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SwedishAmerican Realty
Greater Rockford
Hematology/Oncology
Center
Midwest Center For Health
And Healing
Medical Arts Center
Medworks
Northern Illinois
Health Care Network
Northern Illinois
Surgery Center

May 18, 2012

Mr. Mike Constantino
State of Illinois
Health Facilities & Services Review Board
525 W. Jefferson Street
Springfield, IL 62761

Re: Permit #12-013, SwedishAmerican Regional Cancer Center

Dear Mr. Constantino:

Per the Stipulation noted in the Review Board's letter of April 18, 2012, requiring that we "provide the affiliation agreement between SwedishAmerican Hospital and the University of Wisconsin", attached is noted agreement. Also attached is a "Letter of Commitment" on behalf of the University of Wisconsin.

Thank you for your approval of our Regional Cancer Project. We are excited in bringing this project to completion and providing these services.

Sincerely,

William R. Gorski, MD

/mab

Attachments:

- (1) April 18, 2012 State of Illinois HF&SRB Letter
- (2) April 9, 2012, Letter of Commitment from UW University Health Care
- (3) Affiliation Agreement By and Between UW University Health Care Inc. and SwedishAmerican Hospital

RECEIVED

MAY 25 2012

HEALTH FACILITIES
SERVICES REVIEW BOARD



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST. • SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516 • FAX: (217) 785-4111

April 18, 2012

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Yerachmiel (Rocky) Ephraim, Director, Performance Improvement
Swedish American Hospital
1401 East State Street
Rockford, IL 61104

PERMIT: #12-013 – Swedish American Regional Cancer Center

Dear Mr. Ephraim:

On April 17, 2012, the Illinois Health Facilities and Services Review Board approved the application for permit for the referenced project based upon the project's substantial conformance with the applicable standards and criteria of Part 1110 and 1120. In arriving at a decision, the State Board considered the findings contained in the State Agency Report, the application material, and any testimony made before the State Board.

- **PROJECT: #12-013 – Swedish American Regional Cancer Center - Rockford** The permit holders are approved for a free standing cancer center in 63,533 GSF of space located at 3535 North School Bell Road, Rockford, Illinois. The cancer center has been approved for diagnostic imaging, radiation therapy, medical oncology, a laboratory, and a pharmacy. The licensee/operating entity and the owner of the site is Swedish American Hospital.
- **CONDITION AND STIPULATION:** The permit holder is required to provide the affiliation agreement between Swedish American Hospital and the University of Wisconsin and appear before the Illinois Health Facilities and Services Review Board ("State Board") to report on the affiliation between the University of Wisconsin and the State Board within one year of this approval.
- **PERMIT HOLDERS:** Swedish American Hospital, 1401 E. State Street, Rockford, Illinois
- **PERMIT AMOUNT:** \$38,643,937
- **PROJECT OBLIGATED BY:** October 17, 2013
- **PROJECT COMPLETION DATE:** June 30, 2014

This permit is valid only for the defined construction or modification, site, amount and the named permit holder and is **not transferable or assignable**. In accordance with the Planning Act, the permit is valid until such time as the project has been completed, provided that all post permit requirements have been fulfilled, pursuant to the requirements of 77 Ill. Adm. Code 1130.

The permit holder is responsible for complying with the following requirements in order to

maintain a valid permit. Failure to comply with the requirements may result in expiration of the permit or in State Board action to revoke the permit.

1. OBLIGATION-PART 1130.720

The project must be obligated by the **Project Obligation Date**, unless the permit holder obtains an "Extension of the Obligation Period" as provided in 77 Ill. Adm. Code 1130.730. Obligation is to be reported as part of the first annual progress report for permits requiring obligation within 12 months after issuance. For major construction projects which require obligation within 18 months after permit issuance, obligation must be reported as part of the second annual progress report. If project completion is required prior to the respective annual progress report referenced above, obligation must be reported as part of the notice of project completion. The reporting of obligation must reference a date certain when at least 33% of total funds assigned to project cost were expended or committed to be expended by signed contracts or other legal means.

2. ANNUAL PROGRESS REPORT-PART 1130.760

An annual progress report must be submitted to IDPH every 12-month from the permit issuance date until such time as the project is completed.

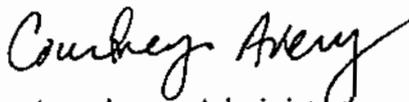
3. PROJECT COMPLETION REQUIREMENTS-PART 1130.770

The permit holder must submit a written notice of project completion as defined in Section 1130.140. Each permit holder shall notify IHFSRB within 30 days following the project completion date and provide supporting documentation within 90 days following the completion date and must contain the information required by Section 1130.770.

This permit does not exempt the project or permit holder from licensing and certification requirements, including approval of applicable architectural plans and specifications prior to construction. **Please note that the Illinois Department of Public Health will not license the proposed facility until such time as all of the permit requirements have been completed.**

Should you have any questions regarding the permit requirements, please contact Mike Constantino at 217-782-3516.

Sincerely,



Courtney Avery, Administrator
Illinois Health Facilities and Services Review Board

cc: Dale Galassie, Chairman

April, 9 2012

To whom it may concern:

I understand that a question has been raised about UW Health's commitment to providing healthcare to the residents of Northern Illinois. I can assure you that Northern Illinois is an extremely important market for UW Health. Indeed, the Rockford/Northern Illinois area is the leading market for UW Health outside of Dane County. UW Health welcomes Northern Illinois patients who need the specialized tertiary and quaternary services we provide. UW Health does not discriminate on the basis of whether a patient is covered by Medicaid or is uninsured or underinsured.

Indeed, care for Medicaid patients, the uninsured and the underinsured has always been an important part of the mission of UW Health. This is equally true whether the patients are from Wisconsin, Illinois, Iowa, or any other state. During FY 2011, UW Health's charges for services provided to Illinois Medicaid patients exceeded \$22 Million. This represented a more than 30% increase from the prior fiscal year. Many of these patients were pediatric patients receiving care at UW Health's American Family Children's Hospital. Indeed, 39% of UW Health's charges for Illinois pediatric patients during FY 2011 were for patients covered by Illinois Medicaid. In these circumstances, there can be no question that UW Health is, and remains, committed to providing care for Illinois Medicaid patients.

Similarly, UW Health provides substantial services for uninsured Illinois patients. During our current fiscal year, UW Health is projected to provide nearly \$9 Million in services to Illinois self-pay patients. This number has also been increasing substantially. UW Health's commitment to provide charity care to the uninsured and underinsured is reflected in our charity care policy. For example, University of Wisconsin Hospital and Clinics Charity Care policy provides a generous sliding scale of discounts for families and individuals whose income is less than 500% of the federal poverty level. The schedule of discounts under our current Charity Care policy is as follows:

- A. 100% Charity Care: Income level at or below 200% of the Federal Poverty Guidelines,
- B. 50% Charity Care: Income level at or below 300% of the Federal Poverty Guidelines

C. 25% Charity Care: Income level at or below 400% of the Federal Poverty Guidelines

D. 15% Charity Care: Income level at or below 500% of the Federal Poverty Guidelines

We apply this Charity Care policy to all patients, regardless of the patient's state of origin.

In sum, UW Health has always been, and certainly remains, very committed to serving the population of Northern Illinois. UW Health also has always been, and certainly remains, very committed to serving the Medicaid population as well as the uninsured and the underinsured. UW Health's commitment is reflected in its generous Charity Care policies. UW Health's commitment to Medicaid, the uninsured and the underinsured, as well as its Charity Care policies, extends to all patients, including the many patients UW Health serves from the Illinois.

