OSF
HEALTHCARE SYSTEM

800 N.E. Glen Oak Avenue, Peoria, Illinois 61603-3200 Phone (309) 655-2850

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HEALTH FACILITIES &
SERVICES REVIEW BOARD

November 14, 2013

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

Re: COE Permit Application E-020-13
Affiliation between OSF Healthcare System and Kewanee Hospital

Dear Ms. Avery:

As requested, we are submitting the complete affiliation agreement for the Kewanee Hospital COE application.

Sincerely,

Mark Hohulin

Mark Hohulin, Senior Vice-President
OSF Healthcare System

Enclosure

c: Mr. Michael Constantino

FINAL

AFFILIATION AGREEMENT

BETWEEN

OSF HEALTHCARE SYSTEM

AND

KEWANEE HOSPITAL

OCTOBER 4, 2013

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B	Form of Trust Instrument
C	Form of Articles of Merger

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AFFILIATION AGREEMENT

THIS AFFILIATION AGREEMENT is made and entered into as of the Execution Date, to be effective as of the Closing Date, by and between OSF HEALTHCARE SYSTEM, an Illinois not-for-profit corporation, and KEWANEE HOSPITAL, an Illinois not-for-profit corporation. Article XIII 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. Kewanee is the owner and operator of a critical access hospital located in Kewanee, Illinois;

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

D. OSF and Kewance 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 and Kewanee entered into a Letter of Intent, pursuant to which OSF and Kewanee set forth their preliminary understandings and agreements regarding the nature and terms of a potential Merger.

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 Merger 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. The Parties wish to continue to improve health care quality and enhance patient access in the communities served by OSF and Kewanee through the merger of Kewanee into OSF. The Merger provides the Parties the opportunity: (a) to carry out their historical missions more effectively by respecting the loyalty and values of the communities served by OSF and Kewanee; (b) to promote greater access to, and improve coordination of, health care services in the communities served by OSF and Kewanee; and (c) to achieve excellence in clinical innovations, services, quality, cost, and outcomes; through the

integration of the Hospital Facilities and Services into the OSF System following the Closing Date, including but not limited to making available the clinical, educational, and training resources of the OSF System.

ARTICLE II
IMPLEMENTATION OF AFFILIATION

2.1. The Merger. At and as of the Closing Date, Kewanee shall be merged with and into OSF whereupon:

2.1.1. OSF and Kewanee shall be a single not-for-profit corporation, which shall be OSF, as the surviving entity;

2.1.2. The separate existence of Kewanee shall cease;

2.1.3. 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;

2.1.4. The Bylaws of OSF as then in effect shall be the Bylaws of the surviving entity until amended, changed or repealed; and

2.1.5. 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.

2.2. Effect of the Merger. In accordance with the Act, the Merger shall have the following effects:

2.2.1. OSF, as the surviving 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, as the surviving entity, shall possess all the rights, privileges, immunities, and franchises, of a public or private nature, of Kewanee; 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 Kewanee, shall be taken and deemed to be transferred to and vested in OSF, as the surviving entity, without further act or deed; and the title to any real estate, or any interest therein, vested in Kewanee shall not revert or be in any way impaired by reason of the Merger; and

2.2.3. OSF, as the surviving entity, shall be responsible and liable for all the liabilities and obligations of Kewanee; and any claim existing or action or proceeding pending by or against Kewanee may be prosecuted to judgment as if the Merger had not taken place, and OSF may be substituted in its place; and neither the rights of creditors nor any liens upon the property of Kewanee shall be impaired by the Merger.

2.3. Master Indenture Financing. At Closing all Indebtedness issued under the Kewanee Master Indenture that is outstanding on the Closing Date will be addressed in accordance with the Plan of Finance.

2.4. Community Board. As of the Closing Date, a Community Board shall be established in accordance with the bylaws attached hereto as Exhibit A. The initial members of the Community Board shall be the members of the Kewanee Board serving immediately prior to the Closing Date. Future members of the Community Board will be named in accordance with the Community Board's bylaws, as may be amended from time to time.

2.5. Senior Management. Notwithstanding Section 2.1.5, as of the Closing Date: Lynn Fulton shall be the Hospital President, and shall report to a regional chief executive officer or other OSF System-level executive designated by the chief executive officer of OSF, consistent with the reporting relationships of the presidents of other hospitals in the OSF System; and Jennifer Junis shall be the Hospital CNO and shall report to the Hospital President.

2.6. Catholic Teachings. As of the Closing Date, the Hospital Facilities and Services shall at all times and without exception comply with, and be managed and operated in accordance with, the moral teachings of the Roman Catholic Church, including the Ethical and Religious Directives and Canon Law, as interpreted by OSF, and in a manner which does not bring Scandal upon OSF. All agreements for professional and administrative services between independent physicians and Kewanee shall continue to operate as effective agreements following the Closing Date, provided all such services must comply with the Ethical and Religious Directives.

2.7. Name Changes. The Hospital shall be renamed effective as of the Closing Date. Prior to the Closing Date, OSF will present to the Kewanee Board a slate of possible post-Closing names for the Hospital and will discuss with the Kewanee Board its rationale for favoring such names. The name selected by the Kewanee Board from among the slate presented will be the name of the Hospital as of the Closing Date. If the Kewanee Board fails to choose one of the names presented by the Closing Date, then OSF will rename the Hospital effective as of the Closing Date. The names of other Hospital Facilities and Services may be changed as determined by OSF from time to time, provided that OSF shall consult with the Community Board prior to changing the names of the other Hospital Facilities and Services. OSF intends to continue to use the "Competitive Edge" and "Wellness Edge" marks, under the circumstances and for the period of time as it may determine from time to time.

2.8. Medical Staff. The Closing shall not affect or change the medical staff status or clinical privileges held by members of the medical staff of the Hospital on the Closing Date or any agreements with members of the medical staff, whether the physicians be employed or contracted; provided, however, that as of the Closing Date, practitioners shall not be permitted to exercise any clinical privileges that contravene the Ethical and Religious Directives. The consummation of the Merger shall not result in a need for any reapplications of current members of the Hospital's medical staff, except as otherwise required by the Hospital's medical staff bylaws with respect to expiration of medical staff appointments or credentials. The medical staff bylaws, rules and regulations, and credentialing procedures of the Hospital in effect prior to the

Closing Date shall be amended, effective as of the Closing Date, and such amendments, among other things, shall include provisions prohibiting the performance of any procedures and the provision of any service in violation of the Ethical and Religious Directives.

2.9. Employment of Kewanee Employees. As of the Closing Date, employees of Kewanee as of the Closing Date shall by operation of law become employees of OSF. Nothing herein is intended to restrict the right of Kewanee to terminate any employee or engage in staff reductions or consolidations prior to the Closing Date (to the extent such actions are consistent with the then current applicable staff reduction and severance policies and procedures, any employment agreements, and Applicable Law).

2.10. Employed Physicians and Midlevel Providers. As of the Closing Date, the employment agreements of all physicians and midlevel providers employed by Kewanee shall be honored by OSF and its Affiliates, provided no employed physician or midlevel provider shall be permitted to perform any procedures or provide any service in the scope of employment in violation of the Ethical and Religious Directives, in accordance with applicable OSF policies and procedures. The physicians and midlevel providers will participate in OSF quality programs and other OSF quality initiatives on the same basis as other physicians and midlevel providers aligned with OSF, as appropriate. All physicians and midlevel providers employed by Kewanee as of the Closing Date shall have dual-reporting responsibilities to the Hospital President and the chief executive officer of OSF Medical Group or his designee, who shall consult and collaborate with each other as necessary regarding the management of such physicians and midlevel providers.

2.11. Crediting Service Under Certain OSF Benefit Arrangements. Except as provided below, employees of Kewanee who become OSF employees in connection with the Merger will be subject to the same benefits and human resource policies that are applicable 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. In addition, all employees of Kewanee who become OSF employees will receive credit for service with Kewanee, as if such service were with OSF, for purposes of determining the rate of accrual of paid time off and severance benefits under the applicable policies of OSF. OSF will recognize and provide credit for periods of service with Kewanee prior to the Closing Date, as if such service were with OSF, for eligibility and vesting purposes under its employee benefit arrangements. OSF will provide each Kewanee employee who becomes an OSF employee credit for any co-payments and deductibles paid (to the same extent such credit was given for the year under a similar Kewanee Benefit Plan in effect immediately prior to the Closing Date) in satisfying any applicable deductible or out-of-pocket requirements for the plan year in which the Closing Date falls. Notwithstanding the foregoing, (i) employees of Kewanee will not become entitled to any benefits under the OSF frozen defined benefit pension plans, (ii) the service of employees of Kewanee prior to the Closing Date will not be counted in determining such employees' entitlement to share in the discretionary employer contribution made to OSF's defined contribution retirement plans, and (iii) the service of employees of Kewanee prior to the Closing Date will not be counted in determining such employees' entitlement to early retiree continuation coverage offered by OSF. Except as otherwise set forth in Section 10.4, nothing herein shall prevent OSF from terminating the employment of any such employee of Kewanee

who becomes an OSF employee, or from modifying or terminating any OSF benefit arrangements from time to time.

2.12. Establishment of Trust.

2.12.1. Establishment of Trust. Prior to the Closing Date, Kewanee shall cause to be established a charitable trust (the "**Trust**"), the terms of which shall be set forth in a written instrument ("**Trust Instrument**") in substantially the form attached as Exhibit B hereto. The Trust Instrument shall: (a) prohibit use of the name "**[New Name of Kewanee Hospital]**" or any other name that includes the words "OSF," "OSF Healthcare System," "The Sisters of the Third Order of St. Francis," or "Kewanee Hospital;" (b) prohibit the Trust from having any corporate trustees; (c) provide that the purpose of the Trust is to support the delivery and availability of high-quality healthcare services within, and otherwise promote the general health and wellness of residents of, the Hospital's service area, consistent with maintaining tax-exempt status; (d) prohibit the Trust from providing health care services (meaning those services that are covered services under the Medicare program) or being affiliated with or having a direct or indirect ownership or investment interest in any person, corporation, limited liability company, partnership, or other entity that provides health care services (except for interests in publicly-traded securities or tax-exempt bonds publicly available on established municipal bond markets); and (e) prohibit the Trust from engaging in any fundraising activities. The trustees of the Trust ("**Trustees**") shall be named in the Trust Instrument by agreement of the Parties. Prior to the Closing Date, the Trust shall file with the IRS an application seeking classification of the Trust as an organization described in Code Section 501(c)(3) and as a private foundation described in Code Section 509(a).

2.12.2. Funding; Use of Funds. On the Closing Date, Kewanee shall transfer the Committed Principal to the Trust. The Trust Instrument shall provide that the Committed Principal and Investment Yield shall be used, on an unrestricted basis, in furtherance of the Trust's stated purposes, as deemed appropriate or necessary in the sole discretion of the Trustees. The Trust shall at all times comply with all restrictions and requirements associated with the Trust's status as a private foundation described in Code Section 509(a), including without limitation by annually distributing in furtherance of its stated purposes an amount of cash equal to or in excess of the Trust's "distributable amount," as that term is defined in Code Section 4942. Expenses associated with managing and operating the Trust and its Committed Principal (which expenses shall be managed by the Trustees so as to be reasonable and customary for private foundations of similar size taking into account the Trust's monitoring and enforcement duties under this Agreement) shall be paid first out of Investment Yield. From and after the Closing Date, neither OSF nor any Affiliate of OSF shall be obligated to pay or assume, and none of their respective assets shall be or become liable for or subject to, any liability of the Trust, and OSF and each of its Affiliates are hereby expressly released by the Trust from any such liabilities.

2.12.3. Enforcement of Covenants. For the duration of its existence, the Trust shall be a third-party beneficiary of, and thus shall have the right to enforce OSF's post-

Closing covenants under Article X of this Agreement (as further provided in Section 12.10 below). To permit the Trust to effectively exercise its enforcement right at all times throughout the duration of the Trust, at least one (1) of the Trustees shall be an individual concurrently serving on the Community Board (as described in Section 2.4 above). Any such enforcement action by the Trust shall be undertaken and pursued if and as determined by the Trustees in their sole discretion. Notwithstanding the foregoing, the Trust's enforcement right pursuant to this Section 2.12.3 shall immediately terminate in the event that the Trust at any time: (a) amends the Trust Instrument without the prior written consent of OSF; (b) engages in activities inconsistent with its stated purpose as described in the Trust Instrument; or (c) uses the Committed Principal or Investment Yield (i) to provide financial support for the performance of any service or program or initiative inconsistent with the Ethical and Religious Directives or that may bring Scandal upon OSF or any Affiliate of OSF; or (ii) directly or indirectly (including by making a donation or providing other financing) (1) to support the construction or operation of any Competing Business within the Hospital's services area, or (2) to acquire, lease, own, exercise management control of, or acquire or maintain any interest in, a Competing Business in the Hospital's service area.

2.12.4. Termination. The Trust shall continue to exist for a period of ten (10) years immediately following the Closing Date. Upon expiration of such period, the Trust shall be dissolved and its remaining assets (including any Committed Principal and Investment Yield not previously expended) distributed in furtherance of the Trust's stated purposes. Notwithstanding the foregoing, if there is then pending a civil action filed by the Trust to enforce post-Closing covenants of OSF under Article X of this Agreement, the Trust shall continue in existence until the entry of a final, non-appealable order or judgment, and the Trust shall thereafter be dissolved with its remaining assets distributed as provided above.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF KEWANEE

Kewanee gives, as of the Execution Date, and shall give, as of the Closing Date, the following representations and warranties to OSF:

3.1. Organization; Good Standing; Power. Kewanee is duly formed as an Illinois not-for-profit corporation. Kewanee 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. Kewanee 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. Kewanee 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 Kewanee 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 Kewanee, 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; (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; and (c) requirements for transfer to the OSF Obligated Group of the Indebtedness issued under the Kewanee Master Indenture and the replacement by the security for the Indebtedness issued under the OSF Master Indenture for the covenants protecting the bondholders and the specific revenue sources and assets of Kewanee pledged for payment of the Indebtedness issued under the Kewanee Master Indenture, in accordance with the Plan of Finance.

3.3. No Violation; Approvals.

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

3.3.2. Except to the extent specified in Schedule 3.3.2, no approval, authorization, registration, consent, order, filing or, to the Knowledge of Kewanee, 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 Kewanee of this Agreement or the consummation by Kewanee of the transactions contemplated or required hereby, except for filings required pursuant to the Illinois Health Facilities Planning Act.

3.4. Financial Statements.

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

3.4.2. The Kewanee Financial Statements are: (a) true and correct in all material respects and present fairly the financial position of Kewanee and the results of the operations of Kewanee at the dates and for the periods indicated; and (b) are in conformity with GAAP, applied consistently for the periods specified, including, to the Knowledge of Kewanee, the consistent use of assumptions, practices, procedures and

terminology, except: (i) as otherwise disclosed on Schedule 3.4.2; and (ii) that the Unaudited Financial Statements and the 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 set forth in Schedule 3.4.3 from and after October 1, 2012, Kewanee 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.

3.4.4. Except as disclosed on Schedule 3.4.4, Kewanee has no liabilities or obligations of any kind, whether contingent or absolute, direct or indirect, or matured or unmatured, that are not shown or provided for in the Kewanee 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 on the Interim Financial Statements.

3.4.5. Except as disclosed on Schedule 3.4.5, none of the assets of Kewanee is subject to restrictions imposed by the donors of specific funds or other assets.

3.5. Accounts Receivable. All accounts receivable of Kewanee represent and constitute *bona fide* indebtedness owing to Kewanee for services actually performed or for goods or supplies actually provided in the amounts indicated on the Kewanee Financial Statements with, to the Knowledge of Kewanee, 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 Kewanee and that are taken into consideration in the preparation of the Kewanee Financial Statements. Kewanee has made available to OSF a complete and accurate aging report of all such accounts receivable, in the form requested by OSF.

3.6. Interim Changes. Except for matters expressly permitted or authorized by this Agreement and except as set forth on Schedule 3.6, there has not been, after the date of the most recent Kewanee Audited Financial Statements:

3.6.1. Any Material Adverse Change in regard to Kewanee in the aggregate;

3.6.2. Any disposition by Kewanee of any 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 Kewanee; and

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

3.7. Legal Proceedings. Except as disclosed on Schedule 3.7, Kewanee is not a defendant in, or, to the Knowledge of Kewanee, threatened with any action, suit, proceeding, complaint, charge, hearing or arbitration that could reasonably be expected to materially and adversely affect its business or financial condition or its ability to perform its obligations under this Agreement. Except as disclosed on Schedule 3.7, Kewanee has not received notice of any investigation or, to the Knowledge of Kewanee, 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 Kewanee.

3.8. Licenses and Permits.

3.8.1. Kewanee holds and is in compliance with all Licenses and Permits, noncompliance with which could result in a Material Adverse Change in its business and operations. The Licenses and Permits are current, unrestricted and valid.

3.8.2. Except as set forth Schedule 3.8.2, 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 issued, received, proposed or, to the Knowledge of Kewanee, threatened, for which any actual or potential payment or other obligation exists, nor does Kewanee have any Knowledge of any basis for any such action.

3.9. No Material Omissions.

3.9.1. Kewanee 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 Kewanee. Kewanee has not Knowingly omitted any material information relating to the businesses, operations, assets or liabilities of Kewanee in its responses to OSF's requests. Since the delivery of such responses to OSF, Kewanee 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.

3.9.2. The representations and warranties of Kewanee contained in this Agreement, and each Exhibit, Schedule, certificate or other document delivered at

Closing by Kewanee 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. To the Knowledge of Kewanee, Kewanee is in compliance with all Applicable Laws, including, without limitation, all Health Care Laws, in all material respects.

