



HEALTHCARE SYSTEM

July 23, 2014

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

RECEIVED

JUL 25 2014

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Dear Ms. Avery:

On Friday, May 30, 2014, we submitted Certificate of Exemption (COE) permit applications for the affiliation of Saint Anthony's Health Center (E-010-14) and Saint Clare's Hospital (E-009-14) in Alton, Illinois with OSF Healthcare System. The COE applications included the signed Letter of Intent for the affiliation, dated March 10, 2014. Since that time, the parties have negotiated the terms and conditions of their Affiliation Agreement.

The Boards of Directors of all involved parties have approved the Affiliation Agreement. However, final approval by the Sisters of St. Francis of the Martyr St. George, Province St. Elizabeth (FSGM), the religious order that is the sole member of Saint Anthony's Health System (the owner of Saint Anthony's Health Center and St. Clare's Hospital), is subject to approval under Canon Law by the General Council of FSGM located in Germany, and the Congregation of Institutes of Consecrated Life and Societies of Apostolic Life located in Vatican City, Italy. These approvals, as described in Section 8.2 of the Affiliation Agreement are pending.

Enclosed for your review is a copy of the Affiliation Agreement, which has been executed by OSF and approved by the Board of Directors of Saint Anthony's Health System, owner and operator of Saint Anthony's Health Center and St. Clare's Hospital. Based on the pending overseas approvals described above, we expect to submit the fully executed version of this Affiliation Agreement before or soon after the August 27, 2014 meeting of the Health Facilities and Services Review Board (HFSRB).

At this time, we are on schedule for an October 1, 2014 closing date. In order to close the transaction by October 1, 2014 and to avoid any delay in moving forward with this important affiliation for the future of our communities and the Southern Illinois region, we are hereby requesting that the HFSRB accept this letter and the enclosed copy of our Affiliation Agreement, conditioned upon HFSRB approval of our COE applications, and the pending canonical approvals described above. We recognize that any approval of our COE application by HFSRB would be contingent upon submission to HFSRB of the final, fully executed Affiliation Agreement in the form of the enclosed agreement.

We appreciate your consideration on this request. If you have any questions about this matter, please do not hesitate to contact me at 309-624-2360.

Sincerely,
OSF Healthcare System

By: Mark Hohulin
Mark Hohulin, Senior Vice President

c: Mike Constantino, HFSRB
Sister M. Mikela Meidl, FSGM

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JUL 25 2014

HEALTH FACILITIES &
SERVICES REVIEW BOARD

AFFILIATION AGREEMENT
AMONG
OSF HEALTHCARE SYSTEM,
SISTERS OF ST. FRANCIS OF THE MARTYR ST. GEORGE,
PROVINCE ST. ELIZABETH,
SAINT ANTHONY'S HEALTH SYSTEM,
SAINT ANTHONY'S HEALTH CENTER,
SAINT ANTHONY'S FOUNDATION
AND
SAINT ANTHONY'S PHYSICIAN GROUP

July 21, 2014

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LIST OF EXHIBITS

EXHIBIT **DESCRIPTION**

A Material Consents

AFFILIATION AGREEMENT

THIS AFFILIATION AGREEMENT is made and entered into as of the Execution Date, by and among OSF HEALTHCARE SYSTEM, an Illinois not-for-profit corporation, SISTERS OF ST. FRANCIS OF THE MARTYR ST. GEORGE, PROVINCE ST. ELIZABETH, an Illinois not-for-profit corporation, SAINT ANTHONY'S HEALTH SYSTEM, an Illinois not-for-profit corporation, SAINT ANTHONY'S HEALTH CENTER, an Illinois not-for-profit corporation, SAINT ANTHONY'S FOUNDATION, an Illinois not-for-profit corporation, and SAINT ANTHONY'S PHYSICIAN GROUP, an Illinois not-for-profit corporation. ARTICLE XVI contains a glossary of all capitalized terms used in this Agreement.

RECITALS:

A. OSF owns and operates several general acute care hospitals and institutions providing health care services in northern and central Illinois and in Michigan, and is the controlling member or shareholder of certain affiliated health care organizations and businesses;

B. SAHS is the sole member of (i) SAHC, which is the owner and operator of two (2) licensed hospitals located in Alton, Illinois, and (ii) certain affiliated health care organizations;

C. The Parties have engaged in discussions to explore the possibility of the SAHS Parties merging into OSF or the Foundation, as applicable, to support and further their common and unifying health care missions and to better serve the communities served by OSF and the SAHS Parties.

D. OSF and the SAHS Parties consider it to be consistent with their purposes, including, where applicable, their charitable purposes, and in the best interests of the communities they serve, to merge as described herein.

E. As a result of such discussions, OSF, SAHS, and FSGM, the sponsor of SAHS, entered into a Letter of Intent, pursuant to which OSF, SAHS, and FSGM set forth their preliminary understandings and agreements regarding the nature and terms of a potential Affiliation.

F. As contemplated by the Letter of Intent, the Parties wish to set forth the full and complete binding terms of their agreement with respect to the Affiliation between them and to related matters within this Agreement.

NOW, THEREFORE, for and in consideration of the premises, and the agreements, covenants, representations and warranties hereinafter set forth, and other good and valuable consideration, the receipt and adequacy of which are forever acknowledged and confessed, and in reliance upon the recitals set forth above, which are incorporated herein by reference, the Parties agree as follows:

ARTICLE I
AFFILIATION GOALS AND OBJECTIVES

1.1. Affiliation Goals and Objectives. Through the Affiliation the Parties intend to (a) preserve and enhance Catholic healthcare in the communities served by OSF and the SAHS Parties; (b) expand the presence of Roman Catholic Sisters in the communities served by the Third Order, the sponsor of OSF, and FSGM; (c) respect the loyalty and values of OSF and FSGM in the communities they serve by carrying out their respective charisms, historical missions and traditions; (d) promote greater access to, and improve coordination of, healthcare services to the communities served by OSF and the SAHS Parties; and (e) achieve excellence in clinical innovations, services, quality, cost and outcomes.

ARTICLE II
IMPLEMENTATION OF AFFILIATION

2.1. The Affiliation. At and as of the Closing Date:

2.1.1 Mergers of SAHS and SAHC into OSF. FSGM and SAHS shall cause SAHS and SAHC to be merged with and into OSF, whereupon:

- a. OSF, SAHS, and SAHC shall be a single not-for-profit corporation, which shall be OSF, as the surviving entity;
- b. The separate existence of SAHS and SAHC shall cease;
- c. The articles of incorporation of OSF as then in effect shall be the articles of incorporation of the surviving entity until amended or changed in accordance with Illinois law;
- d. The bylaws of OSF as then in effect shall be the bylaws of the surviving entity until amended, changed or repealed subject to Section 16.1.731; and
- e. The corporate member, directors, and officers of OSF immediately prior to the merger shall be the corporate member, directors and officers of the surviving entity until their respective successors shall have been elected and have qualified or until their earlier resignation, removal or replacement.

OSF shall adopt, and FSGM shall cause the members of SAHS to adopt, a plan of merger in form and substance reasonably satisfactory to OSF and FSGM, and OSF and SAHS shall file articles of merger in form and substance reasonably satisfactory to OSF and FSGM with the Secretary of State of the State of Illinois in accordance with the Act (collectively the "SAHS Merger Filings"). OSF shall adopt, FSGM shall cause the members of SAHS to adopt, and SAHS shall cause SAHC to adopt, a plan of merger in form and substance reasonably satisfactory to OSF and FSGM, and OSF and SAHC shall file articles of merger in form and substance reasonably satisfactory to OSF and FSGM with the Secretary of State

of the State of Illinois in accordance with the Act (collectively the "**SAHC Merger Filings**").

2.1.2 Change of Control of SAPG. FSGM shall cause the members of SAHS to adopt, and SAHS shall cause SAPG to adopt amended and restated articles of incorporation and bylaws (respectively the "**Amended and Restated SAPG Articles**" and the "**Amended and Restated SAPG Bylaws**") in in form and substance reasonably satisfactory to OSF and FSGM to provide that OSF or an OSF Affiliate that is a Tax Exempt Organization will become the sole member of SAPG with powers reserved to OSF or such OSF Affiliate consistent with those the Third Order holds with respect to OSF.

2.1.3 Merger of SAF into Foundation. FSGM and SAHS shall cause SAF to be merged with and into the Foundation, whereupon:

a. The Foundation and SAF shall be a single not-for-profit corporation, which shall be the Foundation, as the surviving entity;

b. The separate existence of SAF shall cease;

c. The articles of incorporation of the Foundation as then in effect shall be the articles of incorporation of the surviving entity until amended or changed in accordance with Illinois law;

d. The bylaws of the Foundation as then in effect shall be the bylaws of the surviving entity until amended, changed or repealed; and

e. The corporate member, directors, and officers of the Foundation immediately prior to the merger shall be the corporate member, directors and officers of the surviving entity until their respective successors shall have been elected and have qualified or until their earlier resignation, removal or replacement.

OSF shall cause Foundation to adopt, FSGM shall cause the members of SAHS to adopt, and SAHS shall cause SAF to adopt, a plan of merger in form and substance reasonably satisfactory to OSF and FSGM, and Foundation and SAF shall file articles of merger in form and substance reasonably satisfactory to FSGM with the Secretary of State of the State of Illinois in accordance with the Act (collectively the "**SAF Merger Filings**").

2.2. Effect of the Mergers or Change of Control. In accordance with the Act, the mergers and change of control transaction contemplated in Section 2.1 shall have the following effects:

2.2.1 OSF, the Foundation, and any applicable OSF Affiliate, each as a surviving or controlling entity, shall have all the rights, privileges, immunities, and powers, and shall be subject to all the duties and liabilities, of a not-for-profit corporation organized under the laws of the State of Illinois;

2.2.2 OSF, the Foundation, and any applicable OSF Affiliate, each as a surviving or controlling entity, shall possess all the rights, privileges, immunities, and franchises, of a public or private nature, of the applicable SAHS Party; and all property, real, personal and mixed, and all debts due on whatever account, and all other choses in action, and all and every other interest, of or belonging to or due to the applicable SAHS Party, shall be taken and deemed to be transferred to and vested in OSF, the Foundation, or an OSF Affiliate, as applicable, as the surviving or controlling entity, without further act or deed; and the title to any real estate, or any interest therein, vested in an SAHS Party shall not revert or be in any way impaired by reason of the merger; and

2.2.3 OSF, the Foundation, and any applicable OSF Affiliate, each as a surviving or controlling entity, shall be responsible and liable for all the liabilities and obligations of the applicable SAHS Party; and any claim existing or action or proceeding pending by or against an SAHS Party may be prosecuted to judgment as if the merger or change of control had not taken place, and OSF, the Foundation, or an OSF Affiliate, as applicable, may be substituted in its place; and neither the rights of creditors nor any liens upon the property of an SAHS Party shall be impaired by the merger.

2.3. OSF Policies. After the Closing Date, at the discretion of OSF, but subject to the other provisions of this Agreement, the operations of the SAHS Facilities and Services shall be subject to OSF ministry policies applicable to OSF Facilities in effect from time to time.

2.4. Medical Staff. The Closing shall not affect or change (a) the privileges held by members of the medical staff or allied health professional staff of the Hospital on the Closing Date, or (b) the medical staff bylaws, rules and regulations, allied health professional staff rules and regulations or credentialing procedures, of the Hospital in effect on the Closing Date; or (c) any agreements with members of the medical staff or the allied health professional staff, whether the physicians or allied health professionals be employed or contracted; provided, however, that the foregoing statement shall not be deemed to preclude OSF and the Hospital from establishing new procedures consistent with this Agreement and customary practices of other OSF hospitals and industry standards for medical staff approval and maintenance of medical staff privileges after the Closing Date. The Hospital's medical staff shall remain independent of the medical staffs of any other hospital owned or controlled by OSF. The consummation of the transactions contemplated herein shall not result in a need for any reapplications of current members of the Hospital's medical staff or allied health professional staff, except as otherwise required by the Hospital's medical staff bylaws or allied health professional staff rules and regulations with respect to expiration of medical staff or allied health staff appointments or credentials. Prior to and after the Closing, OSF shall work with the medical staff to evaluate and, where feasible, pursue opportunities for medical staff/clinical integration where doing so offers opportunities for advancement in quality of care.

ARTICLE III REPRESENTATIONS AND WARRANTIES OF THE SAHS PARTIES

The SAHS Parties give, as of the Execution Date, the following representations and warranties to OSF:

3.1. Organization; Good Standing; Power. Each SAHS Party is duly formed as an Illinois not-for-profit corporation. Each SAHS Party is validly existing and in good standing under the laws of the State of Illinois, and has the corporate power and authority to own, operate or hold under lease its properties and assets and to carry on its business and operations as presently conducted. Except as has been disclosed in writing by SAHS to OSF, each SAHS Party has registered with the proper governmental authorities all assumed names under which it operates its business and has continuously maintained all such filings in good standing.

3.2. Corporate Authorization.

3.2.1 Each SAHS Party has the full corporate power and authority to enter into and to perform its obligations under this Agreement.

3.2.2 The execution, delivery and performance of this Agreement by each SAHS Party has been duly and properly authorized by all necessary corporate action in accordance with its Governing Documents and Applicable Law.

3.2.3 This Agreement constitutes the valid and legally binding obligation of each SAHS Party, enforceable against it in accordance with its terms, except as enforceability may be limited by: (a) general principles of equity, regardless of whether enforcement is sought in a proceeding in equity or at law; or (b) bankruptcy, insolvency, reorganization, moratorium or other similar laws of general application now or hereafter in effect relating to or affecting the enforcement of creditors' rights generally.

3.3. No Violation; Approvals.

3.3.1 Except as has been disclosed in writing by SAHS to OSF, the execution, delivery and performance of this Agreement shall not result in the creation of any material lien, charge, or encumbrance of any kind or the termination or acceleration of any indebtedness or other obligation of any SAHS Party under any Material Contract, and, to the Knowledge of any SAHS Party, is not prohibited by, does not violate or conflict with any material provision of, and does not constitute a default under or breach of any Material Contract, any material permit, license, approval or other commitment to which any SAHS Party is a party or is subject or by which it is bound, or any Applicable Law.

3.3.2 Except as has been disclosed in writing by SAHS to OSF, no material approval, authorization, registration, consent, order, filing or, to the Knowledge of any SAHS Party, other action that has not occurred or been obtained with or from any Person, including any court, administrative agency or other governmental authority, is required for the execution and delivery by any SAHS Party of this Agreement or the consummation by any SAHS Party of the transactions contemplated or required hereby, except for the Canonical Approvals and filings required pursuant to the Illinois Health Facilities Planning Act.

3.4. Financial Statements.

3.4.1 SAHS has delivered to OSF true and correct copies of: (a) the SAHS Audited Financial Statements; and (b) the SAHS Unaudited Financial Statements. From the Execution Date to the Closing Date, by the last Business Day of the following month, SAHS shall provide OSF with the SAHS Interim Financial Statements.

3.4.2 The SAHS Financial Statements: (a) present fairly in all material respects the financial position of each SAHS Party and the results of the operations of each SAHS Party at the dates and for the periods indicated; and (b) conform in all material respects with GAAP, applied consistently for the periods specified, including, to the Knowledge of any SAHS Party, the consistent use of assumptions, practices, procedures and terminology, except: (i) as otherwise disclosed in writing by SAHS to OSF; and (ii) that the SAHS Unaudited Financial Statements and the SAHS Interim Financial Statements need not contain any of the footnotes or other year-end adjustments required to comply with GAAP.

3.4.3 Except as has been disclosed in writing by SAHS to OSF, from and after December 31, 2013, no SAHS Party has made any material changes to its accounting methods or practices, including methods or practices used to:

- a. Establish reserves on any patient, notes and accounts receivable;
- b. Establish estimates of any third-party settlements;
- c. Determine the value of any other accounts that require subjective determinations; or
- d. Establish malpractice, general liability or other self-insurance reserves, including claims incurred but not reported.

3.4.4 Except as has been disclosed in writing by SAHS to OSF, no SAHS Party has liabilities or obligations of any kind, whether contingent or absolute, direct or indirect, or matured or unmatured, required by GAAP to be shown or provided for in the SAHS Financial Statements provided to OSF prior to the Execution Date, other than: (a) claims covered by insurance, or reserved by a specific or general reserve, and any individual liability or obligation of less than \$100,000, provided such liabilities and obligations in the aggregate do not exceed \$250,000; or (b) liabilities arising in the ordinary course of business that are reflected in the SAHS Interim Financial Statements.

3.4.5 Except as has been disclosed in writing by SAHS to OSF, none of the assets of any SAHS Party is subject to restrictions imposed by the donors of specific funds or other assets.

3.5. Accounts Receivable. All accounts receivable of each SAHS Party represent and constitute *bona fide* indebtedness owing to each SAHS Party for services actually performed or for goods or supplies actually provided in the amounts indicated in the SAHS Financial Statements with, to the Knowledge of any SAHS Party, no Known set-offs, deductions,

compromises or reductions other than reasonable allowances for bad debts and contractual allowances in an amount consistent with historical policies and procedures of each SAHS Party and that are taken into consideration in the preparation of the SAHS Financial Statements. Each SAHS Party has made available to OSF an aging report of all such accounts receivable, in the form requested by OSF and such report is accurate in all material respects.

3.6. Interim Changes. Except for matters expressly permitted or authorized by this Agreement and except as has been disclosed in writing by SAHS to OSF, there has not been, after the date of the most recent SAHS Audited Financial Statements:

3.6.1 Any material adverse change in the business, financial condition or results of operations of any SAHS Party;

3.6.2 Any disposition by any SAHS Party of any material property, rights or other assets owned by or employed by it, except for dispositions in the usual and ordinary course of business;

3.6.3 Any amendment or termination of any Material Contract that has had or could reasonably be expected to have, in the aggregate, a material and adverse effect on any SAHS Party; and

3.6.4 Any adoption or material amendment of any bonus, profit sharing, incentive or severance agreement or arrangement, or any SAHS Benefit Plan, involving any officer, director or employee of any SAHS Party.

3.7. Legal Proceedings. Except as has been disclosed in writing by SAHS to OSF, no SAHS Party is a defendant in, or, to the Knowledge of any SAHS Party, threatened with any action, suit, proceeding, complaint, charge, hearing or arbitration that could reasonably be expected to result in a Material Adverse Change in the SAHS Parties, or materially and adversely affect the ability of any SAHS Party to perform its obligations under this Agreement. Except as has been disclosed in writing by SAHS to OSF, no SAHS Party has received written notice of any investigation or, to the Knowledge of any SAHS Party, threatened investigation by any Federal, state or local governmental or regulatory agency, including those involving its business practices and policies, that could reasonably be expected to result in a material adverse change to the business, financial condition or results of operations of any SAHS Party.

3.8. Licenses and Permits.

3.8.1 Each SAHS Party holds and is in compliance with all Licenses and Permits, the noncompliance with which could reasonably be expected to result in a material adverse change in its business, financial condition or results of operations. The Licenses and Permits are current, unrestricted and valid.

3.8.2 Except as has been disclosed in writing by SAHS to OSF, no statement of deficiencies, survey report, inspection report, notice of audit, audit results, complaint or other notice of noncompliance with the requirements, standards or other conditions, or any revocation, termination, suspension or limitation of any of the Licenses and Permits has been received in writing by any SAHS Party or, to the Knowledge of any SAHS

Party, threatened, by any governmental authority for which any actual or potential payment or other obligation exists, nor does any SAHS Party have any Knowledge of any basis for any such action.

3.9. No Material Omissions.

3.9.1 Each SAHS Party has responded in all material respects to all requests for information and documentation made by OSF in connection with its due diligence review of the business, operations, assets and liabilities of the SAHS Parties. No SAHS Party has Knowingly omitted any material information relating to the businesses, operations, assets or liabilities of any SAHS Party in its responses to OSF's requests. Since the delivery of such responses to OSF, no SAHS Party has received and not disclosed any information that would render untrue or misleading in any material respect any information previously disclosed to OSF in response to its requests for information.

3.9.2 To the Knowledge of the SAHS Parties, OSF has responded in all material respects to all requests for information and documentation made by the SAHS Parties in connection with its due diligence review of the business, operations, assets and liabilities of OSF.

