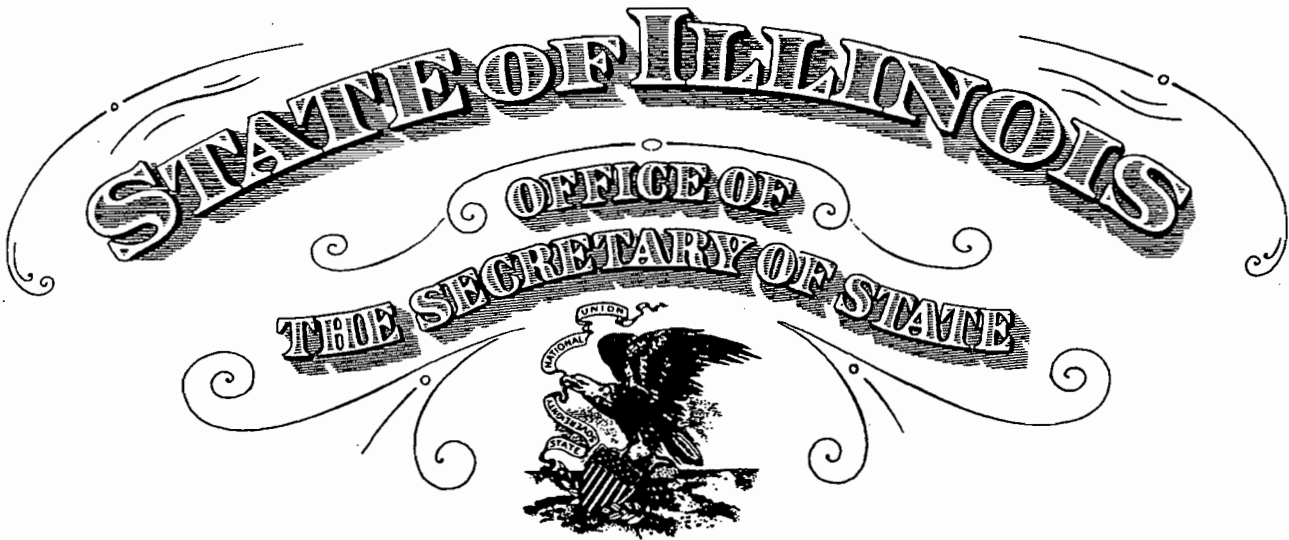
After paginating the entire, completed application, indicate in the chart below, the page numbers for the attachments included as part of the project's application for permit:

INDEX OF ATTACHMENTS			
ATTACHMENT NO.			PAGES
1	Applicant/Coapplicant Identification including Certificate of Good Standing		25-26
2	Site Ownership		27-104
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.		105-106
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.		107-108
5	Flood Plain Requirements		109-111
6	Historic Preservation Act Requirements		112-113
7	Project and Sources of Funds Itemization		114
8	Obligation Document if required		
9	Cost Space Requirements		115
10	Discontinuation		
11	Background of the Applicant		116-120
12	Purpose of the Project		121-126
13	Alternatives to the Project		127-129
14	Size of the Project		130-136
15	Project Service Utilization		137-143
16	Unfinished or Shell Space		
17	Assurances for Unfinished/Shell Space		
18	Master Design Project		
19	Mergers, Consolidations and Acquisitions		
	Service Specific:		
20	Medical Surgical Pediatrics, Obstetrics, ICU		
21	Comprehensive Physical Rehabilitation		
22	Acute Mental Illness		
23	Neonatal Intensive Care		
24	Open Heart Surgery		
25	Cardiac Catheterization		
26	In-Center Hemodialysis		
27	Non-Hospital Based Ambulatory Surgery		
28	Selected Organ Transplantation		
29	Kidney Transplantation		
30	Subacute Care Hospital Model		
31	Children's Community-Based Health Care Center		
32	Community-Based Residential Rehabilitation Center		
33	Long Term Acute Care Hospital		
34	Clinical Service Areas Other than Categories of Service		144-150
35	Freestanding Emergency Center Medical Services		
	Financial and Economic Feasibility:		151
36	Availability of Funds		152-155
37	Financial Waiver		
38	Financial Viability		
39	Economic Feasibility		156-158
40	Safety Net Impact Statement		
41	Charity Care Information		159

Section I, Type of Ownership of Applicant/Co-Applicant

Attachment 1

The University of Chicago Medical Center ("UCMC") is an Illinois not-for-profit corporation, incorporated on October 1, 1986. A copy of UCMC's Good Standing Certificate dated July 7, 2014 is attached.



To all to whom these Presents Shall Come, Greeting:

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

THE UNIVERSITY OF CHICAGO MEDICAL CENTER, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON OCTOBER 01, 1986, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



Authentication #: 1418802678

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 7TH day of JULY A.D. 2014 .

Jesse White

SECRETARY OF STATE

Section I, Site Ownership

Attachment 2

A copy of the Comer Children's Hospital Lease Agreement between The University of Chicago ("Lessor") and The University of Chicago Hospitals ("Lessee") dated as of June 29, 2001, related to the property commonly known as Comer Children's Hospital ("Comer") showing that UCMC has control of the site is attached.

This instrument was prepared by
And after recording return to:

Amy S. M. Kim
University of Chicago
Office of Legal Counsel
5801 S. Ellis Avenue, Room 503
Chicago, Illinois 60637

SPACE ABOVE THIS LINE
FOR RECORDER'S USE

COMER CHILDREN'S HOSPITAL LEASE AGREEMENT

THIS LEASE AGREEMENT dated as of June 29, 2001 (herein, together with all supplements and amendments hereto made or entered into at any time hereafter, referred to as this "Lease") is made by and between THE UNIVERSITY OF CHICAGO (the "Lessor"), an Illinois not-for-profit corporation, and THE UNIVERSITY OF CHICAGO HOSPITALS (the "Lessee"), an Illinois not-for-profit corporation, who hereby mutually covenant and agree as follows:

ARTICLE I

DEFINITIONS

- 1.1 "Affiliation Agreement." Affiliation Agreement shall mean the Affiliation Agreement dated October 1, 1986 entered into between Lessor and Lessee, as the same may be amended, modified or supplemented from time to time.
- 1.2 "Default Interest Rate." Default Interest Rate shall mean the Corporate Base Rate as posted by Bank One NA, or its successor, each day.
- 1.3 "Improvements." Improvements shall mean, at any time, all buildings and any other improvements comprising or located on the premises.
- 1.4 "Loan Agreement." Loan Agreement shall mean the Loan Agreement between Lessee and the Illinois Health Facilities Authority related to the initial 2001 financing for the Comer Children's Hospital.
- 1.5 "Premises." Premises shall mean the real property, buildings, appurtenances and fixtures all as set forth in the legal description contained in Exhibit A.

ARTICLE II

DEMISE

- 2.1. Lease of Property. Upon the terms and conditions hereinafter set forth and in consideration of the payment of the rent hereinafter set forth and of the performance by Lessor and Lessee of each and every one of the covenants and agreements hereinafter

contained to be kept and performed by each of them, Lessor does hereby lease, let and demise unto Lessee, and Lessee does hereby lease of and from Lessor the Premises.

ARTICLE III

TITLE, CONDITION AND USE OF THE LEASED PREMISES

3.1 Title and Condition.

- (a) Except for the express warranty set out in Section 3.1 (b), the Premises are demised and let in their condition as in effect at the commencement of the lease term relating thereto, "as is," and without any representation or warranty by Lessor of any kind as to any matter whatsoever express or implied (including, without limitation, the physical condition thereof).
- (b) Lessor represents and warrants that, as of the date of this Lease, Lessor is the fee owner of the Premises and holds title to such land and Improvements as, and subject to the qualifications and exceptions, shown on the Commitments for Title Insurance (the "Title Reports") prepared by Chicago Title Insurance Company, copies of which have been furnished to Lessee, as they may be subsequently revised with the agreement of the parties.
- (c) LESSOR HAS NOT MADE AN INSPECTION OF THE PREMISES OR OF ANY PROPERTY, FIXTURE, EQUIPMENT OR OTHER ITEM CONSTITUTING A PORTION THEREOF, AND LESSOR MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED OR OTHERWISE, WITH RESPECT TO THE SAME OR THE LOCATION, USE, DESCRIPTION, DESIGN, MERCHANTABILITY, FITNESS FOR USE FOR ANY PARTICULAR PURPOSE, CONDITION OR DURABILITY THEREOF, OR AS TO THE QUALITY OF THE MATERIAL OR WORKMANSHIP THEREIN, OR OTHERWISE. THE PREMISES ARE BEING LEASED "AS IS." ALL WARRANTIES ARE EXPRESSLY WAIVED BY LESSEE. THE PROVISIONS OF THIS SECTION 3.1 ARE INTENDED TO BE A COMPLETE EXCLUSION AND NEGATION OF ANY AND ALL WARRANTIES (EXCEPT ONLY THE EXPRESS WARRANTY CONTAINED IN SECTION 3.1.(b)) BY LESSOR, EXPRESS OR IMPLIED, WITH RESPECT TO THE PREMISES AND ALL PROPERTY, FIXTURES, EQUIPMENT AND OTHER ITEMS CONSTITUTING A PORTION THEREOF.

- 3.2 Use of Premises. Lessee shall manage and operate the facilities on the Premises in a manner consistent with the Affiliation Agreement. The Premises, and every part thereof, shall be used and occupied only for the purpose of building and operating a not-for-profit children's hospital and related outpatient clinics which is supportive of the Lessor's academic and research mission and will provide superior patient care. Lessee may operate certain facilities incidental to the operation of the health care facility such as a cafeteria and a hospital gift shop, unless prohibited from so doing pursuant to Sections 3.3 and 3.4 below.

- 3.3 Certain Uses Prohibited. Except to the extent that such violation will not materially adversely affect the business or financial position or ability to operate of either Lessee or

Lessor, Lessee shall not use or occupy the Premises, or any part thereof, or permit the Premises, or any part thereof, to be used or occupied: contrary to any statute, law, rule, order, ordinance, requirement, regulation, covenant, condition or restriction of record applicable thereto; or in any manner which would violate any certificate of occupancy affecting the same, or which would cause major damage to the improvements. Lessee shall not use or occupy the Premises for any unlawful purpose, or in any manner which would cause, maintain or permit any nuisance or anything against public policy in or about the Premises or any part thereof. Except as necessary for Lessee to conduct its ordinary business as contemplated under this Lease, Lessee will not keep or use on the Premises or any part thereof any inflammable or explosive liquids or materials. Lessee will not commit or suffer to be committed any waste in, upon or about the Premises, or any part thereof. Lessee shall not permit persons under its control to engage in any unlawful activity in or about the Premises, and shall endeavor to prohibit any activity from being conducted on the Premises which is prohibited by the Affiliation Agreement.

- 3.4 Prohibition of Use. If the use or occupancy of the Premises, or any part thereof, should at any time during the term of this Lease be prohibited by law or by ordinance or other governmental regulation, or prevented by injunction, this Lease shall not be thereby terminated, nor shall Lessee be entitled by reason thereof to surrender the premises, nor shall the respective obligations of the parties hereto be otherwise affected.
- 3.5 Requirement of Continued Use. Lessee shall continuously during all of the Lease Term conduct and carry on the uses permitted by Section 3.2 hereof in the premises in a first class, high quality, reputable manner. The provisions of this Section 3.5 obligating the Lessee to occupy and use the Premises at all times shall not apply when Lessee is prevented from doing so by strikes, lockouts or other causes and acts of God beyond the reasonable control of Lessee.
- 3.6 Agreements Affecting the Premises. Lessee shall keep, observe, perform and comply with all covenants, conditions and restrictions in any endowments or instruments of gift or bequest which affect the Premises.
- 3.7 Lessor's Right to Terminate Lessee's Occupancy Upon Abandonment. If Lessee should, for any reason other than a major renovation of the Premises or other than any of the reasons set out in the last sentence of Section 3.5, at any time cease to occupy or use for the uses permitted by Section 3.2 hereof for any period exceeding 90 consecutive days (or for any 90 days within any 120-day period) all or substantially all of any building which comprises part of the Premises, then Lessor has the right (but no obligation), upon written notice to Lessee, to terminate this Lease with respect to such Abandoned Premises (the "Abandoned Premises"), and by such notice to Lessee, such Abandoned Premises shall automatically cease to be a part of the Premises and shall permanently revert to the Lessor, and thereafter, Lessee shall have no rights or obligations with respect to the Abandoned Premises; provided, however, that until receipt of Lessor's notice pursuant to this Section 3.7, Lessee shall have full liability for all obligations under this Lease with respect to the Abandoned Premises.

Further, should Lessee fail to substantially complete construction (so as to permit building occupancy) of the Comer Children's Hospital within 4 years of signing this Lease, this

Lease shall be terminated and possession of the premises, including all improvements located thereon shall be surrendered by Lessee and delivered to Lessor.

ARTICLE IV

TERM

- 4.1 Lease Term. The term of this Lease (the "Lease Term") shall commence on June 29, 2001. The Lease Term shall end upon the earlier of the following events: (a) the termination of the Affiliation Agreement or any extensions thereof, (b) the expiration of the Affiliation Agreement as a result of the exercise of the election not to renew for additional 10 year terms, or (c) Lessor's assumption of Lessee's obligations under any of Lessee's loan agreements with the Illinois Health Facilities Authority pursuant to Section 18.2 of the Lease between the Lessor and Lessee dated as of June 30, 1987, as amended, (the "1987 Lease"), or Section 16.3 of the Center for Advanced Medicine and Pritzker Building Lease Agreement between Lessor and Lessee dated as of June 21, 1993, as amended, (the "DCAM Lease"), unless sooner terminated in accordance with the terms of this Lease.
- 4.2 Possession. At any time during the Lease Term, Lessee shall have the right (subject to the terms and conditions of this Lease) to enter upon, occupy, possess and peaceably and quietly have, hold and enjoy the Premises, provided that Lessor shall retain the right to enter upon the Premises at any time in order to make inspections or to exercise any other rights of Lessor hereunder and further provided that except in the case of emergency, any entry by Lessor pursuant to this Section 4.2 shall not unreasonably interfere with Lessee's use of the Premises.

ARTICLE V

RENT

- 5.1 Basic Rent. Lessee covenants to pay Lessor rent ("Basic Rent") for the Premises for the entire Lease Term in the amount of \$2,654,500.00, all due and payable on June 29, 2001.
- 5.2 Additional Rent.
- (a) Lessee covenants to pay and discharge when the same shall become due or payable, as additional rent hereunder, all of the following (collectively, "Impositions"): each and every cost, tax, assessment and other expense on or with respect to the Premises or any part thereof, or for the payment of which Lessor or Lessee is liable pursuant to any provision of this Lease or by reason of any rights or interest of Lessor or Lessee in this Lease, or any portion thereof or relating to the Premises or any portion thereof, or the operation, maintenance, insurance, alteration, repair, rebuilding, possession, use or occupancy of the Premises or any portion thereof, or by reason of or in any manner connected with or relating to this Lease, or for any other reason whether similar or dissimilar to the foregoing, foreseen or unforeseen, together with every fine, penalty, interest and cost which may be added for nonpayment or late payment thereof; provided, however, that nothing herein shall require Lessee to pay any franchise, transfer, Federal net income, Federal profits, single business or other

taxes of Lessor determined on the basis of Lessor's income or revenue, unless such tax is in lieu of or a substitute for any other tax or assessment upon or with respect to the Premises, which if such other tax or assessment were in effect, would be payable by Lessee hereunder.

- (b) Lessee covenants to pay, as additional rent hereunder, all amounts, charges or costs required to be paid by Lessee under this Lease, all in accordance with the provisions of this Lease. All such additional rent, together with all Impositions are sometimes referred to collectively herein as "Additional Rent" and all Additional Rent and Basic Rent are sometimes referred to collectively herein as "Rent."
 - (c) In the event of any failure by Lessee timely and fully to pay any Rent when due or to discharge any of the foregoing, Lessor shall have all rights, powers and remedies provided herein, by law, or otherwise, and in addition thereto the right (but without any obligation) to pay and to perform any and all of Lessee's obligations and covenants under this Lease and to receive on demand from Lessee repayment thereof, with interest at the Default Interest Rate.
- 5.3 Net Lease. This is intended to be a completely "net" lease to Lessor, and the Rent and all other sums payable hereunder by Lessee shall be paid without demand, and without set-off, counterclaim, abatement, suspension, credit, deduction, deferment, defense, diminution or reduction of any kind or for any reason.

ARTICLE VI

IMPOSITIONS AND OTHER LIENS

6.1 Payment by Lessee.

- (a) At Lessee's request, Lessor will apply for real estate tax exemption for the Premises and will charge the expenses of obtaining the exemption to the Lessee.
- (b) Lessee shall cooperate with Lessor in filing or causing to be filed any documentation required to retain the Premises' status as exempt from real estate taxes and shall pay prior to delinquency, as additional rent for the Premises, its share (based on a reasonable allocation thereof determined by Lessor and acceptable to Lessee as between the Premises and any other property on which such taxes or impositions were levied, assessed, or charged, but if the parties cannot agree, the amount allocated to Lessee shall be based on Lessee's proportionate share of the square footage of the premises covered by such taxes or Impositions) of any and all taxes and assessments (general and special), and water rates and other Impositions (ordinary and extraordinary), of every kind and nature whatsoever, which are levied, assessed, charged or imposed upon or with respect to the Premises, or any part thereof, or which become payable during the Lease Term, or any ad valorem taxes assessed thereon or on or in connection with any personal property used in connection therewith which Lessor shall be required to pay, becoming due and payable during or with respect to the term of this Lease.

- (c) Lessee shall also be responsible for and shall pay prior to delinquency any and all taxes, whether or not customary or now within the contemplation of the parties hereto and regardless of whether imposed upon Lessor or Lessee: (i) levied against, upon, measured by or reasonably attributable to any and all equipment, furniture, fixtures and other personal property located in or upon the Premises; (ii) upon or with respect to the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Lessee of the Premises or any portion thereof; or (iii) upon this transaction. If, at any time during the term, any of the foregoing taxes are included with any tax bills to Lessor or upon or relating to the Premises, then Lessee shall promptly upon notice by Lessor reimburse Lessor for any and all such taxes and such tax or assessment shall for purposes of this Lease be deemed to be taxes or assessments under this Section 6.1 payable by Lessee; provided, however, that if such taxes are included in a bill which also covers property owned by Lessor or property other than the Premises or property other than that within or upon the Premises, Lessee shall pay its share of such tax or assessment based on a reasonable allocation proposed by Lessor and acceptable to Lessee, but if the parties cannot agree, the amount allocated to Lessee shall be based on Lessee's proportionate share of the square footage of the premises covered by such tax or assessment; and provided further, that if the activity of one of the parties alone has resulted in the imposition of the tax or assessment, then that party shall pay the full cost of such tax or assessment.
- (d) If under applicable law any Imposition may at the option of the taxpayer be paid in installments, Lessee may exercise such option, as long as Lessee pays all finance charges, installment payment fees or charges, and similar amounts.
- (e) There shall be excluded from Impositions all Federal or state income taxes, Federal or state excess profit taxes, franchise, capital stock and Federal or state estate or inheritance taxes imposed upon Lessor except insofar as the same may be included within the definition of Additional Rent under Section 5.2.

6.2 Alternative Taxes.

- (a) If at any time during the term of this Lease the method of taxation prevailing at the commencement of the Lease Term hereof shall be altered so that any new tax, assessment, levy, imposition or charge, or any part thereof, shall be measured or be based in whole or in part upon the Lease or Premises, or the Rent, or other income therefrom and shall be imposed upon the Lessor, then all such taxes, assessments, levies, impositions or charges, or the part thereof reasonably allocated by Lessor to this Lease or the Premises, to the extent that they are so measured or based, shall be deemed to be included within the term Impositions for the purposes hereof, to the extent that such Impositions would be payable if the Premises were the only property of Lessor subject to such Impositions, and Lessee shall pay and discharge the same as herein provided in respect of the payment of Impositions.
- (b) Without limiting the generality of the preceding Section 6.2(a), if at any time during the Lease Term a tax, excise, assessment or imposition on rents or income or the privilege of leasing (as lessor or as lessee) real or personal property or other tax however described (a "Rent Tax") is levied or assessed by any governmental unit or

taxing authority, on account of the rents payable or receivable hereunder or the interest of Lessor under this Lease or the privilege of leasing (as lessor or as lessee) real or personal property or otherwise, then Lessee agrees to reimburse Lessor on account thereof for the full amount thereof reasonably allocated by Lessor to this Lease or the Premises.

- 6.3 Evidence of Payment. Lessee shall deliver to Lessor receipts showing the payments of all Impositions and other taxes payable by Lessee hereunder, within thirty days after the earlier to occur of the payment or due date thereof.
- 6.4 Lessor's Right to Pay Impositions on Behalf of Lessee. In the event Lessee shall fail for any reason to make any of the payments required by this Article VI before the same become past due, then Lessor may, at its option, pay the same. The amounts so paid, including reasonable attorneys fees and expenses which are reasonably incurred because of, or in connection with, such payments, together with interest on all of such amounts from the respective dates of payment at the Default Interest Rate, shall be deemed Additional Rent hereunder and shall be paid promptly by Lessee to Lessor. The election of Lessor to make such payments shall not waive the default thus committed by Lessee.
- 6.5 Encumbering Title. Lessee shall not do or suffer to be done any act or omission which shall in any way encumber (or result in the encumbrance of) the title of Lessor in and to the Premises, nor shall the interest or estate of Lessor in the Premises be in any way subject to any mortgage, claim by way of lien or encumbrance, whether by operation of law or by virtue of any express or implied contract by or of Lessee.
- 6.6 Liens. Lessee shall not permit the Premises to remain subject to any mechanics', laborers', materialmen's or similar lien on account of labor, service or material furnished to, or claimed to have been furnished to, or for the benefit of Lessee or the Premises, except if payment for such labor, service or material is not yet due under the contract in question.
- 6.7 Permitted Contests. Lessee shall not be required to pay any Imposition, or to remove any lien, charge or encumbrance required to be removed under Sections 6.5 and 6.6 hereof, or to comply with any law, ordinance, rule, order, decree, decision, regulation or requirement referred to in Section 3.3 hereof, so long as Lessee shall, in good faith and at its sole cost and expense, be actively contesting the amount or validity thereof, in an appropriate manner and by appropriate legal proceedings which shall operate during the pendency thereof to prevent the sale, estate or interest therein, and provided, that no such contest shall subject Lessor to the risk of any loss or liability. Lessee will indemnify, defend and save Lessor harmless from and against any and all losses, judgments, decrees, liabilities, claims and costs (including, without limitation, attorneys' fees and expenses in connection therewith) which may relate to or result from any such contest.
- 6.8 Notice. Lessor shall promptly deliver to Lessee any notice, bill, assessment or other documentation requiring payment of any tax, imposition or other payment required by this Article VI.

ARTICLE VII

CONSTRUCTION OF COMER CHILDREN'S HOSPITAL

Lessor and Lessee understand that Lessee anticipates building the Comer Children's Hospital (CCH) on the Premises (generally along Maryland Avenue between 57th and 58th Streets). The CCH is expected to have approximately 242,000 gross square feet in seven stories, 100 feet wide by 300 feet long. The CCH will have 155 beds, over 60 percent of which shall be in the neonatal and pediatric intensive care units. The building will include six pediatric operating rooms, general radiography, child life and family support areas, conference rooms and housestaff education space. Construction is expected to commence in October 2001 and continue through May 2004.

ARTICLE VIII

INSURANCE

- 8.1 Maintenance of Insurance. The parties shall procure, and maintain in effect at all times, insurance policies or self-insurance covering the Premises, and the operations conducted thereon, against casualties, contingencies and risks (including but not limited to public liability and employee dishonesty) in amounts not less than customary in the case of corporations engaged in the same or similar activities and similarly situated and adequate to protect the Premises and operations.

Any insurance procured and maintained pursuant to this Article VIII may be obtained jointly by Lessor and Lessee or separately by either party. To the extent insurance is obtained jointly or by Lessor, Lessor shall allocate, on an equitable basis consistent with past practice or acceptable to Lessee, the cost of such policies or self-insurance as between Lessor and Lessee, and Lessee shall pay to Lessor, as Additional Rent, the portion of the cost of such policies or self-insurance so allocated to Lessee by Lessor. To the extent Lessee procures and maintains insurance policies covering the Premises, the entire cost and expense of such policies shall be paid by Lessee and considered to be Additional Rent.

All policies of insurance carried pursuant to this Section shall be maintained in such form and with such companies as shall be approved by Lessor. For those policies procured and maintained by Lessee individually, Lessee agrees to deliver to and keep deposited with Lessor all such policies and renewals thereof, with premiums prepaid, and with loss payable clauses satisfactory to Lessor, and non-cancellation clauses providing for not less than 30 days' written notice to Lessor attached thereto. For those policies procured and maintained by Lessor individually, Lessor agrees to furnish certificates or other documents reasonably required to show such insurance to Lessee or to other interested parties as requested by Lessee.

- 8.2 Mutual Waiver of Subrogation Rights. Whenever (a) any loss, cost, damage or expense resulting from fire, explosion or any other casualty or occurrence is incurred by either of the parties to this Lease in connection with the Premises, and (b) such party is then covered in whole or in part by insurance with respect to such loss, cost, damage or expense, then the party so insured (or hereby required so to insure) hereby releases the other party from any liability it may have on account of such loss, cost, damage or expense to the extent of any amount recovered by reason of such insurance (or which could have been recovered had such insurance been carried as so required) and waives any right of subrogation which might otherwise exist in or accrue to any person on account thereof, provided that such release of liability and waiver of the right of subrogation shall not be operative in any case where the

effect thereof is to invalidate such insurance coverage or increase the costs thereof (provided that in the case of increased cost the other party shall have the right, within thirty days following written notice, to pay such increased cost, thereupon keeping such release and waiver in full force and effect).

ARTICLE IX

MAINTENANCE AND ALTERATIONS

9.1 Maintenance. Lessee shall, at its sole cost and expense, at all times keep and maintain the entire Premises (specifically including, without limitation, for each building, the exterior, the interior, the heating, ventilating and air conditioning equipment and system, the building systems, the structure and the roof) in good condition and repair, and in a safe, secure, clean and sanitary condition and, except to the extent that failure to do so will not materially adversely affect Lessee's financial position or its ability to operate its business, in full compliance with all building, fire, health and other applicable laws, codes, ordinances, rules and regulations and conforming to all requirements of any governmental authority having jurisdiction over the Premises. As used herein, each and every obligation of Lessee to keep, maintain and repair shall include, without limitation, all ordinary and extraordinary structural and nonstructural repairs and replacements. Notwithstanding the foregoing, if unanticipated major structural repairs are required within the last five years of the lease term, the parties will attempt to negotiate a reasonable sharing of the cost of such repairs. All repairs, replacements and restoration to any exterior portion of any building, or to any structural portion of any building, shall be done in a manner that has been approved in advance by Lessor. If Lessee does not promptly make such repairs and replacements, Lessor may, but need not, make such repairs and replacements and the amount paid by Lessor for such repairs and replacements shall be deemed Additional Rent reserved under this Lease due and payable upon demand. Lessor may (but shall not be required to) enter the Premises at all reasonable times to make such repairs or alterations as Lessor shall reasonably deem necessary or appropriate for the preservation of the Premises.