Very truly yours,

A handwritten signature in cursive script that reads "James C. Dechene". The signature is written in black ink and is positioned above the typed name.

James C. Dechene
Interim President and CEO
University Health Care, Inc.

AFFILIATION AGREEMENT

BY AND BETWEEN

UNIVERSITY HEALTH CARE INC.

AND

SWEDISHAMERICAN HOSPITAL

Confidential

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AFFILIATION AGREEMENT

THIS AFFILIATION AGREEMENT ("Agreement") is entered into on the 1st day of March, 2010 ("Effective Date") by and between UNIVERSITY HEALTH CARE, INC., 635 Science Drive, Suite 100, Madison, WI., 53711 ("UHC"), SWEDISHAMERICAN HOSPITAL, an Illinois not-for-profit corporation, 1401 East State Street, Rockford, IL 61104, ("SAH"), and SWEDISHAMERICAN HEALTH SYSTEM CORPORATION, an Illinois not-for-profit corporation, 1313 East State Street, Rockford, IL 61104 ("SAHSC") (collectively referred to as "Parties"). SAH and SAHSC are collectively referred to as "SWEDISHAMERICAN".

WHEREAS, UHC is an Internal Revenue Code ("IRC") § 501(c)(3) tax-exempt and nonprofit corporation, organized under Chapter 181 of the Wisconsin Statutes, created to assist the University of Wisconsin-Madison and its School of Medicine and Public Health ("UWSMPH"), the University of Wisconsin Medical Foundation, an IRC § 501(c)(3) tax-exempt and nonprofit corporation, organized under Chapter 181 of the Wisconsin Statutes ("UWMF"), and the University of Wisconsin Hospital and Clinics Authority, a public authority ("UWHC"), by engaging in activities as a partner including, but not limited to, developing and implementing strategic initiatives on behalf of UWSMPH, UWMF and UWHC, (collectively referred to as "UW Related Entities"); and

WHEREAS, UHC represents UW Related Entities in a unified effort to negotiate, sign and service contracts with insurers, employers and other healthcare organizations; and

WHEREAS, in support of UW Related Entities' community service, research, education and clinical missions, UHC collaborates with community-based healthcare organizations to improve and expand patient care services, enhance continuity of care

between the organizations and promote healthcare-related education and clinical research efforts; and

WHEREAS, part of UHC's mission is to initiate programs and contractual relationships that assure continuing access to representative patient populations in adequate numbers to fulfill the education, research, patient care and community service missions of UW Related Entities; and

WHEREAS, SAH is an IRC 501(c)(3) tax-exempt, Illinois not-for-profit corporation, created as a charitable organization to serve the healthcare needs of the citizens of Rockford and certain other surrounding areas in Boone, Winnebago, Stephenson, Ogle, McHenry, and DeKalb Counties in the State of Illinois; and

WHEREAS, SAHSC is an IRC 501(c)(3) tax-exempt, Illinois not-for-profit corporation with substantially similar purposes of those of SAH; and SAHSC is the sole member of SAH; and

WHEREAS, SWEDISHAMERICAN and UHC have engaged in mutual discussions and have entered into a Confidential Disclosure and Exclusive Dealings Agreement dated April 6, 2009 in order to negotiate an affiliation (the "Affiliation") in order to enhance quality, expand clinical services, enhance educational opportunities, identify and address the public health needs of the SAH Service Area, expand research opportunities and enhance appropriate technology transfer; and

WHEREAS, the Dean of UWSMPH has found that such an Affiliation serves UWSMPH's mission by providing an opportunity for the support of high quality instruction of medical students, through promoting access by the faculty physicians of UWSMPH ("UW Faculty Physicians") to sufficient levels of patients necessary to support medical and scientific research, and by promoting quality health care and service within the SAH

Service Area, which service area is contiguous to the State of Wisconsin area which UW Health entities are mandated to serve; and

WHEREAS, SWEDISHAMERICAN acknowledges that the Affiliation with UHC strengthens SWEDISHAMERICAN through expanded provision of health care services, heightened quality, name recognition, research and education opportunities; and

WHEREAS, both SWEDISHAMERICAN and UHC believe the Affiliation is in the best interests of all the organizations they represent and the public they both serve.

NOW THEREFORE, for and in consideration of the mutual covenants and agreements of the Parties contained herein, the Parties to this Agreement hereby agree as follows:

1.0 PURPOSE.

Section 1.1. Purposes of Affiliation. The purposes of the Affiliation entered into pursuant to this Agreement are to enhance the quality of patient care; expand the depth and breadth of services; increase access to scarce personnel and technologies; create more seamless delivery of care between the facilities; and provide educational and health-related services in a caring and cost-effective manner, all in order to better address the collective and individual needs of the community residents in the SAH Service Area. By improving access of residents of the SAH Service Area to specialized medical care and services, increasing the availability of health-related educational programs and information, and facilitating continuity of care from the primary through quaternary levels, the Parties believe these purposes can be accomplished. The list of objectives for the Affiliation is set forth in the attached Schedule 1.0, incorporated herein by reference (as are all schedules and exhibits).

Section 1.2. Mechanism for Accomplishment. This Agreement constitutes a mutual acknowledgement and commitment by the Parties to work together in good faith to fulfill

the above-stated purposes of the Affiliation. It obligates the Parties in good faith to attempt to develop and execute annual written Work Plans, the specifics of which shall require further contractual obligations (as defined below), which are intended to create further substance to the Affiliation. This Agreement establishes the context for the development of such Work Plans and defines the exclusive nature of the Parties' working relationship as they effectuate the Affiliation.

2.0 DEFINITIONS.

Section 2.1. Defined Capitalized Terms. In addition to the words or terms defined elsewhere in this Agreement, the following terms shall have the meanings specified below:

Section 2.1.1. "Act" shall mean chapter 181 of the Wisconsin Statutes or successor provisions.

Section 2.1.2. "Affiliate" shall mean, when utilized with regard to a Party (as defined below), any corporation, association, general or limited partnership, limited liability company, trust or other entity which is majority-owned or controlled by a Party, but shall not include the UW Related Entities (as defined below).

Section 2.1.3. "Affiliation" shall mean the programmatic affiliation relationship formed and intended under this Agreement (as defined below); which Affiliation is intended to create a binding contractual relationship and not a new entity.

Section 2.1.4. "Agreement" shall mean this Affiliation Agreement.

Section 2.1.5. "Dean" shall mean the faculty leader with that title, or any successor designation, of UWSMPH.

Section 2.1.6. "Effective Date" shall mean the date first specified above and the date on which the obligations of the Parties hereunder shall become binding upon them.

Section 2.1.7. "Confidential Disclosure and Exclusive Dealings Agreement" shall mean that certain letter agreement entered into by the Parties on April 6, 2009 acknowledging their mutual intent to negotiate and effectuate the Affiliation by this Agreement.

Section 2.1.8. "Managed Care Contract" shall mean any written agreement between either or both of the Parties or a Party and any of the UW Related Entities including a co-owned or managed Physician Hospital Organization, as providers of healthcare services and any payor or intermediary organization, to pay for covered healthcare services.

Section 2.1.9. "Organizational Year" shall mean the twelve month period commencing on January 1st and ending on the last day of December during the Term (as defined below) hereof and any written extensions thereof, without regard for the fiscal years of the Parties. The Organizational Year shall be the period of time during which each annual Work Plan (as defined below) is implemented.

Section 2.1.10. "Parties" shall mean SAH, SAHSC, and UHC (as defined below), each of which shall be a Party to this Agreement.

Section 2.1.11. "Leadership Committee" shall mean the designated group of management and/or governance representatives of the Parties which is charged hereunder with the mutual oversight of the Affiliation, including the development of the Work Plans (as defined below) by which the Affiliation is effectuated.