3.9.3 The representations and warranties of each SAHS Party contained in this Agreement, and each Exhibit, disclosure, certificate or other document delivered at Closing by each SAHS Party pursuant to this Agreement, are accurate, correct and complete in all material respects, and do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements and information contained therein not misleading.

3.10. Compliance with Law. Except as has been disclosed in writing by SAHS to OSF, to the Knowledge of any SAHS Party, each SAHS Party is in compliance, in all material respects, with all Applicable Laws, including, without limitation, all Health Care Laws.

3.11. Owned Real Property and Other Assets.

3.11.1 SAHS has delivered to OSF a written list of all Owned Real Property by common address and property identification number. Except as set forth on the list or as otherwise disclosed in writing by SAHS to OSF, each SAHS Party is the sole and exclusive owner of all right, title and interest in and has good and marketable fee simple title to the Owned Real Property free and clear of all liens, mortgages, security interests, options, pledges, charges, covenants, conditions, restrictions and other encumbrances and claims of any kind or character whatsoever, other than Permitted Encumbrances. Except as set forth on the list or as otherwise disclosed in writing by SAHS to OSF, no SAHS Party has assigned, transferred, conveyed, mortgaged, deeded in trust, or encumbered any interest in any leasehold or subleasehold under any lease or agreement to which any SAHS Party is a party and under which it is a lessee of any real property. The Owned Real Property is accurately described on the list and includes all real estate owned by each SAHS Party which is used in connection with its current operations. Except as set forth in the list or as otherwise disclosed in writing by SAHS to OSF, no SAHS Party has

leased or otherwise granted to any Person the right to use any Owned Real Property or any portion thereof. Except as described in the list or as otherwise disclosed in writing by SAHS to OSF, there are no outstanding options, rights of first refusal or rights of first offer to purchase any Owned Real Property or any portion thereof or interest therein. Except as described on the list or as otherwise disclosed in writing by SAHS to OSF, with respect to the Owned Real Property:

a. During the past three (3) years, no SAHS Party has received written notice of a violation of any Applicable Law that remains uncorrected or unresolved as of the Closing Date, and no SAHS Party has received written notice of condemnation relating to any part of the Owned Real Property or the operation thereof;

b. There is no lien on any part of the Owned Real Property, other than Permitted Encumbrances;

c. There are no tenants or other Persons occupying any space in the Owned Real Property, or claiming any possession, adverse or not, to any portion of the Owned Real Property, other than pursuant to written tenant leases with an SAHS Party;

d. Each parcel of Owned Real Property is either: (i) exempt from real property or *ad valorem* taxation pursuant to Section 15-86 of the Property Tax Code (35 ILCS § 200/15-86), in which case each SAHS Party has furnished OSF with true and complete copies of determinations of exempt status and annual certification thereafter for such Owned Real Property and no SAHS Party has received written notice and has no Knowledge that the status of such Owned Real Property will change from exempt to taxable; or (ii) separately assessed for real estate tax purposes and is not combined with any land or real estate that is not a part of the Owned Real Property for real estate tax assessment purposes, in which case, for each parcel of Owned Real Property that is not exempt from real property taxation, no SAHS Party has received any written notice of change in assessed value that is not reflected in Owned Real Property tax bills furnished to OSF;

e. To the Knowledge of any SAHS Party, no improvements located on any Owned Real Property are located within a 100 year flood plain or an area identified by the Secretary of Housing and Urban Development as having "special flood hazards," as such term is used in the National Flood Insurance Act of 1968, as amended and supplemented by The Flood Disaster Protection Act of 1973, and in regulations, interpretations and rulings thereunder;

f. To the Knowledge of any SAHS Party, all permanent certificates of occupancy and all other licenses, permits, authorizations, consents, certificates and approvals relating to the Owned Real Property and required by all governmental authorities having jurisdiction and the requisite certificates of the local board of fire underwriters (or other body exercising similar functions),

which, if not obtained, could reasonably be expected to result in a material adverse change to the business, financial condition or results of operations of any SAHS Party, have been issued for the Owned Real Property (and all individual items constituting the Owned Real Property), have been paid for, are in full force and effect, and, to the Knowledge of any SAHS Party, will not be invalidated, violated or otherwise adversely affected by the Affiliation;

g. Each SAHS Party has made available to OSF complete copies of all engineering assessments and construction contracts that have been prepared by or at its direction within the last three (3) years relating to any of the Owned Real Property;

h. No SAHS Party has received written notice of any existing, proposed or contemplated plans to modify or realign any street or highway or any existing, proposed or contemplated eminent domain proceeding that would result in the taking of all or any part of the Owned Real Property or that would adversely affect the current use of any part of the Owned Real Property;

i. To the Knowledge of any SAHS Party, upon consummation of the transactions contemplated by this Agreement, it will be entitled to continue to use all Owned Real Property that is currently employed by any SAHS Party in the conduct of its operations as currently conducted; and

j. The Owned Real Property is subject to no easements, conditions, restrictions, ordinances, or other limitations that would make such property unusable for its current use or the title to such property unmarketable, or materially restrict or impair the current use or operation of the business in a manner consistent with the current use, or that would require the removal of any improvements, except for Permitted Encumbrances.

3.11.2 Except as has been disclosed in writing by SAHS to OSF; to the Knowledge of any SAHS Party, the Owned Real Property is not in material violation of any Environmental Laws; no SAHS Party has received any written notice within the past three (3) years alleging or asserting either a material violation of any Environmental Law or a legal obligation of a SAHS Party to investigate, assess, respond to, remove, or remediate a condition involving Hazardous Substances from any part or all of the Owned Real Property under or pursuant to any Environmental Law; to the Knowledge of any SAHS Party, no SAHS Party has possessed, managed, processed, released, handled or disposed of or discharged Hazardous Substances at, on or from the Owned Real Property (including groundwater), except in material compliance with applicable Environmental Law and Licenses and Permits; no SAHS Party has any Knowledge that any prior owners, operators or occupants of the Owned Real Property have caused or allowed any Hazardous Substances to be discharged, possessed, managed, processed, released, or otherwise handled on the Owned Real Property in material violation of any applicable Environmental Law; to the Knowledge of any SAHS Party, each SAHS Party is complying and, for the previous three (3) years, has complied in all material respects with all applicable Environmental Laws; to the Knowledge of any SAHS Party, the Owned

Real Property does not contain material amounts of Hazardous Substances in such form or condition for which investigation, assessment, abatement, repair, response, or removal is required by applicable Environmental Law; and there are no, nor to the Knowledge of any SAHS Party has there ever been any, dumps, pits, surface impoundments, or other areas located on the Owned Real Property which were or are maintained or utilized for the disposal or containment of Hazardous Substances. Each SAHS Party shall promptly notify OSF should it obtain Knowledge, prior to the Closing Date, of any lien, written notice, litigation, or threat of litigation relating to any alleged or actual unauthorized release of any Hazardous Substance with respect to any part of the Owned Real Property. Except as has been disclosed in writing by SAHS to OSF, to the Knowledge of any SAHS Party, no SAHS Party has sent, arranged for disposal or treatment, arranged with a transporter for transport for disposal or treatment, transported, or accepted for transport any Hazardous Substances, to a facility, site or location, that, pursuant to CERCLA or any similar state or local law: (i) has been placed or has been publicly proposed by authorities having jurisdiction to be placed, on the National Priorities List or its state equivalent; or (ii) is subject to a claim, administrative order or other demand to take removal or remedial action by any Person having jurisdiction and authority in any such matter. Except as has been disclosed in writing by SAHS to OSF, no SAHS Party has received from any governmental authority any written requests for information, potentially responsible party letters, general or special notices or violation notices alleging that it is or may be liable under CERCLA or any other Environmental Law(s). Without in any way limiting the generality of the foregoing: (y) all current or former underground storage tanks located on the Owned Real Property of which any SAHS Party has Knowledge and all information in any SAHS Party's possession relating to the capacity, uses, dates of installation and contents of such underground storage tanks located on the Owned Real Property are have been disclosed in writing by SAHS to OSF; and (z) all existing underground storage tanks used by any SAHS Party to store Hazardous Substances are in compliance in all material respects with applicable Environmental Law.

3.12. Space Leased by any SAHS Party to Healthcare Providers. Except as has been disclosed in writing by SAHS to OSF, no SAHS Party leases space to any physician, midlevel provider or other health care worker.

3.13. Title to Assets. Except as has been disclosed in writing by SAHS to OSF or reflected in the SAHS Financial Statements, other than Owned Real Property that is provided for in Section 3.11, each SAHS Party has good and defensible title to, or has a contract, license or lease to use, all of its assets of every kind, character and description, whether personal, tangible or intangible, which are material to the operation of the businesses of each SAHS Party, free and clear of all liens, mortgages, security interests, options, pledges, charges, covenants, conditions, restrictions and other encumbrances and claims of any kind or character whatsoever, other than liens and encumbrances which are Permitted Encumbrances.

3.14. Affiliates and Subsidiaries. Except as has been disclosed in writing by SAHS to OSF, there are no entities that, directly or indirectly, through one or more intermediaries, owns or Controls, or is Controlled by, or is under common Control with, each SAHS Party.

3.15. Tax Exempt Status.

3.15.1 Each SAHS Party is a Tax Exempt Organization. The IRS has not taken, or to the Knowledge of any SAHS Party, proposed to take, any action to revoke any SAHS Party's tax-exemption, and has not determined in writing or, to the Knowledge of any SAHS Party, proposed to announce, that any SAHS Party is a "private foundation" within the meaning of Section 509(a) of the Code. No SAHS Party has any Knowledge of any change in the organization or operation of any SAHS Party that could reasonably be expected to result in a loss of any SAHS Party's status as a Tax Exempt Organization.

3.15.2 SAHC has made all required continuing disclosure reports in accordance with 17 C.F.R. § 240.15c2-12. If applicable, SAHC has calculated and paid on a timely basis the amount, if any, of arbitrage earnings on proceeds of tax-exempt bonds, as are required to be rebated under Section 148 of the Code.

3.16. Insurance. SAHS has delivered to OSF an accurate, correct and complete list (including the name of the insurer, coverage, premium and expiration date) of all Insurance Policies. Except as set forth on the list, the Insurance Policies are in full force and effect and shall remain in full force and effect through the Closing Date.

3.17. Taxes. Each SAHS Party has filed, or shall file, all Returns for all periods ending on or before the Closing Date which are due on or before the Closing Date (after taking into account all applicable extensions). Except as has been disclosed in writing by SAHS to OSF, as of the time of filing, such Returns are or will be materially correct. Each SAHS Party has timely paid all Taxes shown as due and payable on such Returns and has made provision in the SAHS Financial Statements for all Taxes not paid and relating to any period prior to the Closing Date.

3.18. Employee Benefits.

3.18.1 SAHS has delivered to OSF an accurate, correct and complete list of all SAHS Benefit Plans. Prior to the Execution Date, each SAHS Party has delivered to OSF the following for each SAHS Benefit Plan established or maintained by it: (a) the text of each SAHS Benefit Plan and any trust, insurance, or annuity contracts maintained in connection therewith, including all amendments thereto; (b) the most recently filed annual report (Form 5500), including all schedules and attachments and any financial statements required by Section 103(a)(3) of ERISA or, for each top-hat plan, a copy of all registration statements filed with the Department of Labor pursuant to 29 C.F.R. § 2520.104-23(b)(1); (c) the most recent actuarial valuation report, if any; (d) the most recent summary plan description and all modifications thereto; (e) the most recent determination letter or ruling letter issued by the IRS and any outstanding applications for a determination letter or request for ruling; (f) the most recent actuarial valuation, study, estimate of the obligations under any retiree medical benefits plans, supplemental retirement benefits plans, or executive deferred-compensation arrangements; and (g) the most recent financial or other report of assets held or set aside to provide funding for such SAHS Benefit Plan.

3.18.2 Except as has been disclosed in writing by SAHS to OSF, all benefits and contributions relating to each SAHS Benefit Plan have been timely paid in accordance with the terms of such SAHS Benefit Plan and Applicable Law.

3.18.3 All SAHS Benefit Plans have been maintained and administered in material compliance with their terms and comply in all material respects, both as to form and operation, with the provisions of Applicable Law. To the extent that any SAHS Benefit Plan is intended to be qualified under Section 401(a) of the Code, it has received a determination letter from the IRS or, with respect to a prototype plan, can rely on an opinion letter from the IRS to the effect that such SAHS Benefit Plan is qualified and that the SAHS Benefit Plan and the trust related thereto are exempt from Federal income taxes under Sections 401(a) and 501(a), respectively, of the Code. Except as set forth on the list, nothing has occurred that could reasonably be expected to cause the revocation of such determination letter or the unavailability of reliance on such opinion letter, as applicable, nor has such revocation or unavailability been threatened.

3.18.4 Except as has been disclosed in writing by SAHS to OSF, all reports, returns and similar documents with respect to the SAHS Benefit Plans required to be filed with any government agency have been duly and timely filed. To the Knowledge of any SAHS Party, there are no threatened or pending investigations by any governmental agency, termination proceedings or other claims (except claims for benefits payable in the normal operation of the SAHS Benefit Plans), suits or proceedings against or involving any SAHS Benefit Plan or asserting any rights or claims to benefits under any SAHS Benefit Plan that could reasonably be expected to give rise to any material liability.

3.18.5 To the Knowledge of any SAHS Party, no "prohibited transaction" (as defined in Section 4975 of the Code or Section 406 of ERISA) has occurred that involves the assets of any SAHS Benefit Plan and that could reasonably be expected to subject any SAHS Party or any of its employees to a tax or penalty on prohibited transactions imposed by Section 4975 of the Code or Section 502(i) of ERISA. No SAHS Benefit Plan that has been terminated could reasonably be expected to cause material liability to any SAHS Party.

3.18.6 Except as has been disclosed in writing by SAHS to OSF: (i)(A) no SAHS Party or any ERISA Affiliate contributes to any "multiemployer plan" within the meaning of Section 3(37) of ERISA or has withdrawn from or has any outstanding withdrawal liability with respect to a multiemployer plan, (B) no event has occurred or circumstance exists that could result in any liability to any SAHS Party or any ERISA Affiliate with respect to a multiemployer plan, and (C) no SAHS Party has engaged in any transaction within the scope of Section 4212(c) of ERISA; (ii) no SAHS Party either provides or has any liability for health or welfare benefits with respect to any retired or former employees of any SAHS Party, nor with respect to any active employees of any SAHS Party following such employee's retirement or termination of service, except as required under Applicable Law or in a manner similar to that which would be required under the continuation coverage requirements for group health plans under Part 6 of Subtitle B of Title I of ERISA and Section 4980B of the Code ("COBRA"), if COBRA

applied to such SAHS Benefit Plan; (iii) no SAHS Party sponsors, participates in or has any obligation to contribute to a “multiple employer welfare arrangement” within the meaning of Section 3(40) of ERISA; (iv) no SAHS Party sponsors, maintains, or has any obligation to contribute to a “voluntary employees’ beneficiary association” within the meaning of Section 501(c)(9) of the Code; (v) no SAHS Party or any ERISA Affiliate sponsors, maintains, or is a participating employer in any employee benefit plan that is subject to Title I, Subtitle B, Part 3 of ERISA or Section 412 of the Code; (vi) no SAHS Party or any ERISA Affiliate sponsors, maintains, or is a participating employer in any employee benefit plan that is subject to Title IV of ERISA; (vii) there has been no amendment to any SAHS Benefit Plan that either provides for a reduction in the rate of future benefit accrual or that eliminates or reduces an early retirement benefit or retirement-type subsidy and that would require a notice to participants in accordance with Section 204(h) of ERISA or Section 4980F(e) of the Code; (viii) no SAHS Party maintains any “nonqualified deferred compensation plans” within the meaning of Section 409A(d)(1) of the Code or any plan subject to the provisions of Section 457(f) of the Code; (ix) with respect to each SAHS Benefit Plan, there has been duly and timely furnished, in compliance in all material respects with Applicable Laws, all notices required under Applicable Laws to be given to participants, beneficiaries, and alternate payees, or to any governmental authorities; (x) neither the execution and delivery of this Agreement nor the consummation of the Affiliation will accelerate vesting, increase any benefits otherwise payable, or result in any payment (whether of severance pay, change-of-control benefits, or otherwise) under any SAHS Benefit Plan; (xi) except as prohibited under Applicable Law, each SAHS Party has the right under each SAHS Benefit Plan to terminate each such SAHS Benefit Plan or amend each such SAHS Benefit Plan so as to reduce benefits not yet accrued, cease accruals, or increase employee cost-sharing; and (xii) each SAHS Benefit Plan that is intended to satisfy the requirements of Section 403(b) of the Code satisfies all such requirements and all other applicable legal requirements in all material respects (including the requirement to adopt a written plan document by no later than December 31, 2009), and there is no provision or operation that could reasonably be expected to result in the disqualification of any such plan.

3.18.7 Except as has been disclosed in writing by SAHS to OSF or as required under Applicable Law or the terms of the applicable SAHS Benefit Plan, prior to the Closing Date, no SAHS Party has taken, or caused or permitted to be taken, any action that would change the legal or beneficial ownership status of the accounts in which funds of or attributable to SAHS Benefit Plans are invested or otherwise held.

3.19. Labor Relations. Except as has been disclosed in writing by SAHS to OSF, each SAHS Party has, to the Knowledge of each SAHS Party, complied in all material respects with all Applicable Laws relating to the employment of its employees and independent contractors, including provisions relating to wages, hours, equal opportunity, collective bargaining, and the payment of Social Security and other Taxes, as applicable. No SAHS Party has entered into any collective bargaining agreements or received notice that any of its employees are represented by, or notice of any claim that any of its employees is entitled to be represented by, a collective bargaining agent.

3.20. Payment Programs. Each SAHS Party has delivered to OSF a list of all of the Payment Programs in which any SAHS Party participates. Except as has been disclosed in writing by SAHS to OSF:

3.20.1 No SAHS Party is engaged in termination proceedings as to its participation in any Payment Program, nor has any SAHS Party received notice that its current participation in any Payment Program is subject to any contest, termination or suspension as a result of alleged violations or any noncompliance with participation requirements;

3.20.2 To the Knowledge of any SAHS Party, no SAHS Party has taken or committed to any action, entered into any agreement, contract or undertaking, or taken or omitted to take any other action of any nature whatsoever that was or is in violation of any applicable Payment Program condition of participation, contract, standard, policy, rule, regulation, procedure or other requirement, that individually or in the aggregate could reasonably be expected to result in a material adverse change in the business, financial condition or results of operations of any SAHS Party;

3.20.3 To the Knowledge of any SAHS Party, all billing and collection practices of each SAHS Party and, of any billing and/or collection agent acting on behalf of any SAHS Party, have been in material compliance with all Health Care Laws and the conditions for participation, contracts, standards, policies, rules, regulations, manuals, procedures and requirements of all Payment Programs, except for noncompliance that could not reasonably be expected to result in a material adverse change to the business, financial condition or results of operations of any SAHS Party;

3.20.4 To the Knowledge of any SAHS Party, all cost reports and cost statements submitted by any SAHS Party to any Payment Program are true, accurate and complete in all material respects and have been prepared and submitted in accordance with cost and accounting principles consistently applied that comply with all applicable Payment Program conditions for participation, contracts, standards, policies, rules, regulations, manuals, procedures and requirements, including, without limitation, Payment Program interpretations and guidance;

3.20.5 No cost reports or cost statements are open and unresolved;

3.20.6 To the Knowledge of any SAHS Party, no SAHS Party has taken any of the following actions, if any such action could reasonably be expected to result in a material adverse change in its business, financial condition or results of operations: submitted to any Payment Program any false, fraudulent, abusive or improper claim for payment, billed any Payment Program for any service not rendered or not rendered as claimed, or received and retained any payment or reimbursement from any Payment Program in excess of the proper amount allowed by Applicable Law and applicable contracts or agreements with the Payment Programs;

3.20.7 There is no audit, investigation, adverse action, or civil, administrative, or criminal proceeding pending or, to the Knowledge of any SAHS Party, threatened

relating to participation in any Payment Program by any SAHS Party; and, to the Knowledge of any SAHS Party, there is no basis for any such adverse action by the Payment Program against any SAHS Party;

3.20.8 No Payment Program has requested or, to the Knowledge of any SAHS Party, threatened any recoupment, refund, or set off from any SAHS Party, or imposed any fine, penalty or other sanction on any SAHS Party; and

3.20.9 Each SAHS Party has complied, or will comply, in a timely manner with any notice, approval, application, submission, filing or other requirements of the Payment Programs with respect to the transactions contemplated by this Agreement, including, without limitation, any transfer or change of ownership requirements.