9.2 Alterations.

- (a) Lessee shall consult with Lessor's Facilities Services department from time to time and apprise them of modifications, alterations, or additions to space or demolishing facilities within the Premises ("Alterations"), and Lessee shall not make any major alterations that have a substantial effect on the nature of activities on the Premises, without the consent of Lessor, which shall not be unreasonably withheld. Lessee shall review plans for such alterations with the Lessor's Facilities Services department to confirm that they conform to reasonable, established architectural criteria for the University campus.
- (b) Lessee shall, subject to the right to contest as set forth in Section 6.7 hereof, at Lessee's expense, make such repairs and alterations, if any, on the Premises as are expressly required by any governmental authority or which may be made necessary by the act or neglect of Lessee, its employee's agents or contractors, or any persons, firm or corporation, claiming by, through or under Lessee; provided, however, that to the fullest extent permitted by applicable law or governmental order, all such work

shall be done pursuant to the notice, review and approval provisions set forth in Section 9.2 (a).

- (c) Any Alterations, repairs and replacements performed or made by Lessee shall be performed or made in a good, workmanlike manner with good quality, new materials, in accordance with all applicable laws and ordinances, and lien-free.
 - (d) Upon completion of any such work by or on behalf of Lessee, Lessee shall provide Lessor with access to such documents as Lessor may reasonably require (including, without limitation, a certificate of occupancy, if such certificates are then issued by the appropriate governmental agency or agencies with respect to projects or work of the type so performed by or on behalf of Lessee, an architect's certificate of completion, and sworn contractors' and subcontractors' statements and supporting final lien waivers) evidencing completion of the work in compliance with applicable laws (and, if relevant, with plans and specifications approved by Lessor) and payment in full for such work, and "as built" working drawings.
- 9.3 Title to Alterations. All improvements and Alterations installed pursuant to this Lease shall be deemed part of the Premises and the property of Lessor (subject only to Lessee's rights hereunder during the Lease Term); provided, however, that upon expiration of this Lease, Lessee may remove from the Premises, in accordance with the provisions of Section 15.2 hereof, any trade fixtures and personal property which are owned by Lessee.
- 9.4 Signs. The parties shall agree upon the detailed plans and specifications for any exterior signs on or about the Premises.

ARTICLE X

ASSIGNMENT AND SUBLETTING

10.1 Consent Required.

- (a) Lessee shall not, without Lessor's prior written consent (which Lessor may withhold in Lessor's sole discretion): (i) assign, sell, transfer, convey, pledge, encumber or mortgage this Lease or any interest herein or hereunder; (ii) allow or permit to occur or exist any assignment, sale, transfer, conveyance, pledge, encumbrance or mortgage of, or lien upon or security interest in, this Lease or any part of Lessee's interest herein or hereunder, whether by operation of law or otherwise; (iii) sublet, or cause or permit to occur or exist any subletting of, the Premises or any part thereof; or (iv) permit the use or occupancy of the Premises or any part thereof by anyone other than Lessee, provided however, that if this Lease is assigned to any person or entity pursuant to the provisions of the United States Bankruptcy Code, 11 U.S.C. 101 et seq. (the "Bankruptcy Code"), any and all monies and other consideration of any kind whatsoever payable or otherwise to be delivered in connection with such assignment shall be paid or delivered to Lessor, shall be and remain the exclusive property of Lessor and shall not constitute property of Lessee or of the estate of Lessee within the meaning of the Bankruptcy Code. Any and all monies or other consideration constituting Lessor's property under the preceding sentence not paid or delivered to Lessor shall be received and held in trust for the benefit of Lessor and

shall be promptly paid to or turned over to the Lessor. It is understood that, by sublease or other agreement between the parties, Lessee may make available for occupancy by Lessor certain portions of the Premises for specified periods of time under arrangements for payment of maintenance costs and other services furnished by Lessee to Lessor.

- (b) No assignment or subletting, whether or not permitted hereunder, shall relieve Lessee of any of Lessee's obligations, covenants, or agreements hereunder and Lessee shall continue to be liable as a principal and not as a guarantor or surety, to the same extent as though no assignment or subletting had been made. Any person or entity to whom this Lease is assigned or to whom a sublease is made pursuant to the provisions of the United States Bankruptcy Code shall be deemed without further act or deed to have personally assumed, and agreed personally to be liable for, all of the obligations of the Lessee arising under this Lease on and after the date of such assignment or sublease. Any such assignee or sublessee shall, upon demand, execute and deliver to Lessor an instrument expressly confirming such assumption.

ARTICLE XI

UTILITIES

- 11.1 Utilities. The cost of all utility services to the Premises, including but not limited to gas, water, sewer, electricity and telephone, shall be paid or reimbursed by Lessee; provided, however, that Lessor shall provide (and Lessee agrees to accept and pay for), steam heat and telecommunications and paging services to Lessee in accordance with and on the terms and conditions set out in a separate agreement between Lessor and Lessee. Whenever and wherever reasonably requested by Lessor, Lessee shall, at its expense, install and maintain separate meters for utilities servicing the Improvements. Where utilities are not separately metered, and any utility bill relates to both the Premises and to space which is not part of the Premises, Lessee shall pay its share of such utilities based upon the share thereof reasonably allocated to Lessee by Lessor and acceptable to Lessee, but if the parties cannot agree, the amount allocated to Lessee shall be based on Lessee's proportionate share of the premises served by such utilities. Provided, however, that to the extent, if any, that the Operating Agreement provides for the amount or number of payments by Lessee for or with respect to utility services, those provisions shall govern and control over any inconsistent provisions in this section.

ARTICLE XII

INDEMNITY AND WAIVER

- 12.1 Indemnity. Lessee will protect, indemnify and save harmless Lessor and Lessor's agents from and against all liabilities, obligations, claims, damages, penalties, causes of action, judgments, costs and expenses (including without limitation, attorneys' fees and expenses) imposed upon or incurred by or asserted against Lessor by reason of: (a) any failure on the part of the Lessee to perform or comply with any of the terms or provisions of this Lease to be performed by Lessee; or (b) performance of any labor or services or the furnishing of any materials or other property at the request of and on behalf of Lessee or any other person (except only Lessor) in respect of the Premises or any part thereof. In case any action, suit

or proceeding is brought against Lessor or Lessor's trustees, officers, agents, or employees by reason of any such occurrence, Lessee will, at Lessor's election and Lessee's expense, resist and defend such action, suit or proceeding, or cause the same to be resisted and defended, and Lessor shall also have the right to defend and resist the same by its own attorneys. Lessee will not settle or compromise any such matter without Lessor's written consent. Upon demand, Lessee shall reimburse Lessor for any cost incurred as a result of or in connection with any such action, suit or proceeding.

- 12.2 Waiver of Certain Claims. Lessee waives all claims it may have against Lessor and Lessor's trustees, officers, agents, or employees for damage or injury to person or property sustained by Lessee or any persons claiming through Lessee or by any occupant, patient, visitor, invitee or licensee of Lessee or the Premises, or any part thereof, or by any other person, occurring at, upon, within or about, or resulting from the condition of, any part of the Premises or resulting directly or indirectly from any act or omission of Lessee to the fullest extent permitted by law; provided, however, that nothing contained herein shall relieve Lessor from liability for its own negligence or willful misconduct. The foregoing waiver shall include, without limitation, damage or injury caused by water, snow, frost, steam, excessive heat or cold, sewage, gas, odors or noise, or caused by bursting or leaking of pipes or plumbing fixtures or unsafe conditions, and shall apply equally whether any such damage or injury results from the act or omission of Lessee or of any other person and whether such damage be caused by or result from any thing or circumstance whether of a like nature or of a wholly different nature. All personal property belonging to Lessee or any other person other than Lessor that is in or on any part of the Premises shall be there at the risk of Lessee or of such other person only, and Lessor shall not be liable for any damage thereto or for the theft or misappropriation thereof.

- 12.3 Lessor's Indemnity. Lessor will protect, indemnify and save harmless Lessee's agents from and against all liabilities, obligations, claims, damages, penalties, causes of action, judgments, costs and expenses (including without limitation, attorneys' fees and expenses) imposed upon or incurred by or asserted against Lessee by reason of any failure on the part of Lessor to perform or comply with any of the terms or provisions of this Lease to be performed by Lessor. In case any action, suit or proceeding is brought against Lessee or Lessee's trustees, officers, agents, or employees by reason of any such occurrence, Lessor will, at Lessee's election and Lessor's expense, resist and defend such action, suit or proceeding, or cause the same to be resisted and defended, and Lessee shall also have the right to defend and resist the same by its own attorneys. Lessor will not settle or compromise any such matter without Lessee's written consent. Upon demand, Lessor shall reimburse Lessee for any cost incurred as a result of or in connection with any such action, suit or proceeding.

ARTICLE XIII

INSPECTION

- 13.1 Inspection. Lessor and Lessor's agents may enter the Premises at any time for the purpose of inspecting the same, or of making repairs which Lessee has failed for any reason to make in accordance with the covenants and agreements of this Lease, and also for the purpose of showing the Premises to persons interested in the programs and activities carried on thereat; provided, however, that except in the case of emergency or if necessary to correct any

unsafe or unsound condition, any entry by Lessor pursuant to this Section 13.1 shall not unreasonably interfere with Lessee's use of the Premises.

ARTICLE XIV

LESSEE'S COVENANTS

14.1 Covenants. Lessee hereby covenants and agrees that:

- (a) Lessee shall: permit access by the Lessor to, and allow the Lessor to copy and make extracts from, the books and records of the Lessee at any time; and permit the Lessor to inspect the properties and operations of the Lessee at any time.
- (b) Lessee shall not enter into any agreement containing any provision which would be violated or breached by the performance of any of its obligations hereunder or under any instrument or document delivered or to be delivered by it hereunder or in connection herewith.

ARTICLE XV

SURRENDER

- 15.1 Surrender. Upon termination of this Lease for any reason, Lessee will at once surrender and deliver up the Premises to Lessor in good condition and repair, reasonable wear and tear excepted. Lessee shall deliver to Lessor keys to all doors on the Premises. All hardware, fixtures (other than trade fixtures), and improvements, in or upon the Premises, shall become Lessor's property and shall remain upon the Premises upon any termination of this Lease, without compensation, allowance or credit to Lessee.
- 15.2 Removal of Lessee's Property. Upon the termination of this Lease, if Lessee is not in default hereunder, Lessee may remove Lessee's trade fixtures, personal property and equipment; provided, however, that Lessee shall repair any injury or damage to the Premises which may result from such removal. Any of Lessee's furniture, machinery, trade fixtures and other items of personal property which Lessee fails to remove from the Premises by the end of the Lease Term may, at Lessor's option, be removed by Lessor and delivered to any other place of business of Lessee or any warehouse, and Lessee shall pay the reasonable cost of such removal (including the repair of any injury or damage to the Premises resulting from such removal), delivery and warehousing to Lessor on demand, with interest at the Default Interest Rate from the tenth day after the demand until paid in full; or Lessor may treat such property as having been conveyed to Lessor with the Lease as a Bill of Sale, without further payment or credit by Lessor to Lessee.
- 15.3 Holding Over. Any holding over of the Premises by Lessee after the expiration of this Lease shall operate and be construed to be a tenancy from month to month only. During any such extended term of this Lease, all of the provisions hereof (including without limitation, those obligating Lessee to pay all Additional Rent) shall govern and apply, except that Lessee shall pay Base Rent to Lessor for such period at the rate of \$100,000.00 per month. Nothing contained in this Section 15.3 shall be construed to give Lessee the right to hold over after

the expiration of this Lease, and Lessor may exercise any and all remedies at law or in equity to recover possession of the Premises.

ARTICLE XVI

DEFAULTS AND REMEDIES

16.1 Defaults. Lessee agrees that the occurrence of any one or more of the following events shall constitute an Event of Default for all purposes of this Lease:

- (i) Lessee fails to pay, within 30 days after written notice to Lessee that the same is due and payable, any amount of Rent (including, without limitation, Additional Rent) due hereunder;
- (ii) Lessee fails to pay, within 30 days after written notice to Lessee that the same is due and payable, any other amount or charge required to be paid by Lessee hereunder;
- (iii) Lessee fails in any material respect to keep, observe or perform any of the other covenants or agreements herein contained to be kept, observed and performed by Lessee, and Lessee fails to completely and fully cure such default within 30 days after notice thereof in writing to Lessee; provided, however, that if such matter cannot be cured within 30 days, then no Event of Default shall be deemed to have occurred with respect thereto so long as cure is commenced immediately and Lessee diligently proceeds to complete cure within a reasonable period of time, and provided further, that no cure period whatsoever shall apply with respect to a hazardous or emergency condition;
- (iv) Lessee shall become insolvent or shall admit in writing its inability to pay its debts, or shall make a general assignment for the benefit of creditors;
- (v) Lessee shall file, institute or commence any case, proceeding or other action seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its property;
- (vi) Lessee shall take any corporate or other action to authorize any of the actions set forth above in either of the preceding paragraphs (iv) or (v);
- (vii) Any case, proceeding or other action against the Lessee or any of its property shall be filed, instituted or commenced seeking to have an order for relief entered against it as debtor, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its property; and such case, proceeding or other action results in the entry of an order for relief against it which is not fully stayed within 30 days after the entry thereof or remains undismissed for a period of 60 days;

(viii) All or any material part of the interest or estate of Lessee under this Lease is levied upon under execution or is attached under process of law;

(ix) An Event of Default shall have occurred under the 1987 Lease or the DCAM Lease.

16.2 Remedies. Upon the occurrence of any one or more Events of Default, Lessor may, in its discretion, pursue any and all rights and remedies specified in this Lease or available at law or in equity (including, without limitation, an action for damages and for injunctive relief) and may also, in Lessor's discretion, terminate this Lease. Upon termination of this Lease, Lessee shall surrender possession, vacate the Premises immediately and deliver possession thereof to Lessor, and hereby grants to Lessor the full and free right, without demand or notice of any kind to Lessee, to enter into and upon the Premises in such event with or without process of law and to repossess the Premises as the Lessor's former estate and to expel or remove the Lessee and any others who may be occupying or may be within the Premises without being deemed in any manner guilty of trespass, eviction, or forcible entry or detainer, without incurring any liability for any damage resulting therefrom and without relinquishing the Lessor's rights to rent or any other right given to the Lessor hereunder or by operation of law. Upon termination of this Lease, Lessor shall be entitled to recover as damages all Rent (including, without limitation, Additional Rent) and other sums due and payable by Lessee on the date of termination or for or with respect to the period ending on the effective date of such termination, plus interest at the Default Interest Rate, plus the cost of performing any other covenants or obligations Lessee should have performed on or before the effective date of such termination. Lessor may relet all or any part of the Premises and none of the rents or other amounts received by Lessor as a result of any such reletting shall reduce, or be a credit or offset against, the damages and other amounts required to be paid by Lessee to Lessor hereunder with respect to such termination or otherwise, except as required by law.

16.3 Assumption of Loan Agreement Obligations. Notwithstanding anything else contained in this Lease including, without limitation, the provisions of Sections 3.7 and 4.1 hereof, the Lessor or the Lessee shall not be entitled to terminate this Lease for any reason or to exercise its option not to renew the Affiliation Agreement for an additional ten year term upon completion of its initial term unless prior to or concurrently with the termination of the Lease or end of the Lease Term under Section 4.1 hereof as a result of such non-renewal, the Lessor shall have assumed and agreed to perform the obligations of the Lessee under the Loan Agreement in the manner and to the extent provided in the Loan Agreement.

16.4 Lessee's Waiver of Statutory Rights. In the event of any termination of the term of this Lease or any repossession of the Premises pursuant to this Article XVI, Lessee, to the fullest extent permitted by law, waives (a) any notice of re-entry, (b) any right of redemption, re-entry or repossession, and (c) the benefits of any laws now or hereafter in force exempting property from liability for rent or for debt.

16.5 Remedies Cumulative. No right or remedy of Lessor shall be considered to exclude or suspend any other remedy. All rights and remedies of the Lessor shall be cumulative and shall be in addition to every other remedy. Every such power, right and remedy may be exercised from time to time, together or successively, and so often as Lessor chooses.

- 16.6 No Waiver. No delay or omission of Lessor to exercise any right, remedy or power shall impair any such right, remedy or power or be construed to be a waiver thereof or of any default or any acquiescence therein. No waiver of any breach of any of the covenants of this Lease shall be a waiver of any other breach or waiver, acquiescence in or consent to any further or succeeding breach of the same covenant. The acceptance by Lessor of any payment of Rent or other charges hereunder after the termination of this Lease shall not restore this Lease or Lessee's right to possession hereunder, but rather shall be construed only as a payment on account, and not in satisfaction, of damages due from Lessee to Lessor.

ARTICLE XVII

MISCELLANEOUS

- 17.1 Lessor's Right to Cure. Lessor may, but shall not be obligated to, cure any default by Lessee or failure of Lessee to perform any of its obligations hereunder, including Lessee's failure to pay Impositions, obtain or maintain appropriate insurance, make repairs or satisfy lien claims; and whenever Lessor so elects, all costs and expenses paid by Lessor in curing such default or failure, including (without limitation) reasonable attorneys' fees and interest at the Default Interest Rate from the date expended by Lessor until Lessor is repaid in full, shall be so much Additional Rent due on demand.
- 17.2 Amendments Must Be In Writing. This Lease may not be amended, nor may any obligation, right or remedy hereunder be waived or released, except by and to the extent expressly provided in a written instrument duly signed and delivered by the party against whom the same is sought to be enforced; and no act, omission, or waiver, acquiescence or forgiveness, by Lessor as to any default in or failure of performance, either in whole or in part, by Lessee of any of the covenants, terms or conditions of this Lease shall be deemed to be a waiver by Lessor of the right to performance by Lessee of each and every one of the terms and conditions hereof thereafter to be performed in the same manner and to the same extent as the same are herein covenanted to be performed by Lessee.
- 17.3 Notices. All notices to or demands upon Lessor or Lessee desired or required to be given under this Lease shall be in writing, and shall be deemed to have been duly and sufficiently given on the first to occur of (i) actual delivery, (ii) the next business day following mailing by U.S. Express Mail or any other overnight delivery service, or (iii) the third business day after a copy thereof has been mailed by United States certified mail in an envelope properly stamped and addressed as follows:

If to Lessor:

The President
The University of Chicago
5801 South Ellis Avenue
Chicago, Illinois 60637

with a copy to:

The General Counsel
The University of Chicago
5801 South Ellis Avenue
Chicago, Illinois 60637

If to Lessee:

The President
The University of Chicago Hospitals
5841 South Maryland Avenue
Chicago, Illinois 60637

with a copy to:

The General Counsel
The University of Chicago Hospitals
5841 South Maryland Avenue
AMB G-108 (MC 1132)
Chicago, Illinois 60637

or at such address in the City of Chicago as either party may designate, in a notice duly given to the other party, as its address for the receipt of notices hereunder.

- 17.4 Relationship of Parties. Nothing contained herein shall be deemed or construed by the parties hereto or by any other person as creating the relationship of principal and agent, or of partnership or joint venture, or any other relationship other than that of landlord and tenant, by the parties hereto.
- 17.5 Attorneys' Fees. In the event that either party retains an attorney to enforce this Lease or any term, covenant or condition hereunder or to collect any Rent or any other amount due or payable under this Lease or to recover possession of the Premises, or files any action or proceeding under or relating to this Lease, the non-prevailing party shall pay the prevailing party's reasonable attorneys' fees and court costs incurred in connection therewith.
- 17.6 No Brokers. Lessor and Lessee each represents and warrants to the other that it has dealt with no broker in connection with this transaction. Each party hereto agrees to indemnify and hold the other harmless from and against any and all damage, liability, loss, expense and claims arising from the incorrectness of this warranty.
- 17.7 Entire Agreement. This Lease (including any Exhibits hereto, which are made a part hereof), the agreement concerning the provision of steam described in Section 11.1 hereof, and any other agreement specifically identified or described in this Lease, contains all of the understandings and agreements between the parties hereto with respect to the Premises and the subject matter hereof.
- 17.8 Applicable Law. This Lease shall be governed by, and construed and enforced in accordance with, the laws of the State of Illinois.
- 17.9 Covenants Binding on Successors; No Third Party Beneficiaries. All of the covenants, agreements, conditions and undertakings contained in this Lease shall extend and inure to the benefit of, and be binding upon, the parties hereto and their respective successors and assigns; provided, however, that this sentence shall not be construed as restricting or limiting in any way the provisions of Article X hereof, which shall govern and control over any inconsistent provisions of this Section 17.9. No person, firm, corporation, entity, or governmental authority other than the parties hereto and their respective successors and assigns shall have or may enforce any right, benefit, claim or privilege under or as a result of this Lease or any covenants, agreement, condition or undertaking in this Lease, it being the

express intention of the parties that there not be any third party beneficiaries of this Lease or any provision hereof.

IN WITNESS WHEREOF, Lessor and Lessee have executed and delivered this Lease as of the day and year first above written, pursuant to proper authority duly granted.

Lessor:

THE UNIVERSITY OF CHICAGO, an
Illinois corporation

Attest:

Kenneth S. Leff
Secretary

By

P. Woodworth

Patricia A. Woodworth
Its Vice President and
Chief Financial Officer

Lessee:

THE UNIVERSITY OF CHICAGO HOSPITALS,
an Illinois corporation

Attest:

Michael Kettner
Secretary

By

CEW

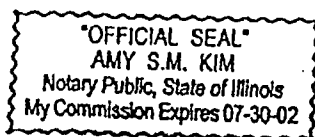
Its President

STATE OF ILLINOIS)
)
COUNTY OF COOK)

SS

I, Amy S. M. Kim, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Patricia A. Woodworth and Kineret S. Jaffe, personally know to me to be the same persons whose name are, respectively, Vice President and Chief Financial Officer and Secretary of THE UNIVERSITY OF CHICAGO, an Illinois not for profit corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 25th day of September, 2001.



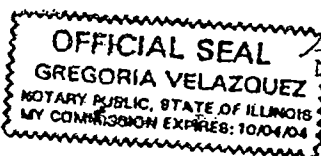
Amy S. M. Kim
Notary Public in and for Cook County, Illinois

STATE OF ILLINOIS)
)
COUNTY OF COOK)

SS

I, Gregoria Velazquez, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Michael Koetting and Michael Riordan, personally know to me to be the same persons whose name are, respectively, Secretary and President of THE UNIVERSITY OF CHICAGO HOSPITALS, an Illinois not for profit corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 25th day of September, 2001.



Gregoria Velazquez
Notary Public in and for Cook County, Illinois

ATTACHMENT 2

EXHIBIT A

Parcel 1

LOTS 5 TO 8, BOTH INCLUSIVE, IN HAROLD P. WILBER'S RESUBDIVISION OF THE NORTH 11 FEET OF LOTS 42 AND ALL OF LOTS 43 TO 50 IN BLOCK 11 OF McKICHAN AND MASON'S SUBDIVISION OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF RECORDED JULY 6, 1910 AS DOCUMENT 4589769;

ALSO

LOTS 1 TO 10, BOTH INCLUSIVE, IN HAROLD P. WILBER'S RESUBDIVISION OF LOT 32 (EXCEPT THE SOUTH 6 FEET THEREOF) AND ALL OF LOTS 33 TO 41, BOTH INCLUSIVE, AND LOT 42 (EXCEPT THE NORTH 11 FEET THEREOF) IN BLOCK 11 OF McKICHAN AND MASON'S SUBDIVISION OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF RECORDED JULY 6, 1911 AS DOCUMENT NUMBER 4788108;

TOGETHER WITH

LOTS 26 TO 31, BOTH INCLUSIVE, AND THE SOUTH 6 FEET OF LOT 32 IN BLOCK 11 IN McKICHAN AND MASON'S SUBDIVISION OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF RECORDED OCTOBER 22, 1868 IN BOOK 167, PAGE 178 AS DOCUMENT NUMBER 186893,

ALL IN COOK COUNTY, ILLINOIS.

CONTAINING 53,161 SQUARE FEET (1.22041 ACRES) OF LAND, MORE OR LESS.

Parcel 2

ALL THAT PART OF THE 16 FOOT ALLEY LYING EAST OF AND ADJACENT TO LOTS 5 THRU 8, INCLUSIVE, IN HAROLD P. WILBER'S RESUBDIVISION RECORDED JULY 6, 1910 AS DOCUMENT NUMBER 4589769, AND LOTS 1 THRU 10, INCLUSIVE, IN HAROLD P. WILBER'S RESUBDIVISION RECORDED JULY 6, 1911 AS DOCUMENT NUMBER 4788108, AND LOTS 26 THRU 31, INCLUSIVE, AND THAT PART OF LOT 32 LYING SOUTH OF THE SOUTH LINE OF SAID HAROLD P. WILBER'S RESUBDIVISION RECORDED JULY 6, 1911 AS DOCUMENT NUMBER 4788108;

ALL IN BLOCK 11 IN McKICHAN AND MASON'S SUBDIVISION OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

CONTAINING 7,961 SQUARE FEET (0.18276 ACRES) OF LAND, MORE OR LESS.