Section 2.1.12. "Term" shall mean that period of years specified herein for the Affiliation and any agreed extensions hereof.

Section 2.1.13. "UHC" shall mean University Health Care, Inc., an IRC § 501(c)(3) tax-exempt and nonprofit corporation and a Party.

Section 2.1.14. "University" shall mean the Board of Regents of the University of Wisconsin System, a body politic and state agency of the State of Wisconsin.

Section 2.1.15. "UW Related Entities" shall have the meaning set forth in the Preamble to this Agreement.

Section 2.1.16. "SAH" shall mean SwedishAmerican Hospital, an Illinois not-for-profit corporation that has been recognized as an organization described in IRC § 501(c)(3), and a Party hereto.

Section 2.1.17. "SAHSC" shall mean SwedishAmerican Health System Corporation, an Illinois not-for-profit corporation that has been recognized as an organization described in IRC § 501(c)(3), and a Party hereto.

Section 2.1.18. "SAH Service Area" shall mean, on the Effective Date, portions of Boone, Winnebago, Stephenson, Ogle, McHenry, and DeKalb counties in the State of Illinois, specifically depicted and described on Schedule 2.1.18.

Section 2.1.19. "SWEDISHAMERICAN" shall mean both SAH and SAHSC.

Section 2.1.20. "Waiver" shall mean the written and signed indication from a Party to the other Party by which the waiving Party notifies the other that, although it has a specified right under this Agreement, it will waive its right, subject to terms specified in the waiver, to assert such right, including the opportunity to treat the conduct of the other Party as a material breach hereof. Waiver of any specified right shall in no event serve as a Waiver of any other right.

Section 2.1.21. "Work Plan" shall mean the annual written and executed supplement to this Agreement by which the Parties mutually agree on work that will be undertaken by the parties to realize the value and mutual benefits of the Affiliation. Each annual Work Plan shall include the mutual goals, objectives and activities of the Parties for the Organizational Year, the priorities, the timeline, the capital and operating budgets, the terms and conditions and the evaluation criteria. These may take the form of multiple Action Plans which collectively represent the Work Plan for the Organizational Year. Upon mutual consent, the Parties may augment the annual Work Plan during the year in which the Work Plan is being executed.

3.0 AFFILIATION METHODOLOGY.

Section 3.1. Leadership Committee. Within thirty (30) business days after the Effective Date, or such later date as the Parties may mutually agree, UHC and SAH shall coordinate the appointment of a joint Leadership Committee composed of an equal number of named representatives from both Parties. It is anticipated that the UHC representatives to the Leadership Committee will also represent the UW Related Entities, and the SAH representatives will also represent SAHSC. The Leadership Committee shall meet regularly, at locations agreed upon by the Parties, requesting the advice of the Parties and the UW Related Entities as needed, and shall maintain minutes of their deliberations and decisions. The Leadership Committee shall develop Work Plans and, once adopted and executed by the Parties, shall oversee their implementation. This committee shall be responsible for establishing annual goals for the Affiliation which, together with existing SAH programs and facilities, best meet the healthcare needs of the SAH Service Area, and for developing an annual Work Plan which promotes the accomplishment of such goals and objectives. The Affiliation Process, and the role of the Leadership Committee therein, shall generally be that described on the attached Schedule 2.0.

Section 3.2. Work Plan. The Work Plan shall include details regarding the terms, timeline, budget, conditions and responsibilities for all capital and operating expenses associated with activities outlined in the Work Plan as well as objective evaluation criteria for such activities. Each annual Work Plan shall be attached to and incorporated into this Agreement as an Attachment, upon its completion and execution by the Parties.

Section 3.3. Timetable. The first annual Work Plan shall be attached to and incorporated into this Agreement as soon as practicable, but in no event later than the three-month anniversary of the Effective Date, or this Agreement shall terminate in accordance with the provisions of Section 8.3.4. Thereafter, the Leadership Committee shall recommend an annual Work Plan to the Parties no later than each November 30th within the Term hereof and any extensions, so that board consideration and approval may be accomplished by the following December 31st, in preparation for the commencement of the next Organizational Year on January 1st. The Parties, by written agreement identified in a Work Plan, may in their discretion delay (or move forward) an Organizational Year of the Affiliation by designating in writing an alternative commencement date for any Work Plan, and any such agreement may have the effect of designating a new, ongoing Organizational Year if the parties so specify.

Section 3.4. Principal Contacts. The Parties appreciate that UHC's role hereunder is both on its own behalf and as liaison for the UW Related Entities. SWEDISHAMERICAN, in dealing with UHC, has requested the designation of a "principal contact" through which issues involving the Affiliation will be raised. The principal contact for UHC and the UW Related Entities shall be:

Michael Dallman
Vice President
University Health Care, Inc.
635 Science Drive, Suite 100

Madison, WI 53711

Phone (608) 263-0449

Fax (608) 263-9830

mdallman@uwhealth.org

and the principal contact for SWEDISHAMERICAN shall be:

Richard P. Walsh

President

SwedishAmerican Hospital

1313 East State Street

Rockford, Illinois 61104 - 2298

Phone: (815) 489-4010

Fax: (815) 967-5423

rwalsh@swedishamerican.org

Both principal contacts shall advise the other in writing from time to time of their preferred list of copy recipients for specific documents and/or information concerning the Affiliation. Either party may change the name of its principal contact upon notice to the other party.

Section 3.5. Dedicated Management. A substantial portion of the time of UHC's Director of Hospital Affiliations and Programs will be devoted to the maintenance of this Affiliation. However, as of the Effective Date, it is not anticipated that the Affiliation will require for its success the services of a dedicated manager, full-time or part-time, whose job description would be to effectuate the goals and objectives of the Affiliation through any pending Work Plan. Should this conclusion change, the Parties would expect to jointly implement the process of developing a job description, hiring, payment for and evaluation of any such dedicated manager through one or more of the annual Work Plans. Notwithstanding the above, for any additional business structure(s) created under the Work Plan, dedicated management may be specified therein.

Section 3.6. Joint Planning. In addition to the other planning and governance

provisions discussed herein, the Parties agree that at least two times per year, at such location and on such schedule as is mutually agreeable to the Parties, a small number of high-level executives of SAH and UHC shall meet to discuss the goals and purposes of the Affiliation, current status of Affiliation Work Plans, and any issues or concerns that either SAH or UHC wishes to raise. For SAH the high-level executives shall include at a minimum either the SAHSC President & CEO or the SAH President; and for UHC the high-level executives shall include at a minimum the UHC President and Vice President.

4.0 OBLIGATIONS OF UHC AND UW RELATED ENTITIES

Section 4.1. Collaboration and Liaison. UHC agrees to collaborate in good faith and in a timely manner with SAH in developing and implementing the initial and, thereafter, each annual Work Plan. Additionally, UHC shall provide staff support not only to coordinate activities of the Affiliation relationship, but also to serve as the liaison between the Leadership Committee and management personnel of SAH and the UW Related Entities to ensure continuity and consistency of communication and effort on projects of the Affiliation.

Section 4.2. Education. To the extent set forth in any Work Plan, UHC agrees that it will, through UW Faculty Physicians and/or other appropriate employees of UW Related Entities, assist SAH in developing and making available various continuing education endeavors for SAH's health professionals and for the general public in the SAH Service Area including, as appropriate, continuing medical education programs both on-site and off-site at the SAH campus.