3.11. Owned Real Property and Other Assets.

3.11.1. Schedule 3.11.1 lists all Owned Real Property by common address and property identification number. Except as set forth on Schedule 3.11.1, Kewanee 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 in Schedule 3.11.1, Kewanee has not assigned, transferred, conveyed, mortgaged, deeded in trust, or encumbered any interest in any leasehold or subleasehold under any lease or agreement to which Kewanee is a party and under which it is a lessee of any real property. The Owned Real Property is accurately described on Schedule 3.11.1 and includes all real estate owned by Kewanee and used in connection with its current operations. Except as set forth in Schedule 3.11.1, Kewanee has not leased or otherwise granted to any Person the right to use any Owned Real Property or any portion thereof. Except as described in Schedule 3.11.1, 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 Schedule 3.11.1, with respect to the Owned Real Property:

(a) During the past three (3) years, Kewanee has not received written notice of a violation of any Applicable Law that remains uncorrected or unresolved as of the Closing Date, and Kewanee has not received written notice of condemnation or assessment 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 Kewanee;

(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), Kewanee has furnished OSF with true and complete copies of determinations of exempt status and annual certification thereafter for

such Owned Real Property and Kewanee has received no 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 for each parcel of Kewanee Owned Real Property that is not exempt from real property taxation, Kewanee has not received any written notice of change in assessed value that is not reflected in Owned Real Property tax bills furnished to OSF;

(e) No Owned Real Property is 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) All permanent certificates of occupancy and all other licenses, permits, authorizations, consents, certificates and approvals 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, would result in a Material Adverse Change in Kewanee, 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 Kewanee, will not be invalidated, violated or otherwise adversely affected by the Merger;

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

(h) Kewanee has received no 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 Kewanee, 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 Kewanee 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 set forth on Schedule 3.11.2, to the Knowledge of Kewanee, the Owned Real Property is not in material violation of any Environmental Laws; Kewanee has not 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 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; Kewanee has not 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; Kewanee has no 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 Environmental Law; Kewanee is complying and, for the previous three (3) years, has complied in all material respects with all applicable Environmental Laws; to the Knowledge of Kewanee, the Owned Real Property does not contain material amounts of asbestos 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 Kewanee 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. Kewanee shall promptly notify OSF should Kewanee 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 set forth on Schedule 3.11.2, Kewanee has not 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 set forth on Schedule 3.11.2, Kewanee has not received any written requests for information, potentially responsible party letters, general or special notices or violation notices alleging that Kewanee 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 Kewanee has Knowledge and all information in Kewanee's possession relating to the capacity, uses, dates of installation and contents of such underground storage tanks located on the Owned Real Property are identified in Schedule 3.11.2; and (z) all existing underground storage tanks used by Kewanee to store Hazardous Substances are in compliance in all material respects with applicable Environmental Law.

3.12. Space Leased by Kewanee to Healthcare Providers. Except as disclosed on Schedule 3.12, Kewanee does not lease space to any physician, midlevel provider or other health care worker.

3.13. Title to Assets. Except as disclosed on Schedule 3.13, other than Owned Real Property that is provided for in Section 3.11, Kewanee has good and defensible title to all of its assets of every kind, character and description, whether personal, tangible or intangible, used in connection with the operation of the businesses of Kewanee, 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. 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, Kewanee.

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

3.16. Insurance. Schedule 3.16 sets forth 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 Schedule 3.16, the Insurance Policies are in full force and effect and shall remain in full force and effect through the Closing Date.

3.17. Taxes. Kewanee has filed, or shall file, all Returns for all periods ending on or before the Closing Date. Except as set forth on Schedule 3.17, as of the time of filing, the Returns correctly reflected, and Returns prepared or being prepared but not yet filed as of the Execution Date, shall correctly reflect, the income, business, assets, operations, activities and status of Kewanee and any other information required to be shown therein. Kewanee has timely paid or made provision for all Taxes shown as due and payable on its Returns required to be filed or sent prior to the Execution Date and has made provision for timely payment of all Taxes that shall be shown as due and payable on its Returns required to be filed or sent by it after the Execution Date and relating to any period prior to the Closing Date.

3.18. Employee Benefits.

3.18.1. Schedule 3.18.1 sets forth an accurate, correct and complete list of all Kewanee Benefit Plans. Prior to the Execution Date, Kewanee has delivered to OSF the following for each Kewanee Benefit Plan established or maintained by Kewanee: (a) the text of each Kewanee 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, or estimate of the obligations under any retiree medical benefits plans or 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 Kewanee Benefit Plan.

3.18.2. Except as disclosed on Schedule 3.18.2, all benefits and contributions relating to each Kewanee Benefit Plan have been timely paid in accordance with the terms of such Kewanee Benefit Plan and Applicable Law.

3.18.3. All Kewanee 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 Kewanee 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 Kewanee Benefit Plan is qualified and that the Kewanee 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 Schedule 3.18.3, 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 disclosed on Schedule 3.18.4, all reports, returns and similar documents with respect to the Kewanee Benefit Plans required to be filed with any government agency have been duly and timely filed. To the Knowledge of Kewanee, 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 Kewanee Benefit Plans), suits or proceedings against or involving any Kewanee Benefit Plan or asserting any rights or claims to benefits under any Kewanee Benefit Plan that could reasonably be expected to give rise to any material liability.

3.18.5. To the Knowledge of Kewanee, no "prohibited transaction" (as defined in Section 4975 of the Code or Section 406 of ERISA) has occurred that involves the assets of any Kewanee Benefit Plan and that could reasonably be expected to subject Kewanee 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 Kewanee Benefit Plan that has been terminated could reasonably be expected to cause material liability to Kewanee.

3.18.6. Except as disclosed on Schedule 3.18.6, (i)(A) neither Kewanee nor 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 Kewanee or any ERISA Affiliate with respect to a multiemployer plan, and (C) Kewanee has not engaged in any transaction within the scope of Section 4212(c) of ERISA; (ii) Kewanee neither provides, nor has any liability for, health or welfare benefits with respect to any retired or former employees of Kewanee, nor with respect to any active employees of Kewanee following such employee's retirement or termination of service, except as required under Applicable Law; (iii) Kewanee does not sponsor, participate in or have any obligation to contribute to a "multiple employer welfare arrangement" within the meaning of Section 3(40) of ERISA; (iv) Kewanee does not sponsor, maintain, or have any obligation to contribute to a "voluntary employees' beneficiary association" within the meaning of Section 501(c)(9) of the Code; (v) neither Kewanee nor 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) neither Kewanee nor any ERISA Affiliate sponsors, maintains, or is a participating employer in any employee benefit plan that is subject to Title IV of ERISA; (vii) Kewanee does not maintain 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; (viii) with respect to each Kewanee 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; (ix) neither the execution and delivery of this Agreement nor the consummation of the Merger 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 Kewanee Benefit Plan; (x) except as prohibited under Applicable Law, Kewanee has the right under each Kewanee Benefit Plan to terminate each such Kewanee Benefit Plan or amend each such Kewanee Benefit Plan so as to reduce benefits, cease accruals, or increase employee cost-sharing; and (xi) each Kewanee 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 result in the disqualification of any such plan.

3.18.7. Except as set forth on Schedule 3.18.7 or as required under Applicable Law or the terms of the applicable Kewanee Benefit Plan, prior to the Closing Date, Kewanee has not 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 Kewanee Benefit Plans are invested or otherwise held.

3.19. Labor Relations. Except as set forth on Schedule 3.19, Kewanee has, to the Knowledge of Kewanee, 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. Kewanee has not 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. Kewanee has provided to OSF a list of all of the Payment Programs. Except as set forth on Schedule 3.20:

3.20.1. Kewanee is not engaged in termination proceedings as to its participation in any Payment Program, nor has Kewanee 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 Kewanee, Kewanee 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 would result in a Material Adverse Change in Kewanee's business and operations;

3.20.3. To the Knowledge of Kewanee, all billing and collection practices of Kewanee and, of any billing and/or collection agent acting on behalf of Kewanee, 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 its business and operations;

3.20.4. To the Knowledge of Kewanee, all cost reports and cost statements submitted by Kewanee 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. Except as set forth on Schedule 3.20.5, no cost reports or cost statements are open and unresolved;

3.20.6. Except as set forth on Schedule 3.20.6, to the Knowledge of Kewanee, Kewanee has not taken any of the following actions, if any such action would result in a Material Adverse Change in its business and 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. Except as set forth on Schedule 3.20.7, there is no audit, investigation, adverse action, or civil, administrative, or criminal proceeding pending or, to the Knowledge of Kewanee, threatened relating to participation in any Payment Program by Kewanee; and, to the Knowledge of Kewanee, there is no basis for any such adverse action by the Payment Program against Kewanee;

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

3.20.9. Kewanee 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. Kewanee has provided OSF with copies of, or otherwise disclosed to OSF, all Material Contracts to which Kewanee is a party. Each Material Contract is a valid and binding obligation of Kewanee and is a valid and binding obligation of the other party or parties thereto, and to the Knowledge of Kewanee, enforceable in accordance with its terms (subject 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). 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 Kewanee, or otherwise to declare that such Material Contract has been breached. Except as listed on Schedule 3.21, Kewanee is not in breach or default in any material respect under any term or provision of any Material Contract or the Kewanee Master Indenture or any related loan, tax, or swap agreement, as applicable.

3.22. Compliance Program. Kewanee has provided to OSF a copy of its current Compliance Program materials. Except as set forth on Schedule 3.22, Kewanee: (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 Kewanee, 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, contact letter, or, to the Knowledge of Kewanee, telephone or personal contact by or 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 Kewanee); and (f) has not received, to the Knowledge of Kewanee, 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 Kewanee has violated any law or regulation.

3.23. Exclusion from Health Care Programs. Kewanee 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. Kewanee has provided 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 set forth in Schedule 3.24: (a) there are no adverse actions with respect to any medical staff members of Kewanee 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 Kewanee, threatened disputes with applicants, staff members, or health professional affiliates, and Kewanee 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, Kewanee 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 Kewanee's reasonable discretion, potentially jeopardize any applicable privilege that would protect the disclosure of such information to third parties.

3.25. Experimental Procedures. Kewanee has not performed or permitted the performance of any experimental or research procedures or studies involving patients of Kewanee 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 Kewanee, threatened that challenge the validity of the ownership by Kewanee of any Intellectual Property. Kewanee has not licensed anyone to use such Intellectual Property and has no Knowledge of the use or the infringement of any such Intellectual Property by any other Person. Kewanee 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. Kewanee does not have 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 OSF

OSF hereby gives, as of the Execution Date, and shall give, as of the Closing Date, the following representations and warranties to Kewanee:

4.1. Organization; Good Standing; Power. OSF is duly formed as an Illinois not-for-profit corporation. OSF 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. OSF 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 OSF 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 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; (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; and (c) applicable requirements of the OSF Master Indenture.

4.3. No Violation; Approvals.

4.3.1. Except to the extent specified in Schedule 4.3.1, the execution, delivery and performance of this Agreement shall not result in the creation of any lien, charge, or encumbrance of any kind or the termination or acceleration of any indebtedness or other obligation of OSF, and is not prohibited by, does not violate or conflict with any provision of, and does not constitute a default under or breach of any material contract, indenture, mortgage, material permit or license, approval or other commitment to which OSF is a party or is subject or by which it is bound, or any Applicable Law.

4.3.2. Except to the extent specified in Schedule 4.3.2, 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 OSF of this Agreement or the consummation by OSF 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. OSF has responded in all material respects to all requests for information and documentation made by Kewanee 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 Kewanee's requests. Since the delivery of such responses to Kewanee, OSF has not received and not disclosed any information that would render untrue or misleading in any material respect any information previously disclosed to Kewanee in response to its requests for information.

4.4.2. The representations and warranties of OSF contained in this Agreement, and each Exhibit, Schedule, 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.

4.5. Tax Exempt Status. OSF 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 OSF, and has not determined in writing or, to the Knowledge of OSF, proposed to announce, that OSF 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 OSF that would result in a loss of OSF's status as a Tax Exempt Organization.

4.6. Legal Proceedings. Except as disclosed on Schedule 4.6, OSF is not 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 materially and adversely affect its ability to perform its obligations under this Agreement. Except as disclosed on Schedule 4.6, OSF has not 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 OSF.

4.7. Financial Statements.

4.7.1. OSF has delivered to Kewanee 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 Kewanee with the OSF Interim Financial Statements.

4.7.2. The OSF Financial Statements are: (a) true and correct 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) are in conformity with GAAP, applied consistently for the periods specified, including the consistent use of assumptions, practices, procedures and terminology, except: (1) as otherwise disclosed on Schedule 4.7.2; 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.

4.7.3. Except as set forth in Schedule 4.7.3 from and after October 1, 2012, 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.

4.7.4. Except as disclosed on Schedule 4.7.4, OSF has no liabilities or obligations of any kind, whether contingent or absolute, direct or indirect, or matured or unmatured, that are not shown or provided for in the OSF Financial Statements provided to Kewanee 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 on the OSF Interim Financial Statements.

4.8. Interim Changes. Except for matters expressly permitted or authorized by this Agreement and except as set forth on Schedule 4.8, there has not been, after the date of the OSF Audited Financial Statements:

4.8.1. Any Material Adverse Change in OSF;

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

4.8.3. Any change in the chief executive officer of OSF, other than in the ordinary course of business; and

4.8.4. 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.

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

4.10. Payment Programs.

4.10.1. 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.

4.10.2. 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 would result in a Material Adverse Change in OSF's business and operations;

4.10.3. 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 its business and operations;

4.10.4. 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;

4.10.5. Except as set forth on Schedule 4.10.5, to the Knowledge of OSF, OSF has not taken any of the following actions, if any such action would result in a Material Adverse Change in its business and 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;

4.10.6. Except as set forth in Schedule 4.10.6, 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;

4.10.7. 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

4.10.8. 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 Kewanee.

4.11. Compliance Program. OSF has provided to Kewanee a copy of its current Compliance Program materials. Except as set forth on Schedule 4.11, 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, contact letter, or, to the Knowledge of OSF, telephone or personal contact by or 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.

4.12. 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.

ARTICLE V
PRE-CLOSING COVENANTS OF KEWANEE

Kewanee hereby agrees 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:

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

5.1.1. Kewanee 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; and

(f) Amend all existing agreements, including without limitation those identified in Schedule 3.12, under which it leases space to physicians, midlevel providers and other health care workers to prohibit the use of the space in the

delivery of items and services that contravene the Ethical and Religious Directives.

5.1.2. Kewanee shall provide OSF with the Kewanee Interim Financial Statements as set forth in Section 3.4.1.

5.1.3. Except as otherwise expressly provided for herein or as set forth on Schedule 5.1.3, Kewanee shall not 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 Kewanee's request:

(a) Make any changes, or permit any changes to be made, in the Governing Documents of Kewanee, 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 Kewanee or the Kewanee Board 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 Kewanee Master Indenture;

(e) Enter into any Physician Contract other than in the ordinary course of business and with written notice to OSF;

(f) Enter into any new or amend any existing Material Contract with a dollar value or liability greater than (or expected to be greater than) $100,000, in the aggregate other than in the ordinary course of business and with written notice to OSF; or

(g) Enter into any transaction or contractual obligation that would materially adversely impact Kewanee's ability to perform its obligations under this Agreement.

5.2. Preserve Accuracy of Representations and Warranties. From the Execution Date to the Closing Date:

5.2.1. Kewanee shall take no action that would render any representation or warranty contained in this Agreement inaccurate or untrue as of the Closing Date.

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

5.2.3. Kewanee shall promptly notify OSF in writing of any facts or circumstances that come to its attention and that cause, or through the passage of time may 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.

5.3. Access to Information and Employees.

5.3.1. From the Execution Date to the Closing Date, Kewanee shall give to OSF and to its representatives full and free access, except as may be limited by applicable laws and regulations, during normal business hours, to all properties, books, records and contracts and other materials pertaining to the businesses, properties and assets of Kewanee, as may be reasonably requested and appropriate in order for OSF to perform its obligations hereunder (and in accordance with 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 Kewanee or the work of Kewanee's personnel or the activities of Kewanee's patients or guests.

5.3.2. Kewanee 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 Kewanee.

5.4. Maintain Books and Accounting Practices. From the Execution Date to the Closing Date, Kewanee 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, and Kewanee shall not make or cause to be made any material changes in the accounting methods or practices of Kewanee, including, without limitation, as applicable, methods or practices:

5.4.1. Establishing reserves on any patient, notes and accounts receivable;

5.4.2. Establishing reserves for all third-party settlements; and

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

5.5. Compliance with Laws. From the Execution Date to the Closing Date, Kewanee shall:

5.5.1. Comply with all Applicable Laws affecting Kewanee; and

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

5.6. No Merger or Consolidation. From the Execution Date to the Closing Date, Kewanee shall not merge or consolidate with any other entity, and Kewanee shall not 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 Kewanee a written notice of objection to such transaction prior to the Execution Date of this Agreement.

5.7. Third-Party Authorizations. From the Execution Date to the Closing Date, Kewanee 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 Kewanee is a party or is bound, or to the extent necessary for the valid execution, delivery and performance of this Agreement by Kewanee.

5.8. 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 VI
PRE-CLOSING COVENANTS OF OSF

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

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

6.1.1. 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;

(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; and

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

6.1.2. OSF shall provide Kewanee with the OSF Interim Financial Statements as set forth in Section 4.7.

6.1.3. OSF shall not, without the prior written consent of Kewanee, 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.

6.2. Preserve Accuracy of Representations and Warranties. From the Execution Date to the Closing Date:

6.2.1. OSF shall take no action that would render any representation or warranty contained in this Agreement inaccurate or untrue as of the Closing Date.

6.2.2. OSF shall promptly notify Kewanee of any 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.

6.2.3. OSF shall promptly notify Kewanee in writing of any facts or circumstances that come to its attention and that cause, or through the passage of time may 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.

6.3. Access to Information. From the Execution Date to the Closing Date, OSF shall give Kewanee and its representatives full and free 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 guidelines approved by the Parties' antitrust counsel), subject to reasonable advance notice and provided that Kewanee 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 Kewanee fully informed and shall promptly notify Kewanee of any Material Adverse Change in the normal course of business or prospects of OSF that would impact the transaction contemplated herein.

6.4. 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.