Parcel 3

ALL THAT PART OF LOTS 11 THRU 21, INCLUSIVE, IN BLOCK 11 IN McKICHAN AND MASON'S SUBDIVISION OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF LOT 21 IN SAID BLOCK 11 IN McKICHAN AND MASON'S SUBDIVISION;

THENCE NORTH 00 DEGREES 02 MINUTES 18 SECONDS EAST, ON AN ASSUMED BEARING, ALONG THE EAST LINE OF SAID BLOCK 11, SAID EAST LINE OF BLOCK 11 BEING ALSO THE WEST LINE OF SOUTH DREXEL AVENUE, A DISTANCE OF 96.11 FEET TO THE SOUTHEAST CORNER OF LOT 17 IN SAID BLOCK 11 IN McKICHAN AND MASON'S SUBDIVISION;

THENCE NORTH 89 DEGREES 50 MINUTES 06 SECONDS WEST ALONG THE SOUTH LINE OF SAID LOT 17, A DISTANCE OF 105.33 FEET TO A POINT;

THENCE NORTH 00 DEGREES 02 MINUTES 17 SECONDS EAST ALONG A LINE 25.08 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF LOTS 15, 16 AND 17 IN SAID BLOCK 11 IN McKICHAN AND MASON'S SUBDIVISION, A DISTANCE OF 56.47 FEET TO A POINT;

THENCE NORTH 58 DEGREES 04 MINUTES 11 SECONDS EAST ALONG A STRAIGHT LINE, A DISTANCE OF 13.06 FEET TO A POINT;

THENCE SOUTH 81 DEGREES 33 MINUTES 11 SECONDS EAST ALONG A STRAIGHT LINE, A DISTANCE OF 42.10 FEET TO A POINT;

THENCE SOUTH 89 DEGREES 52 MINUTES 09 SECONDS EAST ALONG A STRAIGHT LINE, A DISTANCE OF 52.61 FEET TO A POINT OF THE EAST LINE OF SAID BLOCK 11;

THENCE NORTH 00 DEGREES 02 MINUTES 18 SECONDS EAST ALONG SAID EAST LINE OF BLOCK 11, A DISTANCE OF 12.00 FEET TO A POINT, SAID POINT BEING 1.38 FEET SOUTH OF THE NORTHEAST CORNER OF LOT 15 IN SAID BLOCK 11 IN McKICHAN AND MASON'S SUBDIVISION;

THENCE NORTH 89 DEGREES 52 MINUTES 09 SECONDS WEST ALONG A STRAIGHT LINE, A DISTANCE OF 51.72 FEET TO A POINT;

THENCE NORTH 81 DEGREES 33 MINUTES 11 SECONDS WEST ALONG A STRAIGHT LINE, A DISTANCE OF 42.38 FEET TO A POINT OF CURVE;

THENCE NORTHWESTERLY ALONG THE ARC OF A CIRCLE, CONVEX TO THE SOUTHWEST, TANGENT TO THE LAST DESCRIBED LINE, AND HAVING A RADIUS OF 15.00 FEET, AN ARC DISTANCE OF 21.35 FEET TO A POINT;

THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS ALONG A STRAIGHT LINE, TANGENT TO THE LAST DESCRIBED CURVE, A DISTANCE OF 33.89 FEET TO A POINT OF CURVE;

THENCE NORTHWESTERLY ALONG THE ARC OF A CIRCLE, CONVEX TO THE NORTHEAST, TANGENT TO THE LAST DESCRIBED LINE, AND HAVING A RADIUS OF 30.00 FEET, AN ARC DISTANCE OF 28.51 FEET TO A POINT OF REVERSE CURVE;

THENCE NORTHWESTERLY ALONG THE ARC OF A CIRCLE, CONVEX TO THE SOUTHWEST, TANGENT TO THE LAST DESCRIBED ARC, AND HAVING A RADIUS OF 30.00 FEET, AN ARC DISTANCE OF 13.64 FEET TO A POINT OF COMPOUND CURVE;

THENCE NORTHWESTERLY ALONG THE ARC OF A CIRCLE, CONVEX TO THE SOUTHWEST, TANGENT TO THE LAST DESCRIBED ARC, AND HAVING A RADIUS OF 20.00 FEET, AN ARC DISTANCE OF 9.93 FEET TO A POINT OF TANGENCY ON THE EAST LINE OF THE ALLEY IN BLOCK 11 AT THE NORTHWEST CORNER OF LOT 11 IN AFORESAID BLOCK 11 IN McKICHAN AND MASON'S SUBDIVISION;

THENCE SOUTH 00 DEGREES 02 MINUTES 17 SECONDS WEST ALONG THE WEST LINE OF LOTS 11 THROUGH 21, BOTH INCLUSIVE, IN SAID BLOCK 11 IN McKICHAN AND MASON'S SUBDIVISION, A DISTANCE OF 264.27 FEET TO THE SOUTHWEST CORNER OF SAID LOT 21;

THENCE SOUTH 89 DEGREES 50 MINUTES 09 SECONDS EAST ALONG THE SOUTH LINE OF SAID LOT 21, A DISTANCE OF 130.41 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

CONTAINING 17,510 SQUARE FEET (0.40197 ACRES) OF LAND, MORE OR LESS.

PINS: 20-14-114-005-0000
20-14-114-006-0000
20-14-114-007-0000
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20-14-114-023-0000
20-14-114-024-0000
20-14-114-034-0000

20-14-114-030-0000 (partial thereof; see legal description above)
20-14-114-031-0000 (partial thereof; see legal description above)
20-14-114-036-0000 (partial thereof; see legal description above)

This instrument was prepared by
And after recording return to:

Russell Herron
University of Chicago
Office of Legal Counsel
5801 S. Ellis Avenue, Room 503
Chicago, Illinois 60637



Doc#: 0534019071 Fee: \$34.50
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 12/06/2005 02:22 PM Pg: 1 of 6

SPACE ABOVE THIS LINE
FOR RECORDER'S USE

FIRST AMENDMENT
to
COMER CHILDREN'S HOSPITAL LEASE AGREEMENT
between
THE UNIVERSITY OF CHICAGO
and
THE UNIVERSITY OF CHICAGO HOSPITALS

This First Amendment (the "First Amendment") supplements and amends the Comer Children's Hospital Lease Agreement dated as of June 29, 2001, between The University of Chicago (the "Lessor") and The University of Chicago Hospitals (the "Lessee"), which was recorded on October 1, 2001, as Document No. 0010912106. This First Amendment shall be effective as of November 1, 2004. The original Lease Agreement as amended is referred to herein as the "Lease."

Section I. Premises

The Lessor and the Lessee wish to amend the Lease in order to add various properties along Drexel Avenue between 57th and 58th Streets, commonly known as 5724-26 S. Drexel, 5728-30 S. Drexel, 5734-38 S. Drexel, and 5742-48 S. Drexel (the "Drexel Properties"), to the leased Premises. The Lessor and Lessee understand that the First Amendment is necessary, in part to include the land on which one of the caissons supporting the foundation of the University of Chicago Comer Children's Hospital (the "Comer Children's Hospital") was built. Lessee will also construct a new four-story wing of the Comer Children's Hospital on the Drexel Properties with a footprint of 24,500 square feet. The first floor will house a Pediatric Emergency Department (the "Pediatric ED") with eighteen treatment stations and 10 specialized treatment rooms. Construction began in May 2005 and will continue through December 2006. The upper floors of the Pediatric ED will be incorporated into a new surgical pavilion for which construction is scheduled to begin in 2007. The Lessor and the Lessee therefore agree as follows:

- A. Section 1.5 of the Lease is amended to add the Drexel Properties to the Premises. Exhibit A to the Lease is replaced by Exhibit A attached to this First Amendment and the property described therein shall therefore become the demised Premises.
- B. The Lessee will pay all costs and expenses associated with the Drexel Properties including real estate taxes and insurance. At the Lessee's request, the Lessor will apply for real estate tax exemption for the demised premises and will charge the

expenses of obtaining the exemption to the Lessee.

C. Section 4.1 of the Lease is amended in its entirety to read as follows:

"4.1 Lease Term. The term of this Lease (the "Lease Term") shall commence on June 29, 2001. The Lease Term shall end upon the earlier of the following events: (a) the termination of the Affiliation Agreement or any extensions thereof, (b) the expiration of the Affiliation Agreement as a result of the exercise of the election not to renew for additional 10 year terms, or (c) Lessor's assumption of Lessee's obligations under Lessee's loan agreements and similar financing agreements with the Illinois Health Facilities Authority, or its successors, the Illinois Educational Facilities Authority, or its successors, and the Illinois Finance Authority, or its successors, pursuant to Section 18.2 of the Lease between the Lessor and Lessee dated as of June 30, 1987, as amended (the "1987 Lease"), Section 16.3 of the Center for Advanced Medicine and Pritzker Building Lease Agreement between Lessor and Lessee dated as of June 21, 1993, as amended (the "CAM Lease"), and Section 16.3 of this Lease, unless sooner terminated in accordance with the terms of this Lease.

Section II. Lessee Borrowings

The parties recognize that it is necessary to amend the Lease in order to enable Lessee to borrow funds from the Illinois Finance Authority, as successor to the Illinois Educational Facilities Authority (which will obtain such funds through a commercial paper issue), to enable the Lessee to construct and equip the Pediatric ED. The parties therefore agree as follows:

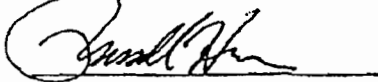
Section 1.4 of the Lease is amended in its entirety to read as follows:

1.4 "Loan Agreement" means, collectively, (i) the Loan Agreement between the Lessee and the Illinois Health Facilities Authority, or its successor, related to the initial 2001 financing for the Comer Children's Hospital, (ii) the Loan Agreement between the Lessee and the Illinois Health Facilities Authority, or its successor, dated as of August 1, 2003, and (iii) the payment obligations under the Promissory Note of the Lessee described in the Security Agreement dated as of November 1, 1998, as amended by the First Supplemental Security Agreement dated as of September 1, 2005, each between the Lessee and the Illinois Educational Facilities Authority, or its successor, and, in the case of each of the foregoing clauses, as such agreements or Note may be from time to time amended or supplemented in accordance with the provisions thereof.

All other provisions of the Lease shall remain in full force and effect.

IN WITNESS WHEREOF, the Lessor and the Lessee have executed and delivered this First Amendment to the Lease as of Sept. 29, 2005 pursuant to proper authority duly granted.

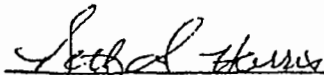
ATTEST:



Lessor:

THE UNIVERSITY OF CHICAGO

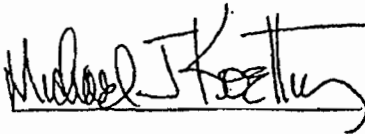
By:


Its: Vice President and General Counsel

Lessee:

THE UNIVERSITY OF CHICAGO HOSPITALS

ATTEST:



By:


Its: Executive Vice President & Chief Operating Officer

STATE OF ILLINOIS)

) SS

COUNTY OF COOK)

I, Tambra A. Black, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Beth A. Harris, personally known to me to be the VP & General Counsel of THE UNIVERSITY OF CHICAGO, an Illinois not-for-profit corporation, whose name is subscribed to the within instrument, appeared before me this day in person and acknowledged that as such VP & General Counsel of such corporation, she signed and delivered the said instrument as her free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth and pursuant to such corporation's authority.

GIVEN under my hand and Notarial Seal this 29th day of September, 2005.



Tambra A. Black
Notary Public

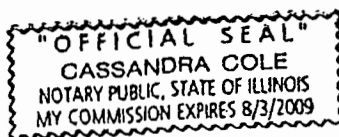
STATE OF ILLINOIS)

) SS

COUNTY OF COOK)

I, Cassandra Cole, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Kenneth P. Kates, personally known to me to be the Exec. VP & COO of THE UNIVERSITY OF CHICAGO HOSPITALS, an Illinois not-for-profit corporation, whose name is subscribed to the within instrument, appeared before me this day in person and acknowledged that as such Exec. VP & COO of such corporation, he signed and delivered the said instrument as h free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth and pursuant to such corporation's authority.

GIVEN under my hand and Notarial Seal this 29th day of September, 2005.



Cassandra Cole
Notary Public

EXHIBIT A

Parcel 1

LOTS 5 TO 8, BOTH INCLUSIVE, IN HAROLD P. WILBER'S RESUBDIVISION OF THE NORTH 11 FEET OF LOTS 42 AND ALL OF LOTS 43 TO 50 IN BLOCK 11 OF McKICHAN AND MASON'S SUBDIVISION OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF RECORDED JULY 6, 1910 AS DOCUMENT 458769;

ALSO

LOTS 1 TO 10, BOTH INCLUSIVE, IN HAROLD P. WILBER'S RESUBDIVISION OF LOT 32 (EXCEPT THE SOUTH 6 FEET THEREOF) AND ALL OF LOTS 33 TO 41, BOTH INCLUSIVE, AND LOT 42 (EXCEPT THE NORTH 11 FEET THEREOF) IN BLOCK 11 OF McKICHAN AND MASON'S SUBDIVISIONS OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF RECORDED JULY 6, 1911 AS DOCUMENT NUMBER 4788108;

TOGETHER WITH

LOTS 26 TO 31, BOTH INCLUSIVE, AND THE SOUTH 6 FEET OF LOT 32 IN BLOCK 11 IN McKICHAN AND MASON'S SUBDIVISION OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF RECORDED OCTOBER 22, 1868 IN BOOK 167, PAGE 178 AS DOCUMENT NUMBER 186893.

ALL IN COOK COUNTY, ILLINOIS.

CONTAINING 53,161 SQUARE FEET (1.22041 ACRES) OF LAND, MORE OR LESS.

Parcel 2

ALL THAT PART OF THE 16 FOOT ALLEY LYING EAST OF AND ADJACENT TO LOTS 5 THRU 8, INCLUSIVE, IN HAROLD P. WILBER'S RESUBDIVISION RECORDED JULY 6, 1910 AS DOCUMENT NUMBER 4589769, AND LOTS 1 THRU 10, INCLUSIVE, IN HAROLD P. WILBER'S RESUBDIVISION RECORDED JULY 6, 1911 AS DOCUMENT NUMBER 4788108, AND LOTS 26 THRU 31, INCLUSIVE, AND THAT PART OF LOT 32 LYING SOUTH OF THE SOUTH LINE OF SAID HAROLD P. WILBER'S RESUBDIVISION RECORDED JULY 6, 1911 AS DOCUMENT 4788108;

ALL IN BLOCK 11 IN McKICHAN AND MASON'S SUBDIVISION OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

CONTAINING 7,961 SQUARE FEET (0.18276 ACRES) OF LAND, MORE OR LESS.

Parcel 3

ALL OF LOTS 10 THROUGH 21, BOTH INCLUSIVE, IN BLOCK 11 IN McKICHAN AND MASON'S SUBDIVISION OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

CONTAINING 37,601 SQUARE FEET (0.8648 ACRES) OF LAND, MORE OR LESS.

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20-14-114-031-0000
20-14-114-036-0000

This instrument was prepared by
and after recording return to:

Elizabeth F. Weber
Karen Muchin Rosenman LLP
525 West Monroe Street
Chicago, Illinois 60661-3693

SPACE ABOVE THIS LINE FOR RECORDER'S USE.

SECOND AMENDMENT
to
COMER CHILDREN'S HOSPITAL LEASE AGREEMENT
between
THE UNIVERSITY OF CHICAGO
and
THE UNIVERSITY OF CHICAGO MEDICAL CENTER

This Second Amendment (the "Second Amendment") supplements and amends that certain Comer Children's Hospital Lease Agreement dated as of June 29, 2001, between The University of Chicago (the "Lessor") and The University of Chicago Medical Center, formerly known as The University of Chicago Hospitals (the "Lessee"), which was recorded on October 1, 2001, as Document No. 001912106, as heretofore amended by the First Amendment dated as of September 25, 2005, relating to the real property described in Exhibit A hereto. This Second Amendment shall be effective as of February 12, 2009. The original Lease Agreement as amended is referred to herein as the "Lease".

The parties recognize that it is desirable to amend the Lease in order to enable Lessee to borrow funds from the Illinois Finance Authority (which will obtain such funds through a bond issue) in order to refinance certain existing borrowings of the Lessee and pay related costs. The parties therefore agree as follows:

I. Section 1.4 of the Lease is amended in its entirety to read as follows:

1.4 "Loan Agreement". Loan Agreement means, collectively, (i) the Loan Agreement dated as of August 1, 2001 between Lessee and the Illinois Finance Authority, as successor to the Illinois Health Facilities Authority, related to the Illinois Health Facilities Authority Variable Rate Demand Revenue Bonds, Series 2001 (The University of Chicago Hospitals and Health System), the initial financing for the Comer Children's Hospital and (ii) the payment obligations under the Promissory Note (as amended and restated) of the Lessee described in the Security Agreement dated as of November 1, 1998, as heretofore amended by the First Supplemental Security Agreement dated as of September 1, 2005 and the Second Supplemental Security Agreement dated as of April 1, 2007, each between the Lessee and the Illinois Educational Facilities Authority, or its successor, and, in the case of each of the foregoing clauses, as such agreements or Promissory Note may from time to time be amended in accordance with the terms thereof.

2. All other provisions of the Lease shall remain in full force and effect.

3. This Second Amendment may be executed in two or more counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute and be taken as one and the same instrument.

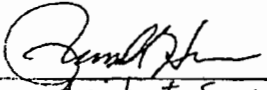
[Signature Page Follows]

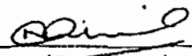
IN WITNESS WHEREOF, Lessor and Lessee have executed and delivered this Second Amendment to Comer Children's Hospital Lease Agreement as of February 12, 2009 pursuant to proper authority duly granted.

Lessor:

ATTEST:

THE UNIVERSITY OF CHICAGO

By: 
Its: Assistant Secretary

By: 
Its: VP FOR ADMINISTRATION & CEO

Lessee:

ATTEST:

THE UNIVERSITY OF CHICAGO MEDICAL
CENTER

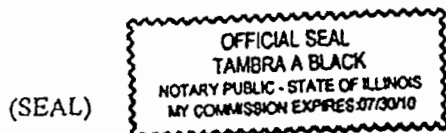
By: _____
Its: _____

By: _____
Its: _____

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Tambra A. Black, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Nimalan Chinniah and Russell Herron, personally known to me to be the same persons whose names are, respectively, Vice President for Administration and Chief Financial Officer and Assistant Secretary of THE UNIVERSITY OF CHICAGO, an Illinois not for profit corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 10th day of February, 2009.



Tambra A. Black
Notary Public in and for Cook County, Illinois

My Commission Expires: 7/30/2010

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, _____, a Notary Public in and for the said County in the State aforesaid, do hereby certify that _____ and _____, personally known to me to be the same persons whose names are, respectively, _____ and _____ of THE UNIVERSITY OF CHICAGO MEDICAL CENTER, an Illinois not for profit corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this ____ day of February, 2009.

(SEAL)

Notary Public in and for Cook County, Illinois

My Commission Expires: _____

IN WITNESS WHEREOF, Lessor and Lessee have executed and delivered this Second Amendment to Comer Children's Hospital Lease Agreement as of February 12, 2009 pursuant to proper authority duly granted.

Lessor:

ATTEST:

THE UNIVERSITY OF CHICAGO

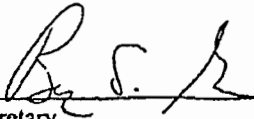
By: _____
Its: _____

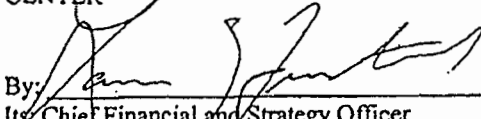
By: _____
Its: _____

Lessee:

ATTEST:

THE UNIVERSITY OF CHICAGO MEDICAL
CENTER

By: 
Its: Secretary

By: 
Its: Chief Financial and Strategy Officer

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, _____, a Notary Public in and for the said County in the State aforesaid, do hereby certify that _____ and _____, personally known to me to be the same persons whose names are, respectively, _____ and _____ of THE UNIVERSITY OF CHICAGO, an Illinois not for profit corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this ____ day of February, 2009.

(SEAL)

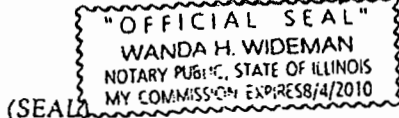
Notary Public in and for Cook County, Illinois

My Commission Expires:

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Wanda H. Wideman, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Benjamin D. Gibson and Lawrence J. Fuenstahl, personally known to me to be the same persons whose names are, respectively, Benjamin D. Gibson and Lawrence J. Fuenstahl of THE UNIVERSITY OF CHICAGO MEDICAL CENTER, an Illinois not for profit corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 10th day of February, 2009.



Wanda H. Wideman
Notary Public in and for Cook County, Illinois

My Commission Expires: 8-4-2010

EXHIBIT A

Parcel 1

LOTS 5 TO 8, BOTH INCLUSIVE, IN HAROLD P. WILBER'S RESUBDIVISION OF THE NORTH 11 FEET OF LOTS 42 AND ALL OF LOTS 43 TO 50 IN BLOCK 11 OF MCKICHAN AND MASON'S SUBDIVISION OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF RECORDED JULY 6, 1910 AS DOCUMENT 458769;

ALSO

LOTS 1 TO 10, BOTH INCLUSIVE, IN HAROLD P. WILBER'S RESUBDIVISION OF LOT 32 (EXCEPT THE SOUTH 6 FEET THEREOF) AND ALL OF LOTS 33 TO 41, BOTH INCLUSIVE, AND LOT 42 (EXCEPT THE NORTH 11 FEET THEREOF) IN BLOCK 11 OF MCKICHAN AND MASON'S SUBDIVISION OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF RECORDED JULY 6, 1911 AS DOCUMENT NUMBER 4788108;

TOGETHER WITH

LOTS 26 TO 31, BOTH INCLUSIVE, AND THE SOUTH 6 FEET OF LOT 32 IN BLOCK 11 IN MCKICHAN AND MASON'S SUBDIVISION OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF RECORDED OCTOBER 22, 1888 IN BOOK 167, PAGE 178 AS DOCUMENT NUMBER 186893.

ALL IN COOK COUNTY, ILLINOIS.

CONTAINING 53,161 SQUARE FEET (1.22041 ACRES) OF LAND, MORE OR LESS.

Parcel 2

ALL THAT PART OF THE 16 FOOT ALLEY LYING EAST OF AND ADJACENT TO LOTS 5 THRU 8, INCLUSIVE, IN HAROLD P. WILBER'S RESUBDIVISION RECORDED JULY 6, 1910 AS DOCUMENT NUMBER 458769, AND LOTS 1 THRU 10, INCLUSIVE, IN HAROLD P. WILBER'S RESUBDIVISION RECORDED JULY 6, 1911 AS DOCUMENT NUMBER 4788108, AND LOTS 26 THRU 31, INCLUSIVE, AND THAT PART OF LOT 32 LYING SOUTH OF THE SOUTH LINE OF SAID HAROLD P. WILBER'S RESUBDIVISION RECORDED JULY 6, 1911 AS DOCUMENT 4788108;

ALL IN BLOCK 11 IN MCKICHAN AND MASON'S SUBDIVISION OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

CONTAINING 7,961 SQUARE FEET (0.18276 ACRES) OF LAND, MORE OR LESS.

Parcel 3

ALL OF LOTS 10 THROUGH 21, BOTH INCLUSIVE, IN BLOCK 11 IN MCKICHAN AND MASON'S SUBDIVISION OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

CONTAINING 37,601 SQUARE FEET (0.8648 ACRES) OF LAND, MORE OR LESS.

PINS: 20-14-114-005-0000
20-14-114-006-0000
20-14-114-007-0000
20-14-114-008-0000
20-14-114-009-0000
20-14-114-010-0000
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20-14-114-024-0000
20-14-114-034-0000
20-14-114-030-0000
20-14-114-031-0000
20-14-114-036-0000

This instrument was prepared by
and after recording return to:

Elizabeth F. Weber
Katten Muchin Rosenman LLP
525 West Monroe Street
Chicago, Illinois 60661-3693

SPACE ABOVE THIS LINE FOR RECORDER'S USE.

THIRD AMENDMENT
to
COMER CHILDREN'S HOSPITAL LEASE AGREEMENT
between
THE UNIVERSITY OF CHICAGO
and
THE UNIVERSITY OF CHICAGO MEDICAL CENTER

This Third Amendment (the "Third Amendment") supplements and amends that certain Comer Children's Hospital Lease Agreement dated as of June 29, 2001, between The University of Chicago (the "Lessor") and The University of Chicago Medical Center, formerly known as The University of Chicago Hospitals (the "Lessee"), which was recorded on October 1, 2001, as Document No. 001912106, as heretofore amended by the First Amendment dated as of September 25, 2005 and by the Second Amendment dated as of February 12, 2009, relating to the real property described in Exhibit A hereto. This Third Amendment shall be effective as of August 20, 2009. The original Lease Agreement as amended is referred to herein as the "Lease".

The parties recognize that it is desirable to amend the Lease in order to enable Lessee to borrow funds from the Illinois Finance Authority (which will obtain such funds through a bond issue) in order to refinance certain existing borrowings of the Lessee and pay related costs. The parties therefore agree as follows:

1. Section 1.4 of the Lease is amended in its entirety to read as follows:

1.4 "Loan Agreement." Loan Agreement means, collectively, (i) the Loan Agreement dated as of August 1, 2001 between Lessee and the Illinois Finance Authority or its successor (the "Authority"), as successor to the Illinois Health Facilities Authority, related to the Illinois Health Facilities Authority Revenue Bonds, Series 2001 (The University of Chicago Hospitals and Health System), the initial financing for the Comer Children's Hospital, (ii) the payment obligations under the Promissory Note (as amended and restated) of the Lessee described in the Security Agreement dated as of November 1, 1998, as heretofore amended by the First Supplemental Security Agreement dated as of September 1, 2005 and the Second Supplemental Security Agreement dated as of April 1, 2007, each between the Lessee and the Illinois Educational Facilities Authority, or its successor, (iii) the Loan Agreement dated as of August 1, 2009 between the Lessee and the Authority related to the Illinois Finance Authority Revenue Bonds, Series 2009C (The University of Chicago Medical Center), (iv) the Loan Agreement dated as of August 1, 2009 between the Lessee and the Authority related to the Illinois Finance Authority

ATTACHMENT 2

Variable Rate Demand Revenue Bonds, Series 2009D (The University of Chicago Medical Center) (the "Series 2009D Bonds") and any Credit Facility Agreement (as defined in such Loan Agreement) for the Series 2009D Bonds or any subseries thereof, which is initially the Reimbursement Agreement dated as of August 1, 2009 between the Lessee and Bank of America, N.A., and (v) the Loan Agreement dated as of August 1, 2009 between the Lessee and the Authority related to the Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2009E (The University of Chicago Medical Center) (the "Series 2009E Bonds") and any Credit Facility Agreement (as defined in such Loan Agreement) for the Series 2009E Bonds or any subseries thereof, which is initially the Reimbursement Agreement dated as of August 1, 2009 between the Lessee and JPMorgan Chase Bank, National Association, and, in the case of each of the foregoing clauses, as such agreements or Promissory Note may from time to time be amended in accordance with the terms thereof.

2. Notwithstanding Section 17.9 of the Lease, the other parties to each Loan Agreement (as that term may be amended from time to time) and their respective successors and assigns, so long as the Loan Agreement is in effect and amounts are payable thereunder, shall be third party beneficiaries solely with respect to the provisions of Section 16.3 of the Lease.

3. All other provisions of the Lease shall remain in full force and effect.

4. This Third Amendment may be executed in two or more counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute and be taken as one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, Lessor and Lessee have executed and delivered this Third Amendment to Comer Children's Hospital Lease Agreement as of August 20, 2009 pursuant to proper authority duly granted.