Section 4.3. Research. UW Related Entities are committed to finding better ways of diagnosing and treating disease and advancing the knowledge of health care through their research efforts. UWSMPH frequently participates in research protocols sponsored by a number of agencies including, without limitation, the National Institutes of Health and the Food and Drug Administration as well as drug companies and biomedical corporations. UWSMPH

agrees to provide SAH, its patients, physicians and staff the opportunity to participate in appropriate research activities conducted by UWSMPH, as may be mutually agreed by the Parties from time to time and as shall be set forth in any Work Plan.

Section 4.4. Participation in SAH Governance. UHC agrees, in consultation with SWEDISHAMERICAN, to appoint a senior healthcare UHC or UW Health related entity executive to serve as a voting director of the SAH and SAHSC Boards. The executive or designee will be a standing member of the SAH Quality and Safety Leadership Committee and participate on other SAH and/or SAHSC Board committees as may be appointed under the SAH and SAHSC corporate bylaws. In addition, UHC agrees in consultation with SWEDISHAMERICAN to nominate one (1) other person from UHC or the UW Related Entities to serve as a second voting director of the SAH and SAHSC boards. The Parties agree that neither of the UHC representatives shall be eligible to serve as Chairman of the SAH or SAHSC Boards or as Chairman of any committee thereof. UHC agrees that the UHC representatives shall serve as members of a SAH Board Committee on the Affiliation, the purpose of which shall be to keep the SAH Board apprised of Affiliation matters, to foster discussion about Affiliation goals and strategies, and to provide a mechanism for SAH Board input on matters related to the Affiliation.

Section 4.5. Participation in UHC Regional Planning and Development. UHC agrees to create a standing committee of its Board of Directors whose membership shall include at least one (1) senior healthcare executive of SAH or a related entity, appointed by SAH in consultation with UHC. This committee's membership shall also include senior healthcare executives of UHC and such other UHC or UW Related Entities personnel as deemed appropriate by the UHC Board of Directors in order to enable the committee to effectively analyze and make recommendations to the UHC Board of Directors on regional planning and development issues that will further the mission of the UW Related Entities, as set forth in the recitals herein, and the goals of this affiliation. At least one member of this

committee shall also be a voting member of the UHC Board of Directors. The committee shall meet at least quarterly, and shall meet jointly with the UHC Board of Directors at least twice yearly. To the extent that the membership of the committee includes persons from other entities affiliated with UHC or UW Related Entities, UHC agrees to create a subcommittee consisting solely of representatives of SAH and related entities, and representatives of UHC and other UW Related Entities, at least one of whom shall be a voting member of the UHC Board of Directors. This subcommittee, or designees thereof, shall meet jointly with the UHC Board of Directors at least twice yearly.

Section 4.6. Physician Recruiting. To the extent set forth in any Work Plan, UHC shall assist SAH in its efforts to recruit physicians for membership on the active medical staff of SAH; provided, however, that SAH shall unilaterally be responsible for all costs in connection with recruiting any such physicians, unless the parties agree in writing to share recruitment costs where the recruited physician or physicians will be full-time or part-time employees of UHC or one or more of the UW Related Entities, including but not limited to UW Faculty Physicians, or where the duties of the recruited physician or physicians will include services provided to both parties. The term "assist" as used in this Section shall include, but not be limited to, advising UW Related Entity residents of opportunities at SAH, when appropriate, and by referring other physicians to SAH when UHC is aware of available physicians who may fill particular needs at SAH.

Section 4.7. Quality Improvement. To the extent set forth in any Work Plan, UHC will assist SAH in identifying acceptable quality standards and will assist SAH in enhancing its quality improvement program(s) in order to meet or exceed those standards.

Section 4.8. Quality and Cost Efficiency. To the extent set forth in any Work Plan, UHC agrees to support SAH's and any related entity's efforts to improve the quality and cost efficiency of community-based health care services.

Section 4.9 First Opportunity for Implementation of New Programs UHC agrees

that in the event that UHC or any of the UW Related Entities or UHC Affiliates, as defined in Sections 2.1.2 and 2.1.15, decides to develop a program or service not presently offered by UHC or any of the UW Related Entities or Affiliates in the SAH Service Area, or to undertake a major expansion of a program or service presently offered by UHC or any of the UW Related Entities or Affiliates in the SAH Service Area, SAH shall, prior to implementation or establishment (or expansion) of the program or service, be offered an exclusive opportunity to partner with UHC and any of the UW Related Entities or Affiliates in developing and making available or expanding such program or service in the SAH Service Area, to the extent not inconsistent with any applicable federal or state law or regulation. For purposes of this Agreement, a "major expansion of a program or service" shall be defined as a change in program or service scope that would result in a planned increase in hospital bed complement, or number of outpatient visits, or number of outpatient procedures (as applicable to the program or service in question) exceeding 25% of the average of the pertinent volume indicator over the prior two years. At the time UHC identifies each such planned program or service for SAH's consideration, the Parties shall mutually agree upon a timeframe in which SAH shall notify UHC of its intention whether to pursue the program or service, which, in any event, shall not exceed 60 days. If SAH chooses not to participate in such program or service, then UHC and/or the UW Related Entities or Affiliates may enter into an arrangement or arrangements for implementation of the new or expanded program or service with any other health care facility or facilities with the same or an overlapping service area. If the Parties cannot reach agreement on the terms of any partnership or participation with each other, or any other issue that is within the subject matter contemplated by this Section 4.9, then Section 8.5 shall be utilized to resolve the dispute. UHC agrees that during the pendency of the dispute resolution process, neither it nor any of the UW Related Entities will enter into an arrangement for implementation of the new or expanded program or service with any other health care facility with the same or an overlapping service area.

5.0 OBLIGATIONS OF SAH

Section 5.1. Collaboration on Work Plan. SAH shall collaborate with UHC in good faith and in a timely manner, appoint Leadership Committee members and develop and implement the initial and, thereafter, each annual Work Plan.

Section 5.2. Disclosures to Patients. In instances where SAH physicians and other personnel are providing patient care at any SAH facility in conjunction with UW Faculty Physicians and other personnel of any UW Related Entities, the parties shall mutually determine an appropriate method for disclosing to each patient who is seen at an SAH facility that (a) the SAH physicians and other SAH personnel exercise their own independent medical judgment, and the UW Faculty Physicians and other personnel of any UW Related Entity exercise their own independent medical judgment; (b) SAH physicians and other personnel are not agents or employees of UW Related Entities, and UW Faculty Physicians and other personnel of UW Related Entities are not agents or employees of SAH; and (c) SAH will only be responsible for those professional services rendered by SAH physicians and other SAH personnel, and the UW Faculty Physicians and UW Related Entities will only be responsible for those professional services rendered by UW Faculty Physicians and other personnel of the UW Related Entities.

Section 5.3. SWEDISHAMERICAN Governance. SAH and SAHSC each agrees to place two (2) UHC or UW Related Entities representatives on the SAH and SAHSC Boards of Directors as voting directors, as provided in Section 4.4. Such directors shall be appointed and nominated in writing by UHC after consultation with SWEDISHAMERICAN to the SAH and SAHSC boards for further nomination and election as may be required by SAH's and SAHSC's bylaws. SAH and SAHCS each agrees to amend its corporate bylaws, if necessary, to permit such additions during the Term hereof and any extensions. In the event of a termination of the Agreement for any reason, such directors shall be deemed to have resigned on the termination

date of this Agreement. SAH shall establish a SAH Board Committee on the Affiliation, and shall appoint the UHC representatives as members of the Committee together with at least two other SAH Board members. The purpose of the Committee shall be as described in Section 4.4 above.

Section 5.4. First Opportunity for Joint Program Development or Expansion.

