October 28, 2010

CERTIFIED MAIL # 7008 1300 0000 7202 9324

Helen Shawcroft, Senior Associate Administrator
University of Washington Medical Center
1959 Northeast Pacific Street, Room BB318
Box 356151
Seattle, Washington 98195

Dear Ms. Shawcroft:

Enclosed is Certificate of Need #1429 issued to University of Washington Medical Center approving the addition of 18 beds to its combined 32-bed special care nursery. The increase includes the addition of 3 more level 2 beds and 15 more level 3 beds. At project completion, University of Washington Medical Center will be operating a 50-bed combined special care nursery. The additional 18 beds are included within the hospital’s existing 378 general medical surgical beds and within the hospital’s total 450 licensed acute care beds.

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 during which time you must start the project. 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. The two appeal options are listed below.

Appeal Option 1:
You or any interested or affected person may request a public hearing to reconsider this decision. The request must state the specific reasons for reconsideration in accordance with Washington Administrative Code 246-310-560. A reconsideration request must be received within 28 calendar days from the date of the decision at one of the following addresses:

<table>
<thead>
<tr>
<th>Mailing Address:</th>
<th>Other Than By Mail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Health</td>
<td>Department of Health</td>
</tr>
<tr>
<td>Certificate of Need Program</td>
<td>Certificate of Need Program</td>
</tr>
<tr>
<td>Mail Stop 47852</td>
<td>310 Israel Road SE</td>
</tr>
<tr>
<td>Olympia, WA 98504-7852</td>
<td>Tumwater, WA 98501</td>
</tr>
</tbody>
</table>
Appeal Option 2:
You or 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>Adjudicative Clerk Office</td>
</tr>
<tr>
<td>Mail Stop 47879</td>
<td>310 Israel Road SE, Building 6</td>
</tr>
<tr>
<td>Olympia, WA 98504-7879</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,

[Signature]

Steven M. Saxe, FACHE
Director, Health Professions and Facilities

Enclosure

cc: Linda Foss, Department of Health, Investigations and Inspections Office
    Karen Stricklett, Department of Health, Customer Service Office
This Certificate is granted under the authority of RCW 70.38. Issuance of this Certificate does not constitute approval under any other local, federal or state statute, implementing rules and regulations. Examples where additional approval may be necessary include, but are not limited to, construction plan approval through the Construction Review Unit of the Department of Health, facility licensing/certification through the Department of Social and Health Services or Department of Health, and other federal or local jurisdiction permits.

Certificate of Need #1429 is issued to:

Legal Name of Applicant: University of Washington Medical Center
Address of Applicant: 1959 Northeast Pacific Street, Seattle, Washington 98195
Type of Service: Intermediate care and level 2 obstetric services; and Neonatal intensive care and level 3 obstetric services
Facility Name: University of Washington Medical Center
Facility Address: 1959 Northeast Pacific Street, Seattle, Washington 98195

ISSUANCE OF THIS CERTIFICATE OF NEED IS BASED ON THE DEPARTMENT’S RECORD AND EVALUATION OF OCTOBER 8, 2010. (CN APP #10-30)

Project Description:
This certificate approves the addition of 18 beds to University of Washington Medical Center’s combined 32-bed special care nursery. The increase includes the addition of 3 more level 2 beds and 15 more level 3 beds. At project completion, University of Washington Medical Center will be operating a 50-bed combined special care nursery. The additional 18 beds are included within the hospital’s existing 378 general medical surgical beds and within the hospital’s total 450 licensed acute care beds.

Service Area
King County

Approved Capital Expenditure
The approved capital expenditure for the project is $5,173,868

Condition
The 50 combined level 2 and level 3 beds are restricted to the services described in the application. Any redistribution of these 50 beds to other licensed bed types would be considered an increase in licensed beds of that type subject to Certificate of Need approval.

This Certificate authorizes commencement of the project from October 28, 2010, to October 28, 2012, unless extended, withdrawn, suspended, or revoked in accordance with applicable sections of the Certificate of Need law and regulations.

Date Certificate Issued: October 28, 2010

Steven Saxe
Director, Health Professions and Facilities

This Certificate is not transferable