Lessor:

THE UNIVERSITY OF CHICAGO

ATTEST:

By: [Signature]

Its: Assistant Secretary

By: [Signature]
By: Nimalan Chinniah

Its: Vice President and
Chief Financial Officer

Lessee:

THE UNIVERSITY OF CHICAGO MEDICAL
CENTER

ATTEST:

By: [Signature]
Its: Secretary

By: [Signature] 8/20/09
Its: COO + Associate Dean

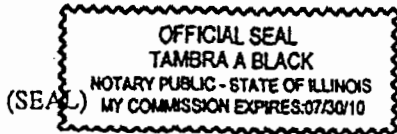
ATTEST:

By: [Signature]
Its: Attorney General

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Tambra A. Black, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Nimalan Chinniah and Russell Herron, personally known to me to be the same persons whose names are, respectively, Vice President and CFO and Assistant Secretary of THE UNIVERSITY OF CHICAGO, an Illinois not for profit corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 20th day of August, 2009.



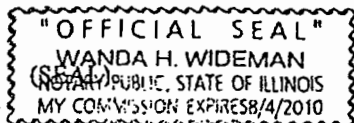
Tambra A. Black
Notary Public in and for Cook County, Illinois

My Commission Expires: July 30, 2010

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Wanda H. Wideman, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Benjamin D. Wilson, William D. Frazier and Cady S. Wilson, personally known to me to be the same persons whose names are, respectively, Secretary, Assoc. Gen. Counsel and CFO, Associate Dean of THE UNIVERSITY OF CHICAGO MEDICAL CENTER, an Illinois not for profit corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 20th day of August, 2009.



Wanda H. Wideman
Notary Public in and for Cook County, Illinois

My Commission Expires: 8/4/2010

EXHIBIT A

Parcel 1

LOTS 5 TO 8, BOTH INCLUSIVE, IN HAROLD P. WILBER'S RESUBDIVISION OF THE NORTH 11 FEET OF LOTS 42 AND ALL OF LOTS 43 TO 50 IN BLOCK 11 OF McKICHAN AND MASON'S SUBDIVISION OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF RECORDED JULY 6, 1910 AS DOCUMENT 458769;

ALSO,

LOTS 1 TO 10, BOTH INCLUSIVE, IN HAROLD P. WILBER'S RESUBDIVISION OF LOT 32 (EXCEPT THE SOUTH 6 FEET THEREOF) AND ALL OF LOTS 33 TO 41, BOTH INCLUSIVE, AND LOT 42 (EXCEPT THE NORTH 11 FEET THEREOF) IN BLOCK 11 OF McKICHAN AND MASON'S SUBDIVISIONS OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF RECORDED JULY 6, 1911 AS DOCUMENT NUMBER 4788108;

TOGETHER WITH

LOTS 26 TO 31, BOTH INCLUSIVE, AND THE SOUTH 6 FEET OF LOT 32 IN BLOCK 11 IN McKICHAN AND MASON'S SUBDIVISION OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF RECORDED OCTOBER 22, 1868 IN BOOK 167, PAGE 178 AS DOCUMENT NUMBER 186893;

ALL IN COOK COUNTY, ILLINOIS.

CONTAINING 53,161 SQUARE FEET (1.22041 ACRES) OF LAND, MORE OR LESS.

Parcel 2

ALL THAT PART OF THE 16 FOOT ALLEY LYING EAST OF AND ADJACENT TO LOTS 5 THRU 8, INCLUSIVE, IN HAROLD P. WILBER'S RESUBDIVISION RECORDED JULY 6, 1910 AS DOCUMENT NUMBER 4589769, AND LOTS 1 THRU 10, INCLUSIVE, IN HAROLD P. WILBER'S RESUBDIVISION RECORDED JULY 6, 1911 AS DOCUMENT NUMBER 4788108, AND LOTS 26 THRU 31, INCLUSIVE, AND THAT PART OF LOT 32 LYING SOUTH OF THE SOUTH LINE OF SAID HAROLD P. WILBER'S RESUBDIVISION RECORDED JULY 6, 1911 AS DOCUMENT 4788108;

ALL IN BLOCK 11 IN McKICHAN AND MASON'S SUBDIVISION OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

CONTAINING 7,961 SQUARE FEET (0.18276 ACRES) OF LAND, MORE OR LESS.

Parcel 3

ALL OF LOTS 10 THROUGH 21, BOTH INCLUSIVE, IN BLOCK 11 IN McKICHAN AND MASON'S SUBDIVISION OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

CONTAINING 37,601 SQUARE FEET (0.8648 ACRES) OF LAND, MORE OR LESS.

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20-14-114-024-0000
20-14-114-034-0000
20-14-114-030-0000
20-14-114-031-0000
20-14-114-036-0000

This instrument was prepared by
and after recording return to:

Elizabeth F. Weber
Katten Muchin Rosenman LLP
525 West Monroe Street
Chicago, Illinois 60661-3693

SPACE ABOVE THIS LINE FOR RECORDER'S USE.

FOURTH AMENDMENT
to
COMER CHILDREN'S HOSPITAL LEASE AGREEMENT
between
THE UNIVERSITY OF CHICAGO
and
THE UNIVERSITY OF CHICAGO MEDICAL CENTER

This Fourth Amendment (the "Fourth Amendment") supplements and amends that certain Comer Children's Hospital Lease Agreement dated as of June 29, 2001, between The University of Chicago (the "Lessor") and The University of Chicago Medical Center, formerly known as The University of Chicago Hospitals (the "Lessee"), which was recorded on October 1, 2001, as Document No. 001912106, as heretofore amended by the First Amendment dated as of September 25, 2005, by the Second Amendment dated as of February 12, 2009 and by the Third Amendment dated as of August 20, 2009, relating to the real property described in Exhibit A hereto. This Fourth Amendment shall be effective as of November 9, 2010. The original Lease Agreement as amended is referred to herein as the "Lease".

The parties recognize that it is desirable to amend the Lease in order to enable Lessee to borrow funds from the Illinois Finance Authority (which will obtain such funds through one or more bond issues) in order to refinance certain existing borrowings of the Lessee and pay related costs. The parties therefore agree as follows:

1. Section 1.4 of the Lease is amended in its entirety to read as follows:

1.4 "Loan Agreement." Loan Agreement means, collectively, (i) the Loan Agreement dated as of August 1, 2001 between Lessee and the Illinois Finance Authority or its successor (the "Authority"), as successor to the Illinois Health Facilities Authority, related to the Illinois Health Facilities Authority Revenue Bonds, Series 2001 (The University of Chicago Hospitals and Health System), the initial financing for the Comer Children's Hospital, (ii) the payment obligations under the Promissory Note (as amended and restated) of the Lessee described in the Security Agreement dated as of November 1, 1998, as heretofore amended by the First Supplemental Security Agreement dated as of September 1, 2005 and the Second Supplemental Security Agreement dated as of April 1, 2007, each between the Lessee and the Illinois Educational Facilities Authority, or its successor, (iii) the Loan Agreement dated as of August 1, 2009 between the Lessee and the Authority related to the Illinois Finance Authority Revenue Bonds, Series 2009C (The University of Chicago Medical Center), (iv) the Loan Agreement dated as of August

1, 2009 between the Lessee and the Authority related to the Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2009D (The University of Chicago Medical Center) (the "Series 2009D Bonds") and any Credit Facility Agreement (as defined in such Loan Agreement) for the Series 2009D Bonds or any subseries thereof, which is initially the Reimbursement Agreement dated as of August 1, 2009 between the Lessee and Bank of America, N.A., (v) the Loan Agreement dated as of August 1, 2009 between the Lessee and the Authority related to the Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2009E (The University of Chicago Medical Center) (the "Series 2009E Bonds") and any Credit Facility Agreement (as defined in such Loan Agreement) for the Series 2009E Bonds or any subseries thereof, which is initially the Reimbursement Agreement dated as of August 1, 2009 between the Lessee and JPMorgan Chase Bank, National Association, (vi) the Loan Agreement dated as of November 1, 2010 between the Lessee and the Authority related to the Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2010A (The University of Chicago Medical Center) (the "Series 2010A Bonds") and any Credit Facility Agreement (as defined in the Loan Agreement) for the Series 2010A Bonds or any subseries thereof, which is initially the Reimbursement Agreement dated as of November 1, 2010 between the Lessee and Bank of America, N.A., and (vii) the Loan Agreement dated as of November 1, 2010 between the Lessee and the Authority related to the Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2010B (The University of Chicago Medical Center) (the "Series 2010B Bonds" and, together with the Series 2010A Bonds, the "Series 2010 Bonds") and any Credit Facility Agreement (as defined in the Loan Agreement) for the Series 2010B Bonds or any subseries thereof, which is initially the Letter of Credit Reimbursement Agreement dated as of November 1, 2010 between the Lessee and Wells Fargo Bank, National Association, and, in the case of each of the foregoing clauses, as such agreements or Promissory Note may from time to time be amended in accordance with the terms thereof.

2. Notwithstanding Section 17.9 of the Lease, the other parties to each Loan Agreement (as that term may be amended from time to time) and their respective successors and assigns, so long as the Loan Agreement is in effect and amounts are payable thereunder, shall be third party beneficiaries solely with respect to the provisions of Section 16.3 of the Lease.

3. All other provisions of the Lease shall remain in full force and effect.

4. This Fourth Amendment may be executed in two or more counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute and be taken as one and the same instrument.

[Signature Page Follows]

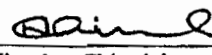
IN WITNESS WHEREOF, Lessor and Lessee have executed and delivered this Fourth Amendment to Comer Children's Hospital Lease Agreement as of November 9, 2010 pursuant to proper authority duly granted.

ATTEST:

By: 
Name: Russell J. Herron
Its: Assistant Secretary

Lessor:

THE UNIVERSITY OF CHICAGO

By: 
Name: Nimalan ~~Chinniah~~
Its: Vice President and Chief Financial Officer

ATTEST:

By: _____
Name: Jennifer A. Hill
Its: Secretary

Lessee:

THE UNIVERSITY OF CHICAGO MEDICAL
CENTER

By: _____
Name: Lawrence J. Furnstahl
Its: Chief Financial and Strategy Officer

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, _____, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Nimalan Chinniah and Russell J. Herron, personally known to me to be the same persons whose names are, respectively, Vice President and CFO and Assistant Secretary of THE UNIVERSITY OF CHICAGO, an Illinois not for profit corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this ____ day of November, 2010.

(SEAL)

Notary Public in and for Cook County, Illinois

My Commission Expires:

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Cathy A. Zorba, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Lawrence J. Furnstahl and Jennifer A. Hill, personally known to me to be the same persons whose names are, respectively, Chief Financial and Strategy Officer and Secretary of THE UNIVERSITY OF CHICAGO MEDICAL CENTER, an Illinois not for profit corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 5 day of November, 2010.



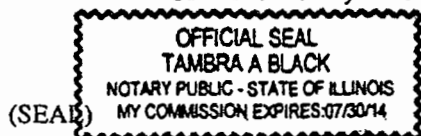
Cathy A. Zorba
Notary Public in and for Cook County, Illinois

My Commission Expires: 8/3/2013

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Tambra A. Black, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Nimalan Chinniah and Russell J. Herron, personally known to me to be the same persons whose names are, respectively, Vice President and CFO and Assistant Secretary of THE UNIVERSITY OF CHICAGO, an Illinois not for profit corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 5th day of November, 2010.



Tambra A. Black
Notary Public in and for Cook County, Illinois

My Commission Expires: 7/30/14

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, _____, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Lawrence J. Furnstahl and Jennifer A. Hill, personally known to me to be the same persons whose names are, respectively, Chief Financial and Strategy Officer and Secretary of THE UNIVERSITY OF CHICAGO MEDICAL CENTER, an Illinois not for profit corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this ____ day of November, 2010.

(SEAL)

Notary Public in and for Cook County, Illinois

My Commission Expires:

IN WITNESS WHEREOF, Lessor and Lessee have executed and delivered this Fourth Amendment to Comer Children's Hospital Lease Agreement as of November 9, 2010 pursuant to proper authority duly granted.

Lessor:

ATTEST:

THE UNIVERSITY OF CHICAGO

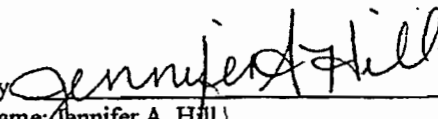
By: _____
Name: Russell J. Herron
Its: Assistant Secretary

By: _____
Name: Nimalan Chinniah
Its: Vice President and Chief Financial Officer

Lessee:

ATTEST:

THE UNIVERSITY OF CHICAGO MEDICAL
CENTER

By: 
Name: Jennifer A. Hill
Its: Secretary

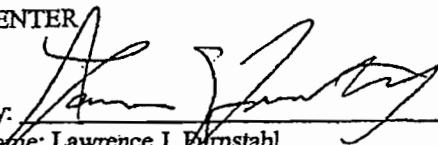
By: 
Name: Lawrence J. Earnstahl
Its: Chief Financial and Strategy Officer

EXHIBIT A

Parcel 1

LOTS 5 TO 8, BOTH INCLUSIVE, IN HAROLD P. WILBER'S RESUBDIVISION OF THE NORTH 11 FEET OF LOTS 42 AND ALL OF LOTS 43 TO 50 IN BLOCK 11 OF McKICHAN AND MASON'S SUBDIVISION OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF RECORDED JULY 6, 1910 AS DOCUMENT 458769;

ALSO,

LOTS 1 TO 10, BOTH INCLUSIVE, IN HAROLD P. WILBER'S RESUBDIVISION OF LOT 32 (EXCEPT THE SOUTH 6 FEET THEREOF) AND ALL OF LOTS 33 TO 41, BOTH INCLUSIVE, AND LOT 42 (EXCEPT THE NORTH 11 FEET THEREOF) IN BLOCK 11 OF McKICHAN AND MASON'S SUBDIVISIONS OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF RECORDED JULY 6, 1911 AS DOCUMENT NUMBER 4788108;

TOGETHER WITH

LOTS 26 TO 31, BOTH INCLUSIVE, AND THE SOUTH 6 FEET OF LOT 32 IN BLOCK 11 IN McKICHAN AND MASON'S SUBDIVISION OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF RECORDED OCTOBER 22, 1888 IN BOOK 167, PAGE 178 AS DOCUMENT NUMBER 186893.

ALL IN COOK COUNTY, ILLINOIS.

CONTAINING 53,161 SQUARE FEET (1.22041 ACRES) OF LAND, MORE OR LESS.

Parcel 2

ALL THAT PART OF THE 16 FOOT ALLEY LYING EAST OF AND ADJACENT TO LOTS 5 THRU 8, INCLUSIVE, IN HAROLD P. WILBER'S RESUBDIVISION RECORDED JULY 6, 1910 AS DOCUMENT NUMBER 458769, AND LOTS 1 THRU 10, INCLUSIVE, IN HAROLD P. WILBER'S RESUBDIVISION RECORDED JULY 6, 1911 AS DOCUMENT NUMBER 4788108, AND LOTS 26 THRU 31, INCLUSIVE, AND THAT PART OF LOT 32 LYING SOUTH OF THE SOUTH LINE OF SAID HAROLD P. WILBER'S RESUBDIVISION RECORDED JULY 6, 1911 AS DOCUMENT 4788108;

ALL IN BLOCK 11 IN McKICHAN AND MASON'S SUBDIVISION OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

CONTAINING 7,961 SQUARE FEET (0.18276 ACRES) OF LAND, MORE OR LESS.

Parcel 3

ALL OF LOTS 10 THROUGH 21, BOTH INCLUSIVE, IN BLOCK 11 IN McKICHAN AND MASON'S SUBDIVISION OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

CONTAINING 37,601 SQUARE FEET (0.8648 ACRES) OF LAND, MORE OR LESS.

PINS: 20-14-114-005-0000
20-14-114-006-0000
20-14-114-007-0000
20-14-114-008-0000
20-14-114-009-0000
20-14-114-010-0000
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20-14-114-024-0000
20-14-114-034-0000
20-14-114-030-0000
20-14-114-031-0000
20-14-114-036-0000

This instrument was prepared by
and after recording return to:

Elizabeth F. Weber
Katten Muchin Rosenman LLP
525 West Monroe Street
Chicago, Illinois 60661-3693

SPACE ABOVE THIS LINE FOR RECORDER'S USE.

FIFTH AMENDMENT
to
COMER CHILDREN'S HOSPITAL LEASE AGREEMENT
between
THE UNIVERSITY OF CHICAGO
and
THE UNIVERSITY OF CHICAGO MEDICAL CENTER

This Fifth Amendment (the "Fifth Amendment") supplements and amends that certain Comer Children's Hospital Lease Agreement dated as of June 29, 2001, between The University of Chicago (the "Lessor") and The University of Chicago Medical Center, formerly known as The University of Chicago Hospitals (the "Lessee"), which was recorded on October 1, 2001, as Document No. 001912106, as heretofore amended by the First Amendment dated as of September 25, 2005, by the Second Amendment dated as of February 12, 2009, by the Third Amendment dated as of August 20, 2009 and by the Fourth Amendment dated as of November 9, 2010, relating to the real property described in Exhibit A hereto. This Fifth Amendment shall be effective as of May 20, 2011. The original Lease Agreement as amended is referred to herein as the "Lease".

The parties recognize that it is desirable to amend the Lease in order to enable Lessee to borrow funds from the Illinois Finance Authority (which will obtain such funds through one or more bond issues) in order to refinance certain existing borrowings of the Lessee and pay related costs. The parties therefore agree as follows:

1. Section 1.4 of the Lease is amended in its entirety to read as follows:

1.4 "Loan Agreement." Loan Agreement means, collectively, (i) the Loan Agreement dated as of August 1, 2001 between Lessee and the Illinois Finance Authority or its successor (the "Authority"), as successor to the Illinois Health Facilities Authority, related to the Illinois Health Facilities Authority Revenue Bonds, Series 2001 (The University of Chicago Hospitals and Health System), the initial financing for the Comer Children's Hospital, (ii) the payment obligations under the Promissory Note (as amended and restated) of the Lessee described in the Security Agreement dated as of November 1, 1998, as heretofore amended by the First Supplemental Security Agreement dated as of September 1, 2005 and the Second Supplemental Security Agreement dated as of April 1, 2007, each between the Lessee and the Illinois Educational Facilities Authority, or its successor, (iii) the Loan Agreement dated as of August 1, 2009 between the Lessee and the Authority related to the Illinois Finance Authority Revenue Bonds, Series 2009C

ATTACHMENT 2

(The University of Chicago Medical Center), (iv) the Loan Agreement dated as of August 1, 2009 between the Lessee and the Authority related to the Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2009D (The University of Chicago Medical Center) (the "Series 2009D Bonds") and any Credit Facility Agreement (as defined in such Loan Agreement) for the Series 2009D Bonds or any subseries thereof, which is initially the Reimbursement Agreement dated as of August 1, 2009 between the Lessee and Bank of America, N.A., (v) the Loan Agreement dated as of August 1, 2009 between the Lessee and the Authority related to the Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2009E (The University of Chicago Medical Center) (the "Series 2009E Bonds") and any Credit Facility Agreement (as defined in such Loan Agreement) for the Series 2009E Bonds or any subseries thereof, which is initially the Reimbursement Agreement dated as of August 1, 2009 between the Lessee and JPMorgan Chase Bank, National Association, (vi) the Loan Agreement dated as of November 1, 2010 between the Lessee and the Authority related to the Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2010A (The University of Chicago Medical Center) (the "Series 2010A Bonds") and any Credit Facility Agreement (as defined in the Loan Agreement) for the Series 2010A Bonds or any subseries thereof, which is initially the Reimbursement Agreement dated as of November 1, 2010 between the Lessee and Bank of America, N.A., (vii) the Loan Agreement dated as of November 1, 2010 between the Lessee and the Authority related to the Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2010B (The University of Chicago Medical Center) (the "Series 2010B Bonds" and, together with the Series 2010A Bonds, the "Series 2010 Bonds") and any Credit Facility Agreement (as defined in the Loan Agreement) for the Series 2010B Bonds or any subseries thereof, which is initially the Letter of Credit Reimbursement Agreement dated as of November 1, 2010 between the Lessee and Wells Fargo Bank, National Association, (viii) the Loan Agreement dated as of May 1, 2011 between the Lessee and the Authority related to the Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2011A (The University of Chicago Medical Center) (the "Series 2011A Bonds") and any Credit Facility Agreement (as defined in the Loan Agreement) for the Series 2011A Bonds or any subseries thereof, which is initially the Reimbursement Agreement dated as of May 1, 2011 between the Lessee and Bank of America, N.A., (ix) the Loan Agreement dated as of May 1, 2011 between the Lessee and the Authority related to the Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2011B (The University of Chicago Medical Center) (the "Series 2011B Bonds") and any Credit Facility Agreement (as defined in the Loan Agreement) for the Series 2011B Bonds or any subseries thereof, which is initially the Letter of Credit Reimbursement Agreement dated as of May 1, 2011 between the Lessee and Wells Fargo Bank, National Association, and, (x) the Loan Agreement dated as of May 1, 2011 between the Lessee and the Authority related to the Illinois Finance Authority Revenue Bonds, Series 2011C (The University of Chicago Medical Center) (the "Series 2011C Bonds" and, together with the Series 2011A Bonds and the Series 2011B Bonds, the "Series 2011 Bonds," and, in the case of each of the foregoing clauses, as such agreements or Promissory Note may from time to time be amended in accordance with the terms thereof.

2. Notwithstanding Section 17.9 of the Lease, the other parties to each Loan Agreement (as that term may be amended from time to time) and their respective

successors and assigns, so long as the Loan Agreement is in effect and amounts are payable thereunder, shall be third party beneficiaries solely with respect to the provisions of Section 16.3 of the Lease.

3. All other provisions of the Lease shall remain in full force and effect.

4. This Fifth Amendment may be executed in two or more counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute and be taken as one and the same instrument.

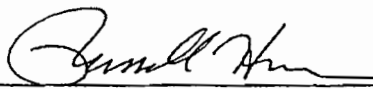
[Signature Page Follows]

IN WITNESS WHEREOF, Lessor and Lessee have executed and delivered this Fifth Amendment to Comer Children's Hospital Lease Agreement as of May 20, 2011 pursuant to proper authority duly granted.

Lessor:

ATTEST:

THE UNIVERSITY OF CHICAGO

By: 
Name: Russell J. Herron
Its: Assistant Secretary

By: 
Name: Nimalan Chinniah
Its: Vice President for Administration and
Chief Financial Officer

Lessee:

ATTEST:

THE UNIVERSITY OF CHICAGO MEDICAL
CENTER

By: _____
Name: Jennifer A. Hill
Its: Secretary

By: _____
Name: Kenneth J. Sharigian
Its: Interim Chief Financial Officer

IN WITNESS WHEREOF, Lessor and Lessee have executed and delivered this Fifth Amendment to Comer Children's Hospital Lease Agreement as of May 20, 2011 pursuant to proper authority duly granted.

Lessor:

ATTEST:

THE UNIVERSITY OF CHICAGO

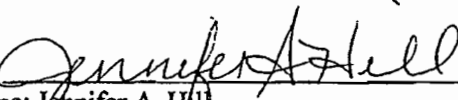
By: _____
Name: Russell J. Herron
Its: Assistant Secretary

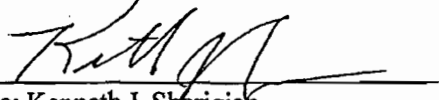
By: _____
Name: Nimalan Chinniah
Its: Vice President for Administration and
Chief Financial Officer

Lessee:

ATTEST:

THE UNIVERSITY OF CHICAGO MEDICAL
CENTER

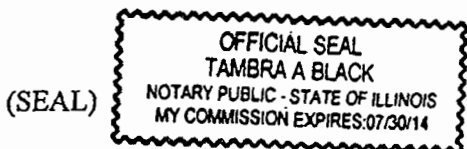
By: 
Name: Jennifer A. Hill
Its: Secretary

By: 
Name: Kenneth J. Sharigian
Its: Interim Chief Financial Officer

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Tambra A. Black, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Nimalan Chinniah and Russell J. Herron, personally known to me to be the same persons whose names are, respectively, Vice President for Administration and CFO and Assistant Secretary of THE UNIVERSITY OF CHICAGO, an Illinois not for profit corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 7th day of May, 2011.



Tambra A. Black
Notary Public in and for Cook County, Illinois

My Commission Expires: 7/30/2014

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, _____, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Kenneth J. Sharigian and Jennifer A. Hill, personally known to me to be the same persons whose names are, respectively, Interim Chief Financial Officer and Secretary of THE UNIVERSITY OF CHICAGO MEDICAL CENTER, an Illinois not for profit corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this ____ day of May, 2011.

(SEAL)

Notary Public in and for Cook County, Illinois

My Commission Expires:

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, _____, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Nimalan Chinniah and Russell J. Herron, personally known to me to be the same persons whose names are, respectively, Vice President for Administration and CFO and Assistant Secretary of THE UNIVERSITY OF CHICAGO, an Illinois not for profit corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this ____ day of May, 2011.

(SEAL)

Notary Public in and for Cook County, Illinois

My Commission Expires:

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, COLETTE LOUISE GURIN, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Kenneth J. Sharigian and Jennifer A. Hill, personally known to me to be the same persons whose names are, respectively, Interim Chief Financial Officer and Secretary of THE UNIVERSITY OF CHICAGO MEDICAL CENTER, an Illinois not for profit corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 17th day of May, 2011.

(SEAL)



Colette Louise Gurin

Notary Public in and for Cook County, Illinois

My Commission Expires:

EXHIBIT A

Parcel 1

LOTS 5 TO 8, BOTH INCLUSIVE, IN HAROLD P. WILBER'S RESUBDIVISION OF THE NORTH 11 FEET OF LOTS 42 AND ALL OF LOTS 43 TO 50 IN BLOCK 11 OF McKICHAN AND MASON'S SUBDIVISION OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF RECORDED JULY 6, 1910 AS DOCUMENT 458769;

ALSO,

LOTS 1 TO 10, BOTH INCLUSIVE, IN HAROLD P. WILBER'S RESUBDIVISION OF LOT 32 (EXCEPT THE SOUTH 6 FEET THEREOF) AND ALL OF LOTS 33 TO 41, BOTH INCLUSIVE, AND LOT 42 (EXCEPT THE NORTH 11 FEET THEREOF) IN BLOCK 11 OF McKICHAN AND MASON'S SUBDIVISIONS OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF RECORDED JULY 6, 1911 AS DOCUMENT NUMBER 4788108;

TOGETHER WITH

LOTS 26 TO 31, BOTH INCLUSIVE, AND THE SOUTH 6 FEET OF LOT 32 IN BLOCK 11 IN McKICHAN AND MASON'S SUBDIVISION OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF RECORDED OCTOBER 22, 1888 IN BOOK 167, PAGE 178 AS DOCUMENT NUMBER 186893.