SWEDISHAMERICAN agrees that in the event SWEDISHAMERICAN or any of their Affiliates decides to develop a clinical or other program or service not presently offered by SWEDISHAMERICAN or by any of their affiliates in the SAH Service Area, or to undertake a major expansion of a program or service currently in operation at SWEDISHAMERICAN or at or by any of their Affiliates in the SAH Service Area on the Effective Date of this Agreement, including but not limited to a program or service that requires a referral relationship with an academic medical center for tertiary or quaternary care, UHC (as agent for the UW Related Entities) shall be offered an exclusive opportunity to partner with SWEDISHAMERICAN in developing and implementing such program or service, to the extent not inconsistent with any applicable federal or state law or regulation. For purposes of this Agreement, "a major expansion of a program or service" shall be defined as a change in program or service scope that would result in a planned increase in hospital bed complement, or number of outpatient visits, or a number of outpatient procedures (as applicable to the program or service in question) exceeding 25% of the average of the pertinent volume indicator over the prior two years. At the time SWEDISHAMERICAN identifies each such planned program or service for UHC's consideration, the Parties shall mutually agree upon a timeframe in which UHC shall notify SWEDISHAMERICAN or the applicable Affiliate of its intention whether to pursue the program or service, which in any event shall not exceed 60 days. If at any time during the Term or any Renewal Term it is determined that SWEDISHAMERICAN will sell all or substantially all (defined herein as over 50%) of its assets or operations or more than 25% of its facilities, SWEDISHAMERICAN further agrees to provide UHC with the first opportunity to acquire any

such operations or assets. Additional details with respect to time limits and other conditions for the exercise of such rights of first opportunity shall be as mutually agreed and set out in any Work Plan. Nothing in this Agreement shall be construed to affect SAH's residency program agreement with the University of Illinois at Rockford, and no change in scope or expansion of the residency program will give rise to any UHC right of first opportunity described herein. If the Parties cannot reach agreement on the terms of any partnership or participation with each other, or any other issue that is within the subject matter contemplated by this Section 5.4, then Section 8.5 shall be utilized to resolve the dispute. The Parties agree that while the dispute resolution process is ongoing, neither Party shall enter into an arrangement or agreement with a third party that is within the scope of the disputed issue or issues.

Section 5.5. Quality and Cost Efficiency. To the extent set forth in any Work Plan, SAH agrees to undertake efforts to improve the quality and cost efficiency of community-based health care services, with the support of UHC as provided above.

6.0 SWEDISHAMERICAN OPERATIONS UNCHANGED; UHC AND UW RELATED ENTITIES' OPERATIONS UNCHANGED.

In addition to the foregoing provisions governing the organizational elements of the Affiliation, the parties are agreed upon the following operational covenants:

Section 6.1. SWEDISHAMERICAN's Assets. SWEDISHAMERICAN will continue to own all of its present assets subject only to the rights of creditors under existing debt covenants, if any.

Section 6.2. SAH's Medical Staff. Except as may be affected by the requirements of any Work Plan, the Affiliation shall cause no change to the status of SAH's Medical Staff or any of its members in their relationship to SAH. All matters pertaining to the relationship of the SAH Medical Staff to SAH, including any hospital-based physician contracts, shall continue to be subject to the approval of the SAH board.

Section 6.3. SAH-Affiliated Voluntary Organizations. The Affiliation shall cause no change to the status of any voluntary organizations affiliated with SAH for the purpose of providing volunteers and financial support for SAH generally or for specific programs or services. Such affiliates shall continue to relate to the SAH governance structure in such manner as may be decided between the affiliate and SAH, and any funds generated by such SAH voluntary organizations will be and remain the property of such SAH voluntary organizations and of SAH. Nothing in this Agreement is intended to, and this Agreement should not be construed to, have any effect on the relationships between SAH and any affiliated voluntary organizations existing for the betterment of the hospital, its patients and staff, and the community at large.

Section 6.4. Voluntary Organizations Affiliated with UHC or any UW Related Entity. The Affiliation shall cause no change to the status of any voluntary organizations affiliated with UHC or any UW Related Entity for the purpose of providing volunteers and financial support for such entity generally or for specific programs or services. Such affiliates shall continue to relate to the applicable governance structure of the UW Related Entity in such manner as may be decided between the affiliate and the UW Related Entity, and any funds generated by such voluntary organizations will be and remain the property of such voluntary organizations and of the applicable UW Related Entity. Nothing in this Agreement is intended to, and this Agreement should not be construed to, have any effect on the relationships between UHC or any UW Related Entity and any affiliated voluntary organizations existing for the betterment of the UW Related Entity, its patients and staff, and the community at large.

Section 6.5. SWEDISHAMERICAN Gifts and Bequests. All previous and future gifts and bequests, whether special purpose, endowment or otherwise, made in favor of SWEDISHAMERICAN, or any of their tax-exempt Affiliates, including but not limited to the SWEDISHAMERICAN Foundation, shall be and remain the assets of SWEDISHAMERICAN, or

of such Affiliate. Nothing in this Agreement affects any requirements, limitations, commitments, pledges, use, or expenditure of such funds.

Section 6.6. Gifts and Bequests to UHC or to any UW Related Entity. All previous and future gifts and bequests, whether special purpose, endowment or otherwise, made in favor of UHC, any of the UW Related Entities, or any of their Affiliates, including but not limited to any Foundation presently in existence or created subsequent to this Agreement, shall be and remain the assets of UHC, the UW Related Entity, or the Affiliate, as the case may be. Nothing in this Agreement affects any requirements, limitations, commitments, pledges, use, or expenditure of such funds.

Section 6.7. Managed Care Contracting. It is not anticipated that the Affiliation will amend or nullify any Managed Care Contract of SAH or of any physician-hospital organization (PHO) with which or through which SAH now contracts or may contract in the future. It is also not anticipated that the Affiliation will amend or nullify any Managed Care Contract of UHC or of any UW Related Entities, whether UHC or any UW Related Entity offers a Managed Care Plan or Contract, or contracts with other Managed Care Plans, and whether such contractual relationships currently exist or may exist in the future. To the extent set forth in a Work Plan, however, the Parties may analyze current and future options for managed care contracting, including possible PHO alternatives.

Section 6.8. No Assumption of Liabilities. Neither of the parties shall by virtue of this Agreement be deemed to have assumed any of the liabilities of the other, to have employed any of the employees of the other, or to have obligated itself to transfer any asset to any party.

Section 6.9. Pension and Other Benefit Plans. SAH shall remain the sponsor of any qualified or non-qualified retirement or other benefit plans for Employees of SAH and each of its Affiliates following the execution of this Agreement. UHC and the UW Related Entities shall remain the sponsors of any and all qualified or non-qualified retirement or other benefit

plans for Employees of UHC and each of the UW Related Entities following the execution of this Agreement.

Section 6.10. SAH Labor Relations. Nothing herein changes any labor relations between SAH and its Affiliates and any employees of SAH or any of its Affiliates.

Section 6.11. Labor Relations of UHC and UW Related Entities. Nothing herein changes any labor relations between UHC and the UW Related Entities and their affiliates, and any employees of UHC, the UW Related Entities, or any of their affiliates.

7.0 FEES AND COST ALLOCATIONS

Section 7.1. Annual Affiliation Fee. SAH shall pay an annual affiliation fee of Dollars to UHC. This fee shall be paid to UHC on a quarterly basis, with the first quarterly installment due as of the date that the first annual Work Plan developed by the Parties hereunder is executed by the Parties and attached to and incorporated into this Agreement, or as of June 1, 2010, whichever date is later.

Section 7.2. Annual Work Plan Costs. SAH agrees to annually pay Dollars to UHC to be used toward the costs of development and implementation of the Work Plan and associated Action Plans.