6.5. Compliance with Laws. From the Execution Date to the Closing Date, OSF shall:

6.5.1. Comply with all Applicable Laws affecting OSF; and

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

6.6. 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.

6.7. Confidentiality of Kewanee'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. 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 Kewanee, except as required to comply with Applicable Laws.

ARTICLE VII
CONDITIONS PRECEDENT TO OBLIGATIONS OF KEWANEE

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

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

7.2. 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. OSF shall have performed all of the obligations and complied with each and all of the covenants, agreements and conditions required to be performed or complied with by it on or prior to the Closing Date.

7.3. 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.

7.4. 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.

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

7.6. Exhibits and Schedules. It is not a condition precedent for this Agreement to be binding upon the Parties that all Exhibits and Schedules required under this Agreement be attached in a final form on the Execution Date. Notwithstanding the foregoing, all Exhibits and Schedules required under this Agreement shall be complete and otherwise in final form acceptable to the Parties and shall be attached to the Agreement at Closing.

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

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

7.9. 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, relating to the Merger.

ARTICLE VIII
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 Kewanee, 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 shall have been obtained on or before the Closing Date, including, without limitation, the Parties shall have obtained any necessary certificates of exemption and/or certificates of need, as applicable, from the IHFSRB to consummate the Merger.

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

8.3. 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.

8.4. No Bankruptcy. Kewanee 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; and nor shall any such petition have been filed against Kewanee.

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

8.6. Exhibits and Schedules. It is not a condition precedent for this Agreement to be binding upon the Parties that all Exhibits and Schedules required under this Agreement be attached in a final form on the Execution Date. Notwithstanding the foregoing, all Exhibits and Schedules required under this Agreement shall be complete and otherwise in final form acceptable to the Parties and shall be attached to the Agreement at Closing.

8.7. Delivery of Kewanee Closing Documents. Kewanee shall have delivered, on or before the Closing Date, the Kewanee Closing Documents.

8.8. Amendment of Medical Staff Bylaws. The medical staff bylaws, rules and regulations, and credentialing procedures of the Hospital shall be amended as of the Closing Date to include the provisions set forth on Schedule 8.8, prohibiting the performance of any procedures and the provision of any service in violation of the Ethical and Religious Directives.

8.9. Amendments to Leases. Effective as of the Closing Date, all existing lease agreements identified in Schedule 3.12 under which Kewanee leases space to third-party health care providers shall be amended to prohibit the use of the leased premises in the delivery of items and services that contravene the Ethical and Religious Directives.

8.10. Kewanee Healthcare Trust. Prior to the Closing Date, Kewanee shall have caused to be established the Trust and shall have filed with the Internal Revenue Service an application for recognition of the Trust as a tax-exempt organization described in Code Section 501(c)(3) and as a private foundation described in Code Section 509(a).

8.11. Delivery of Other Agreements. Kewanee 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 Merger.

ARTICLE IX
CLOSING

9.1. Closing Date; Closing. The Parties shall close the Merger 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, the Parties shall file Articles of Merger, in the form attached hereto as Exhibit C, with the Secretary of State of Illinois. Unless the Parties otherwise agree in writing, the Merger and other transactions contemplated herein to become effective as of the Closing Date, shall become so effective as of such time set forth in the filed Articles of Merger, in accordance with Section 13.1.9; 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) have occurred, including the delivery by each Party of each of the Closing documents required to be delivered by such Party hereunder.

9.2. Pre-Closing Actions. Prior to the Closing, the Parties shall 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:

9.2.1. 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.

9.2.2. Actions by Kewanee. Prior to the Closing Date, the Kewanee Board shall approve the execution on behalf of Kewanee 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 Kewanee on or before the Closing Date.

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

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

9.3.2. Kewanee Closing Documents. At the Closing, Kewance shall deliver the Kewanee Closing Documents.

9.4. Modification of Schedules and Exhibits. During the period from the Execution Date until the Closing, either OSF or Kewanee may amend any one or more of the Schedules or Exhibits delivered at the Execution Date by delivering an updated Schedule or Exhibit to the other. The Parties shall work together in good faith to ensure all Schedules and Exhibits are finalized and agreed to by the Parties prior to the Closing Date. Upon agreement of the Parties, either Party may set forth any disclosures required by a Schedule in a separate writing delivered to the other Parties that specifically makes reference to the applicable Section of the Agreement and the required schedule thereto.

ARTICLE X
POST-CLOSING COVENANTS OF OSF

10.1. Kewanee Merger, Dissolution, Consolidation. During the ten (10) year period following the Closing Date, OSF will not take any action, directly or indirectly, to divest ownership or control of substantially all the assets of the Hospital Facilities and Services, whether by sale of assets, merger, dissolution, consolidation, or otherwise, unless: (a) such action is required by law, court order, or administrative order; or (b) OSF determines in its sole and reasonable judgment that some or all of the assets of the Hospital Facilities and Services need to be divested because OSF is legally compelled to provide abortion services or some other health care service which contravenes the moral teachings of the Roman Catholic Church, the Ethical and Religious Directives, and/or Canon Law, as interpreted by the appropriate ecclesiastical authority. Notwithstanding the foregoing, OSF shall not be prohibited from entering into a transaction involving a change of control of OSF or a merger or consolidation of OSF with or into any other entity.

10.2. Use of Donor Funds; Local Foundation Council. All bequests, gifts, and endowments held by Kewanee as of the Closing Date shall, following the Closing Date, be restricted for the support of the Hospital Facilities and Services. OSF shall honor donor intent with respect to all bequests, gifts and endowments received by Kewanee prior to the Closing Date that are restricted as to use or manner of investment. Following the Closing Date, OSF will and will cause OSF Affiliates to support the efforts of a local Foundation Council, which shall be governed and managed in a manner consistent with the foundation councils established and operated in support of other hospitals owned, operated, or controlled by OSF. All funds raised by such Foundation Council following the Closing Date will be used solely to support the Hospital Facilities and Services.

10.3. Use of Investment Account Funds. The assets of Kewanee invested in the Investment Account and all gains realized from the Investment Account will be designated and used solely by OSF for the Hospital Facilities and Services following the Closing Date. If the assets are invested by OSF in another account following the Closing Date, those assets will continue to be designated and used solely by OSF for the Hospital Facilities and Services.

10.4. Kewanee Employees and Senior Management. For a period of at least twelve (12) months after the Closing Date, OSF will continue the employment of all Kewanee employees who remain in good standing in accordance with the employment policies and procedures of OSF. Following the Closing Date, OSF will honor all retention agreements Kewanee entered into with the Hospital President and Hospital CNO prior to the Closing Date.

10.5. Management Consulting. Following the Closing Date, OSF will support and fund resources reasonably necessary to implement recommendations arising out of Kewanee's management consulting agreement with the Studer Group.

10.6. Continuation of Services. For a period of at least three (3) years following the Closing Date, OSF will continue to operate the Hospital as an acute care hospital.

10.7. Capital Expenditures. Following the Closing Date, the Hospital shall have access to capital consistent with the access to capital afforded all OSF hospitals in accordance with OSF's capital budget and allocation process in order to sustain and enhance the delivery of high quality health care services by and through the Hospital Facilities and Services. Notwithstanding the foregoing, OSF agrees to allocate to the Hospital Facilities and Services, during each of the eight (8) Fiscal Years following the Closing Date, an amount equal to forty percent (40%) of Operating Cash Flow during the previous Fiscal Year, for the capital needs of the Hospital Facilities and Services; provided that such amount shall not exceed Two Million Dollars ($2,000,000) per Fiscal Year and, during the first three (3) Fiscal Years following the Closing Date, shall not be less than Eight Hundred Twenty-Five Thousand Dollars ($825,000) per Fiscal Year. The costs of OSF System-wide capital projects that are implemented for and allocated to the Hospital Facilities and Services shall be counted against the capital commitment described in this Section 10.7. The Parties agree that OSF's capital commitment set forth in this Section 10.7 may in good faith need to be revised by OSF in the event it institutes a system-wide reduction in capital expenditures in a particular Fiscal Year or Years. In such case, the aggregate amount funded to support the Hospital Facilities and Services during such Fiscal Year or Years may be reduced by a percentage equal to the percentage by which capital expenditures are reduced in all other OSF facilities taken as a whole. Such a reduction shall not create an obligation to fund in a subsequent Fiscal Year capital needs in excess of forty percent (40%) of Operating Cash Flow, and shall not constitute a breach of this Agreement.

ARTICLE XI
TERMINATION

11.1. Termination Upon Certain Events. OSF or Kewanee may, at or prior to the time set for Closing, terminate this Agreement under any one of the following circumstances:

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

11.1.2. Legal Proceeding. If at the time of Closing: (a) a *bona fide* action or proceeding shall be pending against either 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; provided however, that no Party may without the written agreement of the other Party terminate this Agreement because of the absence of approval of the transaction by the United States Department of Justice or the Federal Trade Commission; or

11.1.3. Conditions Precedent to Closing. If the conditions of this Agreement to be complied with or performed by the other Party at or before the Closing shall not have been complied with or performed on or before the Closing Date or such later date upon

which the Parties shall mutually agree, and such noncompliance or nonperformance shall have not been waived by the Party giving notice of termination; or

11.1.4. Material Adverse Change. If at any time prior to the Closing, there has been a Material Adverse Change to the businesses of Kewanee or OSF, as applicable, and such change shall have not been waived by the Party giving notice of termination; or

11.1.5. Schedules and Exhibits. A Party, in its sole discretion, determines that it should not consummate the transactions contemplated by this Agreement because of any information contained in a Schedule or Exhibit required under this Agreement that is delivered to such Party after the Execution Date (in accordance with Section 9.4); or

11.1.6. Closing Date Deadline. If, for any reason, the Closing shall not have occurred on or before September 30, 2014.

11.2. Notice of Termination. If either OSF or Kewanee intends to terminate the Agreement pursuant to Section 11.1, such Party will give the other Party 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.

11.3. Effect of Termination. If there has been a termination under Section 11.1 and notice has been provided in accordance with Section 11.2, 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 11.1 shall be without liability to the Parties, except that such termination shall be without prejudice to the rights and remedies which any Party seeking to terminate this Agreement may have if (a) a default shall be made by the other Party in the observance or in the due and timely performance by such Party of any of the covenants herein contained; or (b) there shall have been a breach by such other Party of any of the warranties and representations herein contained, and except for fraudulent acts by a Party, the remedies for which shall not be limited by this Agreement. Notwithstanding anything to the contrary, if a Party shall have made such default or breach, the other Parties need not terminate this Agreement but may seek to specifically enforce the defaulting or breaching Party's obligations hereunder.

ARTICLE XII
GENERAL PROVISIONS

12.1. Closing Date Representations and Warranties. Kewanee and OSF shall be deemed to have remade all of their representations and warranties contained in this Agreement on the Closing Date with the same effect as if originally made on the Closing Date.

12.2. No Shop Clause. Kewanee 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, Kewanee will not, 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. Kewanee shall promptly notify OSF by telephone and thereafter confirm in writing, if any such discussions or negotiations are sought to be initiated with Kewanee or any such proposal or possible proposal is received directly or indirectly by Kewanee. In the event Kewanee or any of its representatives receives an unsolicited offer relating to a type of transaction described above, Kewanee shall promptly inform the person or organization making such unsolicited offer of the existence of the restrictions of this Section 12.2, 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 Kewanee shall reject such offer.

12.3. 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.

12.4. 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 May 30, 2014, and shall take, or cause their Affiliates to take, no action which is inconsistent with its obligations hereunder or which could materially delay the consummation of the transactions contemplated hereby.

12.5. 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:

Kewanee:	Lynn Fulton Chief Executive Officer Kewanee Hospital 1051 West South Street P.O. Box 747 Kewanee, IL 61443 Fax: (309) 852-7759 Email: lfulton@kewaneehospital.com
with a simultaneous copy to:	Douglas B. Swill, Esq. Drinker Biddle & Reath, LLP 191 N. Wacker Drive – Suite 3700 Chicago, IL 60606-1698 Fax: (312) 569-3270 Email: Douglas.Swill@dbr.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

12.6. 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

Merger. OSF shall pay any fees associated with the certificate of exemption or certificate of need process with the IHFSRB.

12.7. 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.

12.8. 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.

12.9. 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.

12.10. 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. Notwithstanding the foregoing, as provided in Section 2.12.3 above, the Trust shall be an express third-party beneficiary of OSF's post-Closing covenants under Article X of this Agreement; accordingly the Trust shall be a signatory to this Agreement at Closing for the limited purposes thereof.

12.11. Third Party Authorizations. 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 the Party.

12.12. 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.

12.13. 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.

12.14. 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.

12.15. 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.

12.16. 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, Schedules and Exhibits are to articles, sections, schedules and exhibits of this Agreement.

12.17. 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.

12.18. 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.

12.19. Representations. 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. Exceptions or qualifications to any agreement, covenant, representation, or warranty

contained herein shall not be construed as exceptions or qualifications to any other agreement, covenant, warranty, or representation.

12.20. 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.

12.21. 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.

12.22. 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.

12.23. 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.

12.24. 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.

12.25. 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.

12.26. Entire Agreement; Amendment. This Agreement, including all Schedules 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 Schedule 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 XIII
GLOSSARY

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

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

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

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

13.1.4. "**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.

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

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

13.1.7. "**CERCLA**" means the Comprehensive Environmental Response, Compensation and Liability Act, as amended.

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

13.1.9. "**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 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.

13.1.10. "**COBRA**" means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

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

13.1.12. "**Committed Principal**" means the sum of Two Hundred Thousand and No/100 Dollars ($200,000.00) contributed by Kewanee to the Trust.

13.1.13. "**Community Board**" means the body established by, and whose affairs will be conducted in accordance with, the bylaws attached hereto as Exhibit A, as

may be amended from time to time, 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 and safety issues.

13.1.14. "**Competing Business**" means a general acute care hospital, specialty hospital, outpatient facilities, surgery center, urgent care centers, physician practices, skilled nursing facilities, home health operations and other businesses that provide health care of the kind provided by the Hospital Facilities and Services.

13.1.15. "**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.

13.1.16. "**Confidentiality Agreement**" means the Confidentiality Agreement by and between OSF and Kewanee, dated August 29, 2011, and agreed to by OSF and Kewanee in the Letter of Intent.

13.1.17. "**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.

13.1.18. "**Debt Transaction**" shall have the meaning set forth in Section 13.1.64(l).

13.1.19. "**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; 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 relating to Hazardous Substances.

13.1.20. "**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended.

13.1.21. "**ERISA Affiliate**" means any employer that is treated as a single employer with Kewanee under Section 414(b), (c), (m) or (o) of the Code.

13.1.22. "**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.

13.1.23. "**Execution Date**" means October 4, 2013.

13.1.24. "**Exhibit**" means an exhibit attached to this Agreement.

13.1.25. "**Fiscal Year**" means with respect to either Party 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.

13.1.26. "**Foundation Council**" means a council comprised of community leaders that is organized and operated by OSF to support the work of the Hospital Facilities and Services and raise funds to support outreach programs and other projects that benefit patients, their families, and the community.

13.1.27. "**GAAP**" means Generally Accepted Accounting Principles.

13.1.28. "**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.

13.1.29. "**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.

13.1.30. "**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 substances, materials, chemicals, pollutants, constituents, wastes or noxious substances regulated by any Environmental Law.

13.1.31. "**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.

13.1.32. "**HIPAA**" means the Health Insurance Portability and Accountability Act of 1996, as amended.

13.1.33. "**Hospital**" means the licensed acute-care hospital facility owned and operated by Kewanee prior to the Closing Date and owned and operated by OSF as of the Closing Date.

13.1.34. "**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.

13.1.35. "**Hospital CNO**" means the chief nursing officer of the Hospital.

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

13.1.37. "**IHFSRB**" means the Illinois Health Facilities and Services Review Board.

13.1.38. "**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.

13.1.39. "**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.

13.1.40. "**Insurance Policies**" means binders and policies of insurance maintained by Kewanee, under which Kewanee is a named insured or that otherwise insure assets used primarily in connection with the operation of Kewanee.

13.1.41. "**Intellectual Property**" means material trademarks, service marks, trade names, patents, copyrights, and applications therefore (whether registered or common law) currently owned or used by Kewanee.

13.1.42. "**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).

13.1.43. **"Investment Account"** shall mean those assets that have been invested by Kewanee in an account with the Blue Prairie Group, LLC prior to the Closing Date.

13.1.44. "**Investment Yield**" means the sum of dividend and interest income and realized gains and losses on all Committed Principal.

13.1.45. "**IRS**" means the Internal Revenue Service.

13.1.46. "**Joint Commission**" means The Joint Commission.

13.1.47. "**Kewanee**" means Kewanee Hospital, an Illinois not-for-profit corporation.

13.1.48. "**Kewanee Audited Financial Statements**" means audited financial statements of Kewanee for the two (2) Fiscal Years ended immediately prior to the Execution Date, for which audited financial statements are available.

13.1.49. "**Kewanee 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 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 Kewanee and any ERISA Affiliate for the benefit of any of its officers, employees or other persons.

13.1.50. "**Kewanee Board**" means the Board of Trustees of Kewanee.