ALL IN COOK COUNTY, ILLINOIS.

CONTAINING 53,161 SQUARE FEET (1.22041 ACRES) OF LAND, MORE OR LESS.

Parcel 2

ALL THAT PART OF THE 16 FOOT ALLEY LYING EAST OF AND ADJACENT TO LOTS 5 THRU 8, INCLUSIVE, IN HAROLD P. WILBER'S RESUBDIVISION RECORDED JULY 6, 1910 AS DOCUMENT NUMBER 4589769, AND LOTS 1 THRU 10, INCLUSIVE, IN HAROLD P. WILBER'S RESUBDIVISION RECORDED JULY 6, 1911 AS DOCUMENT NUMBER 4788108, AND LOTS 26 THRU 31, INCLUSIVE, AND THAT PART OF LOT 32 LYING SOUTH OF THE SOUTH LINE OF SAID HAROLD P. WILBER'S RESUBDIVISION RECORDED JULY 6, 1911 AS DOCUMENT 4788108;

ALL IN BLOCK 11 IN McKICHAN AND MASON'S SUBDIVISION OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

CONTAINING 7,961 SQUARE FEET (0.18276 ACRES) OF LAND, MORE OR LESS.

Parcel 3

ALL OF LOTS 10 THROUGH 21, BOTH INCLUSIVE, IN BLOCK 11 IN McKICHAN AND MASON'S SUBDIVISION OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

CONTAINING 37,601 SQUARE FEET (0.8648 ACRES) OF LAND, MORE OR LESS.

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20-14-114-024-0000
20-14-114-034-0000
20-14-114-030-0000
20-14-114-031-0000
20-14-114-036-0000

This instrument was prepared by
and after recording return to:

Elizabeth F. Weber
Katten Muchin Rosenman LLP
525 West Monroe Street
Chicago, Illinois 60661-3693

SPACE ABOVE THIS LINE FOR RECORDER'S USE.

SIXTH AMENDMENT
to
COMER CHILDREN'S HOSPITAL LEASE AGREEMENT
between
THE UNIVERSITY OF CHICAGO
and
THE UNIVERSITY OF CHICAGO MEDICAL CENTER

This Sixth Amendment (the "Sixth Amendment") supplements and amends that certain Comer Children's Hospital Lease Agreement dated as of June 29, 2001, between The University of Chicago (the "Lessor") and The University of Chicago Medical Center, formerly known as The University of Chicago Hospitals (the "Lessee"), which was recorded on October 1, 2001, as Document No. 001912106, as heretofore amended by the First Amendment dated as of September 25, 2005, by the Second Amendment dated as of February 12, 2009, by the Third Amendment dated as of August 20, 2009, by the Fourth Amendment dated as of November 9, 2010 and by the Fifth Amendment dated as of May 20, 2011, relating to the real property described in Exhibit A hereto. This Sixth Amendment shall be effective as of June 28, 2012. The original Lease Agreement as amended is referred to herein as the "Lease".

The parties recognize that it is desirable to amend the Lease in order to enable Lessee to borrow funds from the Illinois Finance Authority (which will obtain such funds through one or more bond issues) in order to refinance certain existing borrowings of the Lessee and pay related costs. The parties therefore agree as follows:

1. Section 1.4 of the Lease is amended in its entirety to read as follows:

1.4 "Loan Agreement." Loan Agreement means, collectively, (i) the payment obligations under the Promissory Note (as amended and restated) of the Lessee described in the Security Agreement dated as of November 1, 1998, as heretofore amended by the First Supplemental Security Agreement dated as of September 1, 2005 and the Second Supplemental Security Agreement dated as of April 1, 2007, each between the Lessee and the Illinois Educational Facilities Authority, or its successor, (ii) the Loan Agreement dated as of August 1, 2009 between the Lessee and the Illinois Finance Authority or its successor (the "Authority") related to the Illinois Finance Authority Revenue Bonds, Series 2009C (The University of Chicago Medical Center), (iii) the Loan Agreement dated as of August 1, 2009 between the Lessee and the Authority related to the Illinois

Finance Authority Variable Rate Demand Revenue Bonds, Series 2009D (The University of Chicago Medical Center) (the "Series 2009D Bonds") and any Credit Facility Agreement (as defined in such Loan Agreement) for the Series 2009D Bonds or any subseries thereof, which as of the date of this Sixth Amendment is the Reimbursement Agreement dated as of June 1, 2012 between the Lessee and PNC Bank, National Association, (iv) the Loan Agreement dated as of August 1, 2009 between the Lessee and the Authority related to the Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2009E (The University of Chicago Medical Center) (the "Series 2009E Bonds") and any Credit Facility Agreement (as defined in such Loan Agreement) for the Series 2009E Bonds or any subseries thereof, which is initially the Reimbursement Agreement dated as of August 1, 2009 between the Lessee and JPMorgan Chase Bank, National Association, (v) the Loan Agreement dated as of November 1, 2010 between the Lessee and the Authority related to the Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2010A (The University of Chicago Medical Center) (the "Series 2010A Bonds") and any Credit Facility Agreement (as defined in the Loan Agreement) for the Series 2010A Bonds or any subseries thereof, which is initially the Reimbursement Agreement dated as of November 1, 2010 between the Lessee and Bank of America, N.A., (vi) the Loan Agreement dated as of November 1, 2010 between the Lessee and the Authority related to the Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2010B (The University of Chicago Medical Center) (the "Series 2010B Bonds" and, together with the Series 2010A Bonds, the "Series 2010 Bonds") and any Credit Facility Agreement (as defined in the Loan Agreement) for the Series 2010B Bonds or any subseries thereof, which is initially the Letter of Credit Reimbursement Agreement dated as of November 1, 2010 between the Lessee and Wells Fargo Bank, National Association, (vii) the Loan Agreement dated as of May 1, 2011 between the Lessee and the Authority related to the Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2011A (The University of Chicago Medical Center) (the "Series 2011A Bonds") and any Credit Facility Agreement (as defined in the Loan Agreement) for the Series 2011A Bonds or any subseries thereof, which is initially the Reimbursement Agreement dated as of May 1, 2011 between the Lessee and Bank of America, N.A., (viii) the Loan Agreement dated as of May 1, 2011 between the Lessee and the Authority related to the Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2011B (The University of Chicago Medical Center) (the "Series 2011B Bonds") and any Credit Facility Agreement (as defined in the Loan Agreement) for the Series 2011B Bonds or any subseries thereof, which is initially the Letter of Credit Reimbursement Agreement dated as of May 1, 2011 between the Lessee and Wells Fargo Bank, National Association, (ix) the Loan Agreement dated as of May 1, 2011 between the Lessee and the Authority related to the Illinois Finance Authority Revenue Bonds, Series 2011C (The University of Chicago Medical Center) (the "Series 2011C Bonds" and, together with the Series 2011A Bonds and the Series 2011B Bonds, the "Series 2011 Bonds"), and (x) the Loan Agreement dated as of June 1, 2012 between the Lessee and the Authority related to the Illinois Finance Authority Revenue Refunding Bonds, Series 2012A (The University of Chicago Medical Center) (the "Series 2012A Bonds") and, in the case of each of the foregoing clauses, as such agreements or Promissory Note may from time to time be amended in accordance with the terms thereof.

2. Notwithstanding Section 17.9 of the Lease, the other parties to each Loan Agreement (as that term may be amended from time to time) and their respective successors and assigns, so long as the Loan Agreement is in effect and amounts are payable thereunder, shall be third party beneficiaries solely with respect to the provisions of Section 16.3 of the Lease.

3. All other provisions of the Lease shall remain in full force and effect.

4. This Sixth Amendment may be executed in two or more counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute and be taken as one and the same instrument.

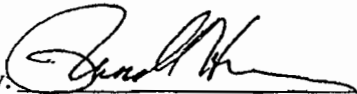
[Signature Page Follows]

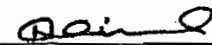
IN WITNESS WHEREOF, Lessor and Lessee have executed and delivered this Sixth Amendment to Comer Children's Hospital Lease Agreement as of June 28, 2012 pursuant to proper authority duly granted.

Lessor:

THE UNIVERSITY OF CHICAGO

ATTEST:

By: 
Name: Russell J. Herron
Its: Assistant Secretary

By: 
Name: Nimalan Chinniah
Its: Vice President for Administration and
Chief Financial Officer

Lessee:

THE UNIVERSITY OF CHICAGO MEDICAL
CENTER

ATTEST:

By: _____
Name: Jennifer A. Hill
Its: Secretary

By: _____
Name: James M. Watson
Its: Chief Financial Officer

IN WITNESS WHEREOF, Lessor and Lessee have executed and delivered this Sixth Amendment to Comer Children's Hospital Lease Agreement as of June 28, 2012 pursuant to proper authority duly granted.

Lessor:

ATTEST:

THE UNIVERSITY OF CHICAGO

By: _____
Name: Russell J. Herron
Its: Assistant Secretary

By: _____
Name: Nimalan Chinniah
Its: Vice President for Administration and
Chief Financial Officer

Lessee:

ATTEST:

THE UNIVERSITY OF CHICAGO MEDICAL
CENTER

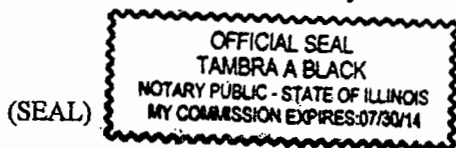
By: Jennifer A. Hill
Name: Jennifer A. Hill
Its: Secretary

By: James M. Watson
Name: James M. Watson
Its: Chief Financial Officer

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Tambra A Black, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Nimalan Chinniah and Russell J. Herron, personally known to me to be the same persons whose names are, respectively, Vice President for Administration and CFO and Assistant Secretary of THE UNIVERSITY OF CHICAGO, an Illinois not for profit corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 25th day of June, 2012.



Tambra A. Black
Notary Public in and for Cook County, Illinois

My Commission Expires: July 30, 2014

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, _____, a Notary Public in and for the said County in the State aforesaid, do hereby certify that James M. Watson and Jennifer A. Hill, personally known to me to be the same persons whose names are, respectively, Chief Financial Officer and Secretary of THE UNIVERSITY OF CHICAGO MEDICAL CENTER, an Illinois not for profit corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this ____ day of June, 2012.

(SEAL)

Notary Public in and for Cook County, Illinois

My Commission Expires:

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, _____, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Nimalan Chinniah and Russell J. Herron, personally known to me to be the same persons whose names are, respectively, Vice President for Administration and CFO and Assistant Secretary of THE UNIVERSITY OF CHICAGO, an Illinois not for profit corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this ____ day of June, 2012.

(SEAL)

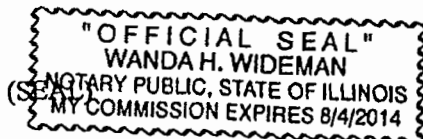
Notary Public in and for Cook County, Illinois

My Commission Expires:

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Wanda H. Wideman, a Notary Public in and for the said County in the State aforesaid, do hereby certify that James M. Watson and Jennifer A. Hill, personally known to me to be the same persons whose names are, respectively, Chief Financial Officer and Secretary of THE UNIVERSITY OF CHICAGO MEDICAL CENTER, an Illinois not for profit corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 26 day of June, 2012.



Wanda H. Wideman

Notary Public in and for Cook County, Illinois

My Commission Expires: 8-4-2014

EXHIBIT A

Parcel 1

LOTS 5 TO 8, BOTH INCLUSIVE, IN HAROLD P. WILBER'S RESUBDIVISION OF THE NORTH 11 FEET OF LOTS 42 AND ALL OF LOTS 43 TO 50 IN BLOCK 11 OF McKICHAN AND MASON'S SUBDIVISION OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF RECORDED JULY 6, 1910 AS DOCUMENT 458769;

ALSO

LOTS 1 TO 10, BOTH INCLUSIVE, IN HAROLD P. WILBER'S RESUBDIVISION OF LOT 32 (EXCEPT THE SOUTH 6 FEET THEREOF) AND ALL OF LOTS 33 TO 41, BOTH INCLUSIVE, AND LOT 42 (EXCEPT THE NORTH 11 FEET THEREOF) IN BLOCK 11 OF McKICHAN AND MASON'S SUBDIVISIONS OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF RECORDED JULY 6, 1911 AS DOCUMENT NUMBER 4788108;

TOGETHER WITH

LOTS 26 TO 31, BOTH INCLUSIVE, AND THE SOUTH 6 FEET OF LOT 32 IN BLOCK 11 IN McKICHAN AND MASON'S SUBDIVISION OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF RECORDED OCTOBER 22, 1868 IN BOOK 167, PAGE 178 AS DOCUMENT NUMBER 186893.

ALL IN COOK COUNTY, ILLINOIS.

CONTAINING 53,161 SQUARE FEET (1.22041 ACRES) OF LAND, MORE OR LESS.

Parcel 2

ALL THAT PART OF THE 16 FOOT ALLEY LYING EAST OF AND ADJACENT TO LOTS 5 THRU 8, INCLUSIVE, IN HAROLD P. WILBER'S RESUBDIVISION RECORDED JULY 6, 1910 AS DOCUMENT NUMBER 4589769, AND LOTS 1 THRU 10, INCLUSIVE, IN HAROLD P. WILBER'S RESUBDIVISION RECORDED JULY 6, 1911 AS DOCUMENT NUMBER 4788108, AND LOTS 26 THRU 31, INCLUSIVE, AND THAT PART OF LOT 32 LYING SOUTH OF THE SOUTH LINE OF SAID HAROLD P. WILBER'S RESUBDIVISION RECORDED JULY 6, 1911 AS DOCUMENT 4788108;

ALL IN BLOCK 11 IN McKICHAN AND MASON'S SUBDIVISION OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

CONTAINING 7,961 SQUARE FEET (0.18276 ACRES) OF LAND, MORE OR LESS.

Parcel 3

ALL OF LOTS 10 THROUGH 21, BOTH INCLUSIVE, IN BLOCK 11 IN McKICHAN AND MASON'S SUBDIVISION OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

CONTAINING 37,601 SQUARE FEET (0.8648 ACRES) OF LAND, MORE OR LESS.

PINS: 20-14-114-005-0000
20-14-114-006-0000
20-14-114-007-0000
20-14-114-008-0000
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20-14-114-024-0000
20-14-114-034-0000
20-14-114-030-0000
20-14-114-031-0000
20-14-114-036-0000

This instrument was prepared by
and after recording return to:

Elizabeth F. Weber
Katten Muchin Rosenman LLP
525 West Monroe Street
Chicago, Illinois 60661-3693

SPACE ABOVE THIS LINE FOR RECORDER'S USE.

SEVENTH AMENDMENT
to
COMER CHILDREN'S HOSPITAL LEASE AGREEMENT
between
THE UNIVERSITY OF CHICAGO
and
THE UNIVERSITY OF CHICAGO MEDICAL CENTER

This Seventh Amendment (the "Seventh Amendment") supplements and amends that certain Comer Children's Hospital Lease Agreement dated as of June 29, 2001, between The University of Chicago (the "Lessor") and The University of Chicago Medical Center, formerly known as The University of Chicago Hospitals (the "Lessee"), which was recorded on October 1, 2001, as Document No. 001912106, as heretofore amended by the First Amendment dated as of September 25, 2005, by the Second Amendment dated as of February 12, 2009, by the Third Amendment dated as of August 20, 2009, by the Fourth Amendment dated as of November 9, 2010, by the Fifth Amendment dated as of May 20, 2011 and by the Sixth Amendment dated as of June 28, 2012, relating to the real property described in Exhibit A hereto. This Seventh Amendment shall be effective as of January 24, 2013. The original Lease Agreement as amended is referred to herein as the "Lease".

The parties recognize that it is desirable to amend the Lease in order to enable Lessee to borrow funds from the Illinois Finance Authority (which will obtain such funds through one or more bond issues) in order to pay or reimburse the Lessee for certain capital expenditures and related costs. The parties therefore agree as follows:

1. Section 1.4 of the Lease is amended in its entirety to read as follows:

1.4 "Loan Agreement." Loan Agreement means, collectively, (i) the payment obligations under the Promissory Note (as amended and restated) of the Lessee described in the Security Agreement dated as of November 1, 1998, as heretofore amended by the First Supplemental Security Agreement dated as of September 1, 2005 and the Second Supplemental Security Agreement dated as of April 1, 2007, each between the Lessee and the Illinois Educational Facilities Authority, or its successor, (ii) the Loan Agreement dated as of August 1, 2009 between the Lessee and the Illinois Finance Authority or its successor (the "Authority") related to the Illinois Finance Authority Revenue Bonds, Series 2009C (The University of Chicago Medical Center), (iii) the Loan Agreement

dated as of August 1, 2009 between the Lessee and the Authority related to the Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2009D (The University of Chicago Medical Center) (the "Series 2009D Bonds") and any Credit Facility Agreement (as defined in such Loan Agreement) for the Series 2009D Bonds or any subseries thereof, which as of the date of the Sixth Amendment is the Reimbursement Agreement dated as of June 1, 2012 between the Lessee and PNC Bank, National Association, (iv) the Loan Agreement dated as of August 1, 2009 between the Lessee and the Authority related to the Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2009E (The University of Chicago Medical Center) (the "Series 2009E Bonds") and any Credit Facility Agreement (as defined in such Loan Agreement) for the Series 2009E Bonds or any subseries thereof, which is initially the Reimbursement Agreement dated as of August 1, 2009 between the Lessee and JPMorgan Chase Bank, National Association, (v) the Loan Agreement dated as of November 1, 2010 between the Lessee and the Authority related to the Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2010A (The University of Chicago Medical Center) (the "Series 2010A Bonds") and any Credit Facility Agreement (as defined in such Loan Agreement) for the Series 2010A Bonds or any subseries thereof, which is initially the Reimbursement Agreement dated as of November 1, 2010 between the Lessee and Bank of America, N.A., (vi) the Loan Agreement dated as of November 1, 2010 between the Lessee and the Authority related to the Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2010B (The University of Chicago Medical Center) (the "Series 2010B Bonds") and, together with the Series 2010A Bonds, the "Series 2010 Bonds") and any Credit Facility Agreement (as defined in such Loan Agreement) for the Series 2010B Bonds or any subseries thereof, which is initially the Letter of Credit Reimbursement Agreement dated as of November 1, 2010 between the Lessee and Wells Fargo Bank, National Association, (vii) the Loan Agreement dated as of May 1, 2011 between the Lessee and the Authority related to the Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2011A (The University of Chicago Medical Center) (the "Series 2011A Bonds") and any Credit Facility Agreement (as defined in such Loan Agreement) for the Series 2011A Bonds or any subseries thereof, which is initially the Reimbursement Agreement dated as of May 1, 2011 between the Lessee and Bank of America, N.A., (viii) the Loan Agreement dated as of May 1, 2011 between the Lessee and the Authority related to the Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2011B (The University of Chicago Medical Center) (the "Series 2011B Bonds") and any Credit Facility Agreement (as defined in such Loan Agreement) for the Series 2011B Bonds or any subseries thereof, which is initially the Letter of Credit Reimbursement Agreement dated as of May 1, 2011 between the Lessee and Wells Fargo Bank, National Association, (ix) the Loan Agreement dated as of May 1, 2011 between the Lessee and the Authority related to the Illinois Finance Authority Revenue Bonds, Series 2011C (The University of Chicago Medical Center) (the "Series 2011C Bonds") and, together with the Series 2011A Bonds and the Series 2011B Bonds, the "Series 2011 Bonds"), (x) the Loan Agreement dated as of June 1, 2012 between the Lessee and the Authority related to the Illinois Finance Authority Revenue Refunding Bonds, Series 2012A (The University of Chicago Medical Center) (the "Series 2012A Bonds") and (xi) the Bond Purchase and Loan Agreement dated as of January 1, 2013 among the Lessee, the Authority and Bank of America, N.A. related to the Illinois Finance Authority

Revenue Bonds, Series 2013A (The University of Chicago Medical Center) (the "Series 2013A Bonds") and any Continuing Covenant Agreement (as defined in such Bond Purchase and Loan Agreement) for the Series 2013A Bonds or any subseries thereof, which is initially the Continuing Covenant Agreement dated as of January 1, 2013 between the Lessee and Bank of America, N.A., or its successors and assignees, and, in the case of each of the foregoing clauses, as such agreements or Promissory Note may from time to time be amended in accordance with the terms thereof.

2. Notwithstanding Section 17.9 of the Lease, the other parties to each Loan Agreement (as that term may be amended from time to time) and their respective successors and assigns, so long as the Loan Agreement is in effect and amounts are payable thereunder, shall be third party beneficiaries solely with respect to the provisions of Section 16.3 of the Lease.

3. All other provisions of the Lease shall remain in full force and effect.

4. This Seventh Amendment may be executed in two or more counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute and be taken as one and the same instrument.

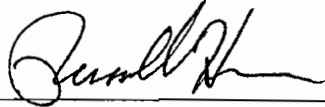
[Signature Page Follows]

IN WITNESS WHEREOF, Lessor and Lessee have executed and delivered this Seventh Amendment to Comer Children's Hospital Lease Agreement as of January 24, 2013 pursuant to proper authority duly granted.

Lessor:

THE UNIVERSITY OF CHICAGO

ATTEST:

By: 
Name: Russell J. Herron
Its: Assistant Secretary

By: 
Name: Nimalan Chinniah
Its: Executive Vice President for
Administration and Chief Financial Officer

Lessee:

THE UNIVERSITY OF CHICAGO MEDICAL
CENTER

ATTEST:

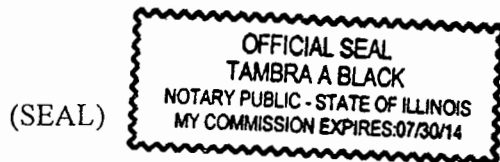
By: _____
Name: Jennifer A. Hill
Its: Secretary

By: _____
Name: James M. Watson
Its: Chief Financial Officer

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Tambra A Black, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Nimalan Chinniah and Russell J. Herron, personally known to me to be the same persons whose names are, respectively, Executive Vice President for Administration and Chief Financial Officer and Assistant Secretary of THE UNIVERSITY OF CHICAGO, an Illinois not for profit corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 23rd day of January, 2013.



Tambra A Black
Notary Public in and for Cook County, Illinois

My Commission Expires: 7/30/14

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, _____, a Notary Public in and for the said County in the State aforesaid, do hereby certify that James M. Watson and Jennifer A. Hill, personally known to me to be the same persons whose names are, respectively, Chief Financial Officer and Secretary of THE UNIVERSITY OF CHICAGO MEDICAL CENTER, an Illinois not for profit corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this ____ day of January, 2013.

(SEAL)

Notary Public in and for Cook County, Illinois

My Commission Expires:

IN WITNESS WHEREOF, Lessor and Lessee have executed and delivered this Seventh Amendment to Comer Children's Hospital Lease Agreement as of January 24, 2013 pursuant to proper authority duly granted.

Lessor:

ATTEST:

THE UNIVERSITY OF CHICAGO

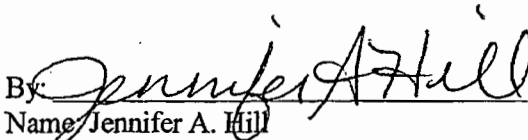
By: _____
Name: Russell J. Herron
Its: Assistant Secretary

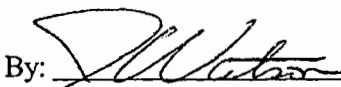
By: _____
Name: Nimalan Chinniah
Its: Executive Vice President for
Administration and Chief Financial Officer

Lessee:

ATTEST:

THE UNIVERSITY OF CHICAGO MEDICAL
CENTER

By: 
Name: Jennifer A. Hill
Its: Secretary

By: 
Name: James M. Watson
Its: Chief Financial Officer

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

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GIVEN under my hand and notarial seal this ____ day of January, 2013.

(SEAL)

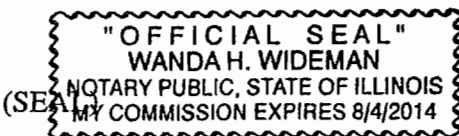
Notary Public in and for Cook County, Illinois

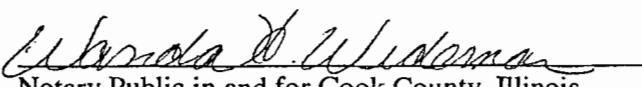
My Commission Expires:

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Wanda H. Wideman, a Notary Public in and for the said County in the State aforesaid, do hereby certify that James M. Watson and Jennifer A. Hill, personally known to me to be the same persons whose names are, respectively, Chief Financial Officer and Secretary of THE UNIVERSITY OF CHICAGO MEDICAL CENTER, an Illinois not for profit corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 23rd day of January, 2013.




Notary Public in and for Cook County, Illinois

My Commission Expires: August 4, 2014

ATTACHMENT 2

EXHIBIT A

Parcel 1

LOTS 5 TO 8, BOTH INCLUSIVE, IN HAROLD P. WILBER'S RESUBDIVISION OF THE NORTH 11 FEET OF LOTS 42 AND ALL OF LOTS 43 TO 50 IN BLOCK 11 OF McKICHAN AND MASON'S SUBDIVISION OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF RECORDED JULY 6, 1910 AS DOCUMENT 458769;

ALSO,

LOTS 1 TO 10, BOTH INCLUSIVE, IN HAROLD P. WILBER'S RESUBDIVISION OF LOT 32 (EXCEPT THE SOUTH 6 FEET THEREOF) AND ALL OF LOTS 33 TO 41, BOTH INCLUSIVE, AND LOT 42 (EXCEPT THE NORTH 11 FEET THEREOF) IN BLOCK 11 OF McKICHAN AND MASON'S SUBDIVISIONS OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF RECORDED JULY 6, 1911 AS DOCUMENT NUMBER 4788108;

TOGETHER WITH

LOTS 26 TO 31, BOTH INCLUSIVE, AND THE SOUTH 6 FEET OF LOT 32 IN BLOCK 11 IN McKICHAN AND MASON'S SUBDIVISION OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF RECORDED OCTOBER 22, 1888 IN BOOK 167, PAGE 178 AS DOCUMENT NUMBER 186893.

ALL IN COOK COUNTY, ILLINOIS.

CONTAINING 53,161 SQUARE FEET (1.22041 ACRES) OF LAND, MORE OR LESS.