Section 7.3. Additional Costs. SWEDISHAMERICAN and UHC shall each be responsible for those ordinary and capital costs and expenses incurred in connection with the agreed activities and which are not covered by the Annual Work Plan Costs under Section 7.2.

Section 7.4. Periodic Review of Affiliation Fee and Work Plan Costs. The Parties may, from time to time, review and evaluate the fees and costs under this Section 7 and may jointly agree to adjust the fees for an upcoming Organizational Year prior to the commencement of that Organizational Year.

8.0 TERM AND TERMINATION

Section 8.1. Term. This Agreement shall commence as of the Effective Date and shall remain in full force and effect until January 1, 2015 (the "Term") unless otherwise terminated earlier as provided herein. At the expiration of the Term, this Agreement shall be automatically renewed for successive terms of five (5) years duration each unless otherwise terminated as provided herein (the "Renewal Term"). Any reference herein to the Term shall include all Renewal Terms through the date of expiration or termination. If SAH shall be advised in writing by bond counsel or underwriter's counsel in connection with any tax-exempt SAH bond issue that the Affiliation constitutes a management agreement as that term is utilized in Rev. Proc. 97-13 or any successor authority, it is agreed that the term and termination provisions for management agreements permitted under said revenue procedure shall apply in lieu of the foregoing.

Section 8.2. Termination Without Cause. Either Party may terminate this Agreement at any time by giving the other Party written notice of its intent to terminate this Agreement at least three hundred sixty-five (365) days prior to the effective date of any such termination.

Section 8.3. Termination With Cause.

Section 8.3.1. Termination Due to Breach. This Agreement and all rights and liabilities created hereby may be terminated by either Party upon a breach by the other Party of any material term or condition contained herein which is not corrected within sixty (60) days of receipt of written notice thereof, which notice shall set forth in reasonable detail the alleged breach.

Section 8.3.2. Termination Due to Violation of Law. Either Party may immediately terminate this Agreement if the Party determines on the written advice of legal counsel that this Agreement, or the provision of services to all or any category of patients contemplated herein, violates any applicable law or regulation

and such Party gives prior written notice of the particulars of such legal counsel advice.

Section 8.3.3. Termination Due to Loss of Licensure. Either Party may immediately terminate this Agreement if either SAH or any UW Related Entity loses its requisite license, permit or authorization to operate its facilities or to provide health care services, by giving written notice of termination to the other Party. This notice may also be vitiated upon cure or correction within thirty (30) days of the notice.

Section 8.3.4. Termination Due to Failure to Agree on Work Plan. This Agreement shall automatically terminate on the date that immediately follows the three-month anniversary of the Effective Date if the first annual Work Plan is not agreed to in writing, executed and incorporated into this Agreement by said date. Termination under this Section 8.3.4. may be waived in writing by the Parties, which mutual Waiver may set forth an alternate automatic termination date in the absence of an agreed upon initial Work Plan. After the initial Work Plan is adopted, failure of the Parties to execute another annual Work Plan by the end of the Organizational Year specified in the previous Work Plan shall automatically terminate the Agreement on the last day of the Organizational Year in question, subject always to the right of the Parties to execute a written mutual Waiver thereof.

Section 8.4. Effect of Termination. On termination, each Party shall be responsible for its share of the costs and expenses in the applicable Work Plan through the date of termination. In the event of termination by SWEDISHAMERICAN pursuant to Section 8.2, by UHC pursuant to Section 8.3.1 or by either Party pursuant to Section 8.3.3 due to SAH's loss of licensure, then SWEDISHAMERICAN shall be responsible for all costs and expenses associated with timely removal of or alteration of all signage and other public

identification reflecting this Affiliation. In the event of termination by UHC pursuant to Section 8.2, by SWEDISHAMERICAN pursuant to Section 8.3.1 or by either Party pursuant to Section 8.3.3 due to loss of licensure by any of the UW Related Entities, then UHC shall be responsible for all costs and expenses associated with timely removal of or alteration of all signage and other public identification reflecting this Affiliation. In the event of termination for any other reason, the Parties will share equally all costs and expenses associated with timely removal of or alteration of all signage and other public identification reflecting this Affiliation. If the termination of this Agreement is without cause, as set forth in Section 8.2, the Party initiating the termination shall be responsible for any outstanding program or service fees outlined within the Work Plan. If the termination of this Agreement is with cause, as set forth in Section 8.3, the breaching Party shall be responsible for any outstanding program or service fees outlined within the Work Plan. Termination of this Agreement shall not affect the validity or implementation of any separate, independent agreement(s) between the parties, as for example, any pre-existing or Work Plan defined arrangements to make certain physician services available to SAH.

Section 8.5. Dispute Resolution Process.

Section 8.5.1 Informal Dispute Resolution. Upon a Party's receipt of a written notice of dispute ("Initial Notice"), which sets forth the nature of the dispute, the facts and circumstances which a party believe supports its position, and the relief sought, the Parties shall convene a working group ("Working Group") within ten (10) business days to discuss and attempt to resolve the issues ("First Level Dispute Process"). The Working Group shall be comprised of an equal number of persons representing SWEDISHAMERICAN, on the one hand, and UHC, on the other hand. The Working Group shall include at least a vice president or more senior executive officers for both UHC and SWEDISHAMERICAN, and shall meet in good faith to settle the dispute. The Parties shall make best efforts to

ensure that this dispute resolution process occurs on a timely basis, with the expectation that the initial discussions of the Working Group occur within fifteen (15) days of the receipt of the initial notice of the dispute. If the dispute is not satisfactorily resolved through the First Level Dispute Process, any Party can, at any time, submit the dispute to mediation.

Section 8.5.2. Mediation. If any Party so requests in writing, any matter that has not been resolved through the First Level Dispute Process shall be submitted to mediation under the American Health Lawyers Association Alternative Dispute Resolution Service Rules of Procedure for Mediation, in the County of Dane, Wisconsin. The mediation shall be conducted by an attorney with at least ten (10) years of experience concentrated in health law, acceptable to the Parties. The costs of the mediator will be shared equally by UHC and SWEDISHAMERICAN, but otherwise each Party shall be responsible for its own costs in connection with the mediation. If the matter is not resolved by mediation within sixty (60) days after the initial request for mediation (or such longer period of time as mutually agreed-upon by the Parties), then the matter shall be decided by arbitration pursuant to Section 8.5.3 below.

Section 8.5.3. Arbitration. All disputes, claims and demands hereunder that have not been resolved by the First Level Dispute Process or by mediation shall be settled by arbitration before a single arbitrator pursuant to the rules of the American Health Lawyers Association ("AHLA") in the County of Dane, Wisconsin; provided, however, that any award pursuant to such arbitration shall be accompanied by a written opinion of the arbitrator giving the reason for the award. The arbitrator shall be selected by the joint agreement of the Parties, but if they do not so agree within twenty (20) days of the date of a request for arbitration, the selection shall be made as follows, if permitted under the then-applicable rules of

the AHLA dispute resolution procedures: SAH shall select one arbitrator and UHC shall select a second arbitrator. The two arbitrators shall then select a third arbitrator; the three collectively shall settle pursuant to the rules of the AHLA all disputes, claims and demands between the Parties brought before them. If the then-applicable rules of the AHLA dispute resolution procedures specify a different method for selection of an arbitrator or a panel of arbitrators, the AHLA rules shall be followed. The award rendered by the arbitrator or arbitrators shall be conclusive and binding upon the Parties hereto and shall be enforceable in any court having jurisdiction over the Parties. Each Party shall pay its own expenses of arbitration except for the reasonable attorneys' fees incurred pursuant to this Section by the prevailing party, which fees shall be paid for by the losing party. The expenses of the arbitrator or arbitrators shall be equally shared. Nothing herein set forth shall prevent the Parties from settling any dispute by mediation or by mutual agreement at any time.