13.1.51. "**Kewanee Closing Documents**" means:

(a) A certificate of the President of Kewanee, dated as of the Closing Date, certifying as to the continued accuracy and completeness of representations and warranties of Kewanee, including without limitation the financial representations and warranties relating to Kewanee set forth at Section 3.4 and Section 3.5 (provided the position of Chief Financial Officer has not been filled as of the Closing Date), and its performance of the covenants and conditions precedent, set forth in this Agreement;

(b) A certificate of the Chief Financial Officer of Kewanee, dated as of the Closing Date, certifying as of the date hereof, as to the accuracy of the financial representations and warranties relating to Kewanee set forth at Section 3.4 and Section 3.5, provided the position of Chief Financial Officer is filled as of the Closing Date;

(c) A certificate of the Secretary of Kewanee, 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 Kewanee Board approving the actions and transactions required or contemplated by this Agreement;

(d) Evidence of the amendment of lease agreements pursuant to Section 5.1.1(f), to be effective as of the Closing Date;

(e) Evidence of the amendment of the Kewanee medical staff bylaws, rules and regulations, and credentialing procedures pursuant to Section 8.8, to be effective as of the Closing Date;

(f) Evidence of compliance, to OSF's reasonable satisfaction, with the requirements of Section 501(r) of the Code;

(g) The executed Trust Instrument;

(h) A copy of the Form 1023 application with respect to the Trust, as filed with the Internal Revenue Service on or before the Closing Date;

(i) Evidence of transfer by Kewanee of the Committed Principal to the Trust;

(j) All documents required to be delivered by Kewanee for closing of the financing transactions described in the Plan of Finance;

(k) An opinion from counsel to Kewanee, dated as of the Closing Date, in form and substance satisfactory to OSF, to the effect that:

(1) Kewanee is duly organized, 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. Kewanee has the corporate power and authority to own and hold its properties and to carry on its business as now conducted and as proposed to be conducted. Kewanee has the corporate power and authority to execute, deliver, and perform the Agreement and all other agreements contemplated thereby. Kewanee is recognized by the IRS as a Tax Exempt Organization;

(2) The Board or other governing body of Kewanee and its officers have been duly and properly elected and all actions related to the transactions contemplated by this Agreement and which require Board approval have been taken pursuant to proper and valid Board action;

(3) The Agreement has been duly authorized, executed, and delivered by Kewanee and, assuming due authorization, execution and delivery by the other parties to it, constitutes the legal, valid, and binding obligation of Kewanee, 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);

(4) The execution and delivery by Kewanee of the Agreement and the related agreements thereto, and the performance of its obligations thereunder, does not violate any provision of law, the Governing Documents of Kewanee, or, to such counsel's knowledge after due inquiry, any order of any court or other agency or government or any indenture, agreement, or other instrument to which Kewanee, or any of its properties or assets are bound including, but not limited to the Kewanee Master

Indenture, or, to such counsel's knowledge after due inquiry, conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any such indenture, agreement, or other instrument to which Kewanee is a party or by which it or any of its assets are bound, or, to such counsel's knowledge after due inquiry, result in the creation or imposition of any lien, charge, restriction, claim, or encumbrance of any nature whatsoever upon any of the properties or assets of Kewanee;

(5) To counsel's knowledge after due inquiry, except as disclosed in the Schedules, there is no: (a) action, suit, claim, proceeding, or investigation pending or threatened against Kewanee at law or in equity, or before or by any Federal, state, municipal, or other governmental department, commission, board, bureau, agency, or instrumentality, domestic or foreign, or any professional licensing or disciplinary authority; (b) arbitration proceeding relating to Kewanee pending under collective bargaining agreements or otherwise; or (c) governmental inquiry pending or threatened against or affecting Kewanee (including, without limitation, any inquiry as to the qualification of Kewanee to hold or receive any license or permit). To counsel's knowledge, after due inquiry, Kewanee is not in default with respect to any order, writ, injunction, or decree of any court, or of any federal, state, municipal, or other governmental department, commission, board, bureau, agency, or instrumentality, domestic or foreign; and

(6) All consents, approvals, qualifications, orders, or authorizations of or filings with any governmental authority, including any court, required in connection with the valid execution, delivery, and performance by Kewanee of the Agreement have been duly made and obtained and are effective on and as of the Closing Date; and

(l) Such other instruments and documents as may be reasonably necessary to carry out the transactions contemplated or required by this Agreement and to comply with the terms hereof.

13.1.52. "**Kewanee Financial Statements**" means the Kewanee Audited Financial Statements, the Kewanee Unaudited Financial Statements, and the Kewanee Interim Financial Statements, collectively.

13.1.53. "**Kewanee Interim Financial Statements**" means monthly unaudited financial statements of Kewanee for the immediately preceding month.

13.1.54. "**Kewanee Master Indenture**" means that certain Master Trust Indenture dated as of August 1, 2006, among Kewanee, Kewanee Hospital Foundation, an Illinois not-for-profit corporation subsequently merged into Kewanee on June 9, 2008, and Amalgamated Bank of Chicago, as master trustee, as heretofore or hereafter supplemented and amended.

13.1.55. "**Kewanee Unaudited Financial Statements**" means unaudited financial statements of Kewanee for the interim period from October 1, 2012, through the most recent month end date for which financial statements were available prior to the Execution Date.

13.1.56. "**Key Management Personnel**" means: (a) with respect to Kewanee, the directors, chief executive officer, chief financial officer, chief nursing officer, and department director level and above employees of Kewanee; or (b) with respect to OSF, directors and vice-president level and above employees of OSF.

13.1.57. "**Knowledge**", "**known**", "**knowingly**", "**to the Knowledge**" or any variant thereof shall, when qualifying any representation, warranty or other statement in this Agreement, means: (i) all information of which Key Management Personnel of any Party is actually aware; (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 reasonably comprehensive investigation concerning the existence of such information; and (iii) all information that would with reasonable diligence in the ordinary course of the performance of their normal duties come to the attention of Key Management Personnel of any Party responsible for verifying the accuracy thereof for purposes of this Agreement.

13.1.58. "**Land**" means the Owned Real Property upon which any operations of Kewanee which are integral to the operation of their Facilities or the production of revenues by Kewanee are conducted, together with all buildings, improvements and fixtures located thereon.

13.1.59. "**Letter of Intent**" means the letter of intent between OSF and Kewanee, effective October 31, 2012.

13.1.60. "**Licenses and Permits**" means governmental licenses, permits, certificates, consents, or approvals required to own or operate the Hospital Facilities and Services.

13.1.61. "**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.

13.1.62. "**Material Adverse Change**" means any condition, change, event, violation, inaccuracy, circumstance or effect that:

(a) Individually or in the aggregate, could reasonably be expected to result in: (i) liabilities with respect to Applicable Laws, including, without limitation, Health Care Laws, or Payment Programs in excess of $4,000,000, in the case of Kewanee, in excess of $40,000,000, in the case of OSF; or (ii) the inability of any of the Parties to maintain their respective Code Section 501(c)(3) status; (iii) the inability of any of the Parties' entities that operates as a licensed health care facility as of the execution of this Agreement to continue to operate as

such licensed health care facility; or (iv) the debarment or exclusion of any entity from participation in the Medicare or Medicaid programs; or

(b) Could reasonably be expected to result in a change during any rolling 12 month period, in the assets, results of operation or the financial condition of Kewanee or OSF: (i) as to any reduction in the total net assets of such entities in an amount in the aggregate greater than five (5) percent of such entities' aggregate total net assets as reflected on the respective Parties' interim unaudited balance sheet for the initial month of the 12 month period; or (ii) as to any change in the financial condition of such entities, 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 entities, taken as a whole, over the 12 month period ending in the month in which the change or event occurs, in an amount greater than five (5) percent of such entities' aggregate total net assets (as reflected on the respective Parties' interim unaudited balance sheets for the initial month of that 12 month period); or

(c) Notwithstanding anything to the contrary, "Material Adverse Change" shall not include: (i) changes in the financial or operating performance 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 Kewanee or OSF, that do not disproportionately affect the applicable entities; (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 Kewanee 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 Kewanee or OSF; (vii) changes in GAAP; (viii) any action or omission of a Party taken with the prior consent of the other Party; or (ix) the payment or provision for payment of expenses incurred relating to this Agreement and the transactions contemplated thereby.

13.1.63. "**Material Consents**" means any consents, approvals or authorizations of third parties required for the consummation of the transactions contemplated or required by this Agreement, including but not limited to the issuance by the Illinois Department of Public Health to OSF of a license to operate the Hospital as of the Closing Date, and as otherwise set forth on Schedule 13.1.63.

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

(a) any management contracts whereby Kewanee or any of its officers or employees provide management services to other hospitals, educational, or other healthcare institutions with (1) a dollar value or liability 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;

(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; 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; 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; 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; 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 Kewanee with (i) a dollar value or liability 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;

(h) all installment payment agreements with (1) a dollar value or liability 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;

(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; 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; 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; 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 Kewanee, 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 2006 Bonds from the Illinois Finance Authority and the Series 2006 Direct Note Obligation to the Illinois Finance Authority (a "**Debt Transaction**");

(m) all leases of real property in which Kewanee is either a lessor or lessee, including, without limitation, all agreements pursuant to which any department of Kewanee 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; 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 Kewanee is a party or involving Kewanee'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 Kewanee;

(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 polices 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; or (ii) a term of greater than one (1) year and payments in excess of $100,000 annually; and

(u) any other agreement with (i) a dollar value or liability 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.

13.1.65. "**Member**" or "**Members**" refers to the members of the OSF Obligated Group.

13.1.66. "**Merger**" means the statutory merger whereby Kewanee becomes part of OSF in order to create an integrated health care delivery system.

13.1.67. "**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.

13.1.68. "**Non-Recourse Indebtedness**" means any Indebtedness the liability for which is effectively limited to Property, Plant and Equipment (other than the Land) and the income therefrom not less than 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.

13.1.69. "**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.

13.1.70. "**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.

13.1.71. "**Operating Cash Flow**" means the sum of operating income plus depreciation of the Hospital Facilities and Services in a Fiscal Year, as reflected on the Hospital's internal income statement.

13.1.72. "**OSF**" means OSF Healthcare System, an Illinois not-for-profit corporation.

13.1.73. "**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.

13.1.74. "**OSF Board**" means the board of directors of OSF.

13.1.75. "**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 of representations and warranties of OSF, and its performance 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 of the financial representations and warranties relating to OSF set forth at Section 4.7;

(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 the approval of the Kewanee Community Board Bylaws;

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

(e) Medical staff governing documents that include provisions prohibiting the performance of any procedures and the provision of any service in violation of the Ethical and Religious Directives;

(f) An opinion from counsel to OSF, dated as of the Closing Date, in form and substance satisfactory to Kewanee, to the effect that:

(1) OSF is duly organized, 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. OSF has the corporate power and authority to execute, deliver, and perform the Agreement and all other agreements contemplated thereby. OSF is a recognized by the IRS as a Tax Exempt Organization;

(2) The Board or other governing body of OSF and its officers have been duly and properly elected and all actions related to the transactions contemplated by the Agreement and which require Board approval have been taken pursuant to proper and valid Board action;

(3) The Agreement has been duly authorized, executed, and delivered by OSF and, assuming due authorization, execution and delivery by the other parties to it, constitutes the legal, valid, and binding obligation of OSF, 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);

(4) The execution and delivery by OSF of the Agreement and the related agreements thereto, and the performance of its obligations thereunder, does not violate any provision of law, the Governing Documents of OSF, or, to such counsel's knowledge after due inquiry, any order of any court or other agency or government or the OSF Master Indenture, or, to such counsel's knowledge after due inquiry, conflict with, results 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;

(5) To counsel's knowledge after due inquiry, except as disclosed in the Schedules, there is no: (a) action, suit, claim, proceeding, or investigation pending or threatened against OSF at law or in equity, or before or by any Federal, state, municipal, or other governmental department, commission, board, bureau, agency, or instrumentality, domestic or foreign, or any professional licensing or disciplinary authority; (b) arbitration proceeding relating to OSF pending under collective bargaining agreements or otherwise; or (c) governmental inquiry pending or threatened against or affecting OSF (including, without limitation, any inquiry as to the qualification of OSF to hold or receive any license or permit). To counsel's knowledge, after due inquiry, OSF is not in default with respect to any order, writ, injunction, or decree of any court, or of any Federal, state, municipal, or other governmental department, commission, board, bureau, agency, or instrumentality, domestic or foreign; and

(6) All consents, approvals, qualifications, orders, or authorizations of or filings with any governmental authority, including any

court, required in connection with the valid execution, delivery, and performance by OSF of the Agreement have been duly made and obtained and are effective on and as of the Closing Date; and

(g) Such other instruments and documents as may be reasonably necessary to carry out the transactions contemplated by this Agreement and to comply with the terms hereof.

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

13.1.77. "**OSF Interim Financial Statements**" means monthly unaudited financial statements of OSF for the immediately preceding month.

13.1.78. "**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.

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

13.1.80. "**OSF System**" means the integrated health care delivery system owned and operated by OSF, as of the Execution Date consisting of: eight (8) 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.

13.1.81. "**OSF Unaudited Financial Statements**" means unaudited financial statements of OSF for the interim period from October 1, 2012, through the most recent month-end date for which financial statements were available prior to the Execution Date.

13.1.82. "**Owned Real Property**" means real property owned by Kewanee.

13.1.83. "**Party**" means OSF or Kewanee.

13.1.84. "**Parties**" means OSF and Kewanee.

13.1.85. "**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).

13.1.86. "**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 Kewanee 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 Kewanee 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 Kewanee 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 Kewanee or its continued use of its assets in the manner currently used.

13.1.87. "**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.

13.1.88. "**Physician Contract**" shall have the meaning set forth in Section 13.1.64(o).

13.1.89. "**Plan of Finance**" means: (a) subject to bondholder approval, in accordance with the provisions of the Kewanee Master Indenture and any related bond documents, the assumption at Closing by the OSF Obligated Group of all Obligations issued under the Kewanee Master Indenture that are outstanding on the Closing Date, and the replacement of the covenants protecting the bondholders and the specific revenue sources and assets of Kewanee pledged for payment of the Obligations issued under the Kewanee Master Indenture by the security for the Obligations issued under the OSF Master Indenture; or (b) if bondholder approval for the steps described in clause (a) above is not obtained, the redemption, defeasance, or cancellation at Closing of all Obligations issued under the Kewanee Master Indenture that are outstanding on the Closing Date, the discharge and termination of all documents related to the Obligations issued under the Kewanee Master Indenture (including but not limited to the Kewanee Master Indenture), and the release and discharge of the trust estate securing all Obligations issued pursuant to the Kewanee Master Indenture and any liens granted thereunder, through the issuance of a sufficient amount of new debt by the OSF Obligated Group, a bridge loan, cash, or otherwise.

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

13.1.91. "**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.

13.1.92. "**Property, Plant and Equipment**" means all Property of Kewanee which is classified as property, plant and equipment under GAAP.

13.1.93. "**RCRA**" means the Resource Conservation and Recovery Act, as amended.

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

13.1.95. "**Scandal**" means any conduct which results in serious impairment of the name or reputation of OSF, either in the general community or among the Catholic faithful, or causes confusion in the minds of members of the general community or Catholic faithful concerning compliance by OSF with the ethical and religious teachings of the Roman Catholic Church, including but not limited to the Ethical and Religious Directives and Canon Law, as interpreted by OSF.

13.1.96. "**Schedule**" means a disclosure or other schedule attached to this Agreement.

13.1.97. "**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 Internal Revenue Code of 1986, as amended, 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.

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

13.1.99. **"Trust"** means the new charitable trust established by Kewanee prior to Closing pursuant to Section 2.12.1 above.

13.1.100. **"Trust Instrument"** means the written instrument establishing the Trust pursuant to Section 2.12.1 above, in the form substantially similar to Exhibit B attached hereto.

13.1.101. **"Trustees"** means the individuals designated in the Trust Instrument, as agreed upon by the Parties, as having fiduciary responsibilities to oversee and enforce the terms of the Trust.

[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

By: _____
Kevin D. Schoeplein
Chief Executive Officer

KEWANEE HOSPITAL

By: _____
Gary Pheiffer,
Chairman, Board of Directors

ACKNOWLEDGED AND AGREED PRIOR TO CLOSING, solely with respect to Sections 2.12 and 12.10 of the Agreement and all references to the post-Closing covenants of OSF under Article X of the Agreement.

KEWANEE AREA HEALTHCARE TRUST, or such other name designated in the final Trust Instrument

By: _____

_____
Trustee

By: _____

_____
Trustee

EXHIBIT A

Form of Kewanee Community Board Bylaws

(attached)

BYLAWS OF THE COMMUNITY BOARD
OF [NEW NAME OF KEWANEE HOSPITAL]
KEWANEE, ILLINOIS

PREAMBLE

In order to establish and maintain an effective relationship with the communities it serves, in order to correlate its existing health care facilities and services with the need of the sick and injured for care, and in order to further the continued development of these facilities and services, **[New Name of Kewanee Hospital]**, Kewanee, Illinois ("**Medical Center**"), a health care facility owned and operated by OSF Healthcare System, Peoria, Illinois ("**OSF**"), has established a Community Board for itself to be composed of local citizens of note, and does hereby adopt the following Bylaws providing for the governance of the Community Board:

ARTICLE I
NAME

The Board shall have the name "Community Board of **[New Name of Kewanee Hospital]**," and shall be referred to hereinafter in these Bylaws as the "**Board**."

ARTICLE II
PURPOSE AND FUNCTION

2.1. Purpose. The purposes of the Board are to act as an advisory council in matters concerning the Medical Center's relationships with the residents of the Medical Center's service area ("**Community**") and with other health care facilities in the Community, to promote the effective delivery of the Medical Center's services to the sick and injured, and to advise the President of the Medical Center with respect to the operation of the Medical Center, as more fully described in Article III of these Bylaws.

2.2. Function. The Board is a voluntary association of citizens organized at the invitation of, and maintained at the pleasure of, the Board of Directors of OSF ("**OSF Board**"). The Board acts in close cooperation with the President of the Medical Center. The Board is a civic organization established to promote widespread understanding and acceptance of the Medical Center in the Community. The Board shall conduct its business from the administrative offices of the Medical Center.

ARTICLE III
RESPONSIBILITIES

3.1. Board Responsibilities.

a. The Board shall have the responsibility to provide input, advice, and guidance to the President of the Medical Center regarding such matters as the President of the Medical Center deems appropriate for consideration by the Board, including but not limited to management plans, strategic plans, annual capital and operating budgets, clinical services, and quality and safety issues.

b. The Board shall consult and collaborate with the President of the Medical Center, and the CEO of the OSF region in which the Medical Center is located, as may be requested from time to time, to fully develop the Medical Center as a health resource for the Community.

c. Upon the resignation or removal of the President of the Medical Center, the Board shall consult and collaborate, as requested from time to time, with the OSF Board or its designee, or the CEO of the OSF region in which the Medical Center is located, as the case may be, regarding the selection of a new President of the Medical Center.

