

AMBULATORY SURGERY CENTER  
MANAGEMENT AGREEMENT

BY AND BETWEEN

BLESSING HOSPITAL  
AND  
QUINCY PHYSICIANS AND SURGEONS d/b/a  
QUINCY MEDICAL GROUP

**AMBULATORY SURGERY CENTER  
MANAGEMENT AGREEMENT**

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**AMBULATORY SURGERY CENTER  
MANAGEMENT AGREEMENT**

**THIS AMBULATORY SURGERY CENTER MANAGEMENT AGREEMENT** ("Agreement") is entered into as of this 31<sup>st</sup> day of October, 2006 to be effective as of the 1<sup>st</sup> day of November, 2006 (the "**Effective Date**"), by and between Blessing Hospital, an Illinois not-for-profit corporation ("**Hospital**"), and Quincy Physicians and Surgeons, S.C., d/b/a/ Quincy Medical Group, an Illinois medical corporation ("**Manager**") (each a "**Party**" and referred to collectively herein as the "**Parties**").

**W I T N E S S E T H**

**WHEREAS**, Hospital is an Illinois not-for-profit corporation which, among other things, owns and operates an ambulatory surgery center in a manner that provides community benefit and promotes improved health care for a broad cross-section of the community;

**WHEREAS**, Hospital wishes to contract with Manager to provide to Hospital certain management services, as more fully described in Article 1 herein (the "**Management Services**"), in order to enhance the cost effectiveness, efficiency and quality of Hospital's surgery center business operations;

**WHEREAS**, Manager is willing to manage the provision of ambulatory surgery services at the licensed ambulatory surgical center owned and operated by the Hospital and located at 1118 Hampshire Street, Third Floor, Quincy Illinois (the "**Facility**") in a manner that promotes health for the benefit of the community; and

**WHEREAS**, Hospital and Manager wish to enter into this Agreement in order to set forth the terms and conditions upon which Manager will provide Management Services to Hospital and other matters related thereto.

**NOW, THEREFORE**, in consideration of the foregoing and the mutual agreements and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

**1. Management Services.**

- (a) Engagement. Hospital hereby engages and retains Manager to render to Hospital during the term of this Agreement the services set forth on Attachment A to this Agreement related to Facility (collectively, the "**Management Services**"). Hospital hereby appoints Manager as the sole and exclusive provider of Management Services at the Facility. Hospital hereby grants to Manager the necessary authority and responsibility to administer and manage the day-to-day operations of Facility as set forth herein, subject to the ultimate approval and authority of the Hospital.
- (b) Subcontractors. Manager may not engage subcontractors to perform some of the Management Services without Hospital's prior written consent.

- (c) Standard of Care. In performing its duties and obligations hereunder, Manager shall act in good faith, with reasonable care and diligence and in a manner reasonably believed to be in the best interests of Hospital. Manager shall provide the Management Services in a competent, efficient and reasonably satisfactory manner. In so doing, Manager shall act with no less than the degree of care customarily exercised by other similar management companies in the contract management of ambulatory surgery centers in the United States generally. Manager agrees to cooperate with Hospital in developing timely responses in support of the business needs of Hospital.
- (d) Manager Staff.
- (i) Manager shall provide the Management Services through qualified physician and non-physician personnel who are employed by Manager or engaged as independent contractors by Manager.
  - (ii) Manager shall provide a full time individual to serve as Facility Director. The initial Facility Director shall be Cynthia Harding. Facility Director will be the direct representative of Manager to Hospital and the person directly responsible for provision of Management Services on behalf of Manager pursuant to this Agreement. Notwithstanding Facility Director's direct employment by Manager, for purposes of this Agreement, Facility Director shall report directly to Hospital's Administrative Director of Surgery. The replacement of Facility Director by Manager, for whatever reason, must be approved by the Hospital prior to the new Facility Director performing services hereunder.
  - (iii) Manager shall provide a full time, duly licensed physician to serve as the Medical Director of Facility. The initial Medical Director shall be Dr. Bozdech. The Medical Director's specific administrative duties and responsibilities shall include those set forth on Attachment B, and such duties are expected by the parties to take approximately six (6) hours per week on average. The Medical Director shall report directly to the CEO of the Hospital or his or her designee. The replacement of the Medical Director by Manager, for whatever reason, must be approved by the Hospital prior to the new Medical Director performing services hereunder.
  - (iv) By virtue of this Agreement, no employee of or independent contractor to Manager shall be, or be deemed to be, an employee of Hospital for any purpose, and no employee of, or independent contractor to, Manager shall be eligible to participate in any benefit program provided by Hospital for its employees. Manager shall be exclusively responsible for payment of all state, local and federal taxes, withholding payments, penalties, fees, fringe benefits, insurance premiums, contributions to insurance and pension or other deferred compensation plans, including, but not limited to, Social Security and workers' compensation obligations, and the filing

of all necessary documents, forms and returns required for or pertaining to it and any individual employed or engaged by it.

- (v) In addition to the Facility Director, Manager shall provide Hospital with a list (e.g., names, addresses, telephone numbers and fax numbers) of other executive and administrative persons who will provide Management Services on behalf of Manager, and Manager shall inform Hospital in writing of any additions or modifications to or deletions from such list thereafter.
  - (vi) Manager shall ensure that each individual it provides to perform Management Services in Facility shall be qualified to perform such services, shall have reasonable expertise in the requirements of their positions, and shall possess additional credentials and qualifications as may mutually be determined by the Hospital and Manager. Notwithstanding anything herein to the contrary, all physicians providing professional services within the Facility shall be credentialed by the Hospital's Medical and Dental Staff and approved by the Hospital's Board of Trustees.
  - (vii) The bylaws, rules and regulations of Hospital and its Medical and Dental Staff as well as the policies and procedures of Facility as may be adopted by Hospital from time to time will apply, as applicable, to all personnel who perform Management Services. Hospital shall provide copies of such bylaws, policies, procedures, rules and regulations to Manager. As manager of Facility, Manager shall enforce such bylaws, policies, procedures, rules and regulations, and take steps to ensure that its personnel abide by such policies, procedures, rules and regulations.
  - (viii) Hospital shall report to Manager any specific performance, supervision or discipline issue regarding Manager's personnel, and Manager shall work cooperatively with Hospital to resolve any such personnel issues. After Hospital reports to Manager regarding such issues, Manager shall have thirty (30) days from the provision of such notice to Manager to correct the specified issue. If the issue is not corrected to the reasonable satisfaction of Hospital within such thirty (30) day period, the subject personnel shall be immediately removed by Manager.
  - (ix) Manager shall report to Hospital any specific performance, supervision or discipline issue regarding Hospital's personnel, and Manager shall use Hospital's Human Resources policies and procedures to resolve any such personnel issues.
- (e) Hospital Staff. Hospital shall employ directly all staff, other than physician staff and management personnel provided by Manager (including Facility Director), regularly performing services for or on behalf of Hospital, such as nurses,

technicians, operations and billing staff. Manager shall oversee and manage all Facility personnel:

- (i) Staffing levels for Facility shall be recommended by Manager and subject to the overall budget of Facility as approved by Hospital. Manager shall be responsible for recommending the hiring, retention, replacement and annual evaluation of Hospital staff, provided that: (a) the Hospital shall participate annually in review of the performance of Facility Director and other key staff; and (b) the ultimate authority to hire and fire all Hospital personnel shall rest with Hospital.
- (ii) Hospital staff shall be qualified to perform and have reasonable expertise in the requirements of their positions, and possess additional credentials and qualifications as may be determined by the Hospital.
- (f) Annual Performance Objectives. The provision of Management Services by Manager hereunder shall be evaluated by the Hospital consistent with the provisions of this Agreement and written annual performance objectives mutually agreed to by the parties by January 1 of each year. The performance objectives shall be established annually by the Hospital, after receiving recommendations for such objectives by Manager, and set forth in writing. The parties acknowledge that Manager's failure to comply substantially with the performance objectives established by the parties for any given time period may, at the option of Hospital, constitute a breach for purposes of Section 4(c)(ii) hereunder.
- (g) Hospital Budget and Expenses. The Hospital shall approve annual budgets, including capital and operating budgets, for Facility for each calendar year during the term of this Agreement. Manager is directed and authorized to incur and pay the expenses of Hospital related to the Facility, and to make capital expenditures, consistent with the annual approved budgets for Hospital. Manager shall obtain the prior approval of Hospital for deviations, changes or adjustment of the approved budgets during the year in question.
- (h) Independent Contractor. Manager is at all times acting as an independent contractor in the performance of its work, duties and obligations arising under this Agreement, and nothing in this Agreement is intended nor shall be construed to create between Manager and Hospital an employer/employee, or any other similar relationship.
- (i) Reports and Records. Manager shall prepare, or arrange for the preparation of, and deliver in a timely manner periodic reports and such additional reports or recommendations in connection with its services provided pursuant to this Agreement as reasonably requested by Hospital.
- (j) Management Space. Hospital will supply Manager with space necessary to fulfill its duties as manager as well as space to house and support the services of any employees of Manager acting on behalf of Hospital.

- (k) Regulatory Matters. In providing management services to Hospital and in performing its obligations hereunder, Manager shall: (i) act in accordance with all applicable federal, state and local statutes, rules, regulations and ordinances, standards for Medicare certification and JCAHO accreditation, and the Hospital's bylaws and Medical and Dental Staff bylaws; (ii) manage Facility in a manner that furthers the charitable purposes of Hospital and as set forth more particularly in Hospital's charity care and community benefit policy, and place those charitable purposes ahead of profit-making objectives, so Hospital at all times operates in a manner that promotes health for the benefit of the community; and (iii) comply with and be bound by the policies and procedures of Hospital relating to the provision of charity care and community benefit and the preservation of tax-exempt status in effect from time to time and as made known to Manager in writing. Notwithstanding any provisions to the contrary in this Agreement, there has been no delegation of the responsibilities reserved to Hospital by applicable law, and Hospital shall retain the ultimate authority and responsibility for the operation of Facility in accordance with applicable law, the terms of the bylaws, and the tax-exempt purposes of Hospital.
- (l) Limitations on Authority. Notwithstanding anything to the contrary contained herein, Manager shall not take any action on matters involving professional medical judgment or patient care without the prior authorization of the Hospital and all matters of credentialing, utilization review and quality assurance shall be subject to the credentialing, utilization review and quality assurance procedures set forth in the Hospital's bylaws, Medical and Dental Staff bylaws and/or policies and procedures. Further, insofar as the business and financial affairs of Hospital are concerned, except to the extent the same occur in the normal course of Facility's day-to-day business and are otherwise in conformity with such policies, operating budgets and/or capital expenditure budgets as may now exist or as are from time-to-time hereinafter adopted by the Hospital, Manager shall not engage in or undertake any of the following without the prior authorization and approval of the Hospital:
- (i) Acquire real or personal property outside of the ordinary course of business;
  - (ii) Sell, transfer, assign or convey any interest in any real or personal property owned by Hospital;
  - (iii) Enter into any contract or agreement on behalf of Hospital;
  - (iv) Incur indebtedness, borrow money or encumber any real or personal property of Hospital, or grant any mortgage or security interest thereon or permit any lien to attach thereto;
  - (v) Purchase property, liability or other insurance coverage on behalf of Hospital;



- (vi) Open any bank or brokerage accounts in the name of Hospital;
- (vii) Invest any funds of the company in (by way of example but not limitation) time deposits, government obligations, commercial paper or other securities;
- (viii) Employ accountants, legal counsel, managing agents or other experts to perform services for Hospital; or
- (ix) Establish or change the services and products of Hospital.

The Manager shall keep the Hospital advised in all matters pertaining to the operation of Facility, services rendered, operating income and expense, financial position, and, to this end, shall prepare and submit a report to the Hospital as may be directed by the Hospital Board. Unless authorized to do so by the Hospital, the Manager shall not have the authority to authorize or appoint any attorney-in-fact, employee or other agent of Hospital to bind Hospital in any way, to pledge its credit or to render it pecuniarily liable for any purpose.