Parcel 2

ALL THAT PART OF THE 16 FOOT ALLEY LYING EAST OF AND ADJACENT TO LOTS 5 THRU 8, INCLUSIVE, IN HAROLD P. WILBER'S RESUBDIVISION RECORDED JULY 6, 1910 AS DOCUMENT NUMBER 4589769, AND LOTS 1 THRU 10, INCLUSIVE, IN HAROLD P. WILBER'S RESUBDIVISION RECORDED JULY 6, 1911 AS DOCUMENT NUMBER 4788108, AND LOTS 26 THRU 31, INCLUSIVE, AND THAT PART OF LOT 32 LYING SOUTH OF THE SOUTH LINE OF SAID HAROLD P. WILBER'S RESUBDIVISION RECORDED JULY 6, 1911 AS DOCUMENT 4788108;

ALL IN BLOCK 11 IN McKICHAN AND MASON'S SUBDIVISION OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

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CONTAINING 37,601 SQUARE FEET (0.8648 ACRES) OF LAND, MORE OR LESS.

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20-14-114-034-0000
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20-14-114-031-0000
20-14-114-036-0000

Section I, Operating Identity/Licensee

Attachment 3

The University of Chicago Medical Center ("UCMC") is an Illinois not-for-profit corporation, incorporated on October 1, 1986. A copy of UCMC's Good Standing Certificate dated July 7, 2014 is attached.



To all to whom these Presents Shall Come, Greeting:

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

THE UNIVERSITY OF CHICAGO MEDICAL CENTER, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON OCTOBER 01, 1986, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



Authentication #: 1418802678

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 7TH day of JULY A.D. 2014 .

Jesse White

SECRETARY OF STATE

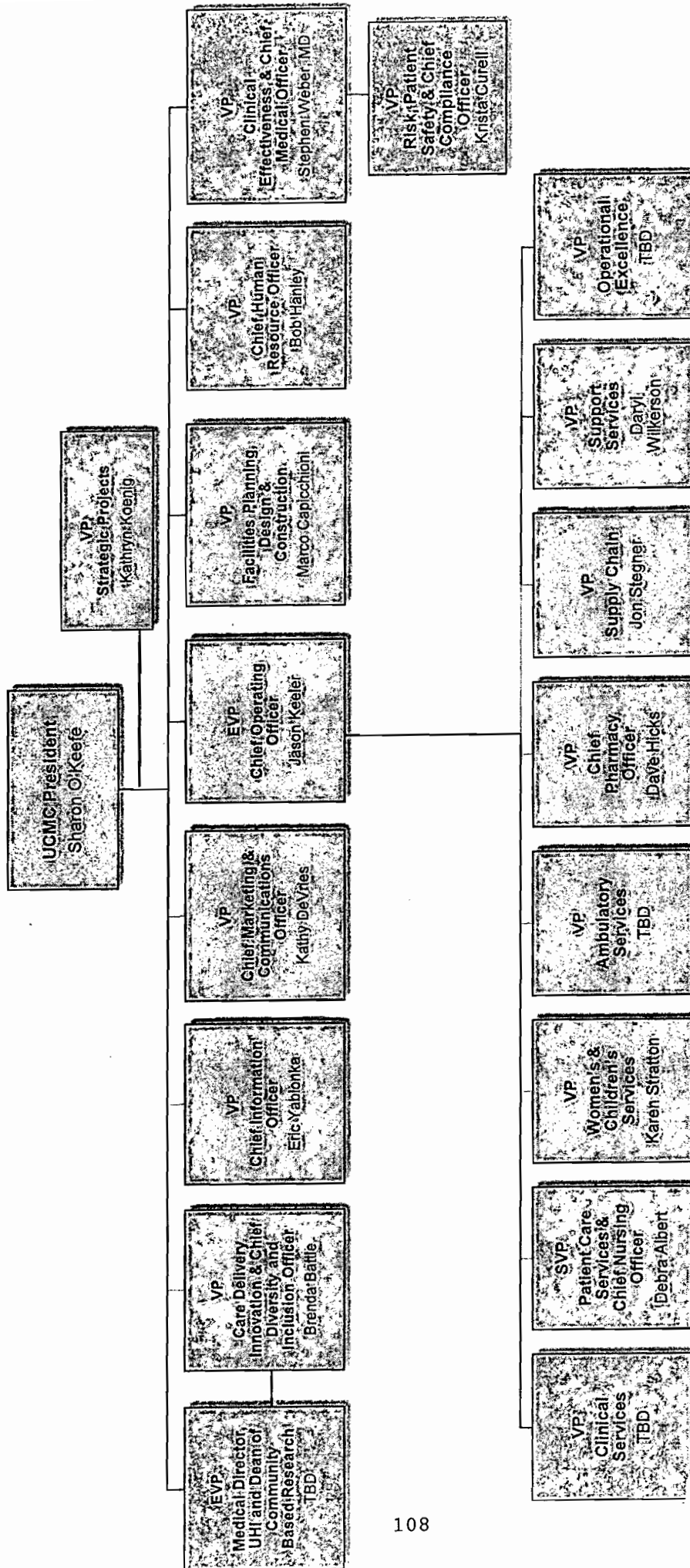
Section I, Organizational Relationships

Attachment 4

A copy of UCMC's Senior Management Team organizational chart is attached. There are no other subsidiary corporate entities.

Operational Focus

2014 UCMC Senior Management Team



Section I, Flood Plain Requirement

Attachment 5

A letter attesting that the site of the Project is not located in a flood plain and that the Project complies with the Flood Plain Rules under Illinois Executive Order #2005-5 is attached.



THE UNIVERSITY OF
CHICAGO
MEDICINE

Sharon O'Keefe
President

MC 1000 S-115
5841 South Maryland Avenue
Chicago, Illinois 60637-1470
phone (773) 702-8908
fax (773) 702-1897
sharon.okeefe@uchospitals.edu

July 8, 2014

Ms. Courtney R. Avery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

In Re: Flood Plain Requirements

Dear Ms. Avery:

We hereby attest that our proposed project complies with the requirements of Illinois Executive Order #2005-5 pertaining to construction activities in special flood hazard areas. The accompany map from www.illinoisfloodmaps.org indicates that the site of our project is judged "Area of Minimal Flood Hazard"

Sincerely,

The University of Chicago Medical Center


Sharon O'Keefe
President

Notarization:

Subscribed and sworn to before me
This 8th day of July, 2014


Signature of Notary Public

Seal



// Make spelling changes

Cook County Map Panels

Effective Flood Insurance Rate Maps for Cook County may be viewed and/or downloaded at the FEMA Map Service Center

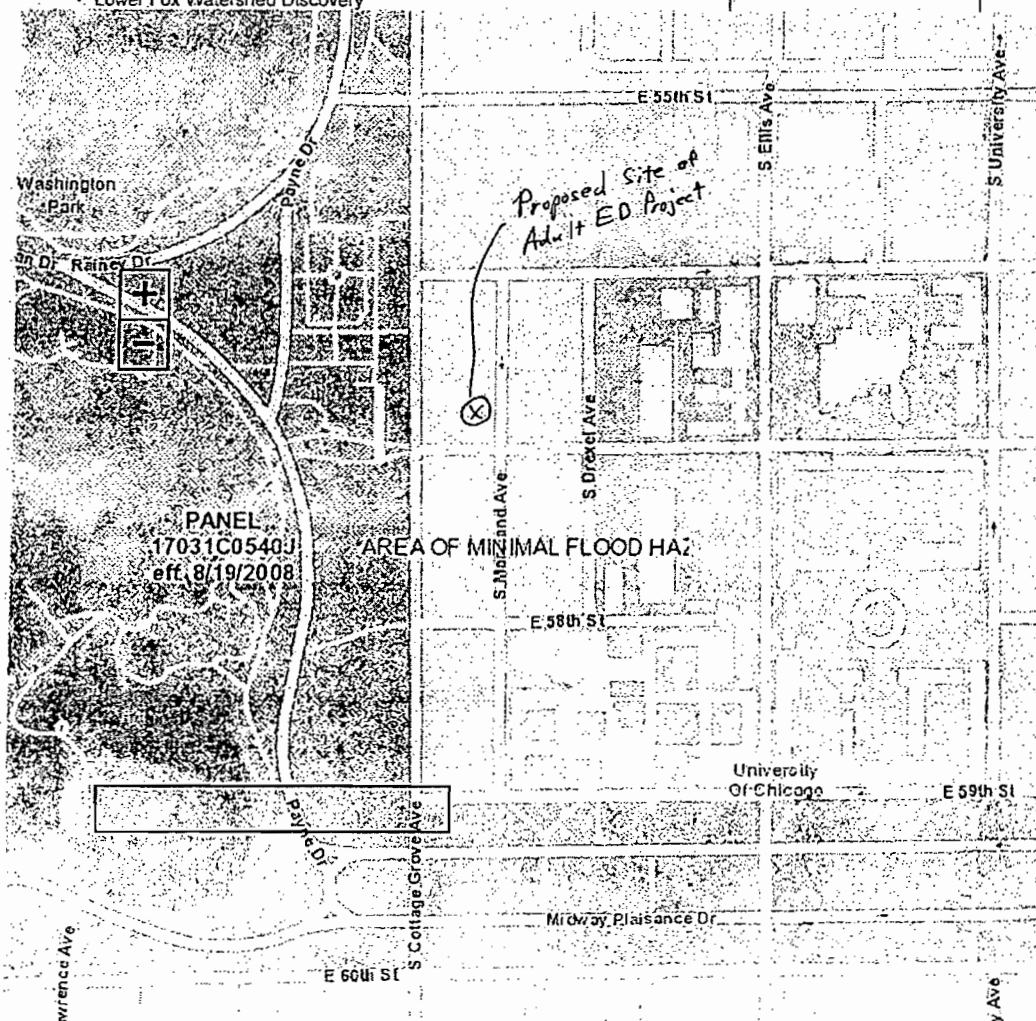
... even more!

Below are links to resources pertaining to Cook County

- Chicago River Watershed Discovery
- Des Plaines Watershed Discovery
- Lower Fox Watershed Discovery

What is a DFIRM?

The DFIRM Database is a digital version of the FEMA flood insurance rate map that is designed for use with digital mapping and analysis software.



<http://www.illinoisfloodmaps.org/dfirm.aspx?county=cook>

5/8/2014

Section I, Historic Resources Preservation Act Requirements

Attachment 6

Attached is a letter from the Illinois Historic Preservation Agency dated May 22, 2014 noting that the Project meets the Secretary of the Interior's "Standard for Rehabilitation and Guidelines for Rehabilitation of Historic Buildings" and will not result in any adverse effect.



**Illinois Historic
Preservation Agency**

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

FAX (217) 524-7525

www.illinoishistory.gov

Cook County

Chicago

Relocation of Labor, Delivery and Recovery Department

Existing - Mitchell Hospital at 5815 S. Maryland Ave., Proposed - Comer Center for Children and Specialty Care at 5730 S. Drexel Ave.

IHPA Log #030050714

May 22, 2014

John R. Beberman

The University of Chicago Hospitals

Capital Budget and Control

MC 0953

850 E. 58th St.

Chicago, IL 60637-1459

Dear Mr. Beberman:

We have reviewed the information provided for the above referenced project. This property is located within the Hyde Park - Kenwood Historic District, which was listed on the National Register of Historic Places on February 14, 1979. In our opinion the project meets The Secretary of the Interior's "Standards for Rehabilitation and Guidelines for Rehabilitation of Historic Buildings" and we concur in a finding of no adverse effect.

Carrying out the project in accordance with these plans constitutes compliance with the Illinois State Agency Resources Preservation Act.

If you have any questions, please contact me at 217/785-5027.

Sincerely,

Anne E. Haaker

Deputy State Historic

Preservation Officer

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

Section I, Project Costs and Source of Funds

Attachment 7

		<u>Total</u>	<u>Clinical</u>	<u>Non-Clinical</u>
Site Survey and Soil Investigation	15,000	15,000	11,812	3,188
Site Preparation				
Drop Off Entry, Parking	1,300,000			
Gate System	<u>150,000</u>			
		1,450,000	0	1,450,000
New Construction				
Construction	8,400,000			
Distributed Antenna System	200,000			
IT/Telecom Systems	200,000			
Security Systems	152,000			
Signage	25,000			
Keys, Locksets	<u>2,000</u>			
		8,979,000	7,070,492	1,908,508
Contingencies	875,000	875,000	689,017	185,983
Architectural/Engineering Fees	870,000	870,000	685,079	184,921
Consulting and Other Fees				
Legal	15,000			
Program Manager	50,000			
Equipment Planner	25,000			
CON Consultant	40,000			
CON Fee	40,000			
Developer Manager	12,000			
City Permit Fees	18,000			
IDPH Review Fees	<u>40,000</u>			
		240,000	200,459	39,541
Movable and Other Equipment				
Labor Delivery Recovery	2,992,096			
C-Section	812,863			
Staff/Support	<u>236,694</u>			
		4,041,653	3,804,959	236,694
Other Costs to be Capitalized				
Environmental Services	51,000			
Movers	50,000			
Plant Shutdowns	76,000			
Window Treatments	22,000			
Cubicle Curtains	8,000			
Art Work	16,000			
Capitalized Staff Salaries	<u>300,000</u>			
		523,000	397,050	125,950
Total Costs		\$16,993,653	\$12,858,868	\$4,134,785

Section I, Cost Space Requirements

Attachment 9

				Amount of Proposed Total GSF That Is:				
<u>Department/Area</u>	<u>Cost</u>	<u>Gross Square Feet</u>					<u>Vacated Space</u>	<u>Re-assign</u>
		<u>Existing</u>	<u>Proposed</u>	<u>New Constr.</u>	<u>Modern</u>	<u>As Is</u>		
Reviewable:								
Labor Delivery Recovery	\$9,948,672	18,015	14,124	14,124			18,015	0
C-Section	2,910,196	2,993	3,807	3,807			2,993	
Total Reviewable	\$12,858,868	21,008	17,931	17,931	0	0	21,008	
Nonreviewable:								
Bldg. Systems	\$2,850,396	957,040	961,201	4,161		957,040		
Staff/Support	1,284,389	1,090,700	1,093,742	3,042		1,090,700		
Total Nonreviewable	\$4,134,785	2,047,740	2,054,943	7,203	0	2,047,740		
Grand Total	\$16,993,653	2,068,748	2,072,874	25,134	0	2,047,740	21,008	0

Section III, Background of Applicant

Attachment 11

1. A listing of all health care facilities owned by the applicant, including licensing, and certification if applicable.

UCMC's full general hospital license #2132869, effective July 1, 2014, issued by the Illinois Department of Public Health, is attached. UCMC's most recent accreditation letter from the Joint Commission, dated July 12, 2013, is attached.

2. A certified listing of any adverse action taken against any facility owned and/or operated by applicant during the three years prior to the filing of the application.

There have been no adverse actions taken against UCMC within the prior three years. A letter attesting to this fact is attached.

3. Authorization permitting HFSRB and DPH access to documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other States; when applicable; and the records of nationally recognized accreditation organizations.

A letter granting the Review Board and the Illinois Department of Public Health access to information to verify information in the application is attached.



**Illinois Department of
PUBLIC HEALTH**

HF106029

LICENSE PERMIT CERTIFICATION REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois statutes and/or rules and regulations and is hereby authorized to engage in the activity indicated below.

LaMar Hasbrouck, MD, MPH
Acting Director

Issued under
The Illinois Department of
Public Health

Authority of
nt of

EXPIRATION DATE	CATEGORY	ID NUMBER
6/30/2015		0003897
General Hospital		
Effective: 07/01/2014		

The University of Chicago Medical Center
5841 South Maryland
MC 1112
MC 1112
Chicago, IL 60637

The face of this license has a colored background. Printed by authority of the State of Illinois • P.O. #4 1232 -10 1

← **DISPLAY THIS PART IN A
CONSPICUOUS PLACE**

Exp. Date 6/30/2015

Lic Number 0003897

Date Printed 6/5/2014

The University of Chicago Medical Cen
5841 South Maryland
MC 1112
Chicago, IL 60637

FEE RECEIPT NO.



July 12, 2013

Sharon O'keefe
President
University of Chicago Medical Center
5841 South Maryland Avenue
Chicago, IL 60637

Joint Commission ID #: 7315
Program: Hospital Accreditation
Accreditation Activity: 60-day Evidence of
Standards Compliance
Accreditation Activity Completed: 07/11/2013

Dear Ms. O'keefe:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high-quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

The Joint Commission is granting your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

- Comprehensive Accreditation Manual for Hospitals

This accreditation cycle is effective beginning March 23, 2013. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 36 months.

Please visit Quality Check® on The Joint Commission web site for updated information related to your accreditation decision.

We encourage you to share this accreditation decision with your organization's appropriate staff, leadership, and governing body. You may also want to inform the Centers for Medicare and Medicaid Services (CMS), state or regional regulatory services, and the public you serve of your organization's accreditation decision.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

Mark G. Pelletier, RN, MS
Chief Operating Officer
Division of Accreditation and Certification Operations

Attachment-11



THE UNIVERSITY OF
CHICAGO
MEDICINE

Sharon O'Keefe
President

MC 1000 S-115
5841 South Maryland Avenue
Chicago, Illinois 60637-1470
phone (773) 702-8908
fax (773) 702-1897
sharon.okeefe@uchospitals.edu

July 8, 2014

Ms. Courtney R. Avery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: University of Chicago Medical Center Permit Application – No Adverse Action

Dear Ms. Avery:

Please be advised that no disciplinary action relative to "Adverse Action" as defined under Section 1110.230(a)(1) of the Review Board Rules has been adjudicated against The University of Chicago Medical Center, or against any health care facility owned or operated by it, directly or indirectly, within three (3) years preceding the filing of the permit application.

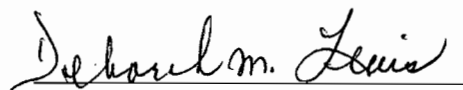
Sincerely,

The University of Chicago Medical Center


Sharon O'Keefe
President

Notarization:

Subscribed and sworn to before me
This 8th day of July, 2014


Signature of Notary Public

Seal



119

ATTACHMENT 11

AT THE FOREFRONT OF MEDICINE®



THE UNIVERSITY OF
CHICAGO
MEDICINE

Sharon O'Keefe
President

MC 1000 S-115
5841 South Maryland Avenue
Chicago, Illinois 60637-1470
phone (773) 702-8908
fax (773) 702-1897
sharon.okeefe@uchospitals.edu

July 8, 2014

Ms. Courtney R. Avery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: University of Chicago Medical Center Permit Application – Access to
Information

Dear Ms. Avery:

I hereby authorize the State Board and State Agency access to information from any licensing/certification agency in order to verify any and all documentation or information submitted in relation to this permit application. I further authorize the Illinois Department of Public Health to obtain any additional documentation or information that said agency deems necessary for the review of the application as it pertains to Section 1110.230(a)(3)(C) of the Review Board Rules.

Sincerely,

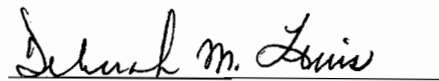
The University of Chicago Medical Center


Sharon O'Keefe
President

Notarization:

Subscribed and sworn to before me

This 8th day of July, 2014


Signature of Notary Public

Seal



Section III, Purpose of Project

Attachment 12

Section 1110.230(b) Purpose of Project

Overview of Purpose

The University of Chicago Medical Center (“UCMC”) proposes to relocate its Labor & Delivery Unit from its current location in Mitchell Hospital (“Mitchell”) to shelled space on the third floor of the Comer Center for Children and Specialty Care (“CCCSC”), which is immediately adjacent to UCMC’s Comer Children’s Hospital (“Comer Hospital”) (the “Project”).

Specifically, this Project would relocate and reconfigure the Labor & Delivery Unit (“LDR Unit”), such that there would now be nine (9) Labor/Delivery/Recovery Rooms (“LDRs”), five (5) triage rooms, two (2) operating rooms, two (2) recovery rooms, and five (5) antepartum rooms.

1. Document that the Project will provide health care services that improve the health care or well-being of the market area population to be served.

UCMC is the sole academic medical center on the South Side of Chicago and closest support for the surrounding community hospitals. UCMC is nationally renowned for treating some of the most complex obstetric cases. UCMC also plays an integral role in the regional delivery of healthcare within Illinois as one of only ten Perinatal Centers in the State. UCMC remains one of the largest Medicaid providers in the State of Illinois, with Medicaid patients accounting for 57% of our obstetric population. Further, UCMC’s obstetric service sustained a 12% operating deficit in the most recent fiscal year or an almost \$6 million dollar financial loss.

Through this Project, UCMC proposes to expand its LDRs from eight (8) to nine (9) and its triage rooms from four (4) to five (5). The number of operating rooms for C-Sections would remain the same. The Project is designed to better meet the clinical needs of UCMC’s obstetric population, which is medically complex and unpredictable, with heavy reliance on triage and long lengths of stay overall.

UCMC needs to more fully deploy the space available in the CCCSC to create efficiencies and to allow patients to receive care in the most modern facilities available. The need for modern facilities comes at a pivotal time in the delivery of health care for expectant mothers in Chicago’s South Side, which has seen both its hospital inventory and its number of deliveries contract over the last several years, as more women seek services outside of the planning area.

With this Project, UCMC will be expanding access to high-quality obstetric services to residents of the South Side of Chicago and will improve the overall well-being of the

neighborhood by promoting early prenatal care and healthy pregnancies. The Project will also mitigate outmigration in Planning Area A-03 and improve overall access to care.

2. **Define the planning area or market area, or other, per the applicant's definition.**

As a major national academic medical center, UCMC essentially has two market areas. UCMC's primary service area serves much of the South Side of the City of Chicago and closely resembles Planning Area A-03. (Planning Area A-03 is roughly bounded by Roosevelt Road (12th Street) to the north, Cicero Avenue to the west, 127th Street to the south, and Lake Michigan/Indiana State line to the east). In fact, over 69% of UCMC's LDR patients in the past year resided in UCMC's primary service area. In addition, for its highly specialized tertiary and quaternary services, UCMC serves much of the metropolitan area, the state and the Midwest, and even includes international patients. UCMC plays an integral role in the regional delivery of healthcare within Illinois and, as an example, is one of ten Perinatal Centers in the State. As such, UCMC is a referral center for women with high risk pregnancies and for critically ill infants. In this capacity, UCMC and its providers serve as a resource for hospitals as far south as Kankakee, and in communities including Harvey, Clifton and Hazel Crest Illinois.

3. **Identify the existing problems or issues that need to be addressed, as applicable and appropriate for the Project.**

A. **Need to Replace Deteriorated Facilities and Create Clinical Efficiencies**

UCMC proposes to replace deteriorated facilities, maximize the full potential of its existing facilities and create clinical efficiencies by relocating its LDR Unit from Mitchell Hospital to shelled space in the CCCSC.

UCMC's current maternity unit is located in its existing adult, acute care hospital – Mitchell – which was built in 1983. While Mitchell is still sufficient for high quality medical care, the preferences and needs of patients and their families have changed since Mitchell was constructed. In the 31 years since Mitchell Hospital was built, birthing facilities have evolved from separate labor rooms and delivery rooms to combined labor and delivery rooms with home-like décor, to LDRs that are much larger and more inviting for the patient and family members. In fact, the current LDRs were constructed in space previously occupied by UCMC's Level III NICU beds that moved to Comer Hospital in 2005. This steady change in facilities at Mitchell Hospital means its current floor plan does not lend itself to being renovated for the type of modern facilities contemplated by the Project, nor is there sufficient square footage in Mitchell Hospital for the necessary rooms to meet the needs of providers and patients.

Additionally, the current LDR Unit is remotely located from Comer and the neonatologists that frequently attend high risk births, as well as remotely located from UCMC's adult ICUs which are located in the Center for Care and Discovery ("CCD"), where many undelivered, obstetric patients are monitored prior to giving birth. This

fragmented configuration disperses highly skilled resources across multiple locations and negatively affects clinical efficiencies.

B. Alleviate Strain on Current Resources From Long Lengths of Stay and Unpredictable Volume.

UCMC proposes to expand its licensed number of LDRs from eight (8) to nine (9) and to add one (1) triage room for a total of five (5) triage rooms.

UCMC's obstetric population is high-risk and high-acuity and includes many patients who have multiple co-morbidities, including rates of diabetes, hypertension, and obesity that are up to eight times the national average. While the average rate of deliveries with clinical complications (*e.g.*, multiple gestational diagnoses, pre-term labor, breech presentation), as defined by MS-DRG, in Illinois hospitals is 20.8%, deliveries with complications comprise 41.2% of UCMC's patient population. These complicated patients remain in the triage, ante partum rooms and LDRs longer because of their unstable conditions and need for ongoing monitoring. In fact, because their condition is often so precarious, these expectant mothers cannot be cared for anywhere else in the hospital. As a result, the average length of stay for complicated patients in UCMC's LDRs is almost double that of UCMC's uncomplicated patients, and LDRs are frequently full. The Project alleviates this strain on resources by increasing the number of available LDRs and triage rooms.

The Project is also necessary to accommodate the complex, high risk and unpredictable flow of patients UCMC sees during peak periods. Nearly 35% of UCMC's obstetric patients are walk-in, most of whom have had little to no prenatal care and rely upon obstetric triage, often late in their pregnancies, instead of regularly scheduled prenatal care. In fact, while obstetric triage is typically where patients go when they feel impending signs of labor, the number of triage visits at UCMC has already exceeded the number of deliveries by 1,548 for the most recent ten (10) month period. Additionally, even with electronic medical records that allow the exchange of health information between facilities, it can take more time to safely provide obstetric care to expectant mothers who have not previously been seen by UCMC's obstetricians.

As one of only ten designated Perinatal Centers in Illinois, UCMC is a regional referral center for women with high-risk pregnancies. Because of the physical inefficiencies in UCMC's existing LDR Unit, along with the underlying complexity of its obstetrical patients that produces long lengths of stay, UCMC is sometimes forced to either delay access to care for these patients or to deny transfers when LDRs or other appropriate beds are not available. This affects not just those patients in UCMC's direct community, but also patients as far south as Kankakee and communities including Harvey, Clifton and Hazel Crest to whom UCMC also has a responsibility. As a Perinatal Center with advanced resources for mothers and babies and the only Level III hospital on the South Side of Chicago, UCMC has an obligation to accept transfers from community hospitals. Thus, the existing situation is far from optimal and one that cannot be responsibly sustained.

C. Accommodate Anticipated Growth

One (1) additional LDR and one (1) triage room are also required for UCMC to better accommodate anticipated growth. UCMC projects that its number of deliveries will rise to approximately 2500 annually in the next five years based upon a combination of factors, including, but not limited to, improvements in the throughput and efficiency of UCMC's use of its reconfigured Labor & Delivery Unit, the recruitment of a new Chief of Maternal Fetal Medicine, and the addition of more obstetric and high-risk prenatal clinics.

4. Cite the sources of the information provided as documentation.

UCMC undertakes ongoing internal utilization studies and the source of this information includes those reports and other information reported to the Illinois Perinatal Reporting System, EMS, IDFP and IDPH.

5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.