3.2. President's Responsibilities.

a. The President of the Medical Center shall give comments and recommendations offered by the Board sincere and due consideration.

b. The President of the Medical Center shall in a timely fashion bring to the Board's attention significant issues confronting the Medical Center.

c. The President of the Medical Center will act as a liaison between the Board and the OSF Board.

d. In order to permit the Board and its Executive Committee to work effectively, the President of the Medical Center will supply reports on the condition and activities of the Medical Center as indicated below:

i. Activity reports concerning admissions and discharges of patients and the status of services rendered by the various Medical Center departments;

ii. Reports on the status of quality assurance activities and their effects on patient care;

iii. Periodic financial summaries and other financial reports as may be necessary or appropriate;

iv. Strategic initiatives of OSF and the Medical Center that have an impact on the Community;

v. Reports on the physicians and allied health professionals credentialed by the OSF Board; and

vi. Notice of any major changes to policies affecting the Medical Center's medical staff, patients or personnel.

ARTICLE IV
BOARD MEMBERS

4.1. Qualifications of Board Members. The members of the Board ("**Board Members**") shall be selected according to the following guidelines and standards which reflect the high purposes of the Board. All Board Members shall be persons who:

a. Have a commitment to the Philosophy, Mission, Values, and Vision of OSF;

b. Have a commitment to uphold Catholic teachings in all dealings and deliberations pertaining to the Board's responsibilities;

c. Are distinguished by their achievement and good judgment;

d. Have knowledge and experience useful to the Medical Center in maintaining its values and achieving its mission, such as leadership skills, health care delivery knowledge, legal expertise, or financial skills;

e. Are willing to support the Medical Center with a commitment of time necessary to become and remain informed concerning the issues confronting the Medical Center and have the ability to regularly attend Board meetings;

f. Have the ability to be discreet in keeping confidential Board discussions and Medical Center business;

g. Have the ability to rise above the concerns of a particular constituency and represent the interests of OSF as a whole;

h. Are of respectable character, have an interest in the Catholic health care delivery system, and have a deep concern and willingness to serve; and

i. Are not members of the governing body or management of a competitor of the Medical Center or OSF or in roles which create real or potential conflicts of interest.

4.2. Composition.

a. Initial Board Members. The initial Board shall consist of the members of the Board of Trustees of Kewanee Hospital serving immediately prior to the merger of Kewanee Hospital into OSF. Their initial terms shall be staggered by resolution of the Board such that one-third of the initial Board Members' terms expire at the end of the second calendar year (inclusive of partial years) following the adoption of these Bylaws, one-third of the initial Board Members' terms expire at the end of the third calendar year (inclusive of partial years) following the adoption of these Bylaws, and one-third of the initial Board Members' terms expire at the end of the fourth calendar year (inclusive of partial years) following the adoption of these Bylaws. After the expiration of an initial

Board Member's initial term, the Board Member may be elected to serve for additional terms, subject to the election process and term limitations set forth herein.

b. Elected Board Members. The Board may from time to time by resolution change the number of Board Members who may serve at one time, provided that it shall consist of not less than seven (7) and not more than twelve (12) members. Board Members, other than those appointed upon the adoption of these Bylaws in accordance with Section 4.2(a), shall be elected by the Board from among the members of the Community who meet the standards set forth in Section 4.1, subject to approval by the OSF Board. These elected Board Members shall be in addition to the *ex officio* Board Members and the Trustee Board Member hereinafter described.

c. Ex Officio Board Members. The President of the Medical Center, the immediate past Chairperson of the Board, if such person is no longer an elected Board Member, and the Chief of Staff of the Medical Staff of the Medical Center, for their terms of office, shall be Board Members, *ex officio*, with vote.

d. Trustee of the Kewanee Healthcare Trust. As long as the Kewanee Healthcare Trust is in existence, at least one Trustee of the Kewanee Healthcare Trust shall be a Board Member (the "**Trustee Board Member**"). The Trustee Board Member will not be subject to the election process and the term and term limits set forth herein.

4.3. Terms of Office.

a. Election. Board Members elected for full terms and Honorary Board Members shall be elected by the Board at the last regular meeting of each calendar year.

b. Duration of Term. Except as provided above with respect to initial Board Members, the terms of office of those Board Members elected at the last regular meeting of a calendar year for full terms shall begin on the first day of the calendar year following their elections, and shall cease on the last day of the third calendar year of their terms. A person elected to the Board to fill a vacant position shall take office upon election for the unexpired term of his or her predecessor in office.

c. Other Limitations. Elected Board Members shall serve for three-year terms, except as provided above for initial Board Members who only serve one term and for persons elected to fill vacant, unexpired terms. Elected Board Members may serve on the Board for no more than three consecutive three-year terms, except that an officer elected to such position while a Board Member may continue to serve on the Board until he or she ceases to hold such office. Any person who has served three consecutive three-year terms as an elected Board Member may be elected again to the Board so long as twelve (12) consecutive calendar months intervene between the end of such person's third consecutive three-year term and the new term.

4.4. Voting Rights. Each Board Member shall have one vote. No Board Member may vote by proxy.

4.5. Resignation. A Board Member may resign at any time upon written notice to the Chairperson.

4.6. Removal. A Board Member may be removed by a two-thirds vote of the Board. In addition, the OSF Board may remove any elected Board Member upon its determination that such removal would be in the best interests of the Medical Center or OSF as a whole. Any such removal shall be effective upon receipt of written notice of such action by the Chairperson of the Board. It shall be the duty of the Chairperson to communicate notice of such action immediately to the individual so removed. The OSF Board will communicate with the Board or the Chairperson regarding any such removal as it deems necessary and appropriate.

4.7. Compensation. Board Members shall not receive any salaries or similar compensation for their services but may be reimbursed for reasonable expenses. Nothing herein contained shall be construed to preclude any Board Member from serving the Medical Center in any other capacity and receiving reasonable compensation therefor.

4.8. Board Member Responsibilities. Each Board Member shall give his or her support for the good of the Medical Center according to his or her personal capabilities. This support will consist of regular attendance at Board and committee meetings, and advice and suggestions on particular matters. All information shared by the OSF Board, the President of the Medical Center or other members of the Medical Center's administration shall be deemed confidential; Board Members may not reveal such information to persons who are not Board Members except as may be expressly permitted by the President of the Medical Center.

4.9. Conflicts of Interest.

a. Any Board Member who has an interest in a contract or other transaction under discussion by the Board or a committee thereof shall make a prompt and full disclosure of such interest to the Board or committee prior to its provision of advice on such contract or transaction. Such disclosure shall include any relevant and material facts known to such person about the contract or transaction which might reasonably be construed to be adverse to the Medical Center's or OSF's interests.

b. The body to which such disclosure is made shall thereupon determine, by majority vote, whether the disclosure shows that a conflict of interest exists or can reasonably be construed to exist. If a conflict is deemed to exist, such person shall not vote on, nor use any personal influence on, nor participate (other than to present factual information or to respond to questions) in, the discussions or deliberations with respect to such contract or transaction. Such person shall not be counted in determining the existence of a quorum at any meeting where the contract or transaction is under discussion or is being voted upon. The minutes of the meeting shall reflect the disclosure made, the vote thereon and, where applicable, the abstention from voting and participation, and whether a quorum was present.

c. For the purposes of the preceding paragraphs, a person shall be deemed to have an "interest" in a contract or other transaction if he or she is the party (or one of the parties) contracting or dealing with the Medical Center or OSF, or is a director, trustee,

manager, or officer of, or has a significant financial or influential interest in, an entity (other than an entity that controls, is controlled by, or is under common control with the Medical Center or OSF, either directly or indirectly) contracting or dealing with the Medical Center or OSF.

ARTICLE V
HONORARY BOARD MEMBERS

5.1. Honorary Membership. Any person who has served as a Board Member or a member of the Board of Trustees of Kewanee Hospital prior to the merger of Kewanee Hospital into OSF is eligible to be elected an Honorary Board Member. Honorary Board Members may be nominated on the basis of their past contributions to the Medical Center while serving as Board Members and their potential for continued support of the Medical Center.

5.2. Election and Term. A vote of two-thirds of the members of the Board shall be required to elect an Honorary Board Member, subject to approval by the OSF Board. The term of an Honorary Board Member shall be indefinite, so long as he or she continues to satisfy the qualifications set forth in Section 4.1.

5.3. Resignation and Removal. Honorary Board Members may resign or be removed in accordance with the terms of Sections 4.5 and 4.6, respectively.

5.4. Prerogatives. Honorary Board Members may attend Board meetings and meetings of committees to which they have been appointed, and may actively participate in discussions, but they may not vote and may not hold office. Compensation of Honorary Board Members shall be governed by the terms of Section 4.7. Honorary Board Members must hold as confidential information regarding the Medical Center in accordance with the terms of Section 4.8, and are subject to the rules governing conflicts of interest set forth in Section 4.9.

ARTICLE VI
COMMITTEES

6.1. Committees of the Board. At the beginning of each calendar year the Chairperson shall appoint a nominating committee and such special committees as he or she may deem appropriate. Such committees shall consist of such Board Members and such Honorary Board Members as the Chairperson may select. Each member of a committee shall serve until the sooner of the end of the calendar year or the expiration or termination of his or her term as a Board Member. The Chairperson may remove a member of a committee, and may disband any special committee, in his or her discretion. The Chairperson shall name a Board Member to serve as the chairperson of each committee. The Chairperson shall prescribe the duties of any special committees he or she may appoint. No action may be taken on the recommendation of any special committee without the approval of the Board.

6.2. Executive Committee.

a. Composition. The Executive Committee shall consist of the Chairperson, who will serve as chairperson of the committee, the other Board officers, the immediate

past-Chairperson if he or she remains a Board Member, and the chairpersons of such special committees as have been appointed. The President of the Medical Center shall be an *ex officio* member of the Executive Committee, with vote.

b. Function. The Executive Committee shall have power to transact all regular business of the Board as may be necessary during the interim between meetings of the Board, provided any action taken may not conflict with the policies or expressed wishes of the Board. All actions of the Executive Committee will be reported to the Board at its next regular meeting.

6.3. Nominating Committee.

a. Duties. The Nominating Committee shall be responsible for the following duties:

i. The nomination of a slate of officers every two years, to be delivered to Board Members at least ten (10) days prior to the annual meeting of the year in which the officers' terms expire;

ii. The nomination of persons to fill vacant officer positions as such vacancies may occur from time to time;

iii. The nomination of persons to fill the positions of Board Members whose terms will expire at the end of the calendar year, to be delivered to Board Members at least ten (10) days prior to the annual meeting of such year;

iv. The nomination of persons to fill vacant Board positions as such vacancies may occur from time to time; and

v. The nomination of former Board Members for election to Honorary Board Member status, to be delivered to Board Members at least ten (10) days prior to the annual meeting.

b. Standards. In selecting persons for nomination for election as Board Members and Honorary Board Members, the Nominating Committee shall apply the appropriate standards as set forth in Articles IV and V above.

ARTICLE VII
OFFICERS

7.1. Officers. The Board shall elect from its elected Board Members the following officers: a Chairperson, a Vice-Chairperson, and a Secretary. The term of office for each position shall be three (3) years. The terms of all officers shall run concurrently. Officers' terms shall start at the beginning of a calendar year. Officers shall be elected by the Board at its last regular meeting of the year of the expiration of the previous officers' terms, subject to approval by the OSF Board. When a position becomes vacant before its term has expired, the Board shall elect a successor officer for the unexpired portion of the term, subject to approval by the OSF

Board. No officer may serve more than two consecutive terms or more than six consecutive years in a particular office. An officer may resign upon notice to the Chairperson, except that the Chairperson may resign upon notice to the Secretary. Any officer elected by the Board may be removed by a two-thirds vote of the Board, or by the OSF Board, whenever in its respective judgment the best interests of the Medical Center or the Board would be served thereby. The OSF Board will communicate with the Board or the Chairperson regarding any such removal as it deems necessary and appropriate.

7.2. Duties of Officers.

a. Chairperson. The Chairperson represents the Board in relations with the President of the Medical Center, the CEO of the OSF region in which the Medical Center is located, and Community organizations, as may be requested from time to time. The Chairperson calls and presides at all Board meetings and Executive Committee meetings and is an *ex officio* member with vote of each special committee and the Nominating Committee.

b. Vice-Chairperson. The Vice-Chairperson assists the Chairperson and performs the Chairperson's duties in the Chairperson's absence.

c. Secretary. The Secretary records the minutes of the Board in executive meetings, executes correspondence as directed by the Board, and is responsible for keeping the records of the Board, except when such duties are delegated to the administrative staff of the Medical Center by the Chairperson with the President of the Medical Center's approval.

ARTICLE VIII
MEETINGS

8.1. Regular and Special Meetings. The Board shall meet at least ten (10) times per year or as often as may be necessary upon call by the Chairperson; or at the call of the Executive Committee; or at the call of a majority of the Board Members, all upon not less than five (5) days' written notice. Regular meetings shall be held at a time and place designated by the Board. Special meetings shall be held at the time and place designated in the notice of the meeting. Committees shall meet at the call of the chairperson of the committee, upon not less than five (5) days' written notice, at a time and place designated in the notice of the meeting.

8.2. Annual Meeting. The annual meeting of the Board will be the last regular meeting of each calendar year.

8.3. Quorum. A majority of Board Members shall constitute a quorum for the transaction of business at any meeting of the Board or any committee thereof, provided that if less than a majority of Board Members is present at said meeting, a majority of the Board Members present may adjourn the meeting to another time without further notice.

8.4. Manner of Acting. The act of a majority of the Board Members present at a meeting at which a quorum is present shall be the act of the Board or committee, unless the act of a greater number is required by these Bylaws.

8.5. Rules of Order. Unless otherwise provided herein, the proceedings of all meetings of the Board and any committee shall be conducted in accordance with the Bylaws and the latest edition of Robert's Rules of Order.

8.6. Invitations. The Chairperson may invite any persons of his or her choosing to any meeting of the Board.

ARTICLE IX
FINANCIAL & LEGAL LIMITATIONS

9.1. Advisory Nature of Board. Any action taken by the Board shall be of an advisory nature only, as it pertains to the management of the Medical Center. No action shall be binding on the President of the Medical Center, any of the Medical Center employees, or the OSF Board.

9.2. Obligations. The Board has no financial obligation to the Medical Center or the OSF Board, or any of its agents, employees, or patients. Board Members have no legal obligation or liability of any kind whatsoever to the Medical Center, the OSF Board, or any of their agents, employees, or patients for any actions taken by them, either individually or as a participant in Board actions, in their capacities as Board Members.

9.3. Expenses. The Medical Center will pay necessary expenses of the Board incurred by it in the execution of its responsibilities after the prior approval of the President of the Medical Center.

ARTICLE X
INDEMNIFICATION

10.1. Power to Hold Harmless. Subject to the laws of Illinois in effect from time to time, OSF will indemnify any Board Member who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of OSF), by reason of the fact that he or she is or was a Board Member, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such Board Member in connection with such action, suit or proceeding, if the Board Member acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of OSF, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the Board Member did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of OSF or, with respect to any criminal action or proceeding, that the Board Member had reasonable cause to believe that his or her conduct was unlawful.

10.2. Power to Indemnify Litigant. Subject to the laws of Illinois in effect from time to time, OSF will indemnify any Board Member who was or is a party, or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of OSF to procure a judgment in its favor by reason of the fact that he or she is or was a Board Member, against expenses (including attorneys' fees) actually and reasonably incurred by such Board Member in connection with the defense or settlement of such action or suit, if the Board Member acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of OSF, provided that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to OSF, unless, and only to the extent that, the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the court shall deem proper.

10.3. Reimbursement Authorized. To the extent that a present or former Board Member has been successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in Section 10.1 or Section 10.2, or in defense of any claim, issue or matter therein, such Board Member shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith, if that Board Member acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of OSF.

10.4. Determination if Reimbursement is Proper. Any indemnification under Sections 10.1, 10.2, or 10.3 (unless ordered by a court) shall be made by OSF only as authorized in the specific case, upon a determination that indemnification of the present or former Board Member is proper in the circumstances because he or she has met the applicable standard of conduct set forth in Section 10.1, 10.2, or 10.3. Such determination shall be made by the OSF Board.

10.5. Advancement of Expenses. Expenses (including attorneys' fees) incurred by a Board Member in defending a civil or criminal action, suit or proceeding may be paid by OSF in advance of the final disposition of such action, suit or proceeding, as authorized by the OSF Board in the specific case, upon receipt of an undertaking by or on behalf of such Board Member to repay such amount, unless it shall ultimately be determined that he or she is entitled to be indemnified by OSF as authorized in this Article. Such expenses (including attorneys' fees) incurred by former Board Members may be so paid on such terms and conditions, if any, as OSF deems appropriate.

10.6. Non-Exclusivity. The indemnification and advancement of expenses provided by or granted under the other Sections of this Article shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of the OSF Board, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office. A right to indemnification or to advancement of expenses arising under this Article shall not be eliminated or impaired by an amendment to the applicable provision after the occurrence of the act or omission that is the subject of the civil, criminal, administrative or investigative action, suit or proceeding for which indemnification or advancement of expenses is sought, unless the

provision in effect at the time of such act or omission explicitly authorizes such elimination or impairment after such act or omission has occurred.

10.7. Continuation. The indemnification and advancement of expenses provided by or granted under this Article shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a Board Member and shall inure to the benefit of the heirs, executors and administrators of that person.

ARTICLE XI
AMENDMENTS

11.1. Amendment by the Board. These Bylaws may be amended or repealed, and new Bylaws adopted, by a two-thirds vote of the Board Members in attendance at any duly constituted meeting of the Board and upon the subsequent approval of any such action by the OSF Board. The text of any proposed changes of these Bylaws shall be included in the notice of the meeting. Upon becoming effective, a copy of the amended Bylaws shall be provided to each current Board Member and to each future Board Member upon his or her election.