2. Medical Consulting Committee.

- (a) Composition. On an annual basis, Manager shall recommend to Hospital for approval by the Board in its sole discretion, candidates to act as the Facility's Medical Consulting Committee. The Medical Consulting Committee shall be comprised of at least six (6) surgeon-users of the Facility who shall establish and enforce standards for professional practice in the Facility and standards of competency for physicians.
  - (i) The membership of the Medical Consulting Committee shall reflect the types of procedures performed at the Facility. If the Facility performs more than fifty (50) procedures per month or more than ten percent (10%) of the total procedures performed are in a specific specialty area, there shall be a consulting physician of that specialty on the Medical Consulting Committee.
  - (ii) The Medical Director shall be an *ex officio* member of the Medical Consulting Committee.
  - (iii) In addition, at all times only one (1) member of the Medical Consulting Committee shall not be a partner or employee of Manager, unless otherwise agreed by the parties to comply with (i) above.
- (b) Meetings. The Medical Consulting Committee shall meet not less than monthly and shall document all meetings with written minutes. These written minutes shall be maintained at the Facility and shall be available for inspection by the Illinois Department of Public Health. In addition to meetings, the Medical Consulting Committee shall perform the duties set forth below during the term of this Agreement. The parties expect that the performance of such duties will take a

minimum of an average of one (1) hour per week per member of the Medical Consulting Committee, but should not be expected to exceed an average of two (2) hours per week per member. Any such hours are to be documented on forms provided by the Hospital and are subject to the approval of the Hospital.

(c) Duties. The Medical Consulting Committee shall:

- (i) Review the development and content of the written policies and procedures of the Facility, the procedures for granting privileges, and the quality of the surgical procedures performed;
- (ii) Act as a tissue committee and review at least quarterly pathology reports from procedures performed by each physician on the Facility's medical staff;
- (iii) Prepare, recommend and, upon approval from Hospital, implement standards of care and other matters associated with the effective and efficient operation of the Facility
- (iv) Establish policies, procedures and interventional practices to respond to user behaviors which reflect or impact negatively the effective and efficient operation of the Facility.
- (v) Establish, implement, monitor and adjust jointly with Facility management, upon approval by Hospital, annual operating goals and objectives to strategically and tactically achieve industry benchmark performance for:
  - (a) Patient satisfaction;
  - (b) Clinical outcomes;
  - (c) User satisfaction;
  - (d) Compliance standards with regulatory, licensing and accrediting requirements;
  - (e) Clinical documentation compliance; and
  - (f) Others, as deemed appropriate; and
- (vi) Provide such medical oversight as may be reasonably requested by the Medical Director or Board from time to time.

3. Remuneration to Manager.

- (a) Management Fee. Hospital will pay Manager a management fee for the provision of Management Services in the following components (collectively, the "Management Fee"):
- (i) for the services of the Medical Director, Ninety Thousand Dollars (\$90,000), per annum (the "Medical Director Fee");
  - (ii) for the full-time services of the Facility Director and part-time services other executive and administrative employees of Manager, Three Hundred and Forty Thousand Dollars (\$340,000), per annum ("Administrative Staff Fee"); and
  - (iii) for the services of the Medical Consulting Committee, Three Hundred Dollars (\$300) (the "Hourly Rate") for each hour of services provided by those members of the Medical Consulting Committee who are shareholders or employees of the Manager (the "Consulting Committee Fee").

The Management Fee shall be payable as set forth in Section 3(c) below.

- (b) Payment and Reimbursement of Hospital Expenses Incurred by Manager. The expenses of Hospital, including without limitation staff salary and benefits, rent, capital and lease expenses, supplies, fees to third parties, maintenance expense, communications, and other expenses, shall be paid directly by Hospital. Hospital shall reimburse Manager for expenses incurred by Manager and advanced from Manager's funds to third parties for payment of costs of operation of the Facility, consistent with the budget then in effect. Hospital agrees to reimburse Manager within fifteen (15) days after receipt of written notice of the advance or advances. Manager shall notify Hospital of such advances and shall furnish Hospital with documentation evidencing such advancements.
- (c) Payment of Management Fee. The Management Fee shall be payable, in arrears, in equal monthly installments of Thirty Five Thousand Eight Hundred Thirty Three Dollars and Thirty Three Cents (\$35,833.33), for the Medical Director Fee and the Administrative Staff Fee, plus the Consulting Committee Fee. The Consulting Committee Fee shall be the number of documented and approved hours of services provided by the members of the Medical Consulting Committee who are shareholders or employees of Manager in the preceding month multiplied by the Hourly Rate. The Management Fee shall be paid by the Hospital to the Manager no later than the tenth day of each month.

#### 4. Term and Termination.

- (a) Term. This Agreement shall commence as of the Effective Date and shall continue for an initial term of ten (10) years, unless earlier terminated pursuant to the termination provisions set forth below. Thereafter, this Agreement shall automatically renew for additional terms as provided in Section 4(b), below.
- (b) Renewal. Upon expiration of the term of this Agreement without a material, uncured breach, the term shall automatically renew for an additional term of one (1) year, unless either Party shall have given the other Party ninety (90) days written notice of its intention not to renew.
- (c) Termination Prior to the End of the Term. This Agreement may be terminated upon notice by a Party upon the occurrence of the following events:
  - (i) Bankruptcy and Insolvency. This Agreement shall terminate, at the option of the other Party, upon the filing of a petition of voluntary bankruptcy or an assignment for the benefit of creditors by a Party, or upon action taken or suffered, voluntarily or involuntarily, under any federal or state law for the benefit of insolvents by a Party, except for the filing of a petition in involuntary bankruptcy against either Party with the dismissal thereof within thirty (30) days thereafter.
  - (ii) Termination for Default. Except as otherwise provided in this Agreement, in the event a Party shall default in the performance of any of its material obligations pursuant to this Agreement, then the other Party may give notice of default to the Party in default, and if the Party in default does not proceed promptly and continuously to cure the default within ninety (90) days of the date of notice or such longer period as mutually agreed by the Parties, then the other may terminate the term of this Agreement effective upon giving notice of termination.
- (d) Termination for Illegality. The Parties agree that, in the event that: (a) this Agreement is declared illegal, void, voidable or otherwise unenforceable by either Party (whether by court order, legislative enactment, promulgation of rule, judicial decision or otherwise); or (b) either Party receives an opinion of qualified legal counsel asserting that the continuation of the Agreement would more likely than not violate any Health Care Laws or jeopardize the tax exempt status of Hospital, then the Parties shall enter into good faith negotiations and use their best efforts to reform, amend and modify this Agreement and their other contracts so as to bring them into compliance with the law. In undertaking such effort, the Parties shall in good faith attempt reform the Agreement on substantially the same terms. If the good faith negotiations set forth in this subsection have lasted for sixty (60) days and the Parties have not entered into a definitive reformed, amended, modified or new arrangement that brings them into compliance with the