3.21. Contracts and Other Commitments. Each SAHS Party has delivered to OSF copies of, or otherwise disclosed to OSF, all Material Contracts to which each SAHS Party is a party. Each Material Contract is a valid and binding obligation of each SAHS Party and, to the Knowledge of any SAHS Party, is a valid and binding obligation of the other party or parties thereto and enforceable in accordance with its terms (subject in each case to bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights generally and except for limitations upon the availability of equitable remedies, including specific performance). Except as has been disclosed in writing by SAHS to OSF, none of the transactions contemplated by this Agreement creates in any party to any such Material Contract the right to revise the terms of, to terminate, to accelerate any obligation of any SAHS Party, or otherwise to declare that such Material Contract has been breached. Except as has been disclosed in writing by SAHS to OSF, no SAHS Party is in breach or default in any material respect under any term or provision of any Material Contract.

3.22. Compliance Program. Each SAHS Party has delivered to OSF a copy of its current Compliance Program materials. Except as has been disclosed in writing by SAHS to OSF, no SAHS Party: (a) is a party to a Corporate Integrity Agreement with the Office of Inspector General of the United States Department of Health and Human Services; (b) has any reporting obligations pursuant to any settlement agreement entered into with any Federal, state or local government entity; (c) to the Knowledge of any SAHS Party, has been the subject of any government payer program investigation conducted by any Federal or state enforcement agency within the past three (3) years; (d) has been a defendant in any unsealed *qui tam*/False Claims Act litigation within the past three (3) years; (e) has been served with or received, within the past three (3) years, any search warrant, subpoena, civil investigative demand, or contact letter from any Federal or state enforcement agency (except in connection with medical services provided to third parties who may be defendants or the subject of investigation into conduct unrelated to the operation of the health care business conducted by any SAHS Party); and (f) has received, to the Knowledge of any SAHS Party, any complaints within the past three (3) years from employees, independent contractors, vendors, physicians, or any other Person that resulted in a claim being filed with a Federal, state or local government entity alleging that any SAHS Party has violated any law or regulation.

3.23. Exclusion from Health Care Programs. Each SAHS Party has a program in place to determine whether any of its employees, agents or independent contractors has been: (a)

excluded from participating in any Federal Health Care Program (as defined in 42 U.S.C. § 1320a 7b(f)); (b) subject to sanction or been indicted or convicted of a crime, or pled *nolo contendere* or to sufficient facts, in connection with any allegation of violation of any Federal Health Care Program requirement or Health Care Law; or (c) debarred or suspended from any Federal or state procurement or nonprocurement program by any government agency.

3.24. Medical Staff Matters. SAHC has delivered to OSF true, correct, and complete copies of the bylaws and rules and regulations of the medical staff of the Hospital, as well as a list of all current members of the medical staff. Except as has been disclosed in writing by SAHS to OSF: (a) there are no adverse actions with respect to any medical staff members of SAHC or any applicant thereto for which a medical staff member or applicant has requested a hearing that has not been scheduled or has been scheduled but has not been completed; (b) there are no pending or, to the Knowledge of SAHC, threatened disputes with applicants, staff members, or allied health professionals, and SAHC knows of no basis therefore; and (c) all appeal periods in respect of any medical staff member or applicant against whom an adverse action has been taken have expired. Notwithstanding the foregoing provisions of this Section, SAHC shall not be required to disclose any information pursuant to this Section where such disclosure is prohibited by state law or where such disclosure would, in SAHC's reasonable discretion, potentially jeopardize any applicable privilege that would protect the disclosure of such information to third parties.

3.25. Experimental Procedures. No SAHS Party has performed or permitted the performance of any experimental or research procedures or studies involving patients of any SAHS Party not authorized and conducted in accordance with the procedures of the applicable Institutional Review Board.

3.26. Intellectual Property; Computer Software. No proceedings are pending or, to the Knowledge of any SAHS Party, threatened that challenge the validity of the ownership by any SAHS Party of any Intellectual Property. No SAHS Party has licensed anyone to use such Intellectual Property or has any Knowledge of the use or the infringement of any such Intellectual Property by any other Person. Each SAHS Party owns (or possesses adequate and enforceable licenses or other rights to use) all Intellectual Property and all computer software programs and similar systems used in the conduct of its business.

3.27. Hill-Burton Loan. No SAHS Party has any outstanding financial obligations to repay any loans, grants, or loan guarantees pursuant to the Hill-Burton Act (42 U.S.C. § 291a, *et seq.*).

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF FSGM

FSGM hereby gives, as of the Execution Date, the following representations and warranties to OSF:

4.1. Organization; Good Standing; Power. FSGM is duly formed as an Illinois not-for-profit corporation. FSGM is validly existing and in good standing under the laws of the State

of Illinois and has the corporate power and authority to own, operate or hold under lease its properties and assets and to carry on its business and operations as presently conducted.

4.2. Corporate Authorization.

4.2.1 FSGM has the full corporate power and authority to enter into and to perform its obligations under this Agreement.

4.2.2 The execution, delivery and performance of this Agreement by FSGM has been duly and properly authorized by all necessary corporate action in accordance with its Governing Documents and Applicable Law.

4.2.3 This Agreement constitutes the valid and legally binding obligation of FSGM, enforceable against it in accordance with its terms, except as enforceability may be limited by: (a) general principles of equity, regardless of whether enforcement is sought in a proceeding in equity or at law; and (b) bankruptcy, insolvency, reorganization, moratorium or other similar laws of general application now or hereafter in effect relating to or affecting the enforcement of creditors' rights generally.

4.3. No Violation; Approvals.

4.3.1 Except as has been disclosed in writing by FSGM to OSF, the execution, delivery and performance of this Agreement shall not result in the creation of any material lien, charge, or encumbrance of any kind, or the termination or acceleration of any indebtedness or other obligation of FSGM under any material contract or agreement of FSGM, and , to the Knowledge of FSGM, is not prohibited by, does not violate or conflict with any material provision of, and does not constitute a default under or breach under any Material Contract, or agreement of FSGM, any material permit, license, approval or other commitment to which FSGM is a party or is subject or by which it is bound, or any Applicable Law.

4.3.2 Except as has been disclosed in writing by FSGM to OSF, to the Knowledge of FSGM no approval, authorization, registration, consent, order, filing or other action that has not occurred or been obtained with or from any Person, including any court, administrative agency or other governmental authority, is required for the execution and delivery by FSGM of this Agreement or the consummation by FSGM of the transactions contemplated or required hereby, except for filings required pursuant to the Illinois Health Facilities Planning Act.

4.4. No Material Omissions.

4.4.1 FSGM has responded in all material respects to all requests for information and documentation made by OSF in connection with its due diligence review of the business, operations, assets and liabilities of FSGM. FSGM has not Knowingly omitted any material information relating to the businesses, operations, assets or liabilities of FSGM in its responses to OSF's requests. Since the delivery of such responses to OSF, FSGM has not received and not disclosed any information that would

render untrue or misleading in any material respect any information previously disclosed to OSF in response to its requests for information.

4.4.2 To the Knowledge of FSGM, OSF has responded in all material respects to all requests for information and documentation made by FSGM in connection with its due diligence review of the business, operations, assets and liabilities of OSF.

4.4.3 The representations and warranties of FSGM contained in this Agreement, and each Exhibit, disclosure, certificate or other document delivered at Closing by FSGM pursuant to this Agreement, are accurate, correct and complete in all material respects, and do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements and information contained therein not misleading.

4.5. Tax Exempt Status. FSGM is a Tax Exempt Organization. The IRS has not taken, or, to the Knowledge of FSGM, proposed to take, any action to revoke the tax-exemption of FSGM, and has not determined in writing or, to the Knowledge of FSGM, proposed to announce, that FSGM is a "private foundation" within the meaning of Section 509(a) of the Code. FSGM does not have Knowledge of any change in the organization or operation of FSGM that could reasonably be expected to result in a loss of FSGM's status as a Tax Exempt Organization.

4.6. Legal Proceedings. Except as has been disclosed in writing by FSGM to OSF, FSGM is not a defendant in, or, to the Knowledge of FSGM, threatened with, any action, suit, proceeding, complaint, charge, hearing, arbitration or state or Federal governmental investigation that could reasonably be expected to materially and adversely affect its ability to perform its obligations under this Agreement. Except as has been disclosed in writing by FSGM to OSF, FSGM has not received written notice of any investigation or threatened investigation by any Federal, state or local governmental or regulatory agency, including those involving its business practices and policies, that could reasonably be expected to result in a material adverse change in the business, financial condition or results of operations of FSGM.

ARTICLE V REPRESENTATIONS AND WARRANTIES OF OSF

OSF hereby gives, as of the Execution Date, the following representations and warranties to FSGM and the SAHS Parties:

5.1. Organization; Good Standing; Power. Each OSF Entity is duly formed as an Illinois not-for-profit corporation. Each OSF Entity is validly existing and in good standing under the laws of the State of Illinois and has the corporate power and authority to own, operate or hold under lease its properties and assets and to carry on its business and operations as presently conducted.

5.2. Corporate Authorization.

5.2.1 OSF has the full corporate power and authority to enter into and to perform its obligations under this Agreement.

5.2.2 The execution, delivery and performance of this Agreement by OSF has been duly and properly authorized by all necessary corporate action in accordance with its Governing Documents and Applicable Law.

5.2.3 This Agreement constitutes the valid and legally binding obligation of OSF, enforceable against it in accordance with its terms, except as enforceability may be limited by: (a) general principles of equity, regardless of whether enforcement is sought in a proceeding in equity or at law; and (b) bankruptcy, insolvency, reorganization, moratorium or other similar laws of general application now or hereafter in effect relating to or affecting the enforcement of creditors' rights generally..

5.3. No Violation; Approvals.

5.3.1 Except as has been disclosed in writing by OSF to SAHS, the execution, delivery and performance of this Agreement shall not result in the creation of any material lien, charge, or encumbrance of any kind, or the termination or acceleration of any indebtedness or other obligation of OSF, and, to the Knowledge of OSF, is not prohibited by, does not violate or conflict with any material provision of, and does not constitute a default under or breach of any Material Contract or agreement of OSF, , any material permit, license, approval or other commitment to which OSF is a party or is subject or by which it is bound, or any Applicable Law.

5.3.2 Except as has been disclosed in writing by OSF to SAHS, no material approval, authorization, registration, consent, order, filing or, to the Knowledge of OSF, other action that has not occurred or been obtained with or from any Person, including any court, administrative agency or other governmental authority, is required for the execution and delivery by OSF of this Agreement or the consummation by OSF of the transactions contemplated or required hereby, except for the Canonical Approvals and the filings required pursuant to the Illinois Health Facilities Planning Act.

5.4. No Material Omissions.

5.4.1 OSF has responded in all material respects to all requests for information and documentation made by the SAHS Parties in connection with its due diligence review of the business, operations, assets and liabilities of OSF. OSF has not Knowingly omitted any material information relating to the businesses, operations, assets or liabilities of OSF in its responses to the SAHS Parties' requests. Since the delivery of such responses to the SAHS Parties, OSF has not received and not disclosed any information that would render untrue or misleading in any material respect any information previously disclosed to the SAHS Parties in response to its requests for information.

5.4.2 To the Knowledge of OSF, FSGM and each SAHS Party have responded in all material respects to all requests for information and documentation made by OSF in connection with its due diligence review of the business, operations, assets and liabilities of FSGM and the SAHS Parties.

5.4.3 The representations and warranties of OSF contained in this Agreement, and each Exhibit, disclosure, certificate or other document delivered at Closing by OSF pursuant to this Agreement, are accurate, correct and complete in all material respects, and do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements and information contained therein not misleading.

5.5. Tax Exempt Status. Each OSF Entity is a Tax Exempt Organization. The IRS has not taken, or, to the Knowledge of OSF, proposed to take, any action to revoke the tax-exemption of any OSF Entity, and has not determined in writing or, to the Knowledge of OSF, proposed to announce, that any OSF Entity is a “private foundation” within the meaning of Section 509(a) of the Code. OSF does not have Knowledge of any change in the organization or operation of any OSF Entity that could reasonably be expected to result in a loss of such OSF Entity’s status as a Tax Exempt Organization.

5.6. Legal Proceedings. Except as has been disclosed in writing by OSF to SAHS, no OSF Entity is a defendant in, or, to the Knowledge of OSF, threatened with, any action, suit, proceeding, complaint, charge, hearing, arbitration or state or Federal governmental investigation that could reasonably be expected to result in a Material Adverse Change in OSF or materially and adversely affect its ability to perform OSF’s obligations under this Agreement. Except as has been disclosed in writing by OSF to SAHS, no OSF Entity has received written notice of any investigation or threatened investigation by any Federal, state or local governmental or regulatory agency, including those involving its business practices and policies, that could reasonably be expected to result in a Material Adverse Change in OSF.

5.7. Financial Statements.

5.7.1 OSF has delivered to the SAHS Parties true and correct copies of: (a) the OSF Audited Financial Statements; and (b) the OSF Unaudited Financial Statements. From the Execution Date to the Closing Date, by the fifteenth Business Day of the following month, OSF shall provide the SAHS Parties with the OSF Interim Financial Statements.

5.7.2 The OSF Financial Statements: (a) present fairly in all material respects and present fairly the financial position of OSF, and the results of the operations of OSF at the dates and for the periods indicated; and (b) conform in all material respect with GAAP, applied consistently for the periods specified, including the consistent use of assumptions, practices, procedures and terminology, except: (i) as has been disclosed in writing by OSF to SAHS; and (ii) that the OSF Unaudited Financial Statements and the OSF Interim Financial Statements need not contain any of the footnotes or other year-end adjustments required to comply with GAAP.

5.7.3 Except as has been disclosed in writing by OSF to SAHS from and after October 1, 2013, OSF has not made any material changes to its accounting methods or practices, including methods or practices used to:

- a. Establish reserves on any patient, notes and accounts receivable;

- b. Establish estimates of any third-party settlements;
- c. Determine the value of any other accounts that require subjective determinations; or
- d. Establish malpractice, general liability or other self-insurance reserves, including claims incurred but not reported.

5.7.4 Except as has been disclosed in writing by OSF to SAHS, OSF has no liabilities or obligations of any kind, whether contingent or absolute, direct or indirect, or matured or unmatured required by GAAP to be shown or provided for in the OSF Financial Statements provided to the SAHS Parties prior to the Execution Date, other than: (a) covered by commercial insurance or self-insurance, or reserved by a specific or general reserve and any individual liability or obligation of less than \$2,000,000, provided such liabilities and obligations in the aggregate do not exceed \$4,000,000; or (b) liabilities arising in the ordinary course of business that are reflected in the OSF Interim Financial Statements.

5.8. Interim Changes. Except for matters expressly permitted or authorized by this Agreement and except as has been disclosed in writing by OSF to SAHS, there has not been, after the date of the OSF Audited Financial Statements:

5.8.1 Any Material Adverse Change in OSF;

5.8.2 Any disposition by OSF of any material property, rights or other assets owned by or employed in OSF, except for dispositions in the usual and ordinary course of the business;

5.8.3 Any change in the chief executive officer of OSF; and

5.8.4 Any amendment or termination of any material contract that has had or could reasonably be expected to have, in the aggregate, a material and adverse effect on OSF.

5.9. Compliance with Law. To the Knowledge of OSF, OSF is in compliance, in all material respects, with all Applicable Laws, including, without limitation, all Health Care Laws.

5.10. Payment Programs.

5.10.1 OSF is not engaged in termination proceedings as to its participation in any Payment Program, nor has OSF received notice that its current participation in any Payment Program is subject to any contest, termination or suspension as a result of alleged violations or any noncompliance with participation requirements.

5.10.2 To the Knowledge of OSF, OSF has not taken or committed to any action, entered into any agreement, contract or undertaking, or taken or omitted to take any other action of any nature whatsoever that was or is in violation of any applicable Payment Program condition of participation, contract, standard, policy, rule, regulation, procedure

or other requirement, that individually or in the aggregate could reasonably be expected to result in a Material Adverse Change in OSF;

5.10.3 To the Knowledge of OSF, all billing and collection practices of OSF and, of any billing and/or collection agent acting on behalf of OSF, have been in material compliance with all Health Care Laws and the conditions for participation, contracts, standards, policies, rules, regulations, manuals, procedures and requirements of all Payment Programs, except for noncompliance that would not result in a Material Adverse Change in OSF;

5.10.4 To the Knowledge of OSF, all cost reports and cost statements submitted by OSF to any Payment Program are true, accurate and complete in all material respects and have been prepared and submitted in accordance with cost and accounting principles consistently applied that comply with all applicable Payment Program conditions for participation, contracts, standards, policies, rules, regulations, manuals, procedures and requirements, including, without limitation, Payment Program interpretations and guidance;

5.10.5 Except as has been disclosed in writing by OSF to SAHS, to the Knowledge of OSF, OSF has not taken any of the following actions, if any such action could reasonably be expected to result in a Material Adverse Change in OSF: submitted to any Payment Program any false, fraudulent, abusive or improper claim for payment, billed any Payment Program for any service not rendered or not rendered as claimed, or received and retained any payment or reimbursement from any Payment Program in excess of the proper amount allowed by Applicable Law and applicable contracts or agreements with the Payment Programs;

5.10.6 Except as has been disclosed in writing by OSF to SAHS, there is no audit, investigation, adverse action, or civil, administrative, or criminal proceeding pending or, to the Knowledge of OSF, threatened relating to participation in any Payment Program by OSF; and, to the Knowledge of OSF, there is no basis for any such adverse action by the Payment Program against OSF;

5.10.7 No Payment Program has requested or, to the Knowledge of OSF, threatened any recoupment, refund, or set off from OSF, or imposed any fine, penalty or other sanction on OSF; and

5.10.8 OSF has complied, or will comply, in a timely manner with any notice, approval, application, submission, filing or other requirements of the Payment Programs with respect to the transactions contemplated by this Agreement, including, without limitation, any transfer or change of ownership requirements for the SAHS Parties.

5.11. Compliance Program. OSF has delivered to the SAHS Parties a copy of its current Compliance Program materials. Except as has been disclosed in writing by OSF to SAHS, OSF: (a) is not a party to a Corporate Integrity Agreement with the Office of Inspector General of the United States Department of Health and Human Services; (b) has no reporting obligations pursuant to any settlement agreement entered into with any Federal, state or local

government entity; (c) to the Knowledge of OSF, has not been the subject of any government payer program investigation conducted by any Federal or state enforcement agency within the past three (3) years; (d) has not been a defendant in any unsealed *qui tam*/False Claims Act litigation within the past three (3) years; (e) has not been served with or received, within the past three (3) years, any search warrant, subpoena, civil investigative demand, or contact letter from any Federal or state enforcement agency (except in connection with medical services provided to third parties who may be defendants or the subject of investigation into conduct unrelated to the operation of the health care business conducted by OSF); and (f) has not received, to the Knowledge of OSF, any complaints within the past three (3) years from employees, independent contractors, vendors, physicians, or any other Person that resulted in a claim being filed with a Federal, state or local government entity alleging that OSF has violated any law or regulation.

5.12. Exclusion from Health Care Programs. OSF has a program in place to determine whether any of its employees, agents or independent contractors has been: (a) excluded from participating in any Federal Health Care Program (as defined in 42 U.S.C. § 1320a 7b(f)); (b) subject to sanction or been indicted or convicted of a crime, or pled *nolo contendere* or to sufficient facts, in connection with any allegation of violation of any Federal Health Care Program requirement or Health Care Law; or (c) debarred or suspended from any Federal or state procurement or nonprocurement program by any government agency.

5.13. Financing. OSF has, and at all times until the consummation of the transactions contemplated by this Agreement will have, cash on hand and existing committed credit facilities in an aggregate amount sufficient to fund all obligations required under the Plan of Finance on a timely basis prior to December 31, 2014, and to otherwise enable OSF to timely consummate on or prior to December 31, 2014 the transactions contemplated by this Agreement and perform its obligations hereunder.