11.2. Amendment by the OSF Board. These Bylaws may be amended or repealed, and new Bylaws may be adopted, by the OSF Board; provided that advance written notice of any amendment or repeal shall have been given to all Board Members and that the OSF Board shall have consulted with the Board regarding such amendment or repeal before adopting such action. Notwithstanding any provision herein, the OSF Board shall take no action to dissolve the Board while the Medical Center remains in operation in the Community.

These Bylaws were approved at **[New Name of Kewanee Hospital]**, Kewanee, Illinois, on the dates set forth below.

Approved by the Community Board of **[New Name of Kewanee Hospital]** this ___ day of _____, 2014.

_____
Lynn Fulton, President of the Medical Center

_____
[Gary Pheiffer], Chairperson

Approved by the Board of Directors of OSF Healthcare System this ___ day of _____, 2014.

_____
Sister Judith Ann Duvall, O.S.F., Chairperson

_____
Sister Theresa Ann Brazeau, O.S.F., Secretary

EXHIBIT B

Form of Trust Instrument

(attached)

IRREVOCABLE AGREEMENT OF CHARITABLE TRUST

THIS IRREVOCABLE AGREEMENT OF CHARITABLE TRUST ("this Agreement") is made this _____ day of _____, 2013, by and between KEWANEE HOSPITAL, as grantor ("Grantor"), and _____ and _____ as Trustees (hereinafter collectively known as the "Trustees", such term also to include any successor Trustee or Trustees as provided herein).

ARTICLE I.

TRUST ESTABLISHED

A. Establishment and Declaration of Trust. Grantor desires to establish a Trust exclusively for charitable, educational and scientific purposes, as defined in Section 501(c)(3) of the Code, to be called the _____. The Trustees are prohibited from changing the name of the Trust and shall never use in its title the following names: **["New Name of Kewanee Hospital]**" or any other name that includes the words "OSF," "OSF Healthcare System," "The Sisters of the Third Order of St. Francis," or "Kewanee Hospital." To accomplish this, Grantor has executed this Agreement. Grantor shall contribute cash or other property to the Trust, all of which the Trustees agree to hold in conformity with this Agreement. No other individual or entity shall be allowed to make a contribution to this Trust and the Trustees shall not accept contributions other than Grantor's contribution. Furthermore, to that end, the Trustees shall not engage in any fundraising activities.

B. Affiliation Agreement. This Trust has been created pursuant to an Affiliation Agreement between OSF Healthcare System and Kewanee Hospital dated _____, 2013 ("Affiliation Agreement"). Grantor's obligation to contribute property to this Trust is limited in scope and amount as provided for in the Affiliation Agreement. Neither OSF nor any

Affiliate of OSF shall be obligated to pay or assume, and none of their respective assets shall be or become liable for or subject to, any liability of the Trust, and OSF and each of its Affiliates are hereby expressly released by the Trust from any such liabilities. Any defined terms used but not defined herein shall have the meaning set forth in the Affiliation Agreement.

ARTICLE II.

IRREVOCABILITY

This Trust is irrevocable. This Agreement may not be altered or amended. Nevertheless, the Trustees shall have the power to amend this Agreement in any manner required for the purpose of ensuring that the Trust qualifies and continues to qualify for exemption from federal income tax under Section 501(c)(3) of the Code. The Trustees may so amend this Agreement without the approval or consent of Grantor or of any Court.

ARTICLE III.

ADMINISTRATION OF TRUST

A. Purposes. This Trust is organized and at all times shall be operated exclusively for charitable, educational and scientific purposes within the meaning of Section 501(c)(3) of the Code, including more specifically to support the delivery and availability of high-quality healthcare services within, and otherwise promote the general health and wellness of residents of, Kewanee Hospital's service area. The Trust shall not provide health care services (meaning those services that are covered services under the Medicare program) and shall not be affiliated with or have a direct or indirect ownership or investment interest in any person, corporation, limited liability company, partnership, or other entity that provides health care services (except for interests in publicly-traded securities or tax-exempt bonds publicly available on established municipal bond markets).

B. Enforcement Rights Under Affiliation Agreement. For the duration of its existence, the Trust shall be a third-party beneficiary of, and through the Trustees shall have the right to enforce, OSF's post-Closing covenants under ARTICLE X of the Affiliation Agreement. Any enforcement action by the Trust and the Trustees shall be undertaken and pursued if and as determined by the Trustees in their sole discretion. Notwithstanding the foregoing, in the event that the Trustees at any time act, or cause the Trust to act, in a manner inconsistent with Section 2.12.3 of the Affiliation Agreement, the Trust's enforcement rights thereunder shall immediately terminate.

C. Distributions. All property in the Trust shall be held in trust by the Trustees, and the Trustees shall make distributions from income first and then from principal, to one or more Charitable Organizations (as defined below) or for Charitable Purposes (as defined below), as the Trustees shall select and determine, provided that all such distributions shall be made exclusively for the purposes set out in paragraph A of this Article. The amount and timing of any such distributions shall be determined by the Trustees, in their sole discretion.

D. Termination of Trust. The Trust shall continue for a period of ten (10) years from the date of this Agreement and shall then be wound up and terminated as provided below. Notwithstanding the foregoing, if there is then pending a civil action filed by the Trust to enforce post-Closing covenants of OSF under ARTICLE X of the Affiliation Agreement, the Trust shall continue in existence until the entry of a final, non-appealable order or judgment, and the Trust shall thereafter be terminated with its remaining assets distributed as provided below. Upon termination, the Trustees shall distribute all assets remaining in the Trust to one or more Charitable Organizations or for Charitable Purposes, as the Trustees select and determine, provided that all such distributions shall be made exclusively for the purposes set out in

paragraph A of this Article which means that all assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Code.

E. Prohibited Distributions. The Trustees shall not make any distribution to or for the use of any person other than a Charitable Organization or for any purpose other than a Charitable Purpose. An amount shall not be deemed to be distributed to or for the use of any person other than a Charitable Organization if the amount is transferred for full and adequate consideration.

F. Prohibited Activities. No part of the net earnings of the Trust shall inure to the benefit of, or be distributable to, any private individual or entity, except that the Trust shall be authorized and empowered to pay reasonable compensation for services rendered and to make distributions pursuant to this Article. No substantial part of the activities of the Trust shall be the carrying on of propaganda, or otherwise attempting, to influence legislation, except as provided in Section 501(h) of the Code. The Trust shall not participate in, nor intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. The Trustees shall not, and shall ensure that the Trust does not (i) engage in any act of self-dealing as defined in Section 4941(d) of the Code, (ii) retain any excess business holdings as defined in Section 4943(c) of the Code that would subject the Trust to tax under Section 4943 of the Code, (iii) make any investments that would subject the Trust to tax under Section 4944 of the Code, or (iv) make any taxable expenditures as defined in Section 4945(d) of the Code. The Trustees shall distribute trust assets at such time and in such manner as not to subject the Trust to tax under Section 4942 of the Code.

G. Grantor's Intent. Grantor intends with this Agreement to create a trust that qualifies for exemption from federal income tax under Section 501(c)(3) of the Code. The

Trustees shall not have or exercise any power (either express or implied or by operation of law), and shall not engage either directly or indirectly in any action or activity, that would be inconsistent with Section 501(c)(3) of the Code.

ARTICLE IV.

POWERS, DUTIES AND IMMUNITIES OF THE TRUSTEES

In addition to the powers granted to the Trustees by law and by other provisions of this Agreement, the Trustees are hereby authorized and empowered as set forth in this Article. Nevertheless, no authority or power in this Article may be exercised by the Trustees if such exercise in any way would defeat Grantor's intent that the Trust qualify for exemption from federal income tax under Section 501(c)(3) of the Code. All actions of the Trustees shall be determined and taken based on the mutual agreement of the Trustees then serving.

A. Retention of Assets. The Trustees may retain as an investment any asset without liability which otherwise might be asserted based upon the fact that either such asset is of a kind not ordinarily deemed suitable for investment by trustees or the retention of such asset has resulted in a larger portion of the Trust being invested in a manner other than normally would be suitable for investment by a fiduciary.

B. Permitted Investments. The Trustees may invest and reinvest the Trust in bonds, stocks, mutual funds, money market funds and other property suitable for the investment of trust funds.

C. Disposition of Assets. The Trustees may sell, lease, exchange or grant options to purchase, publicly or privately, any asset, real or personal, and any right appurtenant thereto, for cash or upon credit, with or without security.

D. Settlements, Receipts and Releases. The Trustees may compromise and adjust claims relating to any trust assets upon such terms and conditions as the Trustees deem appropriate. The Trustees may execute all necessary settlements, receipts and releases.

E. Changes in Business Entities. The Trustees may consent to, participate in or oppose any plan of reorganization, consolidation, merger, combination, sale of assets or other similar plan relating to any interest in any corporation or other business entity held by the Trust.

F. Execution of Instruments. The Trustees may execute and deliver all instruments of conveyance including, but not limited to, deeds, leases, bills of sale, contracts, powers of attorney and assignments, necessary or proper to carry out the powers granted to the Trustees under this Agreement. Any such instruments or documents shall bear the signatures of both Trustees then serving.

G. Employment of Legal Counsel. The Trustees may retain and consult with legal counsel as an expense of the Trust, and the Trustees shall not be liable for any action taken in reliance upon any advice of such legal counsel.

H. Employment of Advisors. The Trustees may retain, employ and consult with such accountants, investment advisors or counselors, appraisers, brokers, custodians and other agents, as an expense of the Trust, as the Trustees deem advisable in administering the Trust.

I. Registration of Assets. The Trustees may cause any shares, securities, or other assets to be registered and to be held in the name of a nominee of the Trustees.

J. Payment of Miscellaneous Expenses. The Trustees may pay all miscellaneous expenses applicable to the Trust.

K. In-Kind Distribution. Upon any distribution of any assets, the Trustees may make such distribution in money or in kind, or partly in money and partly in kind.

L. Principal and Income Allocations. The Trustees may allocate receipts and disbursements to principal or income with due regard to, but not being bound by, the applicable Principal and Income Act and other applicable principles of fiduciary law as the Trustees determine to be in the best interests of the beneficiaries and the achievement of the purposes set forth in paragraph A of Article III above.

M. Duty of Fiduciary. The Trustees shall act at all times in a fiduciary capacity as the Trustees, and shall exercise good faith and reasonable care and prudence with respect to all powers granted to the Trustees by this Agreement or by law.

N. Right to Abandon Property. The Trustees may abandon any property, real or personal, that the Trustees deem to be worthless or not of sufficient value to warrant keeping or protecting.

O. Directors and Officers Liability Insurance. The Trustees are authorized to acquire and maintain directors' and officers' liability insurance for the life of the Trust.

P. Payment of Expenses. Expenses associated with managing and operating the Trust and its principal (which expenses shall be managed by the Trustees so as to be reasonable and customary for private foundations of similar size taking into account the Trust's monitoring and enforcement duties under the Affiliation Agreement) shall be paid first out of investment income.

ARTICLE V.

THE TRUSTEES

A. Number of Trustees. There shall at all times be two (2) Trustees under this Trust Agreement. The initial Trustees shall be the individuals so named in the first paragraph of this

Trust Agreement. At least one of the Trustees shall be an individual concurrently serving on the Community Board (as described in Section 2.4 of the Affiliation Agreement).

B. Trustee Resignation. A Trustee may resign as Trustee by providing at least sixty (60) days' prior written notice to the other Trustee then serving.

C. Change of Trustee. The resignation or other termination of service of a Trustee shall be effective upon the receipt, acceptance and/or acknowledgement (as the case may be) of such resignation or other termination of service event by other Trustee then serving.

D. Successor Trustees. Upon the resignation or other termination of service of any Trustee, the other Trustee then serving shall appoint a replacement Trustee accordingly. In all cases, a replacement Trustee shall be an individual either residing in Kewanee Hospital's service area or having a business location in the service area. In no event shall the Trust have a corporate trustee.

E. No Liability of Successor for Prior Acts or Omissions. No successor Trustee shall be required to investigate, or shall be responsible for, the acts or omissions of any prior Trustee.

F. No Bond Required. No bond shall be required of any Trustee for the performance of such Trustee's duties under this Agreement.

ARTICLE VI.

COMPENSATION AND EXPENSES OF THE TRUSTEES

A. Compensation. The Trustees shall serve without compensation.

B. Expenses. Any Trustee shall be entitled to reimbursement for costs and expenses paid or advanced in connection with the administration of the Trust.

ARTICLE VII.

LAW GOVERNING AGREEMENT

This Agreement in all respects shall be governed by the laws of the State of Illinois.

ARTICLE VIII.

MISCELLANEOUS

A. Application to Successors. This Agreement shall apply to and bind the heirs, personal representatives, successors and assigns of Grantor and the Trustees.

B. Number. The singular form of a word includes the plural, and the plural form of a word includes the singular, unless the context otherwise requires.

ARTICLE IX.

DEFINITIONS

A. Charitable Organization Defined. The phrase "Charitable Organization" means an organization that is described in Sections 501(c)(3) and 509(a)(1) or 509(a)(2) of the Code.

B. Charitable Purposes. The phrase "Charitable Purposes" means only charitable, scientific or educational purposes within the meaning of those terms as used in Section 501(c)(3) of the Code, but only such purposes as also constitute public charitable purposes under the law of trusts of the State of Illinois.

C. Code Defined. The word "Code" means the Internal Revenue Code of 1986, as amended. Each citation to a section of the Code in this Agreement includes applicable Regulations promulgated under such section and any successor section or provision of law.

D. Regulations. The word "Regulations" means the Treasury Regulations promulgated under the Internal Revenue Code of 1986, as amended. Each citation to a section of the Regulations in this Agreement shall be deemed to include all applicable Regulations promulgated under the section cited, and any successor section of the Regulations.

IN WITNESS WHEREOF, KEWANEE HOSPITAL as Grantor, and _____ and _____, as Trustees, have signed this Agreement of Trust, effective as of the date first written on page one of this Agreement.

Witnesses:

KEWANEE HOSPITAL, Grantor

By: _____

Its: _____

_____
as Trustee

_____
as Trustee

EXHIBIT C

Form of Articles of Merger

FORM **NFP 111.25** (rev. Dec. 2003)
ARTICLES OF MERGER
OR CONSOLIDATION
General Not For Profit Corporation Act

Jesse White, Secretary of State
Department of Business Services
501 S. Second St., Rm. 350
Springfield, IL 62756
Telephone (217) 782-6961
www.cyberdriveillinois.com

Remit payment in the form of a
check or money order payable
to the Secretary of State.

_____ File #_____ Filing Fee: $25.00 Approved:

----------Submit in duplicate----------Type or Print clearly in black ink----------Do not write above this line----------

NOTE: Strike inapplicable word in items 1, 3 and 4.

1. Names of the corporations proposing to ~~consolidate~~ merge, and the state or country of their incorporation are:

Name of Corporation	State or Country of Incorporation	File Number
OSF HEALTHCARE SYSTEM	ILLINOIS	01074148
KEWANEE HOSPITAL	ILLINOIS	08766444

2. The laws of the state or country under which each corporation is incorporated permit such merger or consolidation.

3. The name of the ~~new~~ surviving corporation: OSF HEALTHCARE SYSTEM

and it shall be governed by the laws of: ILLINOIS

4. The plan of ~~consolidation~~ merger is as follows:

(If space is insufficient, attach additional pages size 8 1/2 x 11.)

1. At the Effective Date (defined below), Kewanee Hospital shall be merged with and into OSF Healthare System pursuant to the provisions of Article 11 of the Illinois General Not for Profit Corporation Act of 1986.
2. At the Effective Date the separate existence of Kewanee Hospital will cease to exist, OSF Healthcare System shall be the surviving corporation in the merger (the "Surviving Corporation"), and the Surviving Corporation shall succeed, without other transfer, to all of the rights and property of Kewanee Hospital and shall be subject to all of the debts and liabilities of Kewanee Hospital in the same manner as if the Surviving Corporation had itself incurred them. All rights of creditors and all liens upon the property of each corporation shall be preserved unimpaired.
3. The Articles of Incorporation and Bylaws of the Surviving Corporation in effect as of the Effective Date shall be the Articles of Incorporation and Bylaws of the Surviving Corporation until amended.
4. The merger shall be effective on the date of filing of Articles of Merger executed by Kewanee Hospital and the Surviving Corporatiion (the "Effective Date").

5. The plan of ~~consolidation~~ merger was approved, (a) as to each corporation not incorporated in Illinois, in compliance with the laws of the state under which it is incorporated, and (b) as to each Illinois corporation, as follows:

(Please indicate the manner by which the plan was approved by inserting the comparable letter in the box following each corporate name.)

A. By the affirmative vote of a majority of the directors in office, at a meeting of the board of directors. (§ 111.15)

B. By written consent, signed by all the directors in office, in compliance with Section 108.45 of this Act. (§ 108.45 & § 111.15)

C. At a meeting of members by the affirmative vote of members having not less than the minimum number of votes necessary to adopt the plan, as provided by this Act, the articles of incorporation or the bylaws (§ 111.20)

D. By written consent, signed by members having not less than the minimum number of votes necessary to adopt the plan, as provided by this Act, the articles of incorporation or the bylaws, in compliance with Section 107.10 of this Act. (§ 107.10 & § 111.20)

NAME OF CORPORATION	MANNER
OSF HEALTHCARE SYSTEM	A
KEWANEE HOSPITAL	A

6. *(Not applicable if surviving or new corporation is an Illinois corporation)*

It is agreed that, upon and after the issuance of a certificate of merger or consolidation by the Secretary of State of the State of Illinois:

a. The surviving or new corporation may be served with process in this state in any proceeding for the enforcement of any obligation of any domestic corporation which is party to such merger or consolidation.

b. The Secretary of State of the State of Illinois shall be and hereby is irrevocably appointed as the agent of the surviving or new corporation to accept service of process in any such proceeding.

7. The undersigned corporations have caused these articles to be signed by their duly authorized officers, each of whom affirms, under penalties of perjury, that the facts stated herein are true. (All signatures must be in **BLACK INK**.)