law, the Parties shall submit their dispute to mediation pursuant to Article 9. If the Parties fail to reach an agreement after mediation for a period of thirty (30) days, then this Agreement shall terminate. For purposes of this Section, "Health Care Laws" means any federal, state or local statute, ordinance, rule or regulation, relating to the provision of health care services, including all laws, ordinances, rules or regulations (1) relating to any state or federal health care program, including Medicare and Medicaid; or (2) setting forth, in the health care context or other legal context applicable to health care providers, definitions of kickbacks, fraud and abuse, and self-referral; standards for billing and coding; or limitations of transactions with and payments to parties under any state or federal health care program and other applicable laws.

- (e) Effect of Termination. Upon termination of this Agreement for any reason, both Parties shall make every effort to assist in any way reasonably possible to ensure that the transition to a new manager is accomplished in a cooperative and professional manner. Manager, at the request of the Hospital, shall continue to provide Management Services in accordance with the terms and conditions of this Agreement for a reasonable period not to exceed ninety (90) days sufficient to enable the Hospital to make appropriate arrangements for the ongoing management of the (the "Transition Period"). During the Transition Period, Manager shall be compensated in accordance with Section 3.

5. Records; Trade Secrets; Confidentiality.

- (a) Access to Information. Manager shall, at all reasonable times during the term of this Agreement, permit Hospital reasonable access to the documents, books and records relating to this Agreement held by Manager, and any and all access shall be subject to the requirements of all applicable laws and regulations and requirements for certification, licensing and accreditation. Hospital shall provide Manager with access to Hospital's documents, books and records as reasonably necessary for Manager to perform the Management Services hereunder, and any and all access shall be subject to the requirements of all applicable laws and regulations and requirements for certification, licensing and accreditation.
- (b) Ownership of Records. All business records and information relating exclusively to the business and activities of the Facility shall be the property of Hospital irrespective of the identity of the party responsible for producing or maintaining such records and information. Any and all patient records, charts or reports produced in the course of Hospital providing health services shall, as between the parties hereto, be and remain the property of Hospital. Both Parties shall use reasonable efforts to cause its employees to comply with ethical and legal requirements related to patient records.
- (c) Confidentiality.
  - (i) Manager covenants on behalf of itself and its employees and independent contractors that: (i) at any time, either during or subsequent to the term, it

shall not, without Hospital's prior written consent, disclose to others, use, copy, or permit to be copied, the confidential information of Hospital or Facility except in pursuance of its duties and obligations under this Agreement or as otherwise required by law; and (ii) promptly upon the expiration or earlier termination of this Agreement for any reason, Manager shall return to Hospital or Facility, as appropriate, originals and copies of all reports, records, memoranda, and other materials that contain the confidential information of Hospital and Facility.

- (ii) Hospital covenants on behalf of itself and its employees and physician contractors that: (i) at any time, either during or subsequent to the term, it shall not, without Manager's prior written consent, disclose to others, use, copy or permit to be copied the confidential information of Manager, except in pursuance of its duties and obligations under this Agreement or as otherwise required by law; and (ii) promptly upon the expiration or earlier termination of this Agreement for any reason, they shall return to Manager, originals and copies of all reports, records, memoranda and other materials that contain the confidential information of Manager and its affiliates and contractors.
- (iii) "Confidential information" of a Party, for purposes of this Section 5(c), shall mean information of a confidential and/or proprietary nature relating to that Party, or any one of its members, shareholders, directors, officers, affiliates or contractors, regardless of whether specifically identified as "confidential," and shall include marketing plans, business plans, feasibility studies, financial, accounting and statistical data, price and cost information, policies and procedures, patient care records and treatment methods. The term "confidential information" shall not include information about that entity or any of its members, shareholders, directors, officers, affiliates or contractors which (i) becomes generally available to the public other than as a result of an improper disclosure by the other Party or its shareholders, affiliates or contractors, (ii) was available to the other Party or its shareholders, affiliates or contractors on a non-confidential basis prior to its disclosure hereunder, or (iii) was or becomes available to the other Party on a non-confidential basis from a source other than the Party or the Party's shareholders, affiliates or contractors to which it relates, provided that such source is not bound by a confidentiality agreement with such Party or the Party's shareholders, affiliates or contractors and is otherwise not prohibited from transmitting the information to the recipient.
- (d) HIPAA. Manager, as a business associate of Hospital, will comply with the additional covenants set forth on Attachment C for the purpose of complying with the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Part 160 and Part 164, subparts A and E. The parties will execute such additional agreements as may be necessary to document compliance and comply with the Administrative Simplification Rules adopted pursuant to the Health

Insurance Portability and Accountability Act of 1996 ("HIPAA"). The parties will comply with all federal and state laws concerning confidentiality and security of protected health information (as defined under HIPAA) and other similar personal health information.