ARTICLE VI PRE-CLOSING COVENANTS OF FSGM AND THE SAHS PARTIES

FSGM and the SAHS Parties hereby agree to keep, perform and fully discharge, or to cause to be kept, performed and fully discharged, as applicable, the following covenants and agreements, as applicable:

6.1. Interim Conduct of Business. From the Execution Date to the Closing Date:

6.1.1 The SAHS Parties shall use commercially reasonable efforts to:

- a. Preserve, protect and maintain its business, properties and assets;
- b. Operate its business as a going concern, consistent with prior practices and not other than in the ordinary course of business;
- c. Preserve the goodwill of all individuals and entities having business or other relations with it, including, without limitation, physicians, employees, patients, customers and suppliers;

d. Obtain all documents called for by this Agreement and required to facilitate the consummation of the transactions contemplated by this Agreement;

e. Cooperate with OSF to implement the Plan of Finance;

f. Cooperate with OSF in coming to an agreement on developing, enhancing and/or realigning, and providing capital support for certain clinical service lines of the SAHS Facilities and Services, post-Closing; and

g. Cooperate with OSF in evaluating and, if approved by SAHS and SAHC giving consideration of input from OSF, implementing a plan for operation of the two hospitals owned by SAHC under one license.

6.1.2 The SAHS Parties shall provide OSF with the SAHS Interim Financial Statements as set forth in Section 3.4.1.

6.1.3 Except as otherwise expressly provided for herein or except as has been disclosed in writing by OSF to SAHS, neither FSGM nor any SAHS Party may do any of the following without the prior written consent of OSF, which consent shall not be unreasonably withheld or delayed, and, in any event, responses shall be provided by OSF within ten (10) business days of an SAHS Party's request:

a. Make any changes, or permit any changes to be made, in the Governing Documents of an SAHS Party, except for changes expressly authorized by this Agreement;

b. Enter into (or amend existing) agreements for employment, indemnity, retention, severance, change-in-control, employee lease, deferred compensation, or incentive compensation with, or agreements regarding loans or advances to, Key Management Personnel;

c. Make any change in the chief executive officer of an SAHS Party or the board of directors of an SAHS Party other than in the ordinary course of business and with written notice to OSF;

d. Enter into any Debt Transaction or issue any obligations under the SAHS Master Indenture;

e. Enter into any new or amend any existing Material Contract; provided, however, that this provision shall not prohibit FSGM or any SAHS Party from terminating or non-renewing any Material Contract in the ordinary course of business and consistent with past practice; or

f. Enter into any transaction or contractual obligation that could reasonably be expected to materially and adversely impact an SAHS Party's ability to perform its obligations under this Agreement.

6.2. Reasonable Efforts; Notices. From the Execution Date to the Closing Date:

6.2.1 FSGM and each SAHS Party shall use commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or advisable (subject to any Applicable Laws) to consummate and make effective the transactions contemplated by this Agreement.;

6.2.2 FSGM and each SAHS Party shall promptly notify OSF of any Known lawsuits, claims, administrative actions or other proceedings asserted or commenced against it, or its officers, directors or member precluding in any material way its ability to consummate the transactions contemplated or required by this Agreement, or materially affecting its business, properties or assets; and

6.2.3 FSGM and each SAHS Party shall promptly notify OSF in writing of any facts or circumstances that come to its attention and that may reasonably be expected to cause, or through the passage of time may reasonably be expected to cause, any of the representations and warranties made by it and contained in this Agreement to be untrue or misleading at any time from the Execution Date to the Closing Date.

6.3. Access to Information and Employees.

6.3.1 From the Execution Date to the Closing Date, each SAHS Party shall give to OSF and to its representatives reasonable access, during normal business hours, to all properties, books, records and contracts and other materials pertaining to the businesses, properties and assets of each SAHS Party, as may be reasonably requested and appropriate in order for OSF to perform its obligations hereunder (and in accordance with Applicable Laws and guidelines approved by the Parties' antitrust counsel), subject to reasonable advance notice and provided that OSF shall not exercise such rights of access in such manner as would unduly interfere with the operations of each SAHS Party or the work of each SAHS Party's personnel or the activities of each SAHS Party's patients or guests; provided, however, that OSF shall not perform any testing of soil, water, groundwater, air or other environmental media or of any structures or equipment without the written consent of SAHS and under such conditions and terms as they may reasonably require, which consent shall not be unreasonably withheld or delayed.

6.3.2 Each SAHS Party shall cooperate in keeping OSF fully informed and shall promptly notify OSF of any Material Adverse Change in the normal course of business or prospects of each SAHS Party.

6.4. Maintain Books and Accounting Practices. From the Execution Date to the Closing Date, each SAHS Party shall maintain its books of account in the usual, regular and ordinary manner in accordance with GAAP consistently applied and on a basis consistent with prior years, including, without limitation, the consistent use of assumptions, practices, procedures and terminology, and, except as otherwise required by GAAP, no SAHS Party shall make or cause to be made any material changes in its accounting methods or practices, including, without limitation, as applicable, methods or practices:

6.4.1 Establishing reserves on any patient, notes and accounts receivable;

6.4.2 Establishing reserves for all third-party settlements; and

6.4.3 Determining the value of any other accounts that are subjectively determined.

6.5. Compliance with Laws. From the Execution Date to the Closing Date, each SAHS Party shall use commercially reasonable efforts to:

6.5.1 Comply in all material respects with all Applicable Laws affecting each SAHS Party; and

6.5.2 Keep, hold and maintain all material certificates, certificates of need, certificates of exemption, accreditation, licenses and other permits necessary for its conduct and operation.

6.6. No Merger or Consolidation. From the Execution Date to the Closing Date, no SAHS Party may merge or consolidate with any other entity, and no SAHS Party may acquire any of the assets of any other corporation, business or Person except: (a) in the ordinary course of business; or (b) with respect to confidential transactions underway at the time of execution of this Agreement that (i) have been disclosed in writing to OSF and (ii) that OSF has not provided to FSGM or the SAHS Party a written notice of objection to such transaction prior to the Execution Date of this Agreement.

6.7. Third-Party Authorizations. From the Execution Date to the Closing Date, FSGM and each SAHS Party shall use commercially reasonable efforts to obtain all consents, approvals and authorizations of third parties, whether governmental or private, make all filings, and give all notices which may be necessary or appropriate under Applicable Laws and under all contracts, agreements and commitments to which any SAHS Party is a party or is bound, or to the extent necessary for the valid execution, delivery and performance of this Agreement by FSGM and any SAHS Party.

6.8. Confidentiality of OSF's Information. The Confidentiality Agreement shall remain in full force and effect, except to the extent necessary to implement the provisions of this Agreement, including but not limited to the Plan of Finance.

ARTICLE VII PRE-CLOSING COVENANTS OF OSF

OSF hereby agrees to keep, perform and fully discharge the following covenants and agreements:

7.1. Interim Conduct of Business. From the Execution Date to the Closing Date:

7.1.1 OSF shall use commercially reasonable efforts to:

- a. Preserve, protect and maintain its business, properties and assets;
- b. Operate its businesses as a going concern, consistent with prior practices and not other than in the ordinary course of business;

c. Preserve the goodwill of all individuals and entities having business or other relations with it, including, without limitation, physicians, employees, patients, customers and suppliers;

d. Obtain all documents called for by this Agreement and required to facilitate the consummation of the transactions contemplated by this Agreement; and

e. Cooperate with the SAHS Parties in coming to an agreement on developing, enhancing and/or realigning, and providing capital support for certain clinical service lines of the SAHS Facilities and Services, post-Closing.

7.1.2 OSF shall provide SAHS with the OSF Interim Financial Statements as set forth in Section 5.7

7.1.3 OSF shall not, without the prior written consent of SAHS, which consent shall not be unreasonably withheld or delayed, enter into any transaction or contractual obligation that would materially adversely impact OSF's ability to perform its obligations under this Agreement.

7.2. Reasonable Efforts; Notices. From the Execution Date to the Closing Date:

7.2.1 OSF shall use commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or advisable (subject to any Applicable Laws) to consummate and make effective the transactions contemplated by this Agreement.

7.2.2 OSF shall promptly notify SAHS of any Known lawsuits, claims, administrative actions or other proceedings asserted or commenced against OSF, or its officers, directors or members involving in any material way the ability of OSF to consummate the transactions contemplated or required by this Agreement, or materially affecting OSF's business, properties or its assets.

7.2.3 OSF shall promptly notify SAHS in writing of any facts or circumstances that come to its attention and that may reasonably be expected to cause, or through the passage of time may reasonably be expected to cause, any of the representations and warranties contained in this Agreement to be untrue or misleading at any time from the Execution Date to the Closing Date.

7.3. Access to Information. From the Execution Date to the Closing Date, OSF shall give SAHS and its representatives reasonable access, during normal business hours, to all properties, books, records and contracts and other materials pertaining to the businesses, properties and assets of OSF, as may be reasonably requested (and in accordance with applicable Laws and guidelines approved by the Parties' antitrust counsel), subject to reasonable advance notice and provided that SAHS shall not exercise such rights of access in such manner as would unduly interfere with the operations of OSF or the work of OSF's personnel or the activities of OSF's patients or guests. OSF shall cooperate in keeping SAHS fully informed and shall

promptly notify SAHS of any Material Adverse Change in the normal course of business or prospects of OSF that would impact the transaction contemplated herein.

7.4. Maintain Books and Accounting Practices. From the Execution Date to the Closing Date, OSF shall maintain the books of account of OSF in the usual, regular and ordinary manner in accordance with GAAP consistently applied and on a basis consistent with prior years, including, without limitation, the consistent use of assumptions, practices, procedures and terminology, and, except as otherwise required by GAAP, and OSF shall not make or cause to be made any material changes in the accounting methods or practices of OSF.

7.5. Compliance with Laws. From the Execution Date to the Closing Date, OSF shall use commercially reasonable efforts to:

7.5.1 Comply in all material respects with all Applicable Laws affecting OSF;
and

7.5.2 Keep, hold and maintain all material certificates, certificates of need, certificates of exemption, accreditation, licenses and other permits necessary for the conduct and operation of OSF.

7.6. Third-Party Authorizations. From the Execution Date to the Closing Date, OSF shall use commercially reasonable efforts to obtain all consents, approvals and authorizations of third parties, whether governmental or private, make all filings, and give all notices which may be necessary or appropriate under Applicable Laws and under all contracts, agreements and commitments to which OSF is a party or is bound, or to the extent necessary for the valid execution, delivery and performance of this Agreement by OSF.

7.7. Confidentiality of the SAHS Parties' Information. The Confidentiality Agreement shall remain in full force and effect, except to the extent necessary to implement the provisions of this Agreement, including but not limited to the Plan of Finance. Notwithstanding the foregoing, after the Closing Date, OSF shall no longer be bound by the confidentiality obligations set forth in the Confidentiality Agreement, with respect to any and all information which constitutes or pertains to confidential information of or regarding any SAHS Party, except as required to comply with Applicable Laws.

ARTICLE VIII

CONDITIONS PRECEDENT TO OBLIGATIONS OF FSGM AND THE SAHS PARTIES

The obligations of FSGM and the SAHS Parties to consummate the transaction contemplated by this Agreement are, at the option of FSGM and SAHS, subject to the satisfaction by OSF, on or prior to the Closing Date, of the following conditions:

8.1. Regulatory Approvals. All regulatory consents and approvals required for the consummation of the transactions contemplated or required by this Agreement and listed on Exhibit A shall have been obtained on or before the Closing Date, including, without limitation, any necessary certificates of exemption and/or certificates of need, as applicable, from the IHFSRB to consummate the Affiliation.

8.2. Canonical Approvals. FSGM shall take all necessary steps prior to the Closing Date to obtain (a) the approval of the alienation by FSGM of any stable patrimony included in the assets of the SAHS Parties; and (b) the approval of the transaction from all other necessary authorities of the Roman Catholic Church, including the Bishop of the Diocese of Springfield, Illinois (as the designated local ordinary) (the "**Canonical Approvals**").

8.3. Accuracy of Warranties; Performance of Covenants. The representations and warranties of OSF contained in this Agreement shall be accurate in all material respects as if made on and as of the Closing Date, except to the extent of changes or developments contemplated by the terms of this Agreement or caused by the transactions contemplated hereby. OSF shall have performed in all material respects the obligations and complied in all material respects with the covenants, agreements and conditions required to be performed or complied with by it on or prior to the Closing Date, except to the extent of changes or developments contemplated by the terms of this Agreement or caused by the transactions contemplated hereby.

8.4. No Pending Action. No action or proceeding before any court or governmental body shall be pending or threatened wherein an unfavorable judgment, decree or order would prevent the carrying out of this Agreement or any of the transactions contemplated hereby, declare unlawful the transactions contemplated by this Agreement or cause such transactions to be rescinded.

8.5. No Bankruptcy. OSF shall not: (a) be in receivership or dissolution; (b) have made any assignment for the benefit of creditors; (c) have admitted in writing its inability to pay its debts as they mature; (d) have been adjudicated bankrupt; or (e) have filed a petition in voluntary bankruptcy, a petition or answer seeking reorganization or an arrangement with creditors under the Federal bankruptcy law or any other similar law or statute of the United States or any state, nor shall any such petition have been filed against OSF.

8.6. Material Consents. All Material Consents shall have been obtained on or before the Closing Date.

8.7. Exhibits and Disclosures. It is not a condition precedent for this Agreement to be binding upon the Parties that all Exhibits and disclosures required under this Agreement be attached in a final form (in the case of Exhibits) or delivered (in the case of disclosures) on the Execution Date. Notwithstanding the foregoing, all Exhibits and disclosures required under this Agreement shall be complete and otherwise in final form reasonably acceptable to the Parties and shall be attached to the Agreement (in the case of Exhibits) or delivered (in the case of disclosures) at Closing. OSF shall have cured any disapproved Exhibits and/or disclosures in accordance with the process described in Section 10.4.

8.8. Delivery of OSF Closing Documents. OSF shall have delivered, on or before the Closing Date, the OSF Closing Documents.

8.9. Treatment of Indebtedness. All Indebtedness issued under the SAHC Master Indenture that is outstanding on the Closing Date shall have been addressed in accordance with the Plan of Finance.

8.10. OSF Board Membership. OSF shall have amended its bylaws to provide that the OSF Board will include one FSGM Sister nominated by FSGM and approved by the OSF Board.

8.11. Community Board. The OSF Board shall have established a Community Board in accordance with the terms of the Letter of Intent. The Parties acknowledge their agreement giving to FSGM the discretion to fill not less than one-third of the initial seats on the Community Board with FSGM Sisters, to the extent FSGM approves the appointment of such FSGM Sisters to the Community Board.

8.12. Indemnification. The OSF Board shall have amended its Bylaws to provide that OSF shall indemnify officers and directors of corporations merged with and into OSF to the same extent provided to the officers and directors of OSF, and the Foundation Board shall have amended its Bylaws to provide that the Foundation shall indemnify officers and directors of corporations merged with and into the Foundation to the same extent provided to officers and directors of the Foundation.

8.13. Delivery of Other Agreements. OSF shall have executed and delivered all other agreements determined by the Parties to be necessary or appropriate to be entered into as of the Closing Date, related to the Affiliation.

ARTICLE IX CONDITIONS PRECEDENT TO OBLIGATIONS OF OSF

The obligations of OSF to consummate the transaction contemplated by this Agreement are, at the option of OSF, subject to the satisfaction by FSGM and the SAHS Parties, on or prior to the Closing Date, of the following conditions:

9.1. Regulatory Approvals. All regulatory consents and approvals required for the consummation of the transactions contemplated or required by this Agreement and set forth on Exhibit A shall have been obtained on or before the Closing Date, including, without limitation, any necessary certificates of exemption and/or certificates of need, as applicable, from the IHFSRB to consummate the Affiliation.

9.2. Canon Law Approvals. FSGM shall have taken all necessary steps prior to the Closing Date to obtain the Canon Law Approvals.

9.3. Accuracy of Warranties; Performance of Covenants. The representations and warranties of FSGM and the SAHS Parties contained in this Agreement shall be accurate in all material respects as if made on and as of the Closing Date. FSGM and the SAHS Parties shall have performed in all material respects the obligations and complied in all material respects with the covenants, agreements and conditions required to be performed or complied with on or prior to the Closing Date.

9.4. No Pending Action. No action or proceeding before any court or governmental body shall be pending or threatened wherein an unfavorable judgment, decree or order would prevent the carrying out of this Agreement or any of the transactions contemplated hereby, declare unlawful the transactions contemplated by this Agreement or cause such transactions to be rescinded.

9.5. No Bankruptcy. Neither FSGM nor any SAHS Party may: (a) be in receivership or dissolution; (b) have made any assignment for the benefit of creditors; (c) have admitted in writing its inability to pay its debts as they mature; (d) have been adjudicated bankrupt; or (e) have filed a petition in voluntary bankruptcy, a petition or answer seeking reorganization or an arrangement with creditors under the Federal bankruptcy law or any other similar law or statute of the United States or any state; and nor shall any such petition have been filed against FSGM or any SAHS Party.

9.6. Material Consents. All Material Consents shall have been obtained on or before the Closing Date.

9.7. Exhibits and Disclosures. It is not a condition precedent for this Agreement to be binding upon the Parties that all Exhibits and disclosures required under this Agreement be attached in a final form (in the case of Exhibits) or delivered (in the case of disclosures) on the Execution Date. Notwithstanding the foregoing, all Exhibits and disclosures required under this Agreement shall be complete and otherwise in final form reasonably acceptable to the Parties and shall be attached to the Agreement (in the case of Exhibits) or delivered (in the case of disclosures) at Closing. The SAHS Parties shall have cured any disapproved Exhibits and/or disclosures in accordance with the process described in Section 10.4.

9.8. Delivery of FSGM Closing Documents. FSGM shall have delivered, on or before the Closing Date, the FSGM Closing Documents.

9.9. Delivery of SAHS Closing Documents. Each SAHS Party shall have delivered, on or before the Closing Date, the SAHS Closing Documents.

9.10. Treatment of Indebtedness. All Indebtedness issued under the SAHC Master Indenture that is outstanding on the Closing Date shall have been addressed in accordance with the Plan of Finance.

9.11. Tail Coverage. Prior to the Closing Date, SAHS, SAHC, SAF and SAPG shall each obtain either directors and officers liability insurance or a "tail" policy insurance coverage covering a period of not less than six years after the Closing Date, each with an unlimited reporting period, no lapse in coverage and other terms and conditions reasonably satisfactory to OSF ("**Tail Coverage**").

9.12. Name Changes. The facility known as "Saint Anthony's Health Center" shall have been renamed "OSF Saint Anthony's Health Center" effective as of the Closing Date, and the facility known as "Saint Clare's Hospital" shall have been initially renamed "OSF Saint Clare's Hospital" effective as of the Closing Date. The programs and services at OSF Saint Anthony's Health Center and OSF Saint Clare's Hospital will be referred to within OSF as OSF Saint Anthony's Health Center.

9.13. Delivery of Other Agreements. FSGM and each SAHS Party shall have executed and delivered all other agreements determined by the Parties to be necessary or appropriate to be entered into as of the Closing Date, relating to the Affiliation.

ARTICLE X
CLOSING

10.1. Closing Date; Closing. The Parties shall close the Affiliation and the other transactions contemplated by the Agreement on the Closing Date. The Closing shall occur two (2) Business Days immediately prior to the Closing Date, at the offices of Hinshaw & Culbertson LLP, 416 Main Street, Peoria, Illinois or any other date or location agreed to by the Parties. All documents to be executed and actions to be taken, pursuant to this Agreement, at the Closing, shall be deemed to have been executed and to have been taken substantially concurrently, and no action shall be deemed to be complete until all are completed. On the Closing Date: (a) the Parties shall file with the Secretary of State of Illinois the SAHS Merger Filings and the SAHC Merger Filings; and (b) either (i) the Parties shall file with the Secretary of State of Illinois SAPG Merger Filings, or (ii) the Parties shall file with the Secretary of State of Illinois the Amended and Restated SAPG Articles of Incorporation and FSGM shall cause SAHS and SAHS shall cause SAPG to adopt the Amended and Restated SAPG Bylaws, as determined by OSF. Unless the Parties otherwise agree in writing, the Affiliation and other transactions contemplated herein shall become effective as of the Closing Date, in accordance with Section 16.1.14; provided that, as of the Closing Date, all of the Closing conditions (except for any Closing condition which has been waived in writing by the Party entitled to do so) set forth in ARTICLE VIII and ARTICLE IX have occurred, including the delivery by each Party of each of the Closing documents required to be delivered by such Party hereunder. All conditions to Closing shall be deemed to have been satisfied or waived from and after the Closing.