9.0 COVENANTS

Section 9.1. Marketing.

Section 9.1.1. Identification of UW Faculty Physicians. In the case of any UW Faculty Physician providing services under this Agreement, SAH has the right to include the name, address, telephone number and area of specialty of any UW Faculty Physician providing services under this Agreement in SAH's directory and marketing materials and other information distributed to patients.

Section 9.1.2. Marketing Materials. The parties expect that marketing materials related to the affiliation or to specific services provided under this Agreement will be jointly developed as part of the implementation of this Agreement, as contemplated under Section 7.1. If SAH chooses to develop its

own advertising, promotional and other materials, both written and broadcast, which refer to UHC, UW Medical Foundation, UW Health, UW Health Partners, UW Faculty Physicians, UW School of Medicine and Public Health or University of Wisconsin, SAH agrees to obtain, in advance, written approval of the responsible UW Related Entity or Entities, and, where necessary as determined by UHC or one or more of the UW Related Entities whose approval is required, written approval of the University of Wisconsin. UHC shall use its best efforts to support and, where necessary, to facilitate the securing of the required approvals, provided that UHC has itself reviewed and approved the SAH materials.

Section 9.1.3. Work Plan Contingency. This Agreement shall not evidence an unconditional Affiliation relationship; nor, absent joint agreement, shall there occur any internal (except by and among the Leadership Committee referred to above) or external publication of any nature, that an affiliation relationship exists between the Parties; nor shall a Limited License Agreement be granted to SAH, until or unless the first annual Work Plan is agreed to in writing, executed and incorporated into this Agreement. If knowledge of this Agreement shall become public prior to an adopted Work Plan by virtue of the Public Records Law or Open Meetings Act as applied to the UW Related Entities, or by joint agreement, UHC and SAH shall jointly agree to a statement describing the status of the Affiliation under this Agreement.

Section 9.2. Use of SAH's Name. UHC agrees not to use SAH's name, logo(s), service mark(s) or trademark(s) without obtaining SAH's written approval in advance.

Section 9.3. Right of First Opportunity. In order to (a) facilitate a cooperative arrangement, (b) protect the investment of both SAH and UHC in this relationship, (c) monitor the quality of care provided to patients at SAH's facilities, (d) minimize any additional liability to UHC from the provision of services at SAH's facilities, and (e) induce UHC to invest the

financial and staff resources to establish and maintain the relationship and services described in this Agreement, SWEDISHAMERICAN covenants and agrees that during the Term of this Agreement, it shall not, directly or indirectly, enter into any agreement providing for an affiliation relationship substantially similar to that described herein, or for the establishment or expansion of programs or services as described herein, except where necessary to obtain care for SAH's patients which is not available in a timely fashion from UW Related Entities, unless after consultation with UHC as set forth at Sections 4.9 and 5.4 the Parties agree that such agreement will not violate this Agreement, or UHC and the UW Related Entities consent to SWEDISHAMERICAN entering into the proposed agreement with a third party, with or without conditions. For the same reasons, UHC covenants and agrees that during the Term of this Agreement, it will not, directly or indirectly, enter into any agreement providing for an affiliation relationship substantially similar to that described herein, or for the establishment or expansion of programs or services within the SAH Service Area, without prior consultation with and agreement of SWEDISHAMERICAN, and shall utilize the following process for such consultation and agreement: UHC shall first consult with SWEDISHAMERICAN regarding UHC's interest in such affiliation relationship and discuss with SWEDISHAMERICAN the potential impacts of such affiliation relationship on the Affiliation. If after such consultation the Parties agree that such agreement will not violate this Agreement, or SWEDISHAMERICAN consents to the proposed affiliation relationship, with or without conditions (such as, but not limited to, inclusion of SWEDISHAMERICAN in subsequent discussions with UHC and the third party regarding specific program development pursuant to both affiliation agreements), UHC may enter into such an agreement. Such consent permitting either party to enter into such an agreement with a third party shall be considered and memorialized as an addendum to this Agreement. If the Parties cannot reach agreement on any issue that is within the subject matter contemplated by this Section 9.3, then Section 8.5 shall be utilized to resolve this dispute.

Section 9.4. Confidentiality. The Parties agree that they shall keep the terms of this Agreement confidential and shall not disclose the same or otherwise allow knowledge concerning this Agreement's content to be known to any third party, except as such disclosure may be required by law. In the event either Party is required by law to disclose the terms of this Agreement, such Party shall promptly notify the other when complying therewith. This confidentiality covenant shall survive the termination of this Agreement by one (1) year.

The Parties, their employees, agents or representatives, and UW Faculty Physicians shall follow all applicable state and federal laws (including, but not limited to, the Health Insurance Portability and Accountability Act) pertaining to the release of confidential health information. Inasmuch as the Affiliation includes a number of functions which do not involve direct patient care, each Party covenants and agrees that it will execute the Business Associate Agreement of the other (or of the UW Related Entities).

Notwithstanding the above, copies of materials in the hands of employees of UHC, of UWSMPH, and of UWHC may be subject to the Wisconsin Open Records Law, Sections 19.21-19.39 of the Wisconsin Statutes. In the event that a request for materials containing information related to SAH is made pursuant to the Open Records Law, UHC agrees to provide notice to SAH and request that SAH identify those materials or parts of materials which are exceptions to the usual rule of disclosure of records and should be kept confidential. If a difference of opinion over whether an exception to inspection and disclosure of such material exists, SAH, where it legally may have standing, shall have the option to litigate the issue.

Section 9.5. Access to Books and Records. Upon reasonable notice, and in accordance with standard SAH medical record access requirements, SAH shall allow the appropriate UW Related Entity to inspect and copy the patient records of UW Faculty Physicians for the purposes of peer review, professional liability claim review or credentialing. The appropriate UW Related Entity, UW Faculty Physicians or a billing representative shall

have the right to request copies of medical record information necessary to bill or be reimbursed for the services of UW Faculty Physicians.

Until the expiration of four (4) years after the furnishing of services under this Agreement (or such longer term as may be required under the laws or regulations applicable to a particular UW Related Entity), the appropriate UW Related Entity shall make available, upon written request, to the Secretary of the United States Department of Health and Human Services ("DHHS") or to the Comptroller General of the United States, or any of their duly authorized representatives, this Agreement, and the books, documents and records of the appropriate UW Related Entity that are necessary to determine the nature and extent of services provided under this Agreement; provided, however, that such access is required by law, and further provided that the request for access complies with the procedural requirements of those laws. The appropriate UW Related Entity agrees to notify SAH of any such request for access by the Secretary of DHHS or the Comptroller General.

Likewise, until the expiration of four (4) years after the furnishing of services under this Agreement (or such longer term as may be required under the laws or regulations applicable to SAH or any of its affiliates), SAH shall make available, upon written request, to the Secretary of the United States Department of Health and Human Services ("DHHS") or to the Comptroller General of the United States, or any of their duly authorized representatives, this Agreement, and the books, documents and records of SAH and/or the appropriate affiliate that are necessary to determine the nature and extent of services provided under this Agreement; provided, however, that such access is required by law, and further provided that the request for access complies with the procedural requirements of those laws. SAH agrees to notify UHC of any such request for access by the Secretary of DHHS or the Comptroller General.