6. Indemnification.

- (a) Hospital. Hospital shall indemnify and hold harmless Manager and its officers, managers, members, employees, agents and independent contractors ("**Manager Indemnitees**") from and against any and all claims, losses, liabilities, damages, awards, judgments, assessments, costs, demands and expenses of any kind and nature whatsoever, including, without limitation, the costs of defending any such claims, liabilities and demands, including, without limitation, attorneys' and accountant's fees therefore (collectively, "**Costs or Claims**"), arising in connection with Manager's authorized activities set forth herein; provided, however, that Hospital shall not be required to indemnify or hold harmless Manager from any Costs or Claims which arise from actions (or failures to act) which are performed in bad faith or which arise out of gross negligence, willful misconduct or fraud by Manager Indemnitees. For purposes of this section, employees of the Hospital shall not be considered to be Manager Indemnitees.
- (b) Manager. Manager shall indemnify and hold harmless Hospital, its directors, officers, managers, members, partners, agents, employees and independent contractors ("**Hospital Indemnitees**") from and against any and all Costs and Claims which arise from actions (or failures to act) which are performed by Manager in bad faith or which arise out of gross negligence, willful misconduct or fraud by Manager Indemnitees, including without limitation the costs of defending any such Costs or Claims, including, without limitation, attorney's and accountant's fees therefore. For purposes of this section, employees of the Hospital shall not be considered to be Manager Indemnitees.
- (c) Scope of Indemnification. The indemnification provided under Sections 6(a) and 6(b) shall supplement, and not supersede or replace, any protection or rights that may be afforded to Hospital or Manager under any insurance policies maintained by the parties that provide coverage for an act that may serve as the basis for a claim of indemnification hereunder.
- (d) Right to Defend.
  - (i) Any party to be indemnified pursuant to this Agreement ("**Indemnified Party**") shall give notice in writing ("**Claim Notice**") to the other party ("**Indemnifier**"), as soon as is reasonably possible, of any claims or possible claims asserted by third parties for which Indemnifier may be liable. The Claim Notice shall provide reasonable particulars, and Indemnified Party shall respond on a timely basis to Indemnifier's reasonable requests for further information.

- (ii) Indemnifier, if it wishes to dispute such claim, shall notify Indemnified Party in writing ("**Dispute Notice**") as soon as possible having regard to the circumstances of such claims, and in any event, within not more than thirty (30) days following the date on which the Claim Notice is delivered, and shall furnish to Indemnified Party such security or other assurances as Indemnified Party may reasonably request. Indemnifier shall then be entitled, at its sole expense and to the complete exculpation of Indemnified Party, to conduct all negotiations, to contest any such claims and to commence, defend and carry on actions and proceedings on behalf of and in the name of Indemnified Party and to settle any such claims as Indemnifier may determine appropriate. If Indemnifier settles any dispute, action or proceeding in respect of such claim, Indemnifier shall ensure, through the provision of releases or adequate security, that Indemnified Party shall have no liability in respect of such settled dispute, action or proceeding and that no liability or fault shall be admitted on its behalf.
- (iii) Indemnifier, upon giving Dispute Notice and after providing the security or other assurances contemplated above, shall be required to conduct all negotiations, actions and proceedings in good faith, with due diligence, and without causing any materially adverse effect upon the business, property or assets of Indemnified Party.
- (iv) Indemnified Party will cooperate with Indemnifier in any negotiations, disputes, actions and proceedings. If, however, Indemnified Party shall be unable to obtain timely instructions from Indemnifier, Indemnified Party shall be entitled to deal with the same in such manner as it, in the reasonable exercise of its judgment, deems appropriate.
- (v) If Indemnifier fails to give Dispute Notice within the time required with respect to a particular Claim Notice, or having given Dispute Notice shall abandon the defense or contestation of the Claim (otherwise than in connection with a settlement thereof), Indemnified Party shall be entitled to conduct all negotiations with respect to the claims described in the Claim Notice, to dispute and contest any such claims and to commence, defend and carry on legal proceedings on its own behalf and to settle such disputes without further notice or involvement of Indemnifier; however, the failure to provide such notice shall not limit or otherwise restrict Indemnified Party's rights to be indemnified in the manner described in this Agreement.

7. Non-Solicitation.

- (a) Hospital covenants that during the term, and for a period of one (1) year following the date of expiration or earlier termination of this Agreement, it shall not, without Manager's prior written consent, employ or engage as an independent contractor any person who is or was serving as an officer, administrator, manager, or employee of Manager at the Facility during the term of the Agreement.



- (b) The Parties agree that the remedy at law will be inadequate for any breach of Section 7(a). The Parties further agree that the non-breaching Party will be entitled to an injunction both preliminary and final, and any other appropriate equitable relief to enforce its rights under Section 7(a). All remedies shall be cumulative and non exclusive, being in addition to any and all other remedies which the non-breaching Party may have. The Parties hereby waive any requirements for securing or posting a bond in connection with non-breaching Party obtaining any injunctive or equitable relief.

8. Insurance.

- (a) Manager's Obligations. Manager agrees to procure and to keep in force policies with commercial carriers for appropriate workers' compensation coverage for all of Manager's personnel providing Management Services hereunder, professional liability coverage, and casualty and comprehensive general liability insurance covering Manager, Manager's personnel and Manager's property in such amounts, on such basis and upon such terms and conditions as are reasonable in light of Manager's businesses. With respect to professional liability coverage, Manager shall, at its own expense, carry at all times and maintain in full force and effect not less than \$1,000,000.00 per occurrence and \$3,000,000.00 in the aggregate per year liability insurance for all of Manager's professional personnel.
- (b) Proof of Insurance. Manager, at the request of Hospital, shall furnish to Hospital copies of, or certificates of insurance on, all policies required under this Section 8 (or evidence of self-insurance) as evidence of the insurance coverage to be procured pursuant to this Agreement. The insurance coverage required under this Section 8 shall not be canceled, substantially modified, substantially reduced or otherwise materially changed, except upon thirty (30) days prior written notice to the other party.

9. Dispute Resolution.

- (a) Negotiation. Should any controversy or claim arising out of or relating to this Agreement or any breach thereof (the "**Claim**") be asserted by either Party, the CEO of Manager and the CEO of Hospital (with such of their employees as they may reasonably require as long as the CEOs participate therein) agree at the request of either Party to meet and confer in good faith concerning the Claim in question and to enter into good faith negotiations to resolve the Claim on commercially reasonable terms and in accordance with the terms of this Agreement. If the CEOs are unable to resolve the Claim within thirty (30) days of the commencement of good faith negotiations, the board of directors of Manager and the board of directors of Hospital (or any board subcommittee thereof to which this matter is delegated by their respective boards) agree to enter into good faith negotiations to resolve the Claim on commercially reasonable terms and in accordance with the terms of this Agreement. Absent an earlier resolution, such board negotiations shall continue for a period of not less than thirty (30) days.