10.2. Pre-Closing Actions. Prior to the Closing, the Parties shall use commercially reasonable efforts to take and cause to be taken all actions necessary or appropriate on their respective parts to implement the transactions contemplated herein on the Closing Date, including the following:

10.2.1 Actions by OSF. Prior to the Closing Date, the OSF Board shall approve the execution on behalf of OSF of any and all agreements and other documents, and the taking of any and all other actions necessary or appropriate to consummate the transactions contemplated or required by this Agreement to be taken by OSF on or before the Closing Date.

10.2.2 Actions by FSGM. Prior to the Closing Date, the FSGM Board shall approve the execution on behalf of FSGM of any and all agreements and other documents, and the taking of any and all other actions necessary or appropriate to consummate the transactions contemplated or required by this Agreement to be taken by FSGM on or before the Closing Date.

10.2.3 Actions by the SAHS Parties. Prior to the Closing Date, the SAHS Board shall approve the execution on behalf of each SAHS Party of any and all agreements and other documents, and the taking of any and all other actions necessary or appropriate to consummate the transactions contemplated or required by this Agreement to be taken by each SAHS Party on or before the Closing Date.

10.3. Closing Document Deliveries. At the Closing, the Parties shall deliver the documents described below.

10.3.1 OSF Closing Documents. At the Closing, OSF shall deliver the OSF Closing Documents.

10.3.2 FSGM Closing Documents. At the Closing, FSGM shall deliver the FSGM Closing Documents.

10.3.3 SAHS Closing Documents. At the Closing, the SAHS Parties shall deliver the SAHS Closing Documents.

10.4. Modification of Exhibits and Disclosures. During the period from the Execution Date until the Closing, either OSF, FSGM, or SAHS may amend any one or more of the Exhibits attached to the Agreement or disclosures delivered by it hereunder prior to the Execution Date by delivering an updated Exhibit or disclosure to the other Party(ies). The Parties shall work together in good faith to ensure all Exhibits and disclosures are finalized and agreed to by the Parties prior to the Closing Date. Upon receipt of the updated document, the receiving Party shall promptly and in good faith review such document and either approve or disapprove it. If the receiving Party approves the updated document, such document shall become the final Exhibit or disclosure. If the receiving Party does not approve the amending Party's updated document(s) within five days of receipt of the updated document, the receiving Party shall provide written notice of disapproval to the amending Party specifying the reasons for disapproval and requesting the amending Party to cure the items of disagreement. If the amending Party fails or refuses to cure the items of disagreement, or the Parties are unable to agree upon an appropriate cure, or if the agreed-upon cure has not been completed by Closing, the receiving Party shall either: (a) close over the issue; or (b) if permitted by Section 13.1.5, terminate this Agreement by providing notice to the amending Party. If the receiving Party elects to close over the issue, the updated document shall be deemed a modification to the Exhibit attached to the Agreement or disclosure delivered by the amending Party prior to the Execution Date. All disclosures required by a Party shall be in a separate writing delivered to the other Parties that specifically makes reference to the applicable Section of the Agreement.

ARTICLE XI POST-CLOSING COVENANTS OF OSF

11.1. Catholic Teachings. From and after the Closing Date and for so long as any SAHS Facilities and Services are owned by OSF, the moral teachings of the Roman Catholic Church, including the Ethical and Religious Directives and Canon Law shall govern without exception the operation and ownership by OSF of the SAHS Facilities and Services.

11.2. Charism. Consistent with OSF's history, mission, vision and values, from and after the Closing Date and for so long as any SAHS Facilities and Services are owned by OSF, OSF will honor the healthcare charism of FSGM by ensuring that the SAHS Facilities portray and reflect the history, traditions, culture and values of FSGM, as determined by OSF in consultation with FSGM.

11.3. Religious/Historical Items and Artifacts. The religious/historical items and artifacts owned by FSGM and located at the SAHS Facilities on the Execution Date are identified in a written list delivered to OSF prior to the Execution Date ("**FSGM Religious Artifacts**"). Following the Closing, FSGM will continue to own the FSGM Religious Artifacts, which may remain at the SAHS Facilities. At any time thereafter, some or all of the FSGM Religious Artifacts may be removed from the SAHS Facilities by FSGM upon prior reasonable notice to OSF.

11.4. Management. As of the Closing Date, the Hospital President will report to the Chief Executive Officer of OSF, or to an OSF System-level executive who is his/her designee, and such reporting relationship will be consistent with the reporting relationships of the presidents of other OSF hospitals.

11.5. Employees. As of the Closing Date all employees of the SAHS Parties will by operation of law become employees of an OSF Employer, and will be retained in positions and at compensation levels at least comparable to their current positions and compensation, subject to review and adjustment by the OSF Employer from time to time in a manner consistent with the OSF Employer's staffing and compensation policies and practices. By not later than the Benefits Transition Date all employees of the SAHS Parties will be entitled to benefits and human resource policies substantially similar to similarly situated OSF employees, and will be eligible to participate in OSF employee benefit arrangements to the same extent and in the same manner as similarly situated OSF employees. From the Closing Date to the Benefits Transition Date, all employees of the SAHS Parties will be provided with benefits that are substantially similar to the SAHS Benefit Plans in effect immediately preceding the Closing Date. Effective as of the Closing Date: (a) all employees of the SAHS Parties serving as the administrators of each SAHS Benefit Plan, including all members of the SAHS Retirement Committee, shall resign such administrative positions, provided, however that employees of the SAHS Parties who have historically performed ministerial (non-fiduciary) functions with respect to each SAHS Benefit Plan may continue to perform such functions; and (b) OSF shall appoint such successor administrators for each SAHS Benefit Plan as OSF shall determine in its discretion (subject to the terms of each SAHS Benefit Plan); provided, however, that any such appointment with respect to any SAHS Benefit Plan that is intended to be a "church plan" within the meaning of Section 414(e) of the Code shall be calculated to preserve such status, to the extent and for as long as OSF shall in its discretion determine.

11.6. Credit for Service. All employees of the SAHS Parties who become employees of an OSF Employer will receive credit for service with the SAHS Parties, as if such service were with the OSF Employer, for purposes of determining the rate of accrual of paid time off and severance benefits under the applicable policies of the OSF Employer. OSF will, and will cause any other OSF Employer to, recognize and provide credit for periods of service with the SAHS Parties prior to the Closing, as if such service were with the OSF Employer, for eligibility and vesting purposes under its employee benefit arrangements. Notwithstanding the foregoing, (a) employees of the SAHS Parties will not become entitled to any benefits under any OSF Employer's frozen defined benefit pension plans, (b) the service of employees of the SAHS Parties prior to the Closing will not be counted in determining such employees' entitlement to share in the discretionary employer contribution made to an OSF Employer's defined contribution retirement plans, and (c) the service of employees of the SAHS Parties prior to the

Closing will not be counted in determining such employees' entitlement to early retiree continuation coverage offered by an OSF Employer.

11.7. Employed Physicians and Midlevel Providers. OSF will, and will cause any other OSF Employer to, honor the employment agreements of all SAHS Providers following Closing, provided no employed physician or midlevel provider will be permitted to perform any procedure or provide any service in the scope of employment which contravenes the Ethical and Religious Directives. An OSF Employer will employ the SAHS Providers following Closing. The SAHS Providers will participate in quality programs and other quality initiatives of OSF or an OSF Affiliate on the same basis as other physicians and midlevel providers aligned with OSF or an OSF Affiliate.

11.8. Independent Physicians. All agreements for professional and administrative services between independent physicians and the SAHS Parties will be honored by OSF and the OSF Affiliates as of the Closing Date, provided no services provided under any such agreement will be permitted to contravene the Ethical and Religious Directives.

11.9. Use of Funds. All funds held by the SAHS Parties as of the Closing Date may only be used by OSF for the support of the SAHS Facilities and Services.

11.10. Donor Restrictions. All bequests, gifts and endowments restricted as to use or manner of investment as of the Closing Date shall continue to be so restricted following the Closing Date, and OSF and OSF Affiliates then holding donor-restricted funds shall honor donative intent with respect thereto.

11.11. Clinical Service Line and Capital Commitments. OSF will perform all covenants to which it agrees and will satisfy all obligations it assumes arising out of the discussions described in Section 6.1.1f and Section 7.1.1e.

11.12. Maintenance of Hospital. OSF will continue to operate the acute care hospital now known as Saint Anthony's Health Center, located at 1 Saint Anthony's Way in Alton, Illinois, for a minimum of five (5) years following the Closing Date.

11.13. OSF Bylaws.

11.13.1 For so long as any SAHS Facilities and Services are owned by OSF, and FSGM has not merged or consolidated with or become Controlled by another Person, OSF shall not amend, modify or rescind the provisions of its amended bylaws to eliminate the requirement that the OSF Board include one FSGM Sister nominated by FSGM and approved by the OSF Board.

11.13.2. OSF and the Foundation shall not amend, modify or rescind the provisions of their respective amended bylaws in a manner resulting in indemnification of officers and directors of corporations merged with and into OSF or the Foundation, as applicable, on terms and conditions different from those applicable to their respective officers and directors.

11.14. Additional Services Agreements. Following the Closing and for so long as any SAHS Facilities and Services are owned by OSF, as necessary from time to time: (a) OSF shall enter into additional agreements with FSGM in form and substance similar to the Services Agreements delivered by the Parties at Closing pursuant to Sections 9.8 and 9.9 (or such other form as may be approved by OSF and FSGM) providing for service by individual FSGM Sisters to serve within the SAHS Facilities, and within other OSF Facilities, services, and programs, as desired by FSGM, when positions are available for which they are qualified; and (b) subject to availability and qualification, at a minimum, one FSGM Sister will serve in senior management within SAHS Facilities and at a minimum, one FSGM Sister will serve in a pastoral care position within SAHS Facilities.

11.15. Indemnification. From and after the Closing, OSF or Foundation, as applicable, shall indemnify, defend and hold harmless each person who is now, or has been at any time or who becomes prior to the Closing, a director or officer of SAHS, SAHC or SAF against all losses, claims, damages, costs, expenses (including reasonable attorneys' and other professionals' fees and expenses), fines, liabilities or judgments or amounts that are paid in settlement, arising out of or relating to acts or omissions by them in their capacities as such, which acts or omissions occurred at or prior to the Closing, in each case, subject to the terms, conditions and requirements of applicable provisions of the OSF Governing Documents or the Foundation Governing Documents, as applicable, and Applicable Law. If OSF or the Foundation, as applicable, or their respective successors or assigns consolidates with or merges into any other Person and shall not be the continuing or surviving corporation or entity of such consolidation or merger, or transfers or conveys all or substantially all of its properties and assets to any Person, then, and in each case, to the extent not assumed by operation of law, proper provision shall be made so that the successors and assigns of OSF or Foundation, as the case may be, shall assume the obligations set forth in this Section 11.15

11.16. Access to Information. From and after the Closing, OSF shall, and shall cause its Affiliates to, (a) hold all books and records of the SAHS Parties and each of its subsidiaries existing on the Closing Date and to not destroy or dispose of any such books or records for a period of seven (7) years from the Closing, except in accordance with OSF policies and practices. During that seven (7) year period, subject to compliance with Applicable Law, OSF shall, and shall cause its Affiliates to, permit FSGM and its employees, agents, consultants, accountants, legal counsel and independent auditors, at the sole cost of FSGM, to have reasonable access to the premises, books and records of the SAHS Parties and their subsidiaries during normal business hours and with prior written notice, including by making tax, accounting and financial personnel and other appropriate employees and officers of OSF available to FSGM and its representatives, with regard to any reasonable business purpose (including any Tax matter) or in connection with any claim, dispute, action, cause of action, investigation or proceeding of any kind by or against any Person, with respect to any and all periods prior to or including the Closing Date, that FSGM may reasonably require.

ARTICLE XII POST-CLOSING COVENANTS OF FSGM

12.1. Use of Name. FSGM may not use the name "Saint Anthony's Health System," "Saint Anthony's Health Center," "Saint Anthony's Foundation," "Saint Anthony's Physician

Group," "Saint Clare's Hospital," "Saint Clare's Villa," or any other name that includes the words "Saint Anthony" or "Saint Clare." Notwithstanding the foregoing, FSGM may continue to use the name "Saint Anthony" and/or "Saint Clare" for religious congregation purposes.

12.2. Donor Restrictions. All bequests, gifts and endowments of FSGM that are for the benefit of the SAHS Parties and that are restricted to use or manner of investment as of the Closing Date shall continue to be so restricted following the Closing Date, and FSGM shall honor donative intent with respect thereto.

12.3. FSGM Liabilities. Each FSGM Liability outstanding immediately prior to the Closing Date shall remain the liability and obligation of FSGM, from and after the Closing Date. From and after the Closing Date, OSF shall not be obligated to pay or assume, and none of their respective assets shall be or become liable for or subject to, any FSGM Liability, and OSF is hereby expressly released by FSGM from any such FSGM Liabilities. From and after the Closing Date, FSGM shall not be obligated to pay or assume, and none of their respective assets shall be or become liable for or subject to, any SAHS Liability, and FSGM is hereby expressly released by OSF from any such SAHS Liabilities.

ARTICLE XIII TERMINATION

13.1. Termination Upon Certain Events. OSF, FSGM, or an SAHS Party may, at or prior to the time set for Closing, terminate this Agreement under any one of the following circumstances:

13.1.1 Mutual Consent. By mutual written consent of the Parties, through action of their respective Boards; or

13.1.2 Legal Proceeding. If at the time of Closing: (a) a *bona fide* action or proceeding shall be pending against any Party wherein an unfavorable judgment, decree or order would prevent or make unlawful the carrying out of the transactions contemplated by this Agreement; or (b) any governmental agency shall have notified a Party of its position that the consummation of the transactions contemplated herein would constitute a violation of Applicable Law and that it has commenced or intends to commence proceedings to restrain the consummation of the transactions contemplated herein, and such agency has not withdrawn such notice prior to such termination.

13.1.3 Closing Date Deadline. If for any reason the Closing shall not have occurred on or before March 31, 2015 or such later date upon which the Parties shall mutually agree; provided, however, that the right to terminate this Agreement under this Section 13.1.3 shall not be available to any Party whose breach of any representation or warranty or whose failure to perform or observe in any material respect any covenant or obligation contained in this Agreement has been the cause of or resulted in the failure of the Closing;

13.1.4 Material Adverse Change. If at any time prior to the Closing, there has been a Material Adverse Change in any of the SAHS Parties other than SAF, (as defined in Section 16.1.60b), or a Material Adverse Change in the SAHS Parties, or any of the

OSF Entities, as applicable, and such change shall have not been waived by the Party giving notice of termination; or

13.1.5 Exhibits and Disclosures. A Party, in its reasonable discretion, determines that it should not consummate the transactions contemplated by this Agreement because of any information contained in a disclosure required under this Agreement that is delivered to such Party after the Execution Date (in accordance with Section 10.4) and that materially and adversely affects the benefits to be received by the Party pursuant to the transactions contemplated by this Agreement.

13.2. Notice of Termination. If OSF, FSGM, or an SAHS Party intends to terminate the Agreement pursuant to Section 13.1, such Party will give the other Parties at least thirty (30) days' prior written notice of its intent and the specific reasons therefore. During such notice period, the Parties shall use their good faith best efforts to resolve the concerns of the Party giving notice of termination, including, but, not limited to, convening an in-person meeting of the respective Boards of the Parties. If the Parties are not able to resolve the concerns of the Party giving notice of termination, in the sole discretion of such Party, then the Agreement shall terminate upon the expiration of said thirty (30)-day period or such later date upon which the Parties shall mutually agree.

13.3. Effect of Termination. If there has been a termination under Section 13.1 and notice has been provided in accordance with Section 13.2, this Agreement shall be deemed terminated, and all further obligations of the Parties hereunder shall terminate, except those obligations specifically identified in this Agreement as surviving termination. Any termination under Section 13.1 shall be without liability or obligation hereunder to the Parties or any of their respective Affiliates, except that the remedies of the Parties shall not be limited by this Agreement with respect to (a) any fraudulent acts of the Parties prior to termination; (b) a default by a Party in the observance or in the due and timely performance by such Party of any of the covenants herein contained; or (c) a breach by a Party of any of the warranties and representations herein contained. Nothing in this ARTICLE XIII shall impair the right of any Party to compel specific performance by another Party of its obligations under this Agreement, or to seek injunctive relief against another Party. If the transactions contemplated by this Agreement are terminated as provided herein, except to the extent necessary to pursue or defend any claim, investigation, suit or other proceeding, (i) each Party shall return to the other Party all documents and copies and other materials received from or on behalf of such other Party relating to the transactions contemplated hereby, whether so obtained before or after the Execution Date, and (ii) all such information shall be treated in accordance with the Confidentiality Agreement, which shall remain in full force and effect notwithstanding the termination of this Agreement.

ARTICLE XIV SURVIVAL; DISPUTE RESOLUTION

14.1. Survival. The representations and warranties of the Parties, and covenants of the Parties which require performance on or prior to the Closing Date, set forth in this Agreement or in any closing certificate delivered pursuant to this Agreement shall expire and terminate as of the close of business on the Closing Date. The covenants of the Parties which require

performance on or after the Closing Date set forth in this Agreement shall survive the Closing Date indefinitely.

14.2. Dispute Resolution. The Parties acknowledge that notwithstanding their reasonable commercial efforts, disagreements or disputes may arise between them regarding their respective rights, responsibilities, covenants, obligations and liabilities under this Agreement and in any document delivered at the Closing. In each instance, the Parties shall attempt to resolve the dispute in good faith in a manner consistent with the procedures set forth in this Section 14.2.

14.2.1 Meet and Confer. In the event of a dispute between OSF, on the one hand, and FSGM and the SAHS Parties, each referred to as an ("FSGM/SAHS Party"), on the other hand, either may give notice to the other setting forth the nature of such dispute and requesting that the Parties meet and confer to discuss the dispute (the "**Meet and Confer Request**"). Not later than 30 days after receipt of a Meet and Confer Request, the Dispute Representatives shall meet and confer to discuss the dispute in good faith in an attempt to resolve the dispute. The Dispute Representatives shall meet at such dates and times as are mutually convenient to the Dispute Representatives within such 30 day period. For purposes of this Section 14.2: (i) "**Dispute Representatives**" shall mean the OSF Dispute Representatives and the FSGM/SAHS Dispute Representatives, (ii) "**OSF Dispute Representatives**" shall mean the OSF Chief Executive Officer and his or her designee, and (iii) "**FSGM/SAHS Dispute Representatives**" shall mean the SAHS Chief Executive Officer and his or her designee if the Meet and Confer Request is delivered prior to or on the Closing Date, and shall mean the Provincial Superior of FSGM and her designee, if the Meet and Confer Request is delivered after the Closing Date.

14.2.2 Mediation. If the Parties do not resolve the dispute during the meet and confer process, either OSF or FSGM may give notice of such Party's intention to submit the issue in dispute to non-binding mediation pursuant to this Section 14.2.2 (the "**Dispute Notice**"). Not later than ten days after the other Party's receipt of a Dispute Notice, the Dispute Representatives shall jointly appoint a mediator.

a. If the Dispute Representatives cannot agree upon a mediator within the ten-day period, or within such other period as they may mutually agree upon, the OSF Dispute Representatives and FSGM/SAHS Dispute Representatives shall each appoint a mediator acceptable to them within the following ten days, and the two mediators shall jointly appoint, within ten days after the date on which the second mediator is appointed, a third mediator who, together with the other two mediators, shall mediate the issue in dispute.

b. OSF, on the one hand, and the FSGM/SAHS Party, on the other hand, shall engage in a good faith effort to resolve the issue in dispute following the appointment of one or more mediators. OSF and the FSGM/SAHS Party each shall share equally the fees and expenses of the mediator or mediators and such other costs and expenses as they shall mutually agree upon

c. If OSF, on the one hand, and the FSGM/SAHS Party, on the other hand, are unable to resolve the dispute within 60 days following the later appointment of one or more mediators, either Party may pursue all available judicial remedies at law or in equity.