Dated _____, _____
(Month & Day) (Year)

OSF HEALTHCARE SYSTEM
(Exact Name of Corporation)

_____
(Any Authorized Officer's Signature)

_____
(Type or Print Name and Title)

Dated _____, _____
(Month & Day) (Year)

KEWANEE HOSPITAL
(Exact Name of Corporation)

_____
(Any Authorized Officer's Signature)

_____
(Type or Print Name and Title)

Dated _____, _____
(Month & Day) (Year)

_____
(Exact Name of Corporation)

_____
(Any Authorized Officer's Signature)

_____
(Type or Print Name and Title)

SCHEDULE 3.3.1

Kewanee Liens and Defaults Under Material Contracts

1. See Schedule 13.1.63 for consents required.

2. Approvals required under the Master Trust Indenture dated as of August 1, 2006, among Kewanee Hospital, Kewanee Hospital Foundation, an Illinois not-for-profit corporation subsequently merged into Kewanee Hospital on June 9, 2008, and Amalgamated Bank of Chicago, as master trustee, as heretofore or hereafter supplemented and amended.

3. The following Material Contracts will require Kewanee to provide prior written notice of the change of ownership:

    a. Baxter Vaporizer Placement Agreement, by and between Baxter Healthcare Corporation and Kewanee Hospital, dated March 5, 2013.

    b. Master Information System Agreement between McKesson Information Solutions LLC and Kewanee Hospital, dated March 29, 2007.

    c. Master Agreement between Kewanee Hospital and Vital Support Systems, LLC, effective April 1, 2013.

SCHEDULE 3.3.2

Kewanee Required Approvals

1. See Schedule 3.3.1.

2. Prior to or at Closing Date, notify the Illinois Department of Healthcare and Family Services (IDHFS) of Kewanee Hospital's change of ownership and name change. Submit new application for participation with IDHFS within the timeframe requested by IDHFS.

SCHEDULE 3.4.2

Kewanee Exceptions To GAAP

None.

SCHEDULE 3.4.3

Kewanee Material Changes

In July 2011, the FASB issued ASU 2011-07, Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and Allowance for Doubtful Accounts for Certain Healthcare Entities. This ASU amends ASC Topic 954 and requires health care entities to change the presentation of their statements of operations by reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue. The guideline in this ASU is effective for Kewanee Hospital's fiscal year ending September 30, 2013.

SCHEDULE 3.4.4

Kewanee Liabilities

None.

SCHEDULE 3.4.5

Kewanee Donor Restricted Funds

Restricted net assets as of 8/31/13 are as follows:

Restricted Purpose	**Amount**
Investment, the income from which is expendable to support health care services	$677,106.23
Oncology	$1,778.81
Employee Hardship Loans	$11,780
Kidney Dialysis	$29,054
Nursing Scholarships	$10,298
Other	$1,151

SCHEDULE 3.6

Kewanee Interim Changes

1. Retention Agreement by and between Kewanee Hospital and Lynn A. Fulton, entered into on April 23, 2013.

2. Retention Agreement by and between Kewanee Hospital and Jennifer Junis, entered into on April 15, 2013.

3. The Kewanee Hospital Medical Plan was amended on October 1, 2012.

4. The Kewanee Hospital Employees' Pension Plan was amended and restated, effective as of October 1, 2012.

5. The Kewanee Hospital Dependent Care Assistance Plan was adopted, effective as of January 1, 2013.

6. The Kewanee Hospital Flexible Spending Plan was amended and restated, effective as of January 1, 2013.

7. The Kewanee Hospital Medical Premium Reimbursement Plan was adopted, effective as of January 1, 2013.

8. The Kewanee Hospital Health Care Reimbursement Plan was adopted, effective as of January 1, 2013.

9. Master Service Agreement by and between TruBridge, LLC and Kewanee Hospital, executed by Kewanee Hospital on September 16, 2013 and awaiting execution by TruBridge, LLC.

SCHEDULE 3.7

Kewanee Legal Proceedings

None.

SCHEDULE 3.8.2

Kewanee Limitations on Licenses and Permits

None.

SCHEDULE 3.11.1

Kewanee Owned Real Property and Leases

Owned Real Property

Property Common Address	Property Identification Number	Liens, Mortgages and Encumbrances
• Current Hospital Campus and Adjacent Farm Land • 1051 W. South Street	• 25-08-200-010 • 25-08-200-011	• General real estate taxes for 2013 are not yet ascertainable or payable. • The final installment of the 2012 taxes in the amount of $5,187.15 (for PIN 25-08-200-010) • The final installment of the 2012 taxes in the amount of $969.35 (for PIN 25-08-200-011) • Mortgage and Security Agreement dated August 1, 2006 and recorded September 11, 2006 as document 20-0607990, made by Kewanee Hospital, to Amalgamated Bank of Chicago, as Master Trustee, to secure an indebtedness in the amount of $32,205,000.00, and the terms and conditions thereof. • Terms, conditions and provisions as contained in an Easement in favor of Illinois Power Company recorded March 19, 1965 as document no. 65R 939. • Terms, conditions and provisions as contained in an Easement in favor of Illinois Power Company recorded November 2, 1971 as document no. 71R4215. • Terms, conditions and provisions as contained in an Electric Easement in favor of Illinois Power Company recorded March 12, 2002 as document no. 20-0202817. • Terms, conditions and provisions as contained in an ordinance, Ordinance No. 3489 by the City of Kewanee, an Ordinance to Annex property into the City of Kewanee recorded December 9, 2005 as document no. 20-0510927. • Terms, conditions and provisions as contained in a Gas Pipeline easement in favor of Illinois Power Company d/b/a AmerenIP recorded May 17, 2007 as document no. 20-0704152. • Terms, conditions and provisions as contained in an Underground Electric Easement in favor of Illinois Power Company d/b/a AmerenIP recorded May 17, 2007 as document no. 20-0704153.

		• Rights of the Public, the State of Illinois and the Municipality in and to that part of the land taken or used for road purposes, including but not limited to, that part of the land taken in document nos. 72R2032 and 20-0112923. • Rights of way for drainage tiles, ditches, feeders and laterals, if any.
• South Street Lots • 206, 208, and 210 W. South Street.	• 25-04-455-011 • 25-04-455-013 • 25-04-455-008	• General real estate taxes for 2013 are not yet ascertainable or payable. • The final installment of the 2012 taxes in the amount of $57.92 (for PIN 25-04-455-011). • The final installment of the 2012 taxes in the amount of $272.95 (for PIN 25-04-455-013). • The final installment of the 2012 taxes in the amount of $376.76 (for PIN 25-04-455-008). • 20 foot drive and utility easement as shown on the plat of Jakobi Subdivision recorded July 27, 1990 as document 90R4414 in Book 9 Page 52. • Existing storm tile drain as shown on the plat of Jakobi Subdivision recorded July 27, 1990 as document 90R4414 in Book 9 Page 52.
• Property Located East of Elliott Street, Across from Former Hospital Campus • 336 W. Division Street • 716 Elliott Street • 706 Elliott Street	• 20-33-376-018 • 20-33-376-015 • 20-33-376-016	• General real estate taxes for 2013 are not yet ascertainable or payable. • The final installment of the 2012 taxes in the amount of $57.80 (for PIN 20-33-376-018). • The final installment of the 2012 taxes in the amount of $56.81 (for PIN 20-33-376-015). • The final installment of the 2012 taxes in the amount of $5446.95 (for PIN 20-33-376-016).
• Former Hospital Campus • 511 Pine Street • 427 Pine Street • 441 Pine Street • 719 Elliott Street	• 20-33-357-014 • 20-33-358-020 • 20-33-357-017	• General real estate taxes for 2013 are not yet ascertainable or payable. • The final installment of the 2012 taxes in the amount of $373.40 (for PIN 20-33-358-020). • The final installment of the 2012 taxes in the amount of $52.14 (for PIN 20-33-357-017). • First Supplemental Trust Indenture dated December 1, 1985 and recorded January 2, 1986 as document 86R20, made by the City of Kewanee, to Continental Illinois National Bank and Trust Company of Chicago, as trustee, to secure an indebtedness in the amount of $4,220,000.00, and the terms and conditions thereof.

		• First Supplemental Loan Agreement, Mortgage and Security Agreement dated December 1, 1985 and recorded January 2, 1986 as document 86R 21, made by The Kewanee Public Hospital Association, an Illinois not-for-profit corporation, to the City of Kewanee, to secure an indebtedness in the amount of $4,220,000.00, and the terms and conditions thereof. • Loan, Mortgage and Security Agreement dated May 1, 1992 and recorded May 20, 1992 as document 92R3783, made by Kewanee Hospital Association, an Illinois not-for-profit corporation, to the City of Kewanee, Henry County, Illinois, to secure an indebtedness in the amount of $4,580,000.00, and the terms and conditions thereof. • First Supplemental Loan, Mortgage and Security Agreement dated April 1, 1995 and recorded May 4, 1995 as document 95R2762, made by Kewanee Hospital Association, an Illinois not-for-profit corporation, to the City of Kewanee, Henry County, Illinois, to secure an indebtedness in the amount of $3,000,000.00, and the terms and conditions thereof. • Second Supplemental Loan, Mortgage and Security Agreement dated July 1, 1997 and recorded July 15, 1997 as document 9705466, made by Kewanee Hospital, an Illinois not-for-profit corporation, to the City of Kewanee, to secure an indebtedness in the amount of $4,335,000.00, and the terms and conditions thereof. • There appears to be a 25 foot 2 inch gap between the Northerly part of Lot 3 of Elliott's Re-Survey as conveyed in document no. R801501 and Lots 11, 12 and 13 in Block 2 of Rockwells Subdivision. The gap appears to originate with incorrect starting points for deeds 80R1501 and 9709476 and related chain deeds. • Environmental Disclosure Document for Transfer of Real Property recorded May 20, 1992 as document no. 92R3784. • Environmental Disclosure Document for transfer of Real Property recorded May 4, 1995 as document no. 95R2764. • Environmental Disclosure Document for Transfer of Real Property recorded July 16, 1997 as document no. 9705482. • Terms, conditions and provisions as contained in an ordinance, Ordinance No. 1392 by the City of Kewanee, an Ordinance vacating the alley lying just North of and running parallel with the North line of Lot 1 of Block 1

		of Hoffrighters Subdivision to the City of Kewanee recorded January 31,1992 as document no. 92R 651. • Terms, conditions and provisions as contained in an ordinance, Ordinance No. 1512 by the City of Kewanee, an Ordinance to vacate an Alley in the South part of parker's subdivision of Lot 1 of Elliott's Re-Survey of Howe, Preston and Companys Addition to the City of Kewanee recorded September 19, 1966 as document no. 66R3903. • Terms, conditions and provisions as contained in an ordinance, Ordinance No. 2975 by the City of Kewanee, an Ordinance vacating the alley lying East of Lot 11 and West of Lot 10 extended, all in Block 2 of Rockwell's Addition to the City of Kewanee recorded June 14, 1995 as document no. 95R3891. • Rights of public or quasi-public utilities, if any.
• 125-127 N. Tremont	• 20-33-180-010	• General real estate taxes for 2013 are not yet ascertainable or payable. • The final installment of the 2012 taxes in the amount of $2,263.68.

Leases

1. Agreement for the Provision of Office Space, by and between Kewanee Hospital and Regional Office of Education, effective July 1, 2009.

2. Agreement for the Provision of Office Space, by and between Kewanee Hospital and Freedom House, effective July 1, 2007.

3. Cash Rent Farm Lease, by and between Kewanee Hospital and Pleasant View Acres, dated November 28th, 2012.

4. See leases in Schedule 3.12.

Options, Rights of First Refusal, Rights of First Offer

None.

Responses to 3.11.1(a) through (j)

None, except as already described herein.

SCHEDULE 3.11.2

Kewanee Compliance with Environmental Law

None.

SCHEDULE 3.12

Kewanee Leases to Healthcare Providers

1. Office Space Lease Agreement, by and between Kewanee Hospital and OSF Saint Francis, Inc., effective September 30, 2010, as amended.

2. Shared Medical Office Space Lease Agreement, by and between Kewanee Hospital and The Methodist Medical Center of Illinois, effective February 28, 2011.

3. Shared Medical Office Space Lease Agreement, by and between Kewanee Hospital and Sam Fayman, MD dba Kewanee Dermatology Center, effective November 30, 2012.

4. Shared Medical Office Space Lease Agreement, by and between Kewanee Hospital and HeartCare Midwest Ltd., effective January 1, 2009.

5. Medical Office Space Lease Agreement, effective May 2, 2008, by and between Kewanee Hospital and Peoria Surgical Group, Ltd, as amended.

6. Shared Medical Office Space Lease Agreement, by and between Kewanee Hospital and Institute of Physical Medicine and Rehabilitation, effective June 16, 2009.

7. Shared Medical Office Space Lease Agreement, by and between Kewanee Hospital and Renal Care Associates, S.C., effective August 1, 2012.

SCHEDULE 3.13

Kewanee Title Exceptions

UCC Financing Statement 011294278 filed with the Illinois Secretary of State on August 30, 2006, naming Kewanee Hospital as debtor and Amalgamated Bank of Chicago (as Master Trustee) as secured party, as continued by UCC Financing Statement 009122042 filed on July 21, 2011.

SCHEDULE 3.16

Kewanee Insurance Coverage

1. **Auto**
   Insurer: Acuity
   Policy Number: L86407
   Expiration Date: 06-22-2014
   Coverage and Deductibles:
   - Liability: $1,000,000 each accident
   - Uninsured Motorists: $1,000,000 each person $1,000,000 each accident
   - Underinsured Motorists: $1,000,000 each person $1,000,000 each accident
   - Comprehensive: Actual cash value, cost of repair or stated amount (if any), whichever is less, minus the deductible ($250).
   - Collision: Actual cash value, cost of repair or stated amount (if any), whichever is less, minus the deductible ($500).

   Annual Premium: $455

2. **Crime**
   Insurer: Travelers Casualty and Surety Company of America; Hartford Connecticut
   Policy Number: 105644008
   Expiration Date: 06-22-2014
   Coverage and Retention:
   - Employee Theft: $1,000,000 single loss with $5,000 retention
   - ERISA Fidelity: $1,000,000 single lost with $0 retention
   - Employee Theft of client property: Not covered
   - Forgery or Alteration: $100,000 single loss with $5,000 retention
   - On Premises: $100,000 single loss with $5,000 retention
   - In Transit: $100,000 single loss with $5,000 retention
   - Money Orders and Counterfeit Money: $100,000 single loss with $5,000 retention
   - Computer Fraud: $1,000,000 single loss with $5,000 retention
   - Computer Program and Electronic Data Restoration Expense: $100,000 single loss with $0 retention
   - Funds Transfer Fraud: $1,000,000 single loss with $5,000 retention
   - Personal Accounts Forgery or Alteration: $1,000,000 single loss with $5,000 retention
   - Identity Fraud Expense Reimbursement: $25,000 single loss with $0 retention
   - Claim Expense: $10,000 single loss with $0 retention

   Annual Premium: $3,675.00

3. **Property**
   Insurer: The Zurich Edge-Healthcare
   Policy Number: ZMD 9670598-03
   Expiration Date: 06-22-2014

Coverage:

- Property Damage: $100,000,000
- Extra Expense: $2,500,000
- Leasehold Interest: $250,000
- Accounts Receivable: $7,000,000
- Contingent Time Element per Direct Dependent: $1,000,000
- Per Indirect Dependent: $100,000
- Debris Removal: $7,500,000
- Decontamination Costs: $250,000
- Errors and Omissions: $1,000,000
- Expediting Costs: $250,000
- Fine Arts: $250,000
- Fire Department Service Charge: $50,000
- Increased Cost of Construction: $2,500,000
- Land and Water Contaminate Cleanup: $50,000
- Land Improvements: $100,000
- Miscellaneous Personal Property: $100,000
- Miscellaneous Unnamed Property: $2,500,000
- Off Premises Service Interruption: $2,500,00
- Professional Fees: $100,000
- Radioactive Contamination: $1,000,000
- Research Animals: $100,000
- Tenants Prohibited Access: $100,000
- Transit: $250,000
- Valuable Papers and Records: $5,000,000
- New Construction or Additions: $5,000,000
- Off Premises Storage for Property Under Construction: $100,000
- Home Health Care Medical Equipment: $100,000
- Mobile Medical Equipment: $100,000
- Protection of Patients: $25,000
- Breakdown of Equipment not to exceed $250,000 for Ammonia Contamination and $500,000 for Spoilage; $100,000,000
- Earth Movement: 10,000,000
- Flood: $5,000,000
- Named Storm: $100,000,000

Deductibles:

- Combined coverage per occurrence: $25,000
- Earthquake: $50,000 combined coverage per occurrence
- Flood: $50,000 combined coverage per occurrence
- Named Storm: $25,000 combined coverage per occurrence
- Breakdown of equipment: $25,000 combined coverage per occurrence for loss or damage caused by breakdown
- Water or Liquid Damage: $100,000 combined coverage

Annual Premium: $41,624.00.

4. **Healthcare Portfolio: Directors & Officers; Fiduciary; Kidnap and Ransom**
Insurer: Chubb
Policy Number: 8164-8551
Expiration Date: 05-15-2014

Director and Officers Coverage:

- Executive Liability and Executive Indemnification Coverage: $5,000,00
- Entity Coverage: $5,000,000
- Employment Practices Liability: $5,000,000
- Third Party Liability: $5,000,000
- Antitrust Violation: $5,000,000
- ICR Coverage: $50,000
- EMTALA Coverage: $50,000
- Excess Benefit Transaction Coverage: $10,000
- HIPAA Coverage $25,000
- Maximum Aggregate Limit of Liability for all claims each policy period: $5,000,000

Directors and Officers Annual Premium: $28,924.00

Fiduciary Liability Coverage:

- Each Fiduciary Claim: $1,000,000
- All defense costs and settlement fees on account of all settlement program notices: $1,000,000
- Each policy period: $1,000,000

Fiduciary Annual Premium: $2,545.00

Kidnap and Ransom Coverage

- Kidnapping and Extortion coverage: $2,000,000
- Custody Coverage: $2,000,000
- Expense Coverage: $2,000,000
- Loss of Life Benefit: $250,000
- Event Benefit Amount: $1,250,000
- Mutilation (Percentage of Loss of Life Benefit Amount): 25%
- Accidental Loss other than Mutilation or Loss of Life (Percentage of Loss of Life Benefit Amount): 50%
- Legal Liability Costs Coverage: $2,000,000

Kidnap and Ransom Annual Premium: $1,125.00.