- (b) Mediation/Arbitration. Any Claim which is not settled by direct discussions between the Parties as set forth in Section 9(a) above, shall be resolved by submitting the dispute to mediation, which shall be conducted in accordance with the American Health Lawyers Association ("AHLA") Alternative Dispute Resolution Service Rules of Procedure for Mediation. If the Claim is not resolved through mediation, the Claim shall be submitted to arbitration in accordance with the AHLA Alternative Dispute Resolution Service Rules of Procedure for Arbitration. The Manager and the Hospital shall each choose an arbitrator, and the arbitration shall be conducted by an arbitrator chosen by mutual agreement of the two arbitrators so chosen by the Parties. Any mediation or arbitration conducted pursuant to this Section 9(b) shall be conducted in Quincy, Illinois or at such other location as is mutually agreeable to the Parties. A decision reached through the AHLA arbitration process shall be binding on the Parties. In connection with a mediation or an arbitration, the Parties may conduct discovery, so far as practicable, to the same extent and in the same manner as allowed under the Illinois Code of Civil Procedure. Any determination with respect to the extent or the manner of discovery shall be made by the mediator(s) or the arbitrator, as the case may be, whose determination shall be binding on the Parties. With respect to an arbitration proceeding, the Party who does not prevail in the arbitration shall bear all expenses of the arbitration; the arbitrator shall state in the decision issued by the arbitrator the Party whom the arbitrator considers to be the prevailing Party and the determination by the arbitrator shall be binding on the Parties.

10. General Provisions.

- (a) Licenses, Permits and Certificates. The Parties hereto shall each obtain and maintain in full force and effect during the term of this Agreement all licenses, permits and certificates required by law which are applicable to the performance of their respective services pursuant to this Agreement.
- (b) Governing Law. This Agreement shall be interpreted and construed 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 that they would operate to apply the laws of another state.
- (c) Compliance with Laws and Regulations. Both Parties shall comply fully with all applicable federal, state and local laws, rules and regulations in performing their respective duties and obligations under this Agreement.
- (d) Notices. All notices, requests, demands or other communications required or permitted to be given under this Agreement shall be in writing and shall be given to the Party for whom the notice is intended: (a) by personal delivery to the address for that Party to which notices are to be addressed (in which case such notice shall be deemed given on the date of delivery); (b) by consigning the same for overnight prepaid delivery with a responsible national courier service (e.g., FedEx or other similar service) (in which case such notice shall be deemed given

as of the time delivery is confirmed by the courier service); or (c) by telefax followed by a copy sent in either of the other manners specified in this section (in which case such notice shall be deemed given on the first business day next following the date on which such telefax is sent) and properly sent to the following addresses and/or telefax numbers:

If to Hospital:

Blessing Hospital  
1005 Broadway  
Quincy, Illinois 62301  
Attn: President  
Fax: 217-223-6891

If to Manager:

Quincy Physicians and Surgeons, S.C.  
d/b/a Quincy Medical Group  
1025 Maine Street  
Quincy, Illinois 62301  
Attn: President  
Fax: 217-228-6891

A Party hereto may change its address for the purposes of this section by giving written notice to the other Party in the manner specified in this section.

- (e) Entire Agreement. This Agreement (together with all Exhibits and Schedules attached hereto) constitutes the entire agreement between the Parties pertaining to the subject matter contained herein and supersedes all prior and contemporaneous oral or written agreements, representations, and understandings of the Parties which relate to the subject matter of this Agreement.
- (f) Documents. Each of the Parties hereto shall execute and deliver all documents, papers and instruments necessary or convenient to carry out the terms of this Agreement.
- (g) Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties and the successors and permitted assigns of the Parties.
- (h) Assignment. Neither Party shall assign this Agreement, or any rights hereunder, to any individual or entity without the express written consent of the other Party. Neither Party shall delegate any duties such Party has in accordance with the terms and conditions of this Agreement without the express written consent of the other Party.
- (i) Amendment. Except as provided herein, neither this Agreement nor any term or provision hereof may be changed, waived, discharged or terminated except by the written agreement of the Parties. The parties agree to work in good faith to effect

all amendments to this Agreement as may be required for continuing legal compliance hereunder.

- (j) Severability. If any provision of this Agreement shall for any reason be held to be illegal, invalid or unenforceable, such illegality, invalidity or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such illegal, invalid or unenforceable provision were omitted.
- (k) Remedies Cumulative. No remedy set forth in this Agreement or otherwise conferred upon or reserved to any Party shall be considered exclusive of any other remedy available to any Party, but the same shall be distinct, separate and cumulative and may be exercised from time-to-time as often as occasion may arise or as may be deemed expedient.
- (l) Waiver. Any waiver of any terms and conditions hereof must be in writing and signed by the Parties hereto. The waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any subsequent breach of the same or any other terms and conditions hereof.
- (m) Force Majeure. Neither Party shall be liable to the other Party nor deemed to be in default for any delay or failure to perform any of the services required herein in the event of strikes, lock-outs, calamities, acts of God or other events beyond the reasonable control of any Party for so long as such event continues and for a reasonable period of time thereafter. However, the Parties shall make good faith efforts to perform under this Agreement in the event of any such circumstances.
- (n) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but both of which together shall constitute one and the same Agreement, binding on the Parties hereto.
- (o) No Third Party Beneficiary. None of the provisions herein contained are intended by the Parties, nor shall they be deemed, to confer any benefit on any person not a Party to this Agreement.
- (p) Representations. Each Party acknowledges: (i) that no representation or promise not expressly contained in this Agreement has been made by any other Party hereto or by any of its agents, employees, representatives or attorneys; (ii) that this Agreement is not being entered into on the basis of, or in reliance on, any promise or representation, expressed or implied, other than such as are set forth expressly in this Agreement; and (iii) that such Party has been represented by legal counsel of its own choice in the preparation and negotiation of this Agreement or has affirmatively elected not to be represented by legal counsel.
- (q) Interpretation. The Parties agree to deal with each other in good faith and in a reasonable manner in carrying out their respective responsibilities pursuant to this Agreement; and further, that this Agreement be interpreted consistent with requirements of fair dealing and reasonable conduct. In the event of an alleged default, and/or cure period, in the exercise of remedies pursuant to this

Agreement, issues of materiality raised by a Party shall be interpreted in the context of the entirety of the obligations of a Party to avoid arbitrary consequences for breaches of obligations.

IN WITNESS WHEREOF, this Agreement is executed on the dates set forth below.

