November 18, 2013

CERTIFIED MAIL #2000 1570 0000 5081 8678

Stephen P. Zieniewicz, FACHE
Executive Director
University of Washington Medical Center
1959 North East Pacific Street
Seattle, Washington 98195-6151

Dear Mr. Zieniewicz:

Enclosed is Certificate of Need #1516 issued to University of Washington Medical Center for addition of 79 medical/surgical beds to the hospital in Seattle within King County.

The certificate is not approval for any other local, federal, or state statutes, rules, or regulations. Such a project may also need Department of Health approval for a construction plan and facility licensing or certification, as well as other federal or local jurisdiction permits.

The Certificate of Need is valid for two years. The project must begin during this time. If there is substantial and continuing progress, we may extend the certificate for one six month period. For an extension, you must submit an extension request at least 120 days before the expiration. You cannot begin a project after the expiration date.

This decision may be appealed. Any affected person with standing may request an adjudicative proceeding to contest this decision within 28 calendar days from the date of this letter. The notice of appeal must be filed according to the provisions of Revised Code of Washington 34.05 and Washington Administrative Code 246-310-610. A request for an adjudicative proceeding must be received within the 28 days at one of the following addresses:

<table>
<thead>
<tr>
<th>Mailing Address:</th>
<th>Other Than By Mail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjudicative Service Unit</td>
<td>Department of Health</td>
</tr>
<tr>
<td>Mail Stop 47879</td>
<td>Adjudicative Service Unit</td>
</tr>
<tr>
<td>Olympia, WA 98504-7879</td>
<td>111 Israel Road SE</td>
</tr>
<tr>
<td></td>
<td>Tumwater, WA 98501</td>
</tr>
</tbody>
</table>
We monitor projects until completed or the expiration date, whichever occurs last. We do this with quarterly progress reports. At least 30 days before the report’s due date, you will receive a form to complete and return.

If you have any question, please contact Janis Sigman, Manager of the Certificate of Need Program at (360) 236-2955.

Sincerely,

Steven M. Saxe, FACHE
Director

Enclosure

cc: Shannon Walker, Office of Investigations and Inspection
    Karen Stricklett, Department of Health, Customer Service Office
Certificate of Need #1516 is issued to:

Legal Name of Applicant: University of Washington Medical Center
Address of Applicant: 1959 North East Pacific Street Seattle, Washington 98195-6151
Type of Service: Acute Care Hospital
Facility Name: University of Washington Medical Center
Facility Address: 1959 North East Pacific Street Seattle, Washington 98195-6151


Project Description:
This application proposes the addition of 79 medical surgical beds to UWMC’s current 450 bed licensed capacity. The project will be completed in two phases. The project will not change the services currently provided by the University of Washington Medical Center.

Phase One
The first phase includes the completion of two of the shelled floors and will add a total of 56 beds, including a new 24 bed intensive care unit, to the license. This Phase is expected to be completed in 2015.

Phase Two
The second Phase includes the completion of the final shelled floor and will add another 23 acute care beds. This Phase is expected to be operational in 2017 (or earlier if demand warrants), and at project completion, UWMC will be licensed for 529 beds, of which 444 will be available for acute care use.

Continued on page 2

Service Area
King County

Approved Capital Expenditure
The approved capital expenditure associated with this project is $70,771,363.

This Certificate authorizes commencement of the project from November 18, 2013, to November 18, 2015, unless extended, withdrawn, suspended, or revoked in accordance with applicable sections of the Certificate of Need law and regulations.

Date Certificate Issued: November 18, 2013
Steven Saxe
Director

This Certificate is not transferable.
The number of approved beds is summarized below:

<table>
<thead>
<tr>
<th>Type of Service</th>
<th>Phase 1</th>
<th>Phase 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Medical/Surgical</td>
<td>421</td>
<td>444</td>
</tr>
<tr>
<td>Level 2 intermediate care nursery</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Level 3 neonatal intensive care unit</td>
<td>35</td>
<td>35</td>
</tr>
<tr>
<td>Psychiatric (PPS exempt)</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>Rehabilitation, Level 1 (PPS exempt)</td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>506</strong></td>
<td><strong>529</strong></td>
</tr>
</tbody>
</table>

**Condition:**

Approval of the project description as stated above. University of Washington Medical Center further agrees that any change to the project as described in the project description is a new project that requires a new Certificate of Need.