Section 9.6. No Patient Referral Contingency. Any benefits which the Parties receive hereunder in no way require, are in no way contingent upon, and are in no way intended to induce the admission or referral of patients (a) by SAH (or its medical staff) to UW

Related Entities (or its UW Faculty Physicians) or (b) by UW Related Entities (or its UW Faculty Physicians) to SAH (or its medical staff). In addition, there is no requirement that SAH (or its medical staff) or UW Related Entities (or its UW Faculty Physicians) make referrals, be in a position to make or influence referrals or to otherwise generate business for each other as a condition for receiving such benefits. Nor shall the computation of any expense or benefit hereunder take into effect either the actual patient referrals, if any, between the Parties or the volume of "designated health services" ordered by any physician.

Section 9.7. Authorization. UHC and SAH represent each to the other that the person executing this Agreement on behalf of UHC and SAH, respectively, has all the requisite power and authority to execute this Agreement on behalf of UHC and SAH, respectively, and that upon such mutual execution, this Agreement shall be binding upon both UHC and SAH.

Section 9.8. Employment Non-Discrimination and Non-Solicitation. SAH represents that it will not discriminate against its employees on any grounds which are prohibited by federal or state equal employment opportunity statutes, rules or executive orders, including, but not limited to, age, sex, race, sexual orientation, religion, national origin or disability. UHC warrants that UW Related Entities will not discriminate against their employees on any grounds which are prohibited by federal or state equal employment opportunity statutes, rules or executive orders, including, but not limited to, age, sex, race, sexual orientation, religion, national origin or disability. Nor shall either party (or the UW Related Entities) solicit the employment of any employee of the other or knowingly entertain the employment proposal or application for employment of an employee of the other without the written consent of the current employer.

Section 9.9. Relationship of Parties. It is mutually understood and agreed that the Parties are at all times acting and performing as independent contractors. Nothing in this Agreement is intended nor shall be construed, as between the parties, to create a partnership, principal/agent, employment, joint venture, landlord/tenant or other relationship or to allow

either Party to have or to exercise control, direction or supervision over the time, manner or method of practice of medicine at SAH's facility or over the activities of the other.

Section 9.10. UW Faculty Physicians Employment. None of the provisions of this Agreement are intended to create, nor shall be deemed or construed to create, any employment relationship between SAH and UW Faculty Physicians. UW Faculty Physicians providing services at SAH shall at all relevant times be employees of UWSMPH and acting within the course and scope of that employment and shall clearly identify themselves as employees of UWSMPH and University of Wisconsin.

Section 9.11. Academic Responsibilities. SAH understands that services which may be provided by UW Faculty physicians under this Agreement as outlined in the Work Plan are considered to be part of UW Faculty Physicians' academic responsibilities at UWSMPH. It is further understood that a certain portion of the time that UW Faculty Physicians spend providing services under this Agreement as outlined in the Work Plan may be devoted to educational activities and that the experience and information obtained may be used by UW Faculty Physicians in a confidential, anonymous manner for academic reports or other academic purposes.

Section 9.12. Dean's Joinder. The Dean of UWSMPH has joined in this Agreement to confirm that the activities of UHC, UWMF, UWSMPH, and UW Faculty Physicians under this Agreement shall directly and significantly contribute to the accomplishment of UWSMPH's instructional and research missions. The Dean of UWSMPH has also joined in this Agreement to confirm that each UW Faculty Physician or other UWSMPH employee who provides services under this Agreement shall be acting within the scope of his or her employment by UWSMPH, and hence by the state of Wisconsin; accordingly, any such UW Faculty Physician or other UWSMPH employee acting in the State of Wisconsin is protected by the liability coverage provisions of Section 895.46 of the Wisconsin Statutes. UW Faculty Physicians, other UWSMPH employees, or employees of

other UW Related Entities providing services within the state of Illinois will obtain licensure or credentialing from the State of Illinois, as may be required for the services being provided, and will carry liability coverage for acts or omissions committed within the State of Illinois.

Section 9.13. Entire Agreement. Except as to any separate physician services agreements between SAH and UHC or one of the UW Related Entities, this Agreement contains the entire understanding of the Parties with respect to the subject matter herein and supersedes any prior or contemporaneous agreement, whether oral or written, between the Parties.

Section 9.14. Amendments. The Parties may amend this Agreement only by a writing signed by the Parties and specifically identified as an amendment to this Agreement.

Section 9.15. Notice. Any notice required or permitted to be given under this Agreement must be in writing and be delivered personally or sent by certified mail, return receipt requested and postage prepaid, to the Parties or other entities or divisions thereof at the following addresses.

To SAH: Richard P. Walsh
President
SwedishAmerican Hospital
1313 East State Street
Rockford, Illinois 61104 - 2298

With a copy to: Attorney Philip R. Frankfort
Holmstrom & Kennedy, P.C.
800 N. Church St., P.O. Box 589
Rockford, IL 61105-0589

To UHC: Michael E. Dallman, Vice President
University Health Care, Inc.
635 Science Drive, Suite 100
Madison, WI 53711

With a copy to: Attorney Theresa M. Hottenroth
University Health Care, Inc.
635 Science Drive, Suite 100
Madison, WI 53711

Any entity or division thereof set forth above may change the person to receive notice or its address by written notice to the other entities.

Section 9.16. Severability. If any provision or any part of this Agreement shall be determined to be void, illegal, invalid or unenforceable, this determination shall not affect the remainder of this Agreement, which shall continue in full force and effect in accordance with its remaining terms.

Section 9.17. Assignment. This Agreement shall not be assigned by either Party without the express, prior written consent of the other prior to such assignment, which consent shall not be unreasonably withheld.

Section 9.18. Governing Law. This Agreement shall be construed, and the rights and liabilities of the Parties hereto determined, pursuant to Section 8.5, in accordance with the internal laws of the State of Wisconsin; provided, however, that the conflicts of law principles of the State of Wisconsin shall not apply to the extent that they would operate to apply the laws of another state.

Section 9.19. Survivability. Any and all of the representations, warranties, covenants and agreements contained in this Agreement shall survive the termination or expiration of this Agreement.

Section 9.20. Contents, Articles and Other Headings. Any table of contents, article and other headings contained in this Agreement are for reference purpose only and shall not in any way affect the meaning or interpretation of this Agreement.

Section 9.21. Waiver. No consent or waiver, expressed or implied, by either Party to or of any breach or default by the other Party hereto in the performance of such Party's obligations under this Agreement, shall be deemed or construed to be a consent to or waiver of

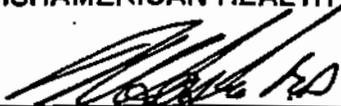
any other breach or default in the performance by such other Party of the same or any other obligation of such other Party under this Agreement.

Section 9.22. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute the same instrument.

Section 9.23. Force Majeure. Neither Party shall be in violation of this Agreement, nor shall either Party be liable to the other for damages, including consequential or special damages, if it is prevented from performing any of obligations hereunder for any reason beyond its reasonable control, including, without limitation, national disaster, act of God, war, strike, governmental restrictions and controls or production or maintenance delays.

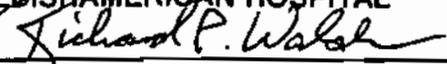
IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized officers and representatives.

SWEDISHAMERICAN HEALTH SYSTEM CORPORATION

By: 

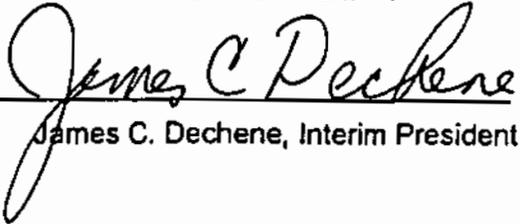
William R. Gorski, M.D., President and Chief Executive Officer

SWEDISHAMERICAN HOSPITAL

By: 

Richard P. Walsh, President

UNIVERSITY HEALTH CARE INC.

By: 

James C. Dechene, Interim President and Chief Executive Officer