ARTICLE XV GENERAL PROVISIONS

15.1. No Shop Clause. FSGM and each SAHS Party agrees that, from and after the Execution Date of this Agreement until the earlier to occur of the Closing or the termination of this Agreement, neither FSGM nor any SAHS Party will, without the prior consent of OSF, explore, meet, discuss, negotiate, directly or indirectly, or enter into an agreement with any third party for the purpose of discussing, organizing, formulating, designing, developing, investing in or implementing an arrangement that could lead to a change in control, sale of equity, lease of assets, sale of assets, joint operating agreement/joint operating company, merger, consolidation, liquidation, academic affiliation or any other business relationship similar to the transactions contemplated by this Agreement. FSGM and each SAHS Party shall promptly notify OSF by telephone and thereafter confirm in writing, if any such discussions or negotiations are sought to be initiated with FSGM or an SAHS Party or any such proposal or possible proposal is received directly or indirectly by FSGM or an SAHS Party. In the event FSGM or any SAHS Party or any of its representatives receives an unsolicited offer relating to a type of transaction described above, FSGM or the SAHS Party shall promptly inform the person or organization making such unsolicited offer of the existence of the restrictions of this Section 15.1, but not the other contents of this Agreement (including OSF's identity unless such disclosure has been previously made to the public by joint press releases or filing with a governmental agency), and FSGM or the SAHS Party shall reject such offer.

15.2. Performance of Undertakings. The Parties agree that the standard that shall apply to the Parties' performance of all covenants and undertakings contained in this Agreement and in any and every document executed and delivered hereunder is a commercially reasonable standard, unless otherwise expressly set forth therein.

15.3. Consummation of Transactions. The Parties shall use, and cause their Affiliates to use, commercially reasonable efforts to consummate the transactions contemplated by this Agreement by December 31, 2014.

15.4. Consents. Except as has been disclosed in writing by SAHS to OSF no Material Contract contains any provision requiring consent, authorization or other approval of any Person required for Closing of the transactions contemplated by this Agreement. From the Execution Date to the Closing Date, each of the Parties shall use commercially reasonable efforts to obtain expeditiously all consents, authorizations and other approvals of third parties necessary for the valid execution, delivery and performance of this Agreement by such Party. OSF acknowledges that certain consents to the transactions contemplated by this Agreement may be required from parties to contracts, leases, licenses or other agreements to which one or more of the SAHS Parties are a party (including the Material Contracts) and such consents have not been obtained and may not be obtained. OSF agrees that neither FSGM nor any of the SAHS Parties shall have any liability whatsoever to OSF (and OSF shall not be entitled to assert any claims) arising out of

or relating to the failure to obtain any consents that may have been or may be required in connection with the transactions contemplated by this Agreement or because of the default, acceleration or termination of or loss of right under any such contract, lease, license or other agreement as a result thereof.

15.5. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given or made as follows: (a) if sent by registered or certified mail in the United States return receipt requested, upon receipt; (b) if sent designated for overnight delivery by nationally recognized overnight air courier (such as Federal Express, UPS or DHL), one (1) Business Day after mailing; (c) if sent by facsimile transmission or electronic mail before 5:00 p.m. (sender's time) and receipt is confirmed through a delivery report, upon delivery; (d) if sent by facsimile transmission or electronic mail after 5:00 p.m. (sender's time) and receipt is confirmed through a delivery report, on the following Business Day; and (e) if otherwise actually personally delivered, when delivered, provided that such notices, requests, demands and other communications are delivered to the addresses set forth below, or to such other address as any Party shall provide by like notice to the other Parties:

SAHS:	Mother M. Regina Pacis Coury, FSGM Chairperson Saint Anthony's Health System 1 Saint Anthony's Way Alton, IL 62002 Fax: (618) 465-5064 Email: secretariat@altonfranciscans.org
FSGM:	Mother M. Regina Pacis Coury, FSGM Provincial Superior Sisters of St. Francis of the Martyr St. George, Province St. Elizabeth One Franciscan Way Alton, IL 62002 Fax: (618) 465-5064 Email: secretariat@altonfranciscans.org
with a simultaneous copy to:	Evan Raskas Goldfarb Thompson Coburn LLP One US Bank Plaza St. Louis, MO 63101 Fax: (314) 552-7198 Email: egoldfarb@thompsoncoburn.com
OSF:	Kevin D. Schoeplein Chief Executive Officer OSF Healthcare System 800 N.E. Glen Oak Avenue Peoria, IL 61603

Fax: (309) 655-6869
Email: kevin.d.schoeplein@osfhealthcare.org

and

Robert L. Brandfass
Senior Vice President, Legal Services
OSF Healthcare System
800 N.E. Glen Oak Avenue
Peoria, IL 61603
Fax: (309) 655-6869
Email: robert.l.brandfass@osfhealthcare.org

with a simultaneous copy to:

Stephen T. Moore, Esq.
Hinshaw & Culbertson LLP
100 Park Avenue
Rockford, IL 61101
Fax: (815) 490-4901
Email: smoore@hinshawlaw.com

15.6. Cost of Transaction. Each Party shall be responsible for and bear all of its own respective costs and expenses, including without limitation expenses of its legal counsel, accountants and other representatives, incurred at any time in connection with pursuing the Affiliation. OSF shall pay any fees associated with the certificate of exemption or certificate of need process with the IHFSRB, and any transfer taxes, documentary stamps or other charges incurred in conjunction with the Affiliation.

15.7. Reimbursement of Costs. If a Party brings an action for breach of the provisions of this Agreement, the prevailing party in such action, on trial or appeal, shall be entitled to its reasonable attorneys' fees to be paid by the losing party as fixed by the court.

15.8. No Brokerage. The Parties represent to each other that no broker has in any way been contacted in connection with the transactions herein contemplated. Each Party agrees to indemnify the other Party from and against all loss, cost, damage or expense arising out of claims for fees or commissions of brokers employed or alleged to have been employed by such indemnifying Party.

15.9. Non-Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors, assigns and legal representatives, but no Party may assign its rights in this Agreement or delegate its duties under this Agreement to a third party by any means without first obtaining the prior written consent of the other Party.

15.10. No Third-Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any Person or other third party other than the Parties and their respective successors and permitted assigns.

15.11. Certain Disclosures. This Agreement references various written disclosures to be made by FSGM and the SAHS Parties to OSF in connection with this Agreement (the "Disclosures"). All Disclosures shall be delivered by the Parties to one another in a form and

manner consistent with the protocol agreed upon by OSF and SAHS. The inclusion of information in the Disclosures shall not be construed as or constitute an admission or agreement that a violation, right of termination, default, liability or other obligation of any kind exists with respect to any item, nor shall it be construed as or constitute an admission or agreement that such information is material to FSGM or the SAHS Parties. In addition, matters reflected in the Disclosures are not necessarily limited to matters required by this Agreement. Any such additional matters are set forth for informational purposes only and do not necessarily include other matters of a similar nature. Neither the specifications of any dollar amount in any representation, warranty or covenant contained in this Agreement nor the inclusion of any specific item in the Disclosures is intended to imply that such amount, or higher or lower amounts, or the item so included or other items, are or are not material, and no Person other than a Party shall use the fact of the setting forth of any such amount or the inclusion of any such item in any dispute or controversy between the parties as to whether any obligation, item or matter not described herein or included in the Disclosures is or is not material for purposes of this Agreement.

15.12. Consents, Approvals and Discretion. Except as herein expressly provided to the contrary, whenever this Agreement requires any consent or approval to be given by a Party or a Party must or may exercise discretion, the Parties agree that such consent or approval shall not be unreasonably withheld or delayed and such discretion shall be reasonably exercised.

15.13. Additional Assurances. The provisions of this Agreement shall be self-operative and shall not require further agreement by the Parties except as may be herein specifically provided to the contrary; provided, however, at the request of a Party, the other Party shall execute such additional instruments and take such additional actions as the requesting Party may deem necessary to effectuate this Agreement. Additionally, each Party shall cooperate and use commercially reasonable efforts to have its present directors, officers and employees cooperate with the other Party in furnishing information, evidence, testimony and other assistance in connection with any action, proceeding, arrangement or dispute of any nature with respect to matters pertaining to all periods prior to Closing in respect of the items subject to this Agreement; provided that each Party shall pay the reasonable out of pocket costs incurred by its respective directors, officers and employees.

15.14. Severability. In the event any provision of this Agreement is held to be invalid, illegal or unenforceable, in whole or in part, for any reason and in any respect, such invalidity, illegality, or unenforceability shall in no event affect, prejudice or disturb the validity of any remaining provision of this Agreement, which shall be and remain in full force and effect, and binding and enforceable in accordance with its terms.

15.15. Applicable Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Illinois; provided, however, that the conflicts of law principles of the State of Illinois shall not apply to the extent they would operate to apply the laws of another state. The Parties hereby consent to the jurisdiction of Illinois courts over all matters relating to this Agreement.

15.16. Headings; Cross References. Headings of Articles and Sections in this Agreement and the table of contents hereof are solely for convenience or reference, do not

constitute a part hereof and shall not affect the meaning, construction or effect hereof. Unless indicated otherwise, references in this Agreement to Articles, Sections and Exhibits are to articles, sections, and exhibits of this Agreement.

15.17. Construction. Each Party has engaged separate independent legal counsel and independent advisors to provide advice and guidance to such Party. This Agreement and all documents or instruments delivered pursuant hereto shall be construed without regard to the identity of the person who drafted the various provisions of the same. Each and every provision of this Agreement and such other documents and instruments shall be construed as though the Parties participated equally in the drafting of the same. Consequently, the Parties acknowledge and agree that any rule of construction that a document is to be construed against the drafting Party shall not be applicable to this Agreement.

15.18. Waiver of Terms. The failure of any Party to insist, in any one or more instances, on performance of any of the terms, covenants and conditions of this Agreement shall not be construed as a waiver or relinquishment of any rights granted hereunder or thereunder or of the future performance of any such term, covenant or condition, but the obligations of the Parties with respect thereto shall continue in full force and effect. A waiver by one Party of the performance of any covenant, condition, representation or warranty of the other Party shall not invalidate this Agreement, nor shall such waiver be construed as a waiver of any other covenant, condition, representation or warranty. A waiver by any Party of the time for performing any act shall not constitute a waiver of the time for performing any other act or the time for performing an identical act required to be performed at a later time.

15.19. Representations. Except as otherwise expressly provided in ARTICLE III, ARTICLE IV, and ARTICLE V, no representation or warranty contained herein shall be deemed to have been waived, affected or impaired by any investigation made by or knowledge of any Party to this Agreement. All statements in any certificate or other instrument delivered at or in connection with the Closing shall constitute representations and warranties. Each agreement, covenant, representation, and warranty contained herein is independent of all other agreements, covenants, representations, and warranties contained herein (whether or not covering an identical or a related subject matter) and must be independently and separately complied with and satisfied. OSF acknowledges and agrees that none of FSGM or the SAHS Parties, nor any of their respective Affiliates or representatives, nor any other Person acting on behalf of FSGM or the SAHS Parties or any of their respective Affiliates or representatives has made any (and OSF and its Affiliates have not relied on any) representation or warranty, express or implied, as to the accuracy or completeness of any information regarding the SAHS Parties or their respective businesses or assets, except as expressly set forth in this Agreement and in the Disclosures. OSF acknowledges and agrees that it is consummating the transactions contemplated by this Agreement without reliance on any representation or warranty, express or implied, by FSGM, the SAHS Parties, or any of their respective Affiliates or representatives except for the representations and warranties of FSGM and the SAHS Parties expressly set forth in this Agreement and in the Disclosures.

15.20. Counterparts; Signatures. The Parties agree that this Agreement may be executed in multiple originals, each of which shall be considered an original for all purposes and, collectively, shall be considered to constitute this Agreement. The Parties further agree that

signatures transmitted by facsimile or in Portable Document Format (pdf) may be considered an original for all purposes, including, without limitation, the execution of this Agreement and enforcement of this Agreement.

15.21. Time is of the Essence. Time is hereby expressly made of the essence with respect to each and every term and provision of this Agreement and any other agreements determined by the Parties to be necessary or appropriate to be entered into in connection with the transactions contemplated by this Agreement.

15.22. Access to Records and Information. If and to the extent applicable to this Agreement and to any agreement contemplated hereunder or entered into pursuant hereto between or among the Parties, the Parties agree to comply with the requirements of Public Law 96-499, Section 952 (Section 1861(v)(1)(1) of the Social Security Act) and regulations promulgated thereunder.

15.23. Cooperation. The Parties shall cooperate and use commercially reasonable efforts to obtain as promptly as possible all consents, approvals and agreements of, and to give and make as promptly as practicable all notices and filings with, any governmental and regulatory authorities necessary to authorize, approve, or permit the consummation of the transactions contemplated herein.

15.24. Specific Performance; Injunctive Relief. Nothing contained herein shall be construed as prohibiting any Party from pursuing any remedy available at Law or in equity for any breach or threatened breach of this Agreement. The Parties hereto agree that in the event of a breach of this Agreement by OSF, FSGM or the SAHS Parties, as applicable, monetary damages may be inadequate compensation for such breach, and the applicable Party(ies) therefore shall be entitled, without the posting of a bond or similar security, to seek specific performance and/or to obtain an injunction restraining such breach if monetary damages do not constitute adequate compensation, and in such event shall not be required to utilize the dispute resolution process under ARTICLE XIV.

15.25. Communications. The Parties shall promptly advise the other Parties of all material communications received by a Party pertaining to the transactions contemplated by this Agreement, including such communications which it receives from governmental agencies or authorities.

15.26. Publicity. Except as required by law, all press releases or other public communications of any sort regarding the transactions contemplated herein, and the method of the release for publication thereof, will be subject to the approval of both Parties, such approval shall not be unreasonably withheld.

15.27. Entire Agreement; Amendment. This Agreement, including all and Exhibits required hereunder, supersedes all previous agreements, oral or written, and constitutes the entire agreement between the Parties respecting the subject matter of this Agreement, and no Party shall be entitled to benefits other than those specified herein. Each Exhibit and disclosure referenced in this Agreement shall be considered a part hereof as if set forth herein in full. As between the Parties, oral statements or prior written materials which are not specifically

incorporated herein shall not be of any force and effect. The Parties specifically acknowledge that in entering into and executing this Agreement, the Parties rely solely upon the representations and agreements contained in this Agreement and no others. This Agreement may be amended or modified only by an agreement in writing signed by the Parties.

ARTICLE XVI GLOSSARY

16.1. **Glossary.** For convenience, set forth below is a glossary of defined terms used in this Agreement:

16.1.1 **"Act"** means the General Not For Profit Corporation Act of 1986, as amended, codified at 805 ILCS § 105 *et seq.*

16.1.2 **"Affiliate"** means any entity which is under the Control of, or which is under common Control with, the subject entity.

16.1.3 **"Affiliation"** means the three (3) statutory mergers whereby SAHS and SAHC become part of OSF, SAF becomes part of the Foundation and, at OSF's election SAPG becomes part of OSF or an OSF Affiliate by statutory merger, or by amendment of SAPG's articles of incorporation and bylaws to provide that OSF is its sole member, in order to create an integrated health care delivery system.

16.1.4 **"Agreement"** means this Affiliation Agreement between the Parties.

16.1.5 **"Amended and Restated SAPG Articles"** shall have the meaning set forth in Section 2.1.2.

16.1.6 **"Amended and Restated SAPG Bylaws"** shall have the meaning set forth in Section 2.1.2.

16.1.7 **"Applicable Law"** means all applicable Federal, state and local laws, statutes, ordinances, rules, regulations, codes and any judgment, decree, order, writ or injunction of any court or regulatory authority.

16.1.8 **"Benefits Transition Date"** means the date selected by OSF in its sole discretion not later than January 1, 2016; provided that with respect to the OSF Healthcare System Group Medical and Dental Plan, "Benefits Transition Date" means the date selected by OSF in its sole discretion that is no later than one year following the date the OSF Healthcare System Group Medical and Dental Plan ceases to be "grandfathered health plan coverage," as defined in 26 C.F.R. section 54.9815-1251T, as determined by OSF in the exercise of its reasonable discretion.

16.1.9 **"Business Day"** means any day excluding Saturday, Sunday and any day that is a legal holiday in the State of Illinois.

16.1.10 **"Canon Law"** means the Code of Canon Law of the Roman Catholic Church.

16.1.11 "**Canonical Approvals**" shall have the meaning set forth in Section 8.2.

16.1.12 "**CERCLA**" means the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §§ 9691 *et seq.*

16.1.13 "**Closing**" means the delivery of the documents required to be delivered on the Closing Date by the respective Parties.

16.1.14 "**Closing Date**" means (a) the Business Day established for closing of the financing transactions described in the Plan of Finance, following receipt of all regulatory approvals and satisfaction of all conditions precedent to Closing set forth herein; or (b) such other date mutually agreed to by the Parties following the receipt of all regulatory approvals and satisfaction of all conditions precedent to Closing set forth herein, with the transaction to be effective at 12:00:01 a.m., Central Standard Time or Central Daylight Time, as applicable, on such date.

16.1.15 "**COBRA**" shall have the meaning set forth in Section 3.18.6

16.1.16 "**Code**" means the Internal Revenue Code of 1986, as amended.

16.1.17 "**Community Board**" means the body established by, and whose affairs will be conducted in accordance with the bylaws approved by the OSF Board in form and substance reasonably acceptable to FSGM, as may be amended from time to time, comprised of key advisors to SAHC and whose purpose is to provide input, advice, and guidance to the Hospital President on certain matters affecting the Hospital, such as management plans, strategic plans, annual capital and operating budgets, services and quality, safety, and community outreach.

16.1.18 "**Compliance Program**" means provider programs of the type described in the compliance guidance published by the Office of Inspector General of the Department of Health and Human Services.

16.1.19 "**Confidentiality Agreement**" means the Confidentiality Agreement by and between OSF and SAHS, dated November 9, 2013, as amended, and agreed to by OSF, SAHS, and FSGM in the Letter of Intent.

16.1.20 "**Control**" means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity whether through ownership of voting securities or membership interests, by contract or otherwise.

16.1.21 "**Debt Transaction**" shall have the meaning set forth in Section 16.1.631.

16.1.22 "**Disclosures**" shall have the meaning set forth in Section 15.11.

16.1.23 "**Dispute Notice**" shall have the meaning set forth in Section 14.2.2.

16.1.24 "**Dispute Representatives**" shall have the meaning set forth in Section 14.2.1

16.1.25“**Environmental Law**” means all Federal, state or local statutes and ordinances, and all rules and regulations promulgated thereunder, common law, orders, consent decrees, permits, and binding judicial and administrative interpretations thereof, pertaining or relating to: (a) natural resources and the environment; (b) public and worker health, safety and welfare relating to Hazardous Substances; and (c) the identification, assessment, reporting, generation, manufacture, processing, distribution, use, treatment, storage, disposal, emission, discharge, release, transport or other handling of any Hazardous Substances, including, without limitation, CERCLA and RCRA; and (d) conditions caused by such activities described in (c) relating to Hazardous Substances.

16.1.26“**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended.

16.1.27“**ERISA Affiliate**” means any employer that is treated as a single employer with any SAHS Party under Section 414(b), (c), (m) or (o) of the Code.

16.1.28“**Ethical and Religious Directives**” means the Ethical and Religious Directives for Catholic Health Care Services, as amended from time to time, promulgated by the United States Conference of Catholic Bishops, as interpreted and applied by OSF in consultation with FSGM.

16.1.29“**Execution Date**” means July 21, 2014.

16.1.30“**Exhibit**” means an exhibit attached to this Agreement.

16.1.31“**Fiscal Year**” means (i) with respect to OSF prior to the Closing Date, any twelve-month period beginning on October 1st of any calendar year and ending on September 30th of the following calendar year, and (ii) with respect to the SAHS Parties prior to the Closing Date, any twelve-month period beginning on January 1st of any calendar year and ending on December 31st of that calendar year.

16.1.32“**Foundation**” means OSF Healthcare Foundation, an Illinois not-for-profit corporation.

16.1.33“**FSGM**” means Sisters of St. Francis of the Martyr St. George, Province St. Elizabeth, an Illinois not-for-profit corporation.

16.1.34“**FSGM Board**” means the Board of Directors of FSGM.