*Blessing Hospital*

By: *Michael A. Kahn*  
Title: *PRESIDENT/CEO*  
Date: *10/31/06*

*Quincy Physicians and Surgeons, S.C.  
d/b/a Quincy Medical Group*

By: *[Signature]*  
Title: *President*  
Date: *10/31/06*

## ATTACHMENT A

### MANAGEMENT SERVICES

Management Services shall include the following services and functions, subject to the provisions of Hospital bylaws, and the provisions of this Agreement:

- A. Supervision of day-to-day operation of the Facility, including:
  - (1) In consultation with Hospital, scheduling the hours of operation of all Facility services;
  - (2) Scheduling the hours of work of all Facility personnel;
  - (3) Patient scheduling; and
  - (4) Assist with training in the operation and use of all equipment, systems and procedures to be used in connection with Facility for all personnel and all physicians who provide services to patients in Facility.
- B. Recommendation of staffing levels, hiring, disciplining and firing of all Facility personnel, subject to the final approval of Hospital.
- C. Subject to oversight, direction and final authority of the Hospital, in conjunction with the Medical Consulting Committee, providing risk management services, and appropriate quality assurance and utilization review ("QA/UR") programs for Facility as directed by Hospital's QA/UR committee, including development of performance and utilization standards, sampling techniques for case review, and preparation of appropriately documented studies of the physicians providing professional services in Facility.
- D. Recommending for purchase equipment, supplies and inventory, including monitoring, evaluating and recommending new technologies, services and equipment purchases for Hospital and Facility. As part of this responsibility Manager will evaluate enhancements and developments in medical devices, medical equipment, relevant medical supplies and pharmaceutical products.
- E. Assisting in the preparation of operating and capital budgets for approval by Hospital, and management of operating results and capital expenses within approved budgets.
- F. Assisting in Facility and equipment planning, maintenance and replacement, subject to Hospital-approved budgets.
- G. Developing, implementing, periodically reviewing and maintaining Facility's management, operational, employment and other general policies and procedures and protocols for operation of Facility.
- H. Assessing service level and patient satisfaction.

- I. Provision of management staff, including an individual to serve as Facility Director as set forth in Section 1(d)(ii) and an individual to serve as Medical Director as set forth in Section 1(d)(iii), and individuals to serve on the Medical Consulting Committee, as set forth in Section 2(a).
- J. Assisting in obtaining and maintaining compliance with all licensure, certification and accreditation requirements applicable to the operation of Facility; including but not limited to CMS and JCAHO.
- K. Serving as liaison to physician customers of Facility, and managing relationships with such physicians. Manager will consult with and advise referring physicians and medical groups regarding issues relating to patient care, radiology, services, diagnostic practices and related technologies. Manager will provide clinical and technology related consultations and advisory services to referring physicians, medical groups and healthcare provider organizations. Manager will report the activity level of these consultative and advisory services to the Board.
- L. Such other administrative and management services Manager may be reasonably called upon to provide by the Board and which Manager agrees to provide.

## ATTACHMENT B

### MEDICAL DIRECTOR'S DUTIES

Medical Director shall provide all administrative services necessary to maintain Facility as a provider of high-quality ambulatory surgery services. Among other responsibilities, Medical Director shall:

1. Supervise the conduct of all physicians and advise and assist Hospital to maintain necessary confidentiality with regard to matters of physician professional competence, sensitive Facility operations and patient medical information.
2. Develop and monitor quality indicators and provide Hospital a quarterly report.
3. Consistent with appropriate medical and professional standards, advise and assist in the organization and implementation of an effective utilization review program with respect to Facility, and perform utilization review with respect to services provided at Facility.
4. Monitor and enforce adherence to administrative and professional standards of care, and advise and assist Hospital in the development and implementation of an appropriate quality improvement program with respect to Facility.
5. Cooperate and participate with the Hospital in order to establish a "patient service oriented" environment and assist Hospital in the management and resolution of complaints from patients, medical staff and others.
6. Coordinate and consult with the Hospital regarding the efficiency and effectiveness of Facility, develop systems and make recommendations and analyses as needed for Hospital to improve service and reduce costs.
7. Assist in the design and development of patient information, medical record and consent forms for use within Facility.
8. Establish standards and monitoring mechanisms to ensure that appropriate medical record entries are made concerning all services within such reasonable time limits as are required by Hospital's policies.
9. Assist in maintenance of Facility's accreditations and consult with the Hospital regarding the necessity of obtaining additional accreditations for Facility.
10. Develop, review and provide in-service training programs for medical staff and Facility personnel.
11. Participate in the continuing medical education, research and teaching activities of Facility. Provide new clinical research updates to Facility staff.
12. Participate in development and presentation of programs related to marketing Facility's services and enhancing community relations.
13. Develop and implement clinical policies and procedures regarding Facility.



ATTACHMENT C  
BUSINESS ASSOCIATE AGREEMENT

See Attached.

**AMENDMENT TO THE  
AMBULATORY SURGERY CENTER  
MANAGEMENT AGREEMENT**

This Amendment to the Ambulatory Surgery Center Management Agreement (the "Amendment") is entered into the 27<sup>th</sup> day of February, 2008, by and between Blessing Hospital, an Illinois not-for-profit corporation (the "Hospital"), and Quincy Physicians and Surgeons, S.C., d/b/a Quincy Medical Group, an Illinois medical corporation ("Manager") (each a "Party" and referred to collectively herein as the "Parties").

WHEREAS, Hospital and Manager entered into the Ambulatory Surgery Center Management Agreement (the "Agreement") on October 31, 2006, under which Hospital engaged Manager to manage the Facility; and

WHEREAS, Hospital desires to reconfigure the Facility (a) to convert a general operating room into an operating room devoted to ophthalmologic surgical procedures, and (b) to create a new operating room that will be used for general surgical procedures, all of which will be managed by Manager as a part of the Facility and will require certain additional Management Services; and

WHEREAS, Hospital and Manager desire to amend the Agreement to include such expanded and additional Management Services and to adjust the remuneration to Manager commensurate with the increase in Management Services; and

WHEREAS, Hospital and Manager desire to extend the term of the Agreement; and

WHEREAS, Hospital purchased the business known as the Surgery Center of Quincy, which is now the Facility, from Manager pursuant to a Purchase and Sale Agreement dated June 29, 2006 (the "Purchase Agreement"); and

WHEREAS, the Purchase Agreement included an agreement by Manager not to compete with Hospital with respect to the surgery center business for a period of five (5) years; and

WHEREAS, as further consideration for the additional fees Hospital will pay Manager under the Agreement as amended, Manager has agreed to extend the non-competition period.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained in this Amendment, the Parties agree as follows:

1. Manager shall provide the Management Services, and the Medical Director, Facility Director and Medical Consulting Committee shall perform their duties, with respect to the entire Facility as reconfigured, which shall continue to be referred to as the "Facility". Furthermore, Attachment A (Management Services) and Attachment B (Medical Director's Duties) to the Agreement are hereby amended to include the additional Management Services

and Medical Director's Duties set forth respectively on Exhibit A and Exhibit B to this Amendment.