The Project will address the previously referenced issues as well as the population's health status and well-being as follows:

A. Fully Utilize Existing Shell Space and Create Clinical Efficiencies

In addition to being outdated, the UCMC's existing LDR Unit does not permit UCMC to maximize its existing space or create clinical efficiencies. The LDR Unit is remotely located from Comer, the CCCSC and the CCD. By moving the existing LDR rooms to the existing shelled space on Comer's 3rd Floor, UCMC will be able to offer clinical adjacencies that are advantageous to patient care. Through a pedestrian bridge, the third floor of Comer adjoins the obstetric clinic in UCMC's outpatient ambulatory care center, which means that patients who may need to be hospitalized following routine office visits can be more easily accommodated. The location is also in close proximity to procedural, perioperative and other ancillary areas, including a blood bank, pharmacy, and other Comer operating rooms. It is nearby to UCMC's adult ICUs where medically complex, undelivered obstetric patients are frequently monitored. The proposed relocation of the LDR Unit will mean shorter distances, not just for the obstetricians and maternal fetal medicine physicians to respond to medical emergencies in undelivered patients, but also for the neonatologists who are often required to be present during complicated and/or high-risk births. Additionally, UCMC's Level II and Level III NICUs are also located in Comer Hospital, just one floor away, which means that babies who need special care immediately after birth will no longer have to be transported to a different building across two long pedestrian bridges.

From a patient's perspective, the new LDRs and operating rooms would be large enough to comfortably share the birth experience with the most important people in

their life, as well as the numerous pieces of equipment and the number of providers who all work at the bedside in a teaching hospital

The physical layout of the proposed LDR Unit is designed to maximize patient safety, comfort and convenience, and to improve workflow efficiency and collaboration among our providers.

B. Alleviate Strain on Current Resources from Long Lengths of Stay and Unpredictable Volume.

The fact that so many of UCMC's LDR patients have multiple co-morbidities and long lengths of stay has dictated a different approach to UCMC's planning of its reconfigured LDR Unit. The State standard for LDR's is 400 deliveries per year, per LDR room and given UCMC's recent caseload of approximately 1,600 deliveries per year, this would only justify four (4) LDR's. However, given the critical nature of UCMC's obstetrics practice, the complexity of its deliveries and the corresponding longer lengths of stay, UCMC believes that a higher number of LDR rooms are justified. Such additional LDRs will help UCMC to better care for this complex obstetric population.

C. Accommodate Anticipated Growth.

An improved configuration and modest expansion will enable UCMC to provide care to an increased number of patients. UCMC anticipates that, with a more efficient design and the clinical efficiencies the relocation will create, deliveries will grow to 2,465 deliveries per year in the next five years.

6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals as appropriate.

The Project would relocate UCMC's LDR Unit from Mitchell Hospital to Comer Hospital and reconfigure the layout for clinical and workflow efficiencies.

UCMC's prevailing objectives are two-fold: modernization and increased access. Specifically, the goals of the Project are:

- To replace deteriorated facilities and to fully deploy existing shelled space available on UCMC's medical campus.
- To co-locate clinical operations for UCMC's most fragile patients, alongside the ancillary diagnostic and treatment modalities required for their medical care.
- To alleviate strain on current resources that arise due to long lengths of stay and unpredictable volume of obstetric patients and to decrease the number of high-risk

maternal transfers from within UCMC's perinatal network that must be placed at outside hospitals because of the unavailability of an open LDR.

- To create clinical efficiencies and capacity for additional growth by modestly expanding UCMC's LDR Unit and by streamlining the delivery of obstetric care to UCMC patients.

These goals can be achieved within the timeframe for Project completion.

Section III, Alternatives

Attachment 13

Section 1110.230(c) Alternatives

1. Project of Greater or Lesser Scope and Cost

Careful consideration was given to whether renovating UCMC's existing Labor & Delivery Rooms ("LDR") in Mitchell Hospital could be done less expensively. However, as planning progressed it became apparent that such renovations would be complicated, requiring four phases, since the LDR Unit would need to remain open during renovations. Not only would this have been challenging and disruptive, but it would have taken longer and cost more. Additionally, in the 31 years since Mitchell Hospital was built, birthing facilities have evolved from separate labor rooms and delivery rooms to combined labor and delivery rooms that are much larger and more inviting for the patient and family members. Trying to create a modern and efficient space configuration from the existing tangled current layout of UCMC's LDR Unit would have also required more work and increased costs. The cost of this option would have been \$23 million. Given that this option was more expensive and that the LDR Unit would still have been located too far from Comer Hospital and the centralized pharmacy and blood bank services in UCMC's new Center for Care and Discovery ("CCD"), this alternative was rejected.

2. Joint Venture with Other Providers

Of the seven other hospitals with Obstetrics beds in Planning Area A-03, five have labor and delivery rooms. Based on 2012 reported births, each hospital has adequate capacity for deliveries and a joint venture, which would have cost \$17 million assuming new facilities were built, was therefore unnecessary. Additionally, there were several reasons why UCMC did not want to enter into a joint venture. One of the reasons for the Project is to modernize UCMC's LDR Unit to be better able to care for UCMC's large percentage of high risk obstetrics patients. Many of UCMC's labor and delivery patients have difficult health conditions and exhibit comorbidities such as obesity, high blood pressure, and diabetes that are associated with high risk pregnancies. Since UCMC operates the only Level III NICU in Planning Area A-03 and is also a member of a designated Perinatal Network consisting of 13 hospitals and receives transfers of high risk pregnancies from members of this network, it is important that UCMC's existing facilities be updated. UCMC also needs to maintain a large enough caseload to properly train obstetrics and anesthesiology residents and fellows, many of whom specialize in high risk patients. For these reasons UCMC chose not to establish a joint venture with other area providers.

2. Utilize Other Available Health Resources

While there appears to be available obstetrics capacity elsewhere in Planning Area A-03, no other Planning A-03 hospital operates Level III NICU beds. UCMC has both Level II and III NICU beds and expert clinical staff to care for high-risk patients and infants. As a result, UCMC is consistently called upon to deliver care for these high-risk deliveries. Even if existing labor and delivery rooms were used to address these high risk deliveries, this would require some expansion, modernization and equipment upgrades which costs, estimated to be \$12 Million, would be more expensive than some of the other alternatives considered.

3. Proposed Alternative

The Project is the alternative selected. By utilizing the existing shell space in the CCCSC, the cost for the Project would only be \$17 Million. Moreover, vital adjacencies can also be achieved by using this location. UCMC's Level III NICU is located on the 2nd Floor of the adjacent and connected Comer Hospital. The high risk obstetrics clinic located in the outpatient facility is connected via a bridge at Comer Hospital's 3rd Floor and patients could reach the LDR Unit quickly through Comer Hospital. Neonatologists and their clinical team can quickly come to the CCCSC, located on Comer Hospital's 3rd Floor, where the new LDR Unit will be located to assist delivered infants who require their special services. Comer Hospital's OR's are also located on the 3rd Floor so surgeons are very close by to assist when needed in difficult deliveries. For example, recently a mass was detected in utero that would have obstructed an infant's airway once the infant was delivered. A pediatric surgeon and his team were set up in a LDR and operating room to quickly address this life-threatening problem and a successful outcome was achieved. The Project presents a unique opportunity to move LDR services proximate to a tertiary-level pediatric hospital. This trend of co-locating such services has shown great potential in providing expeditious and effective patient care.

2. Comparison of Alternatives

Alternatives to the Proposed Project Cost/Benefit Analysis

Alternative	Cost	Pros	Cons
Project of Lesser Scope	\$23m	Does not Utilize Valuable, Existing Shell Space	More Costly
		Outdated Room Configurations	Lacks Important Adjacencies
Joint Venture	\$17m	Shared Risk	Lacks NICU III
		Integration of Area Providers	Longer Deployment More Difficult to Plan
Utilize Existing Facilities	\$12m	Less Costly	Lacks NICU III
			Lacks High Risk Support Staff and Facilities
			Team Dynamics More Challenging
Proposed Project	\$17m	Includes Important Adjacencies	Uses Valuable, Existing Shell Space
		Optimal Layout	

Section IV, Project Scope, Utilization, and Unfinished/Shell Space

Attachment 14

1110.234 (a) Size of Project

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?
LDR	14,124	14,400	276	Yes
C-Section	3,807	4,150	343	Yes

1. Labor & Delivery Unit (LDR Unit)

UCMC's LDR Unit would be located in the Comer Center for Children and Specialty Care ("CCCSC"), a four story building adjacent to Comer Children's Hospital ("Comer Hospital"). Current trends in hospital planning emphasize co-locating women's and children's services. There are several critical adjacencies that would be achieved by locating the LDR Unit at this location. Moreover, the 3rd Floor is the last vacant, shelled space in the CCCSC, which presently houses UCMC's pediatric emergency department, pediatric special procedures, pediatric chemotherapy pharmacy, sterile fluid preparation, and pediatric specialty outpatient clinics.

UCMC's LDR Unit serves a high proportion of high risk pregnancy patients, often women with multiple comorbidities such as obesity, high blood pressure, and diabetes. During the last 6 months, there were 15 patients treated in UCMC's LDR Unit who were transferred directly from intensive care units at UCMC. Adding to the challenge is the fact that 35% of UCMC's delivery patients are "walk-ins," many of whom are in active labor and have not previously been seen by any of UCMC's obstetricians during their pregnancy and/or have had little or no prenatal care.

The fact that so many of UCMC's LDR patients need extra, specialized care due to these and other circumstances has dictated that UCMC take a different approach in planning its new LDR Unit. The State standard for LDR's is 400 deliveries per year, per LDR room, which, given UCMC's recent caseload of approximately 1,600 deliveries per year, would equal 4 LDR's. UCMC, however, is proposing 9 LDR's, an increase of 1 from its present 8 rooms. Since the nature of UCMC's obstetrics practice typically requires longer stays on the LDR Unit, as discussed in greater detail in the utilization portion of this section, additional rooms are necessary. Additionally, UCMC expects growth to 2,465 deliveries per year within the next five years.

In the new LDR Unit, an LDR patient would arrive via elevator to a reception/waiting area that seats 26. The reception/waiting room includes a bathroom and vending area.

Adjacent to this reception/waiting room is a 5 room triage area where patients are examined and assessed for the type of care is required. UCMC's current triage capacity is strained because 35% of its labor and delivery patients have not previously been seen during their pregnancy at UCMC. Thus, it requires more time than usual to take medical histories, perform tests, and examine patients.

The Ante Partum area will have 5 rooms. Patients in pre-term labor or exhibiting symptoms requiring close oversight and who are at risk for delivering are placed in this area. Such patients might include expectant mothers in sickle cell crisis, uncontrolled high blood pressure, or uncontrolled diabetes. Each room has a patient monitor and a fetal monitor to track the condition of the fetus. The length of time a patient spends in an ante partum room can be as short as minutes or as long as several months. There are special delivery beds in the Ante Partum area that can be quickly adjusted for delivery in case a patient cannot be moved to an LDR room. Each Ante Partum room has a toilet room. A nurses' station is also located in the Ante Partum area.

The proposed 9 LDR rooms range from 343 to 387 net square feet (nsf) and each LDR room has a toilet and a shower. Complete patient and fetal monitoring would be provided in each room.

Women arriving in labor and full term would be brought directly to an LDR room. After delivery, the mother would be moved to an Obstetrics bed in Mitchell Hospital and the newborn moved to either Mitchell's nursery or to the Level II NICU or Level III NICU in Comer Hospital, as appropriate. The LDR Unit has a nurse station of 196 nsf.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?
LDR	14,124	14,400	276	Yes

Total square footage for the LDR area is 14,124 departmental gross square feet (dgsf). This is below the upper end of the State norm of 14,400 by 276.

2. C-Section Rooms

The Project proposes to add 2 C-section rooms of approximately 670 nsf each. UCMC's 2 existing C-section rooms average only 427 nsf and are too small. During a normal C-section procedure in attendance in the room would be an anesthesiologist, an attending obstetrician, a resident obstetrician, an OR technician, a circulating a nurse, an infant nurse, the patient and a family member/significant other. In many cases, a neonatology team of three members and a respiratory therapist for resuscitation and stabilization would also be present, and in the case of multiple births, more infant nurses would also be required. Thus, larger rooms are greatly needed.

The proposed C-section rooms would be accompanied by 2 recovery rooms. A small nurse station would be situated next to these recovery rooms, across from the triage area.

The State standard for C-section rooms is 2,075 nsf per room, or 4,150 nsf for the 2 proposed rooms. The total planned area for the proposed C-section rooms is 3,807 nsf, which is below the State standard by 343 nsf.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?
C-Section	3,807	4,150	343	Yes

3. Other

Support areas are intermingled with the clinical space. Such support areas include a conference room, education room, staff locker rooms and toilets, 1 obstetrician's office, 1 fellow's office, 2 anesthesiologist's offices, a manager's office, and a break room. At UCMC, physicians' offices are generally not located in high cost institutional (clinical) areas, however, since the LDR Unit is a 24-hour intensive care department that requires physicians who can be at the bedside in a moment's notice such offices will be included in this space.

Locating the LDR Unit in a building adjacent to Comer Hospital achieves several critical adjacencies. First, there is a direct connection between the CCCSC's 3rd Floor, where the LDR Unit would be situated, and Comer Hospital. UCMC's Level II and Level III NICU's are located on the 2nd Floor of Comer Hospital which will expedite the transport of any newborns who need these levels of care. Neonatologists will also be close by to attend to infants upon delivery, in the new LDR Unit. UCMC's pediatric OR's, which are also located on the Comer Hospital's 3rd Floor, will also be within a few feet of the new LDR Unit. This placement will help in situations in which both C-section rooms are in use and an OR is required for delivery, or when a pediatric surgeon must be in the C-section room to attend to the infant upon delivery. The perioperative services, which are located next to Comer Hospital, would also be much closer to the LDR Unit than in its present location. Another benefit is that the high risk Obstetrics clinic is located on the 3rd Floor of the Duchossois Center for Advanced Medicine, which is connected to Comer Hospital by a bridge, which in turn is connected directly to the CCCSC where the new LDR Unit would be located. Women could, therefore, go directly from the high risk OB clinic to the LDR Unit for observation or delivery, which is frequently the case.

The proposed LDR Unit also overcomes deficiencies of the current LDR Unit in Mitchell Hospital. A decade after Mitchell Hospital was constructed in 1983, combined labor and delivery rooms were constructed as an improvement over separate labor rooms and delivery rooms. Originally such combined rooms were approximately 190 nsf, and were replaced, around 2006, by LDR rooms that averaged 341 nsf. These rooms were located in the space vacated by UCMC's NICU when it was moved to Comer Hospital in 2005. The result is that UCMC's current LDR Unit is sprawling, with the key clinical areas not configured in a tight pattern for quick access from triage to ante natal to LDR. The Project's proposed layout is built in a square shell area that will allow for a much more efficient layout.

While plans are tentative, a likely use of the vacated space in Mitchell Hospital is a consolidated simulation laboratory for training clinical staff. Presently there are several location for simulation training, not all of which are convenient to physicians and nursing staff and a consolidated training are would, therefore, be beneficial.

Section IV, Size of Project

Attachment 14

Department	Room Type	Quantity	Unit SF	Extended SF	DGSF
Clinical Areas - Reviewable					
Labor Delivery Recovery					
	Waiting/Reception				
	Reception	1	102	102	
	Storage	1	92	92	
	Toilet	1	39	39	
	Vending	1	91	91	
	Waiting	1	345	345	
	Circulation		712	712	
	Interior Partitions		77	77	
					1,458
	Ante Partum				
	Alcoves	6	19	116	
	Ante/Post Partum	5	272	1,360	
	Toilet (in-room)	5	57	285	
	Nurse Station	1	150	150	
	Other Support			548	
	Circulation		1,312	1,312	
	Interior Partitions		211	211	
					3,982
	Pre/Post Partum				
	Triage	5	100	500	
	Toilets	3	64	192	
	Storage	3	89	267	
	Other Support			44	
	Circulation			1,169	
	Interior Partitions			121	
					2,293
	LDR				
	LDR Rooms	9	362	3,258	
	Patient Toilet	9	56	504	
	Nurse Station	1	196	196	
	Manager Office	1	97	97	
	Break Room	1	129	129	

	Other Support		239	
	Circulation		1,630	
	Interior			
	Partitions	338	338	
				6,391
Labor Delivery				
Recovery Total				14,124

C-Section

	C-Section			
	C-Section OR	2	671	1,341
	Anesthesia			
	Rooms	2	92	184
	Staff Lockers	2	148	296
	Staff Toilets	2	47	93
	OR Supply	1	242	242
	Other Support			155
	Circulation		667	667
	Interior			
	Partitions	166	166	
				3,144
	PACU			
	Recovery	2	70	140
	Nurse Station	1	82	82
	Lab	1	39	39
	Other Support			135
	Circulation			232
	Interior			
	Partitions	35	35	
				663
C-Section Total				3,807

**Total Clinical
Reviewable 17,931**

Non-Clinical Areas - Not Reviewable

Staff/Support

Education

Conference			
Room	1	410	410
Education	1	218	218
MD Office	1	87	87
Interior			
Partitions		40	40

					755
On Call					
	Anesthesiologist	2	83	165	
	Fellow	1	128	128	
	Obstetrician	1	115	115	
	Toilet	2	70	140	
	Circulation			65	
	Interior				
	Partitions			34	
					647
Support					
	Linen Chute	1	58	58	
	Storage	1	45	45	
	Trash	1	54	54	
	Support				
	Corridor			1,396	
	Interior				
	Partitions			87	
					1,640
Staff/Support Total					3,042
Building Systems					
Mechanical/Electrical					
	Electrical				
	Rooms	2	147	293	
	BAS	1	90	90	
	Voice/Data	1	141	141	
	Shafts	7	92	645	
	Interior				
	Partitions		65	65	
	Exterior walls		1,724	1,724	
					2,958
Stairs/Elevators					
	Elevators	2	202	403	
	Staircases	2	368	736	
	Interior				
	Partitions		64	64	
					1,203
Building Systems Total					4,161
				Total Non-Clinical	
				Nonreviewable	7,203
				Grand Total	25,134

Section IV, Project Services Utilization

Attachment 15

Section 1110.234 (b) Project Services Utilization

1. LDR Rooms

UTILIZATION					
	DEPT./ SERVICE	HISTORICAL UTILIZATION (Deliveries)	PROJECTED UTILIZATION (Deliveries)	STATE STANDARD	MET STANDARD?
	LDR	(400/LDR)		400	
2008		2,013			
2009		2,098			
2010		1,600			
2011		1,572			
2012		1,553			
2013		1,799			
2014			1,916		
2015			2,040		
2016			2,173		
2017			2,314		
2018			2,465		No

The Project would relocate all 8 of UCMC's existing LDRs and add 1 additional LDR, for a total of 9 LDRs. The State standard is 400 deliveries annually per LDR room, which would require 3,600 annual deliveries by 2018, the second full year of operation after the Project's completion. Although projected utilization is 2,465 deliveries by 2018, which is less than the State Standard, given that UCMC cares for an inordinate amount of high risk expectant mothers and is a key Level III hospital in a Perinatal Network, UCMC believes that the number of LDR rooms being requested is justified.

The table below summarizes some key statistics that demonstrate the high risk nature of the patients treated by UCMC's LDR Unit. The UCMC's incidence rates are for 2013 and U.S. statistics are from several sources and for the most part recent years.

UCMC's rates of preeclampsia are double the national average. Preeclampsia is a complication characterized by high blood pressure and signs of damage to another organ system, often the kidneys. If untreated it can lead to serious, sometimes fatal, complications for the mother and baby. Pre-term labor is seen in 24% of UCMC's LDR patients versus 12.5% in the U.S. Pre-

term premature rupture of membranes (“PPROM”) occurred in 21% of UCMC’s patients compared to a national incidence of just 3%. PPROM carries the risk of infection to the mother and/or baby and can lead to pre-term labor and delivery. The rate of diabetes among UCMC’s expectant patients is 8.5% versus a range for the U.S. of between 0.65% of expectant mothers with chronic diabetes and 4.6% with gestational diabetes. Chronic hypertension among UCMC’s expectant patients is 7.3% versus 1.1% nationally. Hypertension caused by pregnancy occurred among 20.1% of UCMC’s expectant patients versus 8% nationally. Diabetes and hypertension often are associated with extreme obesity, a condition many of UCMC’s patients exhibit which alone is a complicating factor during pregnancy and delivery. Intrauterine Infant Death (“IUFD”) occurs at a rate of 2% at UCMC versus 0.68% nationally. At UCMC, the percent of patients requiring induction of labor was 29.4% versus 19.4% nationally. Similarly, the percent of UCMC obstetrics patients morbidly and super obese with Body Mass Index 40 and higher totaled 19% versus a national average of 8%.

While UCMC was unable to find suitable U.S. statistics for the next two measures discussed, they serve as obvious indicators of high risk cases. Nearly 35% of patients come to UCMC unregistered, meaning they have not been seen by UCMC’s physicians during the previous 9 months. If they arrive in labor, the risks are high since the physicians must work quickly to assess the patient’s condition and anticipate any difficulties during delivery. Otherwise, a significant amount of testing must be accomplished to properly triage the patient and provide the best care. Patients who received no or late prenatal care present similar challenges for a successful, healthy outcome. At UCMC 6.4% of patients presented with little or no prenatal attention.

Indicators of High Risk			
Condition	Incidence		
	UCMC	United States	
Preeclamsia	6.8%	3.4%	
Pre-Term Labor	23.7%	12.5%	
PPROM<37 weeks	21.1%	3.0%	
Diabetes	8.5%	0.65 - 4.06%	(chronic - gestational)
Chronic Hypertension	7.3%	1.1%	
Hypertension-pregnancy	20.1%	8.0%	
IUFD>= 20 weeks	2%	0.68%	
Induction of labor	29.4%	19.4%	
Obese measured by BMI:			
- Morbidly obese (40-50)	12.0%	8.0%	
- Super obese (>50)	7%		
Unregistered patients	34.6%	?	
Late or no prenatal care	6.4%	?	

Another indicator of the complexity of UCMC's obstetrical patients is revealed by analyzing billing records. 41.2% of UCMC's expectant patients were billed for vaginal delivery with complications and C-sections with complications. This compares to a rate of 20.8% for all Illinois hospitals.¹ The length of time spent in UCMC's LDRs for these complex patients was just under 28 hours versus 15 hours for non-complex patients. Similarly, complex patients spent an average of 12:08 hours in antepartum rooms versus 4:41 hours for non-complex patients. Including time spent in the C-section rooms, OR and time in triage, the total average time for UCMC's complex patients was 29:46 hours versus 17:06 for non-complex patients. Thus, UCMC's higher proportion of complex patients requires more treatment rooms to accommodate these longer times. This measure of complexity is conservative because it does not include the high risk patients with difficult comorbidities whose deliveries do not have complications.

UCMC is also part of a Chicago area Perinatal Network. As one of the network members that is designated Level III, offering all perinatal services, it receives transfers of expectant mothers, sometimes by helicopter, often by ground ambulance, who need high level services for difficult pregnancies. The network is comprised of UCMC, Edward Hospital, Adventist Hinsdale Hospital, Little Company of Mary Hospital, Presence St. Mary's Hospital and Riverside Medical Center (both in Kankakee), Adventist Bolingbrook Hospital, Adventist Glen Oaks Medical Center, Adventist LaGrange Memorial Hospital, MacNeal Memorial Hospital, Ingalls Memorial Hospital, Mercy Hospital & Medical Center, and South Shore Hospital. There are regular occasions when UCMC cannot accept requested transfers of high risk patients because all of its LDRs are occupied. By increasing the number of LDRs by 1, to 9 total, UCMC hopes to remedy this untenable situation.

UCMC is also the only tertiary level hospital in the South Side of Chicago and Planning Area A-03. Many of the community areas UCMC serves exhibit rates of poverty and disease and other unfavorable demographic characteristics that are among the highest of any areas in Illinois. Since 1985, 7 of the 16 hospitals in Planning Area A-03 have closed and there has been a decrease of 56% of inpatient beds in this community. While some of this diminution of resources reflects a shedding of excess capacity, much of the loss can be attributed to the high level of poverty and its impact on hospital viability. The difficult circumstances in much of Planning Area A-03 is exhibited in the high risk condition of expectant women who come to UCMC for care. Over 69% of UCMC's LDR patients in the past year resided in its primary service area, which corresponds closely with Planning Area A-03. Over 65% of patients treated by UCMC's LDR Unit last year were Medicaid, charity, or self-pay patients. While UCMC incurred losses of \$6 million dollars for its LDR services, it is nevertheless proposing a slight expansion and complete modernization of its LDR Unit. Improved configuration and a slight capacity increase will enable UCMC to provide care to increased numbers of high risk patients.

¹ The MSDRGs used in the analysis are 765 and 774.

UCMC is committed to improving access to vital LDR services and is taking steps to reverse the downward delivery trend. UCMC estimates that it will have 2,465 deliveries annually by 2018. UCMC is engaged in a variety of activities to help increase delivery rates. First, UCMC is recruiting a new chief of Fetal and Maternal Medicine and UCMC fellows will begin performing deliveries for three months each year to boost physician capacity. UCMC is also establishing an additional high risk clinic and a medical office building will be opened in Hyde Park that will provide primary care services, including obstetrics. UCMC replaced one major insurance company that did not cover obstetrical care at UCMC with a new company that does. Next year it is expected that the University of Chicago will make a similar change. UCMC is exploring ways in which it can provide support to community hospitals that have been designated as Accountable Care Entities for obstetrical services, including, without limitation, by being able to provide medical care to their overflow patients. Finally, UCMC is working on academic appointments for 3 obstetricians at a neighboring FQHC clinic to deliver their obstetrics patients at UCMC. These and other activities will help restore the number of deliveries performed at UCMC to the levels previously seen.

Calculation of Number of LDR Rooms Needed						
<u>Delivery Type</u>	<u>Avg. Time Per Procedure (Hrs)</u>	<u>2013</u>	<u>2018</u>	<u>Hours in 2018</u>	<u>Rooms at 100%</u>	<u>Rooms at 60%</u>
Induction	36.0	551	927	33,371		
Natural	12.0	750	856	10,268		
LDR subtotal				43,639	5.0	8.3
C-Section	2.5	498	682	1,706	round up	9.0
		1,799	2,465			

To determine the number of LDRs that were needed, UCMC estimated the number of hours a patient occupied an LDR depending on whether labor and delivery was induced or whether it was a natural delivery. The estimate was based on the present practices of UCMC's LDR Unit. The proportion of induction deliveries is expected to increase from 42.3% in 2013 to an estimated 52.3% by 2018 as UCMC's proportion of high risk cases continues to grow. Multiplying the number of patients by the average time in the room produces 43,639 hours of room time in 2018, the second year after the Project's completion. Given that there are 8,760 hours per year, per LDR (24 hours per day x 365 days per year), if patients were to arrive at precise times so that LDRs could be used at maximum efficiency, there is a need for 5 LDRs. In reality expectant patients do not arrive according to a schedule, and there will be peaks and valleys for when patients arrive to deliver.