16.1.35“**FSGM Closing Documents**” means:

a. A certificate of the President of FSGM, dated as of the Closing Date, certifying as to the continued accuracy and completeness in all material respects of representations and warranties of FSGM, and its performance in all material respects of the covenants and conditions precedent, set forth in this Agreement;

b. A certificate of the Secretary of FSGM, dated as of the Closing Date, certifying as to the due adoption and continued effectiveness of, and attaching a copy of, the resolutions of the FSGM Board approving the actions and transactions required or contemplated by this Agreement;

c. An executed Services Agreement for each FSGM Sister mutually agreed upon by the Parties, each such agreement in form and substance substantially similar to the Services Agreement described in the Letter of Intent ("**Services Agreement**");

d. An executed Sister Partnership Agreement in form and substance substantially similar to the Sister Partnership Agreement described in the Letter of Intent ("**Sister Partnership Agreement**"); and

e. Such other instruments and documents as may be mutually agreed upon by the Parties and reasonably necessary to carry out the transactions contemplated by this Agreement and to comply with the terms hereof.

16.1.36 "**FSGM Liability**" means all liabilities, indebtedness, commitments and other financial and operational obligations of FSGM, whether Known or unknown, fixed or contingent, recorded or unrecorded, existing as of the Closing Date or thereafter arising or otherwise.

16.1.37 "**FSGM Sister**" means a professed sister of Sisters of St. Francis of the Martyr St. George, Province St. Elizabeth.

16.1.38 "**FSGM/SAHS Dispute Representatives**" shall have the meaning set forth in Section 14.2.1.

16.1.39 "**FSGM/SAHS Party**" shall have the meaning set forth in Section 14.2.1.

16.1.40 "**GAAP**" means United States Generally Accepted Accounting Principles, consistently applied.

16.1.41 "**Governing Documents**" means the articles of incorporation, certificate of incorporation, bylaws, partnership agreement, operating agreement or other documents by and through which a business organization is formed and governed.

16.1.42 "**Guaranty or Guaranties**" means all obligations of a Person guaranteeing or, in effect, guaranteeing any Indebtedness, dividend or other obligations of any Primary Obligor in any manner, whether directly or indirectly, including but not limited to obligations incurred through an agreement, contingent or otherwise, by such Person: (1) to purchase such Indebtedness or obligation or any Property constituting security therefore; (2) to advance or supply funds: (i) for the purchase or payment of such Indebtedness or obligation, or (ii) to maintain working capital or other balance sheet condition; (3) to purchase securities or either Property or services primarily for the purpose of assuring the owner of such Indebtedness or obligation of the ability of the

Primary Obligor to make payment of the Indebtedness or obligation; or (4) otherwise to assure the owner of such Indebtedness or obligation against loss in respect thereof.

16.1.43“**Hazardous Substances**” means petroleum or petroleum products, polychlorinated biphenyls, asbestos containing materials, lead-based paint, radon, radioactive materials, toxic mold or fungus of any kind or species or other microbial matter, medical wastes, and any other substances, materials, chemicals, pollutants, constituents, wastes or noxious substances regulated by any Environmental Law.

16.1.44“**Health Care Laws**” means all Federal, state and local laws, statutes, rules, regulations, ordinances and codes applicable to health care providers and facilities; Federal and state health care program conditions of participation, standards, policies, rules, procedures and other requirements; and accreditation standards of any applicable accrediting organization. Health Care Laws include, without limitation, the following laws: the Federal (Title XIX of the Social Security Act) and state Medicaid programs and their implementing regulations, the Medicare Program (Title XVIII of the Social Security Act) and its implementing regulations, the Federal False Claims Act (31 U.S.C. §§3729 et seq.), the Federal Health Care Program Anti-Kickback Statute (42 U.S.C. §1320a-7b(b)), the Federal Physician Self-Referral Law (42 U.S.C. §1395nn), the Federal Administrative False Claims Law (42 U.S.C. §1320a-7b(a)), HIPAA and the HIPAA Privacy Rule, the HIPAA Security Rule, HIPAA Standards for Transactions and Code Sets, HIPAA Enforcement Rule and HIPAA Breach Notification Rule (42 U.S.C. 1320d through 1320d-9; 45 CFR Parts 160, 162 and 164), the Federal Confidentiality of Alcohol and Drug Abuse Patient Records Act (42 U.S.C. 290ee-3), Hart-Scott-Rodino Antitrust Improvements Act, the Rehabilitation Act, the Americans with Disabilities Act, the Occupational Safety and Health Administration statutes and regulations for blood borne pathogens and workplace risks, and any state and local laws that address the same or similar subject matter. Health Care Laws also include Federal, state and local laws applicable to health care provider and facilities, including, without limitation, laws related to: Federal and state health care program billing, cost reporting, revenue reporting, payment and reimbursement; Federal and state health care program fraud, abuse, theft or embezzlement; procurement of health care services, human and social services, and other health related services; employee background checks and credentialing of employees; credentialing and licensure of facilities or providers of such services; zoning, maintenance, safety and operations of group homes, residential facilities and day programs, and other building health and safety codes and ordinances; certificate of need laws; state law restrictions on the corporate practice of medicine (or the corporate practice of any other health related profession); eligibility for Federal and state health care program contracting, including any requirements limiting contracting to nonprofit or tax exempt entities; patient information and medical record confidentiality, including psychotherapy and mental health records; splitting of health care fees; patient brokering, patient solicitation, patient capping, and/or payment of inducements to recommend or refer, or to arrange for the recommendation or referral of, patients to health care providers or facilities; standards of care, quality assurance, risk management, utilization review, peer review, and/or mandated reporting of incidents, occurrences, diseases and events; advertising or marketing of health care services; and the enforceability of restrictive covenants on health care providers.

16.1.45 “**HIPAA**” means the Health Insurance Portability and Accountability Act of 1996, as amended.

16.1.46“**Hospital**” means, collectively, the licensed acute-care hospital facilities located at 1 St. Anthony’s Way in Alton, Illinois, and 915 East Fifth Street in Alton, Illinois, owned and operated by SAHC prior to the Closing Date and owned and operated by OSF as of the Closing Date.

16.1.47“**Hospital President**” means the president of the Hospital who shall have the authority and responsibilities included in OSF’s job description of the Hospital/Medical Center President and in the employment agreement entered into between OSF and the president of the Hospital.

16.1.48 “**IHF SRB**” means the Illinois Health Facilities and Services Review Board.

16.1.49“**Indebtedness**” means, for any Person, (a) all Guaranties of such Person, (b) all liabilities (exclusive of reserves such as those established for deferred Taxes) recorded or required to be recorded as such on the audited financial statements of such Person as of the end of the then most recent Fiscal Year for which financial statements reported upon by independent certified public accountants are available and (c) all obligations for payment of money incurred or assumed by such Person (i) due and payable in all events or (ii) if incurred or assumed primarily to assure the repayment of money borrowed or credit extended, due and payable upon the occurrence of a condition precedent or upon the performance of work, possession of Property as lessees, rendering of services by others or otherwise, and shall include, without limitation, Non-Recourse Indebtedness; provided that Indebtedness shall not include Indebtedness of one Member of the OSF Obligated Group to another Member of the OSF Obligated Group, any Guaranty by any Member of the OSF Obligated Group of Indebtedness of any other Member of the OSF Obligated Group, the joint and several liability of any Member of the OSF Obligated Group on Indebtedness issued by another Member of the OSF Obligated Group, Interest Rate Agreements or any obligation to repay moneys deposited by patients or others with a Member as security for or as prepayment of the cost of patient care or any rights of residents of life care, elderly housing or similar facilities to endowment or similar funds by or on behalf of such residents.

16.1.50“**Institutional Review Board**” means a specially constituted review body established or designated by an entity to protect the welfare of human subjects recruited to participate in biomedical or behavioral research.

16.1.51“**Insurance Policies**” means binders and policies of insurance maintained by each SAHS Party, under which each SAHS Party is a named insured or that otherwise insure assets used primarily in connection with the operation of each SAHS Party.

16.1.52“**Intellectual Property**” means material trademarks, service marks, trade names, patents, copyrights, and applications therefore (whether registered or common law) currently owned or used by each SAHS Party.

16.1.53“**Interest Rate Agreement**” means an interest rate exchange, hedge or similar agreement, expressly identified in an Officer’s Certificate of the Obligated Group Agent delivered to the Master Trustee as having been entered into in order to hedge the interest payable on all or a portion of any Indebtedness, which agreement may include, without limitation, an interest rate swap, a forward or futures contract or an option (e.g., a call, put, cap, floor or collar).

16.1.54“**IRS**” means the Internal Revenue Service.

16.1.55“**Key Management Personnel**” means: (a) with respect to each SAHS Party, the directors, chief executive officer, chief operating officer, chief financial officer, and assistant vice president level and above employees of each SAHS Party; (b) with respect to FSGM, the Provincial Superior and Business Manager of FSGM; or (c) with respect to OSF, directors and vice-president level and above employees of OSF.

16.1.56“**Knowledge**”, “**Known**”, “**Knowingly**”, “**to the Knowledge**” or any variant thereof shall, when qualifying any representation, warranty or other statement in this Agreement, mean: (i) all information of which Key Management Personnel of any Party are actually aware; and (ii) all information Key Management Personnel of any Party could be expected to discover or otherwise become aware of in the course of conducting a reasonable investigation concerning the existence of such information.

16.1.57 “**Letter of Intent**” means the letter of intent between OSF, FSGM, and SAHS, dated March 10, 2014.

16.1.58“**Licenses and Permits**” means the material governmental licenses, permits, certificates, consents, or approvals required by Applicable Law to own or operate the SAHS Facilities and Services as owned and operated on the Execution Date.

16.1.59“**Master Trustee**” means Wells Fargo Bank, National Association, as successor master trustee in respect to the OSF Master Indenture or any successor master trustee hereafter appointed pursuant to the OSF Master Indenture.

16.1.60“**Material Adverse Change**” means:

a. With respect to the SAHS Parties or OSF any condition, change, event, violation, inaccuracy, circumstance or effect that:

(i) Has had or could reasonably be expected to have a material adverse effect on the business, financial condition or results of operations of the SAHS Parties taken as a whole, or the OSF Entities taken as a whole, as applicable; or

(ii) Individually or in the aggregate could reasonably be expected to result in liabilities with respect to Applicable Laws including, without limitation, Health Care Laws and/or Payment Programs, in excess of \$4,000,000 in the aggregate in the case of the SAHS Parties, or in

excess of \$40,000,000 in the aggregate in the case of the OSF Entities, as applicable; or

(iii) Could reasonably be expected to result in a change during any rolling twelve (12) month period that includes the Execution Date, in the assets, results of operation or the financial condition of the SAHS Parties in the aggregate or the OSF Entities in the aggregate, as applicable:

(a) as to any reduction in the total assets of such Parties in an amount in the aggregate greater than eight percent (8%) of such Parties' aggregate total assets as reflected on the respective Parties' interim unaudited balance sheets for the initial month of the twelve (12) month period; or

(b) as to any change in the financial condition of such Parties, taken as a whole, has resulted in or is reasonably likely to result, on a normalized basis (i.e., after taking into account whether the effects of such change or event are reasonably likely to continue over such period), in a reduction in earnings before deductions for interest, Taxes, depreciation and amortization of such Parties, taken as a whole, over the twelve (12) month period ending in the month in which the change or event occurs, in an amount greater than eight percent (8%) of such Parties' aggregate total assets (as reflected on the respective Parties' interim unaudited balance sheets for the initial month of that twelve (12) month period); or

b. With respect to any of the SAHS Parties or any of the OSF Entities, as applicable:

(i) The inability of any of the SAHS Parties or any of the OSF Entities, as applicable, to maintain its Code Section 501(c)(3) status; or

(ii) The inability of any of the SAHS Parties or any of the OSF Entities, as applicable, that operates a licensed health care facility as of the Execution Date to continue to operate such licensed health care facility; or

(iii) The debarment or exclusion of any of the SAHS Parties or any of the OSF Entities, as applicable, from participation in the Medicare or Medicaid programs.

c. Any condition, change, event, violation, inaccuracy, circumstance or effect that prevents or materially impedes or delays the consummation of the transactions contemplated by this Agreement by SAHS or OSF, as applicable.

Notwithstanding anything to the contrary, "Material Adverse Change" shall not include:

(i) changes in the financial or operating performance of a the SAHS Parties or OSF due to or caused by the announcement of the transactions contemplated by this Agreement or seasonal changes;

(ii) changes or proposed changes to any Applicable Law, reimbursement rates or policies of governmental agencies or bodies that are generally applicable to hospitals or health care facilities;

(iii) requirements, reimbursement rates, policies or procedures of third party payors or accreditation commissions or organizations that are generally applicable to hospitals or health care facilities;

(iv) general business, industry or economic conditions, including such conditions related to the business of the SAHS Parties or OSF, that do not disproportionately affect the SAHS Parties or OSF, as applicable;

(v) local, regional, national or international political or social conditions, including the engagement by the United States in hostilities, whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack, that do not disproportionately affect the SAHS Parties or OSF;

(vi) changes in financial, banking or securities markets (including any disruption thereof and any decline in the price of any security or any market index) that do not disproportionately affect the SAHS Parties or OSF;

(vii) changes in GAAP;

(viii) any action or omission of a Party taken with the prior consent of the other Parties; or

(ix) the payment or provision for payment of expenses incurred relating to this Agreement and the transactions contemplated thereby.

16.1.61 "**Meet and Confer**" shall have the meaning set forth in Section 14.2.1

16.1.62 "**Material Consents**" means any consents, approvals or authorizations of third parties required for the consummation of the transactions contemplated or required by this Agreement and set forth on Exhibit A.

16.1.63 "**Material Contracts**" means the following contracts, leases (capital and operating), and other agreements entered into by or on behalf of any SAHS Party which are in effect and involve a material aspect of the operations of any SAHS Party:

a. any management contracts whereby any SAHS Party or any of its officers or employees provide management services to other hospitals,

educational, or other healthcare institutions with (i) a dollar value or liability greater than (or expected to be greater than) \$250,000, in the aggregate after the Execution Date (unless such contract allows for termination upon 120 days or less notice without cause and without penalty); or (ii) a term of greater than one (1) year and payments in excess of \$100,000 annually;

b. all management or consulting agreements with (i) a dollar value or liability greater than (or expected to be greater than) \$250,000, in the aggregate after the Execution Date (unless such contract allows for termination upon 120 days or less notice without cause and without penalty); or (ii) a term of greater than one (1) year and payments in excess of \$100,000 annually;

c. all service contracts, shared service agreements, joint purchasing agreements, or similar agreements with (i) a dollar value or liability greater than (or expected to be greater than) \$250,000, in the aggregate after the Execution Date (unless such contract allows for termination upon 120 days or less notice without cause and without penalty); or (ii) a term of greater than one (1) year and payments in excess of \$100,000 annually;

d. all leases of space and/or equipment with (i) a dollar value or liability greater than (or expected to be greater than) \$250,000, in the aggregate after the Execution Date (unless such contract allows for termination upon 120 days or less notice without cause and without penalty); or (ii) a term of greater than one (1) year and payments in excess of \$100,000 annually;

e. all agreements for the sale or acquisition of capital assets involving assets of more than \$250,000 in the aggregate;

f. all construction agreements with (i) a dollar value or liability greater than (or expected to be greater than) \$250,000, in the aggregate after the Execution Date (unless such contract allows for termination upon 120 days or less notice without cause and without penalty); or (ii) a term of greater than one (1) year and payments in excess of \$100,000 annually;

g. all service agreements, maintenance agreements and warranties with respect to assets of any SAHS Party with (i) a dollar value or liability greater than (or expected to be greater than) \$250,000, in the aggregate after the Execution Date (unless such contract allows for termination upon 120 days or less notice without cause and without penalty); or (ii) a term of greater than one (1) year and payments in excess of \$100,000 annually;

h. all installment payment agreements with (i) a dollar value or liability greater than (or expected to be greater than) \$250,000, in the aggregate after the Execution Date (unless such contract allows for termination upon 120 days or less notice without cause and without penalty); or (ii) a term of greater than one (1) year and payments in excess of \$100,000 annually;

i. all agreements with third party administrators with (i) a dollar value or liability greater than (or expected to be greater than) \$250,000, in the aggregate after the Execution Date (unless such contract allows for termination upon 120 days or less notice without cause and without penalty); or (ii) a term of greater than one (1) year and payments in excess of \$100,000 annually;

j. all supply agreements with (i) a dollar value or liability greater than (or expected to be greater than) \$250,000, in the aggregate after the Execution Date (unless such contract allows for termination upon 120 days or less notice without cause and without penalty); or (ii) a term of greater than one (1) year and payments in excess of \$100,000 annually;

k. all collection agency, brokers' or finders' agreements with (i) a dollar value or liability greater than (or expected to be greater than) \$250,000, in the aggregate after the Execution Date (unless such contract allows for termination upon 120 days or less notice without cause and without penalty); or (ii) a term of greater than one (1) year and payments in excess of \$100,000 annually;

l. all debt, bond, credit, mortgage, pledge, or other lien or encumbrance agreements and all documents evidencing negative pledges or other covenant or transfer restrictions on the assets of any SAHS Party, with (i) a dollar value or liability greater than (or expected to be greater than) \$1,000,000, in the aggregate; (ii) a term of greater than one (1) year and payments in excess of \$250,000 annually; or (iii) covenants in excess of those in the Series 2010A, Series 2010B and Series 2010C Revenue Bonds issued through the Illinois Finance Authority (a "Debt Transaction");

m. all leases of real property in which any SAHS Party is either a lessor or lessee, including, without limitation, all agreements pursuant to which any department of any SAHS Party is operated under a lease arrangement, with (i) a dollar value or liability greater than (or expected to be greater than) \$250,000, in the aggregate after the Execution Date (unless such contract allows for termination upon 120 days or less notice without cause and without penalty); or (ii) a term of greater than one (1) year and payments in excess of \$100,000 annually;

n. all joint venture agreements or shareholder agreements to which any SAHS Party is a party or involving any SAHS Party's program or operations;

o. all agreements with physicians or any source of patient referrals, including allied health professionals or other professional personnel (excluding any agreements entered into in the ordinary course of business with at-will employees), corporations or partnerships comprised of or owned by them or the relatives of any of them that cannot be terminated without cause or penalty upon one hundred twenty (120) or fewer days, including, without limitation, all employment agreements, contracts to provide administrative or professional

services, recruitment, retention, relocation or income guarantee agreements, loans and guarantees, and acquisitions of private professional practices or their assets (each a **“Physician Contract”**);

p. all agreements or commitments related to physician hospital organizations (PHOs), medical services organizations (MSOs), physician networks, community care networks, integrated delivery networks, or other health care delivery systems or networks;

q. all agreements (excluding any agreements entered into in the ordinary course of business with at-will employees) for employment, indemnity, retention, severance, change-in-control, employee lease, deferred compensation, or incentive compensation with, and agreements regarding loans or advances to, employees of any SAHS Party;

r. all Payment Program contracts with a term of greater than one (1) year and payments in excess of \$100,000 annually;

s. all Insurance Policies, trust agreements and other related agreements, including, without limitation, stop-loss and self-insurance arrangements, with (i) premium payments greater than (or expected to be greater than) \$250,000, in the aggregate; or (ii) a term of greater than one (1) year and payments in excess of \$100,000 annually (excluding renewals of existing policies at the normal renewal date and with the same or substantially similar terms);

t. license and sublicense agreements with respect to any computer software with (i) a dollar value or liability greater than (or expected to be greater than) \$250,000, in the aggregate after the Execution Date (unless such contract allows for termination upon 120 days or less notice without cause and without penalty); or (ii) a term of greater than one (1) year and payments in excess of \$100,000 annually; and

u. any other agreement not included in subparagraphs a. through t. above with (i) a dollar value or liability greater than (or expected to be greater than) \$250,000, in the aggregate after the Execution Date (unless such contract allows for termination upon 120 days or less notice without cause and without penalty); or (ii) a term of greater than one (1) year and payments in excess of \$100,000 annually.

16.1.64 **“Member”** or **“Members”** refers to the members of the OSF Obligated Group.

16.1.65 **“National Priorities List”** means the USEPA’s list of the most serious uncontrolled or abandoned hazardous waste sites identified for possible long-term remedial action under CERCLA, which is updated each year.

16.1.66 **“Non-Recourse Indebtedness”** means any Indebtedness the liability for which is effectively limited to Property, Plant and Equipment (other than the Owned Real

Property) and the income therefrom not less than eighty percent (80%) of the cost of which Property, Plant and Equipment shall have been financed solely with the proceeds of such Indebtedness with no recourse, directly or indirectly, to any other Property of any Member.