5. **General and Professional Liability**
Insurer: Illinois Provider Trust
Member Number: 156
Expiration Date: 01-01-2014
Coverage:

- Comprehensive General Liability: $6,000,000 per occurrence
- Hospital Professional Liability: $6, 000,000 per occurrence

Annual Contribution: $237,884.00

6. **Information Security & Privacy**
Insurer: Beazley Group.
Member Number: 156
Expiration Date: 01-01-2014
Coverage:
    - Information Security & Privacy Liability; Regulatory Defense & Penalties; Website Media Content Liability; Crisis Management & Public Relations: $1,000,000 per participant subject to $10,000,000 aggregate for all Trust Participants.
    - Merchant Services Agreement: $250,000 per trust participant.
    - Regulatory Defense and Penalties: $500,000 per participant subject to $5,000,000 aggregate for all Trust Participants.
    - Crisis Management and Public Relations: $50,000 subject to $250,000 aggregate for all Trust Participants.
    - Privacy Breach Response Services Aggregate Limit of Coverage for all incidents discovered by the covered person and reported to the Underwriters during the Benefit Period: 250,000 notified individuals per participant subject to aggregate of 2,000,000 notified individuals for all Trust participants.
    - Legal and Forensic Expenses: $75,000 per participant subject to $1,000.000 aggregate for all Trust Participants.
    - Computer security experts as respects a Merchants Service Agreement: $50,000 per Trust Participant.
    - Identity Theft Resolution Services: 20,000 Fraud Resolution Cases in the aggregate for all Trust Participants.
    - Foreign Notifications: $1,000,000 for all Trust Participants.

Annual Premium: Included as part of annual Illinois Provider Trust Contribution.

7. **Physician Medical Malpractice**
Insurer: Medical Alliance Insurance Company

Coverage for Dr. Congreve
Policy Number: MA61909
Expiration Date: 07-01-2014
Coverage: $1,000,000 each person/$3,000,000 aggregate
Annual Premium: $41,632.00.

ED Physician Program
Policy Number: MA61836
Expiration Date: 07-01-2014
Coverage per endorsed physician: $1,000,000 each person/$3,000,000 aggregate
Annual Premium: $77,446.00

SCHEDULE 3.17

Kewanee Tax Returns

None.

SCHEDULE 3.18.1

Kewanee Employee Benefit Plans

1. Kewanee Hospital Employees' Pension Plan
2. Kewanee Hospital Tax-Deferred Annuity Plan (Plan No. 002)
3. Kewanee Hospital Tax-Deferred Annuity Plan (Plan No. 003)
4. Kewanee Hospital Tax-Deferred Annuity Plan (ERISA-Exempt Plan)
5. Kewanee Hospital Medical Plan (Includes Dental and Prescription Drug Benefits)
6. Health Savings Account
7. Prescription Drug Discount Program (340(b) Drug Pricing)
8. Kewanee Hospital Flexible Spending Plan
9. Kewanee Hospital Medical Premium Reimbursement Plan
10. Kewanee Hospital Health Care Reimbursement Plan
11. Kewanee Hospital Dependent Care Assistance Plan
12. Basic and Supplemental Group Term Life and Accidental Death and Dismemberment ("AD&D") Insurance
13. Short-Term Disability
14. Long-Term Disability
15. Voluntary Supplemental Insurance (products include: disability, life, cancer, intensive care, accident, critical illness, and hospital confinement)
16. Employee Wellness Program
17. Employee Assistance Program
18. Education Assistance
19. Tuition Reimbursement Program
20. Paid time off, vacation, holiday, and leave policies as described in the employee handbook, last updated on September 1, 2012.

SCHEDULE 3.18.2

Kewanee Plan Contributions

With respect to the Kewanee Hospital Tax-Deferred Annuity Plan (Plan No. 002), due to unforeseen circumstances, Kewanee Hospital did not deposit participant contributions in trust until eight business days after the August 16, 2013 pay date. Participant contributions are normally deposited into trust within three business days after the applicable pay date. Thus, the Department of Labor ("DOL") would likely view this as a failure to timely deposit participant contributions in trust. Kewanee Hospital intends to promptly correct this failure under the DOL's Voluntary Fiduciary Correction Program.

SCHEDULE 3.18.3

Kewanee Benefit Plans Compliance with Applicable Law

1. See Schedule 3.18.2, above.

2. Because the group term life insurance plan was a discriminatory arrangement under Internal Revenue Code ("Code") Section 79, all key employees should have lost the benefit of the Code Section 79 exclusion for the first $50,000 of employer-provided group term life insurance coverage. However, this did not occur until calendar year 2013. As of April 12, 2013, Kewanee is properly taxing key employees under the group term life insurance plan and, by this date, Kewanee also caught up on taxing key employees on this plan from January 1, 2013 through April 12, 2013.

3. With respect to the Employees' Pension Plan, the January 1, 2007 and January 1, 2009 ERISA Section 204(h) notices were provided 17 days and 27 days, respectively, prior to the effective dates of the amendments to which those notices relate. Prior to the Closing Date, Kewanee Hospital will take such actions as may be necessary or appropriate to mitigate any non-compliance with applicable law, in reasonable consultation with OSF.

SCHEDULE 3.18.4

Kewanee Benefit Plans Filings

None.

SCHEDULE 3.18.6

Kewanee Benefit Plan Exceptions

(iii)

The basic and supplemental group term life and AD&D insurance, short-term disability, and long-term disability are provided through the Hospital Employee Benefit Association ("HEBA") Trust (i.e., Kewanee Hospital is a participating employer in the group policies issued to the trustees of the HEBA Trust).

(v)

Kewanee Hospital sponsors the Employees' Pension Plan, a money purchase pension plan.

SCHEDULE 3.18.7

Kewanee Changes in Legal and Beneficial Ownership

None.

SCHEDULE 3.19

Kewanee Labor Relations

None.

SCHEDULE 3.20

Kewanee Payment Programs

None.

SCHEDULE 3.20.5

Kewanee Open Cost Reports

Summary of Status of Open and Unresolved Medicare Cost Reports

Year	Filed?	Status
2012	Filed	Open
2011	Filed	Open
2010	Filed	Open
2009	Filed	Open

To the Knowledge of Kewanee, there are no issues or any challenges with any of the open cost reports.

SCHEDULE 3.20.6

Kewanee Payment Programs Exceptions

None.

SCHEDULE 3.20.7

Kewanee Audit Exceptions

None.

SCHEDULE 3.21

Kewanee Material Contract Defaults

1. See Schedule 3.3.1(items 3.a, 3.b. and 3.c.)
2. See Schedule 13.1.63.

SCHEDULE 3.22

Kewanee Compliance

(a) through (d)

None.

(e)

1. On October 19, 2011, Kewanee Hospital received a letter from the Office of the Attorney General of Illinois investigating a patient complaint. Kewanee Hospital provided a Mediator with the Health Care Bureau, Office of the Attorney General with all requested medical records. Kewanee Hospital and the Emergency Department Medical Director also sent a response letter to the Mediator on October 26, 2011. After the Mediator reviewed the case, the patient complaint was considered unfounded.

2. On September 10, 2013, Kewanee Hospital received letter from the Office of the Attorney General of Illinois investigating a patient complaint, Health Care Bureau Case # 2013-H-26229. Kewanee Hospital responded to Office of the Attorney General on September 16, 2013 clarifying the process by which Kewanee Hospital determines financial assistance for its patients. Kewanee Hospital believes that the Office of Attorney General will close the matter based on Kewanee Hospital's response that the patient was determined to be eligible for 100% financial assistance from Kewanee Hospital.

(f)

None.

SCHEDULE 3.24

Hospital Medical Staff

1. *Ramos v. Kewanee Hospital*, Case No. 3-12-0001, Appellate Court of Illinois, Third Judicial District.

2. *Davis v. Kewanee Hospital*, Case No. 2-13-0304, Illinois Appellate Court, Second Judicial District.

SCHEDULE 4.3.1

OSF Liens and Defaults Under Material Contracts

Exceptions: NONE

SCHEDULE 4.3.2

OSF Required Approvals

Exceptions:

A. Approval by the Governing Board of The Sisters of the Third Order of St. Francis is required pursuant to Article II, Section 2 of the corporate bylaws of OSF.

B. Consent of bondholders holding Obligations issued under the Kewanee Master Indenture is required to consummate the version of the Plan of Finance described in Section 13.1.89(a) of the Agreement.

C. Issuance of a new hospital license by the Illinois Department of Public Health.

SCHEDULE 4.6

OSF Legal Proceedings

Exceptions:

1. *Methodist Health Services Corporation v. OSF Healthcare System, d/b/a Saint Francis Medical Center*. On February 5, 2013, Methodist Health Services Corporation ("Methodist") filed a complaint against OSF Healthcare System d/b/a Saint Francis Medical Center (the "Corporation") in the United States District Court for the Central District of Illinois, Peoria Division. Methodist's complaint alleges violations of Sections 1 and 2 of the Sherman Act, Illinois state antitrust laws, and the Illinois Consumer Fraud Act, as well as multiple common law claims of tortuous interference with prospective economic advantage. The complaint seeks damages in excess of $100 million, treble damages, reasonable attorneys' fees and costs, punitive damages, and a permanent injunction against the Corporation from any further conduct calculated to prevent Methodist from participating in Blue Cross Blue Shield's PPO network and other payor networks. All claims are based on the factual allegations that the Corporation purportedly threatened to withdraw from contracts with, or impose pricing penalties on, commercial health insurers that included Methodist in their PPO networks. Methodist claims that the Corporation has a dominant position in the market and that it uses this position to exclude Methodist from competition. On March 28, 2013 OSF answered the complaint, denying the substantive allegations and setting forth several affirmative defenses. Each side has issued discovery requests and several third parties subpoenas. Discovery in the case is ongoing with fact discovery set to be completed by October 3, 2014 and all discovery to be completed by May 29, 2015. The trial is currently set for January 11, 2016.

SCHEDULE 4.7.2

OSF Exceptions to GAAP

Exceptions:

1. Inventories. Inventory counts are taken during the later part of August each year instead of on September 30th. OSF engages an outside entity to perform counting service and in order to receive the results of the counts in time to close the books in a timely manner the counts are performed in the month before year-end. Supplies purchased in the month of September are expensed and reviewed for reasonableness. Any adjustments that would be incurred as a result of performing the count on September 30th are immaterial.

2. Minor Equipment. OSF has a capital policy that requires capitalization of assets in excess of $5,000. As a result, there are some minor equipment items under the $5,000 limit that are expenses. The limit is set to eliminate undue paperwork and excessive approvals for inexpensive items and the total impact on the financial statements is immaterial.

3. Amortization of Bond Issuance Costs. OSF uses a straight line basis for amortizing bond issuance costs instead of amortizing the costs over the actual bond maturity schedule. The impact on the financial statements is immaterial.

4. Operating Leases. OSF records lease expense equal to payments made during the fiscal year and does not take into consideration future rate increases built into lease contracts. This practice only applies to building leases and is immaterial to the financial statements.

5. Recurring Service Contracts. OSF records purchased service expense for service contracts under $50,000 when paid and does not take into consideration any amounts that pertain to the subsequent fiscal year. The impact on any resulting prepaid asset is immaterial to the financial statements.

SCHEDULE 4.7.3

OSF Material Changes

Exceptions: NONE

SCHEDULE 4.7.4

OSF Liabilities

Exceptions: NONE

SCHEDULE 4.8

OSF Interim Changes

Exceptions:

4.8.1 – NONE

4.8.2 On January 31, 2013, OSF sold to an unrelated third party substantially all assets related to OSF Saint Clare Home, a long-term care facility in Peoria Heights, Illinois.

4.8.3 – NONE

4.8.4 – NONE

SCHEDULE 4.10.5

OSF Payment Programs Exceptions

Exceptions: NONE.

SCHEDULE 4.10.6

OSF Audit Exceptions

Exceptions:

1. On September 22, 2011, IDPH completed a full survey at OSF Saint Elizabeth Medical Center, Ottawa, Illinois ("Saint Elizabeth"). This survey revealed that Saint Elizabeth was not in compliance with the Medicare Conditions of Participation for Hospitals regarding Physical Environment. On June 12, 2012 the Centers for Medicare and Medicaid Services ("CMS") notified Saint Elizabeth that its projected Medicare and Medicaid Program termination date was extended to May 31, 2014. IDPH conducted a monitoring survey on April 10, 2013 and subsequently requested that Saint Elizabeth submit a revised Plan of Correction for the deficiencies cited. A revised Plan of Correction was submitted on May 31, 2013 and subsequently accepted by CMS. On July 9, 2013 CMS notified Saint Elizabeth that the termination date is extended to February 15, 2015. Failure to meet the Medicare Conditions of Participation by the extended termination date could result in termination of Saint Elizabeth from the Medicare and Medicaid Programs.

SCHEDULE 4.11

OSF Compliance

Exceptions:

(a) NONE

(b) NONE

(c) (1) In June 2012, a contractor for the Office of Inspector General, Illinois Department of Healthcare and Family Services ("Illinois OIG") conducted a review of Medicaid inpatient claims submitted by Saint Anthony Medical Center, Rockford, Illinois ("SAMC") covering the period March 1, 2009 through December 31, 2011. In a letter dated September 25, 2012, the Illinois OIG issued a first notice of preliminary findings, claiming total overpayments, once extrapolated, of $12,001,474.07 and informing SAMC that it could request an exit conference to discuss the audit results. SAMC asked for an exit conference in a letter dated October 5, 2012, and exit conference calls were held on November 9, 2012 and January 9, 2013. On April 19, 2013, the Illinois OIG issued a second notice of preliminary findings with no change in the alleged overpayment of $12,001,474.07. On July 14, 2013, SAMC submitted additional documentation in response to the second notice and reserved the right to submit supplemental information as to the validity of the extrapolation technique used by the Illinois OIG. No response has been received from the Illinois OIG to the additional documentation submitted by SAMC.

(2) See Schedule 4.10.6.

(d) *United States of America ex rel. Gail McGinnis, the State of Illinois, ex rel. Gail McGinnis, v. OSF Healthcare System and OSF Home Care Services.* On October 24, 2011, former employee Gail McGinnis (the "Relator") filed a complaint under seal in the United States District Court for the Central District of Illinois against OSF Healthcare System (the "Corporation") and OSF Home Care Services, an operating division of the Corporation, for himself and on behalf of the United States under the federal False Claims Act ("FCA") and on behalf of the State of Illinois under the Illinois Whistleblower Reward and Protection Act ("IWRPA"). The Relator served as the Director of Reimbursement of the Corporation's Home Care Services Division for approximately four months in 2011. The Relator claims that the Corporation violated the FCA and IWRPA by (1) batch billing the government for certain durable medical equipment claims allegedly containing erroneous or incomplete information, and (2) submitting claims for home health services arising from treatment performed at facilities that, at the relevant time, allegedly were not eligible for Medicare and Medicaid reimbursement. The Relator further claims that he was retaliated against for refusing to participate in these alleged billing schemes. Following a review by the United States Attorney's Office for the Middle District of Illinois, the United States declined to intervene in the case, and the court lifted the seal on March 1, 2013. The Illinois Attorney General's Office has not filed a statement as to its position on intervention, and

there has been no dialogue between the Corporation and the Illinois Attorney General's Office regarding this matter. The Corporation filed a motion to dismiss the complaint on May 28, 2013, contending that the complaint (1) fails to state a claim for which relief may be granted and (2) fails to plead with the requisite factual detail as required for certain counts. Briefing was completed on July 19, 2013, and the motion to dismiss is currently pending before the Court. Discovery has not yet begun in this matter, and no scheduling order setting forth discovery and other deadlines has been issued.

(e) NONE

(f) NONE

SCHEDULE 5.1.3

Kewanee Interim Conduct Exceptions

1. Kewanee intends to submit an offer letter and enter into an employment agreement with a qualified person to fulfill the Chief Financial Officer position.

2. Kewanee intends to enter into a new arrangement for hospitalist coverage.

SCHEDULE 8.8

Amendments to Medical Staff Bylaws

1. Amend "Definitions" to add the defined term "Ethical and Religious Directives," to read as follows:

   The term "Ethical and Religious Directives" means the Ethical and Religious Directives for Catholic Health Care Services promulgated by the U.S. Conference of Catholic Bishops, as amended from time to time.

2. Amend Article II, Section 1, to read as follows:

   Section 1. General Qualifications. Unless otherwise provided herein, in order to qualify for and to remain as a member of the Medical Staff, a Practitioner must be a physician, dentist or podiatrist possessing demonstrated skills, knowledge, and experience in his/her chosen specialty, abiding by generally recognized and ethical standards of his/her profession, and licensed by the Illinois Department of Financial and Professional Regulation. *Members of all categories of the Medical Staff must adhere to the Ethical and Religious Directives when providing services at the Hospital.*

3. Amend Article V to add a new Section 4, to read as follows:

   Section 4. Adherence to the Ethical and Religious Directives. All Practitioners and Allied Health Professionals must adhere to the Ethical and Religious Directives when exercising clinical privileges at the Hospital.

SCHEDULE 13.1.63

Material Consents

1. Approval of the Certificate of Exemption Permit Application by the Illinois Health Facilities and Services Review Board.

2. See Schedule 3.3.1 (items 1 and 2) and Schedule 3.3.2.

3. Single Site Agreement between Ethicon, Inc. and Kewanee Hospital, effective as of November 19, 2012.

4. Hospital Participation Agreement by and between Humana Health Plan, Inc. and Kewanee Hospital, dated November 1, 2010.