While the State has a standard for the number of delivers per LDR, it does not have a comparable utilization rate. As a result, UCMC, based upon the recommendations of Christner, Inc.,² calculated its LDR need based upon 60% utilization, which is equivalent to the State's utilization rate for ICU bed use. ICU's tend to be smaller units and serve the most critically ill patients so a lower utilization standard is employed since it is more important that a bed be available even during surge periods for such a vital service. Using the same logic, LDRs are relatively small in terms of number of rooms and room availability is a priority. This is especially the case for the many high risk obstetrics patients seen at UCMC, where the well-being of the mother and/or infant is at risk. Applying the 60% factor to 5 rooms at 100% utilization produces a need for 8.3 rooms. Rounding up to the next highest digit, as is the CON application convention, produces a need for 9 LDR rooms, the number proposed.

2. C-Section Rooms

UTILIZATION					
	DEPT./ SERVIC E	HISTORICAL UTILIZATION (Deliveries)	PROJECTED UTILIZATIO N (Deliveries)	STATE STANDARD	MET STANDARD ?
	C-Section	(800/OR)		800	
2008		585			
2009		639			
2010		510			
2011		454			
2012		502			
2013		498			
2014			530		
2015			565		
2016			602		
2017			641		
2018			682		No

UCMC currently has 2 C-section rooms and the Project proposes 2 additional C-Section rooms. The State standard is one C-section room for every 800 deliveries. UCMC projects 682 C-sections by 2018, assuming the same ration of C-section to deliveries as seen in 2013. This amounts to 341 C-section per room for the second year after Project completion. While this is far below the standard of 800 per room, UCMC believes that a 2nd room is required in the event two patients simultaneously need a C-section. Given the large number of high risk patients treated by UCMC, having a C-section room available when

² Christner, Inc. is a collaborative design and architecture firm that services many healthcare and hospital clients.

needed is essential. While C-sections can be scheduled, there often are problems that arise where natural delivery is not possible and a C-section must be performed immediately in order to safely deliver the baby and safeguard the mother's well-being. Among the large high risk population served by UCMC, there are many who are morbidly obese and require much longer times in C-section rooms. While in an extreme emergency a regular OR could be used, moving obstetricians away from the LDR Unit is not good clinical practice since there are often other acutely ill or laboring patients in the LDR Unit who require an obstetrician nearby. There is also the problem of not having the specialized equipment for deliveries available a standard OR.



THE UNIVERSITY OF
CHICAGO
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July 8, 2014

Ms. Courtney R. Avery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

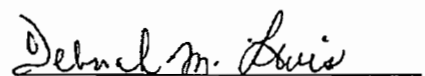
Re: University of Chicago Medical Center Permit Application – Assurance Regarding
Utilization Projections

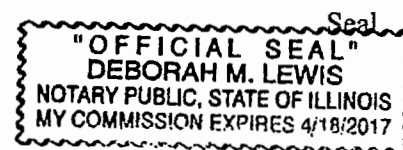
Dear Ms. Avery:

This letter attests that if this Project is approved by the Illinois Health Facilities and Services Review Board, University of Chicago Medical Center ("UCMC") reasonably expects to achieve and maintain the utilization projections we set forth in this application by the second year of operation after project completion. Our ability to achieve or maintain this utilization level could be affected by various factors, however, such as natural disasters, regulatory changes in healthcare, interruption of necessary utilities, physical plant problems, or other unexpected issues outside of our control. Even in the event of such factor(s), which could have a direct or indirect effect upon our utilization rates, we believe that the project is a clinically responsible course of action.


Sharon O'Keefe
President

Notarization:
Subscribed and sworn to before me
This 8th day of July, 2014


Signature of Notary Public



ATTACHMENT 15

Section VII, Clinical Service Areas Other Than Categories of Service

Attachment 34

Section 1110.3030(d)

1. Deteriorated Facilities

UCMC's current LDR Unit is located in its existing adult, acute care hospital – Mitchell Hospital – which was built in 1983. In the 31 years since Mitchell Hospital was built, birthing facilities have evolved from separate labor rooms and delivery rooms to combined labor and delivery rooms with some home-like décor, to LDR rooms that are much larger and more inviting for the patient and family members. In fact, the current LDRs were constructed in space previously occupied by UCMC's Level III NICU beds that moved to Comer Hospital in 2005. This steady change in facilities in Mitchell Hospital has resulted in an inefficient and meandering space configuration for UCMC's current LDR Unit. This layout presents physical limitations that cannot be economically or effectively overcome.

The Standards for operating rooms have also changed. The small size of UCMC's existing operating rooms means that infants have to be brought to another room for any necessary resuscitation. The larger operating rooms in the new LDR Unit will provide space for in-room resuscitation of infants by pediatricians. This will help reduce parental anxiety, which currently occurs when the mother and baby are separated at birth.

The current unit is sprawling, with the important clinical areas not configured in a tight pattern for quick access and efficient flow from triage rooms to ante natal rooms to the LDRs. In the new LDR Unit, triage patients sent to “walk” before their next cervical check will be able to walk the perimeter of the unit, rather than having to ambulate through other patient care areas as they do now. With the new design, the triage rooms will also be closer to the operating rooms, allowing for easier transport of patients who need to deliver emergently.

Although careful consideration was given to renovating Mitchell Hospital's existing LDR Unit, the current floor plan does not lend itself to appropriate renovation or provide sufficient square footage for key rooms, including operating rooms, to meet the needs of UCMC's caregivers or patients. As planning progressed, it was apparent that such renovations would be complicated, requiring multiple phases, in order to permit the LDR Unit to remain operational during renovations. When work is segmented in this way, it takes longer and costs more. Thus the cost of this option would have been \$23 million, or \$6 million dollars more than the proposed Project. Given the higher cost and the fact that the current location would still not resolve important issues with the current space, such as the fragmentation of key assets and the spread of highly skilled resources across locations far from Mitchell Hospital, this alternative was rejected.

While Mitchell Hospital still suffices for other high quality medical care services, the needs of patients and their families with respect to LDR services have changed. The

current LDR Unit is sprawling, with the important clinical areas not configured in a tight pattern for quick access and efficient flow from triage rooms to ante natal rooms to the LDRs. The new LDR Unit would overcome current deficiencies in Mitchell Hospital. The physical layout of the proposed LDR Unit is designed in a square shell area to maximize patient safety, comfort and convenience, and to improve workflow efficiency and collaboration among providers. A few of the other features of the new LDR Unit are as follows:

- In the current LDR Unit, providers for Obstetrics, Nursing and Anesthesiology have separate administrative work areas. The new LDR Unit will have a common work area for providers, fostering improved communication and less “silos” of care. The work space will be located in closer proximity to the LDRs and ORs.
- The new LDR Unit will have an open footprint for triage rooms with a centralized nursing station to provide greater visibility of patients.
- Triage and recovery beds will be located in the same area of the new LDR Unit to allow for more efficient staffing models for the nurses.
- The new LDR Unit will have three nurse stations, instead of one, allowing for easier visibility and accessibility of nursing patients.

The 3rd Floor location at Comer Hospital will allow UCMC to group more related functions together and offers clinical adjacencies advantageous to patient care. Through a pedestrian bridge, the 3rd Floor of Comer Hospital adjoins the obstetric clinic in UCMC’s outpatient ambulatory care center, which means that expectant mothers who may need to be hospitalized following routine office visits can be more easily accommodated. The location is also in close proximity to procedural, perioperative and other ancillary areas, including UCMC’s blood bank, pharmacy, and other Comer Hospital ORs. It is also near UCMC’s adult ICUs where medically complex, undelivered obstetric patients are frequently monitored. The proposed location shortens distances not just for obstetricians and maternal fetal medicine physicians to respond to medical emergencies in undelivered patients, but also for the neonatologists who are often required to be present during complicated, high-risk births. The Level II and Level III NICUs in Comer Hospital will also be just one floor away, which means that babies who need special care immediately after birth will no longer have to be transported to a different building across two long pedestrian bridges.

From a patient’s perspective, the new LDRs and operating rooms would be large enough to comfortably share the birth experience with the most important people in their life, as well as the numerous pieces of equipment and the number of providers who all work at the bedside in a teaching hospital.

2. Necessary Expansion

Through this Project, UCMC proposes to increase its LDRs to nine (9) and its triage rooms to five (5), up one from its current eight and four, respectively, and to increase the size of its LDR Unit's operating rooms. While the overall square footage of the new unit will remain about the same, the configuration of the new space is more logical and efficient. The Project is designed to better meet the unique clinical needs of UCMC's obstetric population, which is medically complex and unpredictable, with heavy reliance on triage and extended lengths of stay, and to accommodate future growth.

Many of UCMC's obstetric patients are high-risk and high-acuity, with multiple comorbidities, including rates of diabetes, hypertension, and obesity up to eight times the national average. While the average rate of deliveries with clinical complications (*e.g.*, multiple gestational diagnoses, pre-term labor, breech presentation), as defined by MS-DRG, in Illinois hospitals is 20.8%, deliveries with complications comprise 41.2% of UCMC's patient population. These complicated patients remain in the triage, ante partum rooms and LDRs longer because of their unstable condition and need for ongoing monitoring. In fact, because their condition is often so precarious, these expectant mothers cannot be cared for anywhere else in the hospital. As a result, the average length of stay for complicated patients in UCMC's LDRs is almost double that of UCMC's uncomplicated patients and its LDRs are frequently full. For these and other reasons UCMC has had to adopt a different approach to planning its new LDR Unit.

The Project is also necessary to accommodate the unpredictable flow in peak periods. In general, the vast majority of patients arriving at a hospital in need of obstetrical care are not scheduled in advance. Rather, patients arrive in an unscheduled or random way that is not equally spaced over the day, the week, or the year. This is even more so for UCMC where nearly 35% of UCMC's obstetric patients are walk-in, most of whom have had little to no prenatal care and rely upon obstetric triage, often late in their pregnancies, instead of regularly scheduled prenatal care. In fact, while obstetric triage is typically where patients go when they feel impending signs of labor, the number of triage visits at UCMC has already exceeded the number of deliveries by 1,548 for the most recent ten (10) month period. Additionally, even with electronic medical records that allow the exchange of health information between facilities, it takes more time to safely provide obstetric care to expectant mothers who have not been previously seen by UCMC's obstetricians.

As one of only ten designated Perinatal Centers in Illinois, UCMC is a regional referral center for women with high-risk pregnancies. The inefficiencies in UCMC's existing LDR Unit, along with the underlying complexity of its patients and the lengthy stays that result, UCMC is sometimes forced to either delay access to care for these patients or to deny transfers when LDRs or other appropriate beds are not available. This affects not just those patients in UCMC's community, but also patients as far south as Kankakee and communities, including Harvey, Clifton and Hazel Crest to whom UCMC also has a responsibility. As a Perinatal Center with advanced resources for mothers and babies and the only hospital on the South Side of Chicago with Level III NICU Services, UCMC has a primary obligation to accept transfers from community hospitals within its network, which makes this situation far from optimal and one that cannot responsibly be sustained.

An additional LDR and triage room is also required for UCMC to better accommodate anticipated growth. UCMC projects that its number of deliveries will rise to approximately 2,465 annually in the next five years based upon a combination of factors, such as improvement in the throughput and efficiency of its use of the reconfigured LDR Unit, the recruitment of a new Chief of Maternal Fetal Medicine, and the addition of more obstetric and high-risk prenatal clinics.

3. **Utilization**

The critical nature of UCMC's obstetrics practice and corresponding longer lengths of stay warrant a higher number of LDRs to ensure availability much the same way that additional ICU beds are needed to ensure availability. As a result, this Project would increase the number of LDRs from eight (8) to nine (9) and the triage rooms from four (4) to five (5). The number of operating rooms would remain the same. With a more efficient design that minimizes patient and caregiver movement and an additional LDR and triage room, the new LDR Unit will better accommodate UCMC's complex obstetric patients and the expected growth to 2,465 deliveries per year in the next five years.

The table below summarizes some key statistics that demonstrate the high risk nature of the patients treated in UCMC's LDR Unit.

Indicators of High Risk		
Condition	Incidence	
	UCMC	United States
Preeclamsia	6.8%	3.4%
Pre-Term Labor	23.7%	12.5%
PPROM<37 weeks	21.1%	3.0%
Diabetes	8.5%	0.65 - 4.06% (chronic - gestational)
Chronic Hypertension	7.3%	1.1%
Hypertension-pregnancy	20.1%	8.0%
IUFD>= 20 weeks	2%	0.68%
Induction of labor	29.4%	19.4%
Obese measured by BMI:		
- Morbidly obese (40-50)	12.0%	8.0%
- Super obese (>50)	7%	
Unregistered patients	34.6%	?

While the average rate of deliveries with clinical complications (e.g., multiple gestational diagnoses, pre-term labor, breech presentation), as defined by MS-DRG, in Illinois hospitals is 20.8%, deliveries with complications comprise 41.2% of UCMC's patient population.³ The length of time spent in the LDR rooms for these complex patients was just under 28 hours versus 15 hours for non-complex patients. Similarly, complex patients spent an average of 12:08 hours in antepartum rooms versus 4:41 hours for non-complex patients. Including time spent in the C-section room, OR and time in triage, the total average time for UCMC's complex patients is 29:46 hours versus 17:06 for non-complex patients. Thus, UCMC's high proportion of complex patients requires more treatment rooms to accommodate these longer stay times.

UCMC is a Perinatal Network Center and is responsible for providing the highest level of care to maternal and neonatal high-risk patients to the twelve other hospitals within its region. UCMC receives transfers of expectant mothers, sometimes by helicopter, often by ground ambulance, who need high level services for difficult pregnancies. There are regular occasions when UCMC cannot accept requested transfers of high risk patients because all of its LDRs are occupied. Reconfiguring the LDR Unit into a more efficient layout and including a modest increase in size will minimize this occurrence.

UCMC is also committed to improving access to high-quality prenatal care in its community and expects its volume to grow over the next five years based upon several factors. First, UCMC is recruiting a new chief of Fetal and Maternal Medicine and UCMC Fellows will begin performing deliveries for three months each year to boost physician capacity. UCMC is also establishing an additional high risk clinic and a medical office building will be opened in Hyde Park to provide primary care services, including obstetrics. UCMC has replaced one major insurance company that did not cover obstetrical care at UCMC with a new company that does, which will cover nearly 6,500 employees. Next year it is expected that the University of Chicago will make a

³ The MS-DRGs used in the analysis are 765 and 774.

similar change. UCMC is exploring ways in which it can provide support to community hospitals that have been designated as Accountable Care Entities for obstetrical services, including, without limitation, by being able to provide medical care to their overflow patients. Finally, UCMC is working on academic and medical staff appointments for three obstetricians at a neighboring FQHC clinic to allow them to deliver their patients at UCMC.

Although the State's standard is 400 annual deliveries per LDR, which would require 3,600 annual deliveries by 2018, UCMC's projected utilization over this time period is 2,465 deliveries. While this is less than the State standard, UCMC believes that its request for an additional LDR is justified because of its high volume of expectant mothers with clinical complications whose length of stay in LDRs is double that of the general obstetric population. Moreover, UCMC is a key Perinatal Hospital with a Level III NICU and the region's Perinatal Center, and it also anticipates future growth.

Calculation of Number of LDR Rooms Needed						
<u>Delivery Type</u>	<u>Avg. Time Per Procedure (Hrs)</u>	<u>2013</u>	<u>2018</u>	<u>Hours in 2018</u>	<u>Rooms at 100%</u>	<u>Rooms at 60%</u>
Induction	36.0	551	927	33,371		
Natural	12.0	750	856	10,268		
LDR subtotal				43,639	5.0	8.3
C-Section	2.5	498	682	1,706	round up	9.0
		1,799	2,465			

To determine the number of LDRs that were needed, UCMC estimated the number of hours patients occupied an LDR depending on whether labor and delivery was induced or natural. The proportion of induction deliveries is expected to increase from 42.3% in 2013 to 52.3% by 2018 as the proportion of high risk cases grows. Multiplying the number of patients by the average time in the room produces 43,639 hours of room time in 2018, the second year after Project completion. Given 8,760 hours per year, per room (24 hours per day x 365 days per year), UCMC would only need five (5) LDRs if all obstetric patients were to arrive at scheduled times. In reality, expectant patients arrive in an unscheduled or random way which is not equally spaced over the day, the week, or the year, yet it is critically important for a bed to be available for obstetric patients that present to UCMC during peak periods.

While the State has a standard for the number of delivers per LDR, it does not have a comparable utilization rate. As a result, UCMC, based upon the recommendations of Christner, Inc.,⁴ calculated its LDR need based upon 60% utilization, which is equivalent to the State's utilization rate for ICU bed use. ICUs have many characteristics in common with LDRs: They have a limited number of beds to serve the most critically ill patients, and there is a high value placed on having a bed available when a patient need arises. This is especially the case for the many high risk obstetrics patients seen at UCMC, where the well-being of the mother and/or infant is at risk. Applying the 60% factor to 5 rooms at 100% utilization produces a need for 8.3 rooms. Rounding up to the next highest digit, as is the CON application convention, produces a need for nine (9) LDR rooms, the number proposed.

⁴ Christner, Inc. is a collaborative design and architecture firm that services many healthcare and hospital clients.

C-Section Rooms

UTILIZATION					
	DEPT./ SERVICE	HISTORICAL UTILIZATION (Deliveries)	PROJECTED UTILIZATION (Deliveries)	STATE STANDARD	MET STANDARD?
	C- Section	(800/OR)		800	
2008		585			
2009		639			
2010		510			
2011		454			
2012		502			
2013		498			
2014			530		
2015			565		
2016			602		
2017			641		
2018			682		No

There are presently two (2) operating rooms for C-sections, and there are two (2) operating rooms proposed in the Project. The State standard is one C-section room for every 800 deliveries. We project 682 C-sections by 2018, assuming the same ratio of C-section to deliveries as seen in 2013. This amounts to 341 C-section per room for the second year after Project completion. While this is below the standard of 800 per room, UCMC believes that a 2nd room is necessary to ensure high standards of clinical care and safety in the event that two patients simultaneously need a C-section, especially with the large number of high risk patients treated by UCMC's LDR Unit. Further, at UCMC, the average length of stay in an operating room for a C-Section patient with clinical complications is more than two (2) hours longer than the average length of stay for a patient without such complications. While C-sections can be scheduled, C-sections frequently must be performed emergently to safely deliver the baby and to safeguard the mother's well-being.

Section VIII, Availability of Funds

Attachment 36

UCMC's financial statements for the years June 30, 2011, 2012 and 2013 were previously provided in Permit Application 14-013 and these financial statements remain the most current. Consistent with Review Board rules, we incorporate these previously filed financial statements by this reference.

Section IX, Financial Viability

Attachment 37

UCMC's most recent bond ratings from Standard & Poor (AA-) and Moody's (As3) are attached.

ATTACHMENT 37

MOODY'S

INVESTORS SERVICE

7 World Trade Center
250 Greenwich Street
New York, NY 10007
www.moody's.com

November 8, 2013

Mr. James Watson
Chief Financial Officer
The University of Chicago Medical Center
Room M-116, MC 1111
5841 S. Maryland
Chicago, IL 60637-0970

Dear Mr. Watson:

We wish to inform you that Moody's Investors Service has affirmed The University of Chicago Medical Center's Aa3 rating on bonds issued through the Illinois Finance Authority and Illinois Health Facilities Authority. The outlook is revised to negative.

Moody's will monitor this rating and reserves the right, at its sole discretion, to revise or withdraw this rating at any time.

The rating as well as any other revisions or withdrawals thereof will be publicly disseminated by Moody's through the normal print and electronic media and in response to verbal requests to Moody's rating desk.

In order for us to maintain the currency of our rating, we request that you provide ongoing disclosure, including annual and quarterly financial and statistical information.

Should you have any questions regarding the above, please do not hesitate to contact me.

Sincerely,



Mark Pascaris
Vice President/Senior Analyst
Phone: 312-706-9963
Fax: 212-298-6377
Email: mark.pascaris@moodys.com

MP:rl

cc: Ms. Ann McColgan, Vice President & Chief Treasury Officer, The University of Chicago Medicine
Mr. Mark Melio, Melio & Company
Ms. Beth Chevalier, Melio & Company

ATTACHMENT 37

RatingsDirect®

Illinois Finance Authority University of Chicago Medical Center; Hospital; Joint Criteria

Primary Credit Analyst:

Brian T Williamson, Chicago (1) 312-233-7009; brian.williamson@standardandpoors.com

Secondary Contact:

Suzie R Desai, Chicago (1) 312-233-7046; suzie.desai@standardandpoors.com

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Rationale

Outlook

Enterprise Profile

Financial Profile

Related Criteria And Research

Illinois Finance Authority

University of Chicago Medical Center; Hospital; Joint Criteria

Credit Profile		
Illinois Fin Auth, Illinois		
University of Chicago Med Ctr, Illinois		
Series 2003		
Unenhanced Rating	AA-(SPUR)/Stable	Affirmed
Series 2009D1-2		
Unenhanced Rating	AA-(SPUR)/Stable	Affirmed
Long Term Rating	AAA/A-1	Affirmed
Series 2009E-1 & E-2		
Unenhanced Rating	AA-(SPUR)/Stable	Affirmed
Long Term Rating	AAA/A-1	Affirmed
Series 2011C & 2012A		
Long Term Rating	AA-/Stable	Affirmed

Rationale

Standard & Poor's Ratings Services affirmed its 'AA-' long-term rating and underlying rating (SPUR) on the Illinois Finance Authority's (IFA) series 2003, 2009A, 2009B, 2009C, 2009D, 2009E, 2011C, and 2012A bonds issued on behalf of the University of Chicago Medical Center (UCMC). The outlook is stable.

In addition, Standard & Poor's affirmed its 'AAA/A-1' rating on IFA's series 2009E-1 and 2009E-2 variable-rate demand revenue refunding bonds also issued on behalf of UCMC. The rating on the series 2009E-1 and 2009E-2 is based on the joint support of irrevocable, direct-pay letters of credit (LOCs) provided by JPMorgan Chase Bank N.A. (A+/A-1) and the pledged support of UCMC.

The ratings reflect our view of UCMC's solid enterprise profile, as evident in admissions growth of more than 10% during the past two years coupled with solid operations for unaudited fiscal 2013. The ratings also reflect our view of UCMC leadership's ability to complete the construction and opening of the Center for Care and Discovery on time and on budget. As the leadership has made the transition into the new hospital, UCMC operations have been on par with what the team shared with us for fiscal 2013. However, UCMC's budget calls for a softer fiscal 2014 after accounting for the expenses associated with operating the Center for Care and Discovery for a full fiscal year. If UCMC performs at the budgeted level for 2014, the outlook and/or rating could come under pressure.

The ratings further reflect our opinion of UCMC's:

Section X, Economic Feasibility

Attachment 39

A. Reasonableness of Financing Arrangements.

1. The Project will be financed through cash on hand. A letter attesting to the reasonableness of the financing arrangement is attached.

B. Conditions of Debt Financing.

2. This Project is being paid for through cash and securities and therefore, these criteria do not apply.

C. Reasonableness of Project and Related Costs.

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below)	A B Cost/Sq. Foot		C D Gross Sq. Ft.		E F Gross Sq. Ft.		G Const. \$	H Mod. \$	Total Costs
	New	Mod.	New	Circ.	Mod	Circ.	(A x C)	(B x E)	(G + H)
Reviewable:									
Labor Delivery Recovery	\$384.17		14,124				\$5,426,080		\$5,426,080
C-Section	431.94		3,807				1,644,412		1,644,412
Reviewable Total	\$394.32		17,931	25%			7,070,492		7,070,492
Non-reviewable:									
Bldg. Systems	260.79		4,161				1,085,139		1,085,139
Staff/Support	270.67		3,042				823,369		823,369
Non-reviewable Total	\$264.96		7,203	0%			1,908,508		1,908,508
Contingency	\$34.81						875,000		875,000
TOTALS	\$392.06		25,134	18%			\$9,854,000		\$9,854,000

State \$/SF Standard - 4/14/14: From Board staff	
State \$/sf 1/1/14	\$410
Zip code adjustment - 60462	1.0300
Inflation to 9/1/15 midpoint	1.0505
Weighted Intensity	1.1038
Adjusted \$/sf standard	\$490
Reviewable \$/sf Total	\$394
Project Clinical+Conting. only	\$433

Calculated by applicant

Clinical Areas:	<u>Factor</u>	<u>DGSF</u>	<u>Example</u>	<u>Weighting</u>
Acute Care Beds	1.07	6,391	LDR	6,838
Diag & Therapeutic (High)	1.23	3,144	C-Section	3,867
Diag & Therapeutic (Medium)	1.11	6,938	Antepartum	7,701
Public Amenities	0.95	1,458	Reception/waiting	1,385
	1.1038	17,931		19,791

D. Project Operating Costs.

	<u>LDR</u>	<u>C-Section</u>	
Compensation	4,313,420	1,920,282	
Supplies	532,303	236,975	
Services and Other	129,995	57,872	
Total Operating Costs	4,975,718	2,215,128	
Workload Units (deliveries, c-sect.)	2,465	682	For 2018
Annual Operating Cost Per Unit	\$2,019	\$3,248	

2014 dollars

E. Total Effect of Project on Capital Costs.

These operating costs reflect the total operating costs for these services and not additional costs resulting from the Project

	<u>Year 2016</u>
Annual Depreciation	\$1,047,270
Equivalent Patient Days	514,181
Capital Cost Per Equivalent Day	\$2.04

July 8, 2014

Ms. Courtney Avery

Administrator

Illinois Health Facilities and Services Review Board

Re: The University of Chicago Medical Center, Reasonableness of Financing
Arrangements 1120.140(a)(1)

Dear Ms. Avery:

The total estimated project costs and related costs will be funded in total with cash and equivalents. Available for funding this project, as of June 30, 2013 audited financial statements is \$164.5 million from Cash and Cash Equivalents and \$797.3 million from Investments Limited to Use, Less Current Portion.

Sincerely,

The University of Chicago Medical Center



Gary Gasbarra

Vice-President Finance

Notarization:

Subscribed and sworn to before me
This 2nd day of July, 2014



Signature of Notary Public

Seal



Section XII, Charity Care Information

Attachment 44

CHARITY CARE			
	2011	2012	2013
Net Patient Revenue			
Amount of Charity Care (charges)	\$61,801,000	\$73,064,000	\$100,061,000
Cost of Charity Care	\$14,427,000	\$16,620,000	\$22,000,000