16.1.67“**Obligated Group Agent**” means OSF or such other Member of the OSF Obligated Group as is designated in a written notice delivered by all Members of the OSF Obligated Group to the Master Trustee.

16.1.68“**Officer’s Certificate**” means a certificate signed, in the case of a certificate delivered by a corporation, by the President or any Vice-President (or such other officer of the corporation holding an office described in the corporate bylaws or other organizing documents of such corporation and having authority to bind the corporation) or, in the case of a certificate delivered by any other Person, the chief executive or chief financial officer of such other Person, in either case whose authority to execute such Certificate shall be evidenced to the satisfaction of the Master Trustee.

16.1.69“**OSF**” means OSF Healthcare System, an Illinois not-for-profit corporation.

16.1.70“**OSF Affiliate**” means an entity that controls, is controlled by, or is under common control with OSF.

16.1.71“**OSF Audited Financial Statements**” means audited consolidated financial statements of OSF for the two (2) Fiscal Years ended immediately prior to the Execution Date, for which audited financial statements are available.

16.1.72“**OSF Board**” means the board of directors of OSF.

16.1.73“**OSF Closing Documents**” means:

a. A certificate of the President of OSF, dated as of the Closing Date, certifying as to the continued accuracy and completeness in all material respects of representations and warranties of OSF, and its performance in all material respects of the covenants and conditions precedent, set forth in this Agreement;

b. A certificate of the Chief Financial Officer of OSF, dated as of the Closing Date, certifying as of the date thereof, as to the accuracy in all material respects of the financial representations and warranties relating to OSF set forth at Section 5.7;

c. A certificate of the Secretary of OSF, dated as of the Closing Date, certifying as to the due adoption and continued effectiveness of, and attaching a copy of, the resolutions of the OSF Board approving the actions and transactions required or contemplated by this Agreement, including but not limited to the establishment of the Community Board;

d. All documents required to be delivered by OSF for closing of the financing transactions described in the Plan of Finance;

e. Evidence of adoption by the OSF Board of an amendment to its bylaws providing that the OSF Board will include one FSGM Sister nominated by FSGM and approved by the OSF Board;

f. Evidence of approval by the OSF Board of bylaws of the Community Board in form and substance reasonably acceptable to FSGM and appointment of members of the Community Board reasonably acceptable to FSGM;

g. Evidence of adoption by the OSF Board of an amendment to the OSF bylaws providing that the OSF Board shall indemnify, defend and hold harmless each person who has been at any time a director or officer of any corporation merged with and into OSF, to the same extent provided to the officers and directors of OSF.

h. Evidence of adoption by the Foundation Board of an amendment to the Foundation bylaws providing that the Foundation Board shall indemnify, defend and hold harmless each person who has been at any time a director or officer of any corporation merged with and into the Foundation, to the same extent provided to the officers and directors of the Foundation.

i. An opinion from counsel to OSF, dated as of the Closing Date, in form and substance satisfactory to FSGM, addressed to FSGM and its counsel, to the effect that:

(i) OSF is duly incorporated, validly existing, and in good standing under the laws of the State of Illinois, and is duly licensed or qualified to transact business in the nature of the business transacted by it. OSF has the corporate power and authority to own and hold its properties and to carry on its business as conducted on the Closing Date. OSF has the corporate power and authority to execute, deliver, and perform the Agreement and the Related Agreements to which it is a party;

(ii) The execution, delivery and performance of the Agreement and each Related Agreement to which OSF is a party have been duly authorized by all requisite action of the board of directors or other governing body of OSF, and no further action is required on the part of OSF or its members or directors under the Governing Documents of OSF for the authorization and consummation of the transactions contemplated thereby; and

(iii) The Agreement and the Related Agreements have been duly executed and delivered by OSF and, assuming due authorization, execution and delivery by the other party(ies) to them, constitute the legal, valid, and binding obligations of OSF, enforceable in accordance with

their terms (subject, as to enforcement of remedies, to the discretion of courts in awarding equitable relief and to applicable bankruptcy, reorganization, insolvency, moratorium, and similar laws affecting the rights of creditors generally);

(iv) The execution and delivery by OSF of the Agreement and the Related Agreements to which it is a party, and the performance of its obligations thereunder, do not violate the Governing Documents of OSF, or any material provision of United States or Illinois law. To such counsel's knowledge, the execution and delivery by OSF of the Agreement and the Related Agreements do not (a) violate any order of any court or other agency or government, or, (b) conflict with, result in a breach of or constitute (with due notice or the lapse of time or both) a default under any indenture, agreement or other instrument to which OSF is a party or by which its assets are bound;

(v) To such counsel's knowledge, except as disclosed in writing by OSF to SAHS: (1) no OSF Entity is a defendant in, or threatened with, any action, suit, proceeding, complaint, charge, hearing, arbitration or state or Federal governmental investigation that could reasonably be expected to materially and adversely affect its ability to perform its obligations under the Agreement; and (2) no OSF Entity has received notice of any investigation or threatened investigation by any Federal, state or local governmental or regulatory agency, including those involving its business practices and policies, that could reasonably be expected to result in a Material Adverse Change in OSF; and .

(vi) OSF, the Foundation, and any OSF Affiliate that becomes the sole member of SAPG, are each an organization described in Section 501(c)(3) of the Code, exempt from federal income tax under Code Section 501(a) (except for any unrelated business income tax imposed pursuant to Code Sections 511-514), and other than a private foundation pursuant to Code Section 509(a);

j. An executed Services Agreement for FSGM Sister each of mutually agreed upon by the Parties.;

k. An executed Sister Partnership Agreement;

l. A copy of the amended OSF bylaws;

m. A copy of the Community Board bylaws; and

n. Such other instruments and documents as may be mutually agreed by the Parties and reasonably necessary to carry out the transactions contemplated by this Agreement and to comply with the terms hereof.

16.1.74 "**OSF Dispute Representative**" shall have the meaning set forth in Section 14.2.1

16.1.75 "**OSF Employer**" means OSF, the Foundation, or an OSF Affiliate, as applicable.

16.1.76 "**OSF Entity**" means OSF, the Foundation and an OSF Affiliate that merges with or assumes control of a SAHS Party.

16.1.77 "**OSF Facilities**" means the facilities owned, operated, or controlled by OSF or an OSF Affiliate in which healthcare programs and services are undertaken from time to time.

16.1.78 "**OSF Financial Statements**" means the OSF Audited Financial Statements, the OSF Unaudited Financial Statements, and the OSF Interim Financial Statements, collectively.

16.1.79 "**OSF Interim Financial Statements**" means monthly unaudited financial statements and footnotes thereto of OSF for the immediately preceding month.

16.1.80 "**OSF Master Indenture**" means that certain Amended and Restated Master Trust Indenture dated as of September 15, 1999 between OSF and Wells Fargo Bank, National Association, as successor master trustee, as heretofore or hereafter supplemented and amended.

16.1.81 "**OSF Obligated Group**" means OSF and any other Persons who become Members pursuant to the OSF Master Indenture.

16.1.82 "**OSF System**" means the integrated health care delivery system owned and operated by OSF, as of the Execution Date consisting of: nine (9) acute care facilities; two (2) colleges of nursing; a physician organization that employs more than six hundred (600) physicians and mid-level providers in over fifty (50) office locations; a home health network that provides hospice, home health, home medical equipment, home infusion pharmacy, physician house calls, private home care, a personal response system, and a diabetes supply program; other health care-related businesses; and a foundation to provide resources for community outreach; as may change from time to time.

16.1.83 "**OSF Unaudited Financial Statements**" means unaudited financial statements of OSF for the interim period from October 1, 2013, through the most recent month-end date for which financial statements were available prior to the Execution Date.

16.1.84 "**Owned Real Property**" means real property owned by the SAHS Parties.

16.1.85 "**Parties**" means OSF, FSGM, SAHS, SAHC, SAF, and SAPG.

16.1.86 "**Party**" means OSF, FSGM, SAHS, SAHC, SAF, or SAPG, as applicable.

16.1.87 "**Payment Programs**" means the private, commercial and governmental payment and procurement programs with which the applicable Party is a participating provider (including, without limitation, Medicare and Medicaid).

16.1.88 "**Permitted Encumbrances**" means encumbrances for Taxes not yet due and payable or being diligently contested in good faith and for which appropriate reserves have been established in accordance with GAAP (provided that Permitted Encumbrances shall not apply to omitted or reassessed Taxes imposed due to incorrect, false or misleading real estate tax exemption applications or annual exemption certifications filed); liens for inchoate mechanics' and materialmen's liens for construction in progress and workmen's, repairmen's, warehousemen's and carriers' liens arising in the ordinary course of business; easements, restrictive covenants, rights of way and other similar restrictions of record that do not impair in any material respect the value of the assets or the continued conduct of the business of any SAHS Party or its continued use of its assets in the manner currently used; zoning, building and other similar restrictions that do not impair in any material respect the value of the asset or the continued conduct of the business of any SAHS Party or its continued use of its assets in the manner currently used; encumbrances, encroachments and other imperfections of title, licenses or encumbrances, if any, of record that do not impair in any material respect the value of the asset or the continued conduct of the business of any SAHS Party or its continued use of its assets in the manner currently used; encumbrances arising under original purchase price conditional sales contracts and equipment leases with third parties entered into in the ordinary course of business; and in the case of leased property, all matters, whether or not of record, affecting the title of the lessor (and any underlying lessor) of the leased property do not impair in any material respect the value of its asset or the continued conduct of the business of any SAHS Party or its continued use of its assets in the manner currently used.

16.1.89 "**Person**" means any natural person, firm, joint venture, association, partnership, business trust, corporation, public body, agency or political subdivision thereof or any other similar entity.

16.1.90 "**Physician Contract**" shall have the meaning set forth in Section 16.1.63o.

16.1.91 "**Plan of Finance**" means the redemption, defeasance, or cancellation at Closing of all obligations issued under the SAHC Master Indenture that are outstanding on the Closing Date, the discharge and termination of all documents related to the obligations issued under the SAHC Master Indenture (including but not limited to the SAHC Master Indenture), and the release and discharge of the trust estate securing all Obligations issued pursuant to the SAHC Master Indenture and any liens granted thereunder, through funds which shall be provided by OSF at Closing.

16.1.92 "**Primary Obligor**" means the Person who is primarily obligated on an obligation which is guaranteed by another Person.

16.1.93 "**Property**" means any and all rights, titles and interests in and to any and all property whether real or personal, tangible or intangible, and wherever situated, except where otherwise specifically provided.

16.1.94 "**Property, Plant and Equipment**" means all Property of the SAHS Parties which is classified as property, plant and equipment under GAAP.

16.1.95 "**RCRA**" means the Resource Conservation and Recovery Act, as amended, 42 U.S.C. §§ 6901 *et. seq.*

16.1.96 "**Related Agreements**" means the Sister Partnership Agreement, and the Services Agreements.

16.1.97 "**Returns**" means returns, declarations, and reports and all information returns and statements required to be filed or sent with respect to all Taxes.

16.1.98 "**SAF**" means Saint Anthony's Foundation, an Illinois not-for-profit corporation.

16.1.99 "**SAF Merger Filings**" shall have the meaning set forth in Section 2.1.3.

16.1.100 "**SAHC**" means Saint Anthony's Health Center, an Illinois not-for-profit corporation.

16.1.101 "**SAHC Master Indenture**" means that certain Master Trust Indenture dated as of February 1, 1996, between SAHC and UMB Bank, N.A., as successor master trustee, as heretofore or hereafter supplemented and amended.

16.1.102 "**SAHC Merger Filings**" shall have the meaning set forth in Section 2.1.1.

16.1.103 "**SAHS**" means Saint Anthony's Health System, an Illinois not-for-profit corporation.

16.1.104 "**SAHS Audited Financial Statements**" means audited financial statements and footnotes thereto of the SAHS Parties for the two (2) Fiscal Years ended immediately prior to the Execution Date, for which audited financial statements are available.

16.1.105 "**SAHS Benefit Plans**" means "employee welfare benefit plans" (as defined in Section 3(1) of ERISA), "employee pension benefit plans" (as defined in Section 3(2) of ERISA), and all other material employee benefit plan agreements and arrangements and employee benefit policies, whether funded or unfunded, qualified or nonqualified, subject to ERISA or not, maintained or contributed to (or required to be

contributed to) by any SAHS Party and any ERISA Affiliate for the benefit of any of its officers, employees or other persons.

16.1.106 **“SAHS Board”** means the Board of Directors of an SAHS Party, as applicable.

16.1.107 **“SAHS Closing Documents”** means:

a. A certificate of the President of each SAHS Party, dated as of the Closing Date, certifying as to the continued accuracy and completeness in all material respects of representations and warranties of each SAHS Party, and its performance in all material respects of the covenants and conditions precedent, set forth in this Agreement;

b. A certificate of the Chief Financial Officer of each SAHS Party, dated as of the Closing Date, certifying as of the date hereof, as to the accuracy in all material respects of the financial representations and warranties relating to each SAHS Party set forth at Section 3.4 and Section 3.5;

c. A certificate of the Secretary of each SAHS Party, dated as of the Closing Date, certifying as to the due adoption and continued effectiveness of, and attaching a copy of the resolutions of each SAHS Board approving the actions and transactions required or contemplated by this Agreement, including but not limited to an express approval of the renaming of the facility known as “Saint Anthony’s Health Center” to “OSF Saint Anthony’s Health Center” effective as of the Closing Date, and the initial renaming of the facility known as “Saint Clare’s Hospital” to “OSF Saint Clare’s Hospital” effective as of the Closing Date;

d. All documents required to be delivered by each SAHS Party for closing of the financing transactions described in the Plan of Finance;

e. An opinion from counsel to the SAHS Parties, dated as of the Closing Date, in form and substance satisfactory to OSF, addressed to OSF and its counsel, to the effect that:

(i) Each SAHS Party is duly incorporated, validly existing, and in good standing under the laws of the State of Illinois, and is duly licensed or qualified to transact business in the nature of the business transacted by it. Each SAHS Party has the corporate power and authority to own and hold its properties and to carry on its business as conducted on the Closing Date. Each SAHS Party has the corporate power and authority to execute, deliver, and perform the Agreement and all other agreements contemplated thereby to which it is a party;

(ii) The execution, delivery and performance of the Agreement has been duly authorized by all requisite action of the board of directors or other governing body of each SAHS Party, and no further action is

required on the part of such SAHS Party or its members or directors under the Governing Documents of each SAHS Party for the authorization and consummation of the transactions contemplated thereby;

(iii) The Agreement has been duly executed and delivered by each SAHS Party and, assuming due authorization, execution and delivery by the other party(ies) to it, constitutes the legal, valid, and binding obligation of each SAHS Party, enforceable in accordance with its terms (subject, as to enforcement of remedies, to the discretion of courts in awarding equitable relief and to applicable bankruptcy, reorganization, insolvency, moratorium, and similar laws affecting the rights of creditors generally);

(iv) The execution and delivery by each SAHS Party of the Agreement, and the performance of its obligations thereunder, do not violate the Governing Documents of each SAHS Party, or, any material provision of United States or Illinois law. To such counsel's knowledge, except as disclosed in writing by SAHS to OSF, the execution and delivery by each SAHS Party of the Agreement do not (a) violate any order of any court or other agency or government, or (b) , conflict with, result in a breach of or constitute (with due notice or the lapse of time or both) a default under any Material Contract;

(v) To such counsel's knowledge, except as disclosed in writing by SAHS to OSF: (1) no SAHS Party is a defendant in, or threatened with, any action, suit, proceeding, complaint, charge, hearing, arbitration or state or Federal governmental investigation that could reasonably be expected to materially and adversely affect its ability to perform its obligations under the Agreement; and (2) no SAHS Party has received notice of any investigation or threatened investigation by any Federal, state or local governmental or regulatory agency, including those involving its business practices and policies, that could result in a Material Adverse Change in the SAHS Parties taken as a whole; and

(vi) Each SAHS Party is an organization described in Section 501(c)(3) of the Code, exempt from federal income tax under Code Section 501(a) (except for any unrelated business income tax imposed pursuant to Code Sections 511-514), and other than a private foundation pursuant to Code Section 509(a);

f. An executed Services Agreement for each FSGM Sister mutually agreed upon by the Parties

g. Evidence of Tail Coverage effective as of the Closing Date

h. An executed Sister Partnership Agreement

i. Such other instruments and documents as may be mutually agreed by the Parties and reasonably necessary to carry out the transactions contemplated or required by this Agreement and to comply with the terms hereof.

16.1.108 **"SAHS Facilities"** means the facilities in which the healthcare programs and services of the SAHS Parties are undertaken on the Closing Date.

16.1.109 **"SAHS Facilities and Services"** means the facilities and services of the Hospital.

16.1.110 **"SAHS Financial Statements"** means the SAHS Audited Financial Statements, the SAHS Unaudited Financial Statements, and the SAHS Interim Financial Statements, collectively.

16.1.111 **"SAHS Interim Financial Statements"** means monthly unaudited financial statements and footnotes thereto of each SAHS Party for the immediately preceding month.

16.1.112 **"SAHS Liabilities"** means all liabilities, indebtedness, commitments and other financial and operational obligations of the SAHS Parties, whether Known or unknown, fixed or contingent, recorded or unrecorded, existing as of the Closing Date or thereafter arising or otherwise.

16.1.113 **"SAHS Merger Filings"** shall have the meaning set forth in Section 2.1.1.

16.1.114 **"SAHS Parties"** means SAHS, SAHC, SAF, and SAPG, collectively.

16.1.115 **"SAHS Party"** means SAHS, SAHC, SAF, or SAPG, as applicable.

16.1.116 **"SAHS Providers"** means all physicians and midlevel providers employed by the SAHS Parties on the Closing Date.

16.1.117 **"SAHS Unaudited Financial Statements"** means unaudited financial statements and footnotes thereto of each SAHS Party for the interim period from December 31, 2013, through the most recent month end date for which financial statements were available prior to the Execution Date.

16.1.118 **"SAPG"** means Saint Anthony's Physician Group, an Illinois not-for-profit corporation.

16.1.119 **"SAPG Merger Filings"** shall have the meaning set forth in Section 2.1.2.

16.1.120 **"Sister Partnership Agreement"** shall have the meaning set forth in Section 16.1.35d.

16.1.121 **"Services Agreement"** shall have the meaning set forth in Section 16.1.35c

16.1.122 **"Tail Coverage"** shall have the meaning set forth in Section 9.11

16.1.123 **"Tax Exempt Organization"** means an entity organized under the laws of the United States of America or any state thereof which is an organization described in Section 501(c)(3) of the Code, which is exempt from Federal income taxation under Section 501(a) of the Code, and, which is not a "private foundation" within the meaning of Section 509(a) of the Code, or corresponding provisions of Federal income tax laws from time to time in effect.

16.1.124 **"Taxes"** means all Federal, state, county, local and other taxes of every kind.

16.1.125 **"Third Order"** means The Sisters of the Third Order of St. Francis, an Illinois not-for-profit corporation.

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF, the Parties, acting through their duly authorized representatives, have executed this Affiliation Agreement as of the Execution Date.

OSF HEALTHCARE SYSTEM, an Illinois not-for-profit corporation

By: Sister Judith Ann Duval O.S.F.
Sister Judith Ann Duval, O.S.F.,
Chairperson

SISTERS OF ST. FRANCIS OF THE MARTYR ST. GEORGE, PROVINCE ST. ELIZABETH, an Illinois not-for-profit corporation

By: _____
Mother M. Regina Pacis Coury, FSGM,
Provincial Superior

SAINT ANTHONY'S HEALTH SYSTEM, an Illinois not-for-profit corporation

By: _____
Mother M. Regina Pacis Coury, FSGM,
Chairperson

SAINT ANTHONY'S FOUNDATION, an Illinois not-for-profit corporation

By: _____
Sister M. Anastasia Maher, FSGM,
Secretary

SAINT ANTHONY'S HEALTH CENTER, an Illinois not-for-profit corporation

By: _____
Sister M. Anastasia Maher, FSGM,
Secretary

SAINT ANTHONY'S PHYSICIAN GROUP, an Illinois not-for-profit corporation

By: _____
Sister M. Anastasia Maher, FSGM,
Secretary

EXHIBIT A
Material Consents
[TO FOLLOW]