2. Section 3(a) of the Agreement is deleted in its entirety and replaced with the following:

“(a) Management Fee. Hospital will pay Manager a management fee for the provision of Management Services in the following components (collectively, the Management Fee”):

- (i) for the services of the Medical Director, Ninety Thousand Dollars (\$90,000), per annum (the “Medical Director Fee”); and
- (ii) for the full-time services of the Facility Director and part-time services of other executive and administrative employees of Manager, Six Hundred Thirty Thousand Dollars (\$630,000), per annum (the “Administrative Staff Fee”); and
- (iii) for the services of the Medical Consulting Committee, Two Hundred Sixty-Five Dollars (\$265) (the “Hourly Rate”) for each hour of services provided by those members of the Medical Consulting Committee who are shareholders or employees of the Manager (the “Consulting Committee Fee”); and

The Management Fee shall be payable as set forth in Section 3(c) below.”

3. Section 3(c) of the Agreement is deleted in its entirety and replaced by the following:

“(c) Payment of Management Fee. The Management Fee shall be payable, in arrears, in equal monthly installments of Sixty Thousand Dollars (\$60,000), for the Medical Director Fee and the Administrative Staff Fee, plus the Consulting Committee Fee. The Consulting Committee Fee shall be the number of documented and approved hours of services provided by members of the Medical Consulting Committee who are shareholders or employees of Manager in the preceding month multiplied by the Hourly Rate. The Management Fee shall be paid by the Hospital to the Manager no later than the tenth day of each month.”

4. Section 4(a) of the Agreement is deleted in its entirety and replaced with the following:

“(a) Term. This Agreement shall commence as of the Effective Date and shall continue for a term of twelve (12) years, unless earlier terminated pursuant to the termination provisions set forth below. Thereafter, this Agreement shall automatically renew for additional terms as provided in Section 4(b), below.”

5. The Parties agree that the non-competition provision set forth in Section 11.2 of the Purchase Agreement is hereby extended to the seventh anniversary date of the Closing Date (as such term is defined in the Purchase Agreement). Except for such extension, the non-competition provision shall remain unaltered.

6. The Amendment shall be effective as of the date when all of the following conditions have been satisfied: (a) the Facility shall be reconfigured and, as reconfigured, open for business, (b) the Parties shall have received a valuation report from a mutually satisfactory valuation expert supporting the reasonableness and fair market value of the consideration to be exchanged under this Amendment, and (c) any and all governmental regulatory approvals required for the operation of the Facility as reconfigured shall have been received.

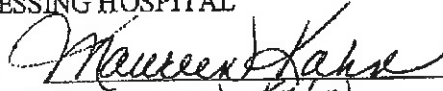
7. This Amendment may be executed in multiple counterparts, each of which shall be deemed to be original, and all such counterparts shall constitute one instrument. Any signature of a party to this Amendment that is delivered by facsimile or other electronic means shall be deemed to be an original signature of such party.

8. Except as set forth in this Amendment, the Agreement shall remain unaltered and in full force and effect according to the terms and conditions thereof. Capitalized terms not defined in this Amendment shall have the meanings set forth in the Agreement.

(SIGNATURES ON FOLLOWING PAGE)

IN WITNESS WHEREOF, this Amendment has been executed by the Parties in Quincy,  
Illinois.

BLESSING HOSPITAL

By:   
Name: Maureen Kahn  
Title: President/CEO

QUINCY PHYSICIANS AND SURGEONS, S.C.  
d/b/a QUINCY MEDICAL GROUP


By:   
Name: Dr. R. Simpson  
Title: CEO

Exhibit A

Additional Management Services

Management Services set forth in the original Exhibit A extend to the new suite.

Additional Management Services

Additional Management Services

Exhibit B

Additional Medical Director's Duties

Medical Director duties set forth in the original Exhibit B extend to the new suite.

**SECOND AMENDMENT TO THE  
AMBULATORY SURGERY CENTER  
MANAGEMENT AGREEMENT**

This Second Amendment to the Ambulatory Surgery Center Management Agreement (the "Amendment") is entered into as of September 1, 2016 (the "Effective Date"), by and between Blessing Hospital, an Illinois not-for-profit corporation (the "Hospital"), and Quincy Physicians and Surgeons, S.C., d/b/a Quincy Medical Group, an Illinois medical corporation ("Manager") (each a "Party" and referred to collectively herein as the "Parties").

WHEREAS, Hospital and Manager entered into the Ambulatory Surgery Center Management Agreement on October 31, 2006 to be effective as of November 1, 2006, (the "Original Agreement" under which Hospital engaged Manager to manage the Facility, and executed an Amendment to the Original Agreement on February 27, 2009 (together, the "Agreement"); and

WHEREAS, the Parties desire to amend the Agreement to clarify their respective duties and to adjust the Management Fee as of the Effective Date.

NOW, THEREFORE, the Agreement is amended as follows:

1. Section 1(d)(v) of the Agreement is deleted in its entirety and replaced with the following:

"(v) In addition to the Facility Director, Manager shall provide Hospital with a list (e.g., names, addresses, telephone numbers, email addresses and fax numbers) of other executive and administrative persons who will provide Management Services on behalf of Manager, and Manager shall inform Hospital promptly in writing of any additions or modifications to or deletions from such list thereafter. Attached as Attachment D to the Agreement is list of such persons, the services to be performed by them, an organizational chart of Manager with such persons listed, and their contact information as of September 1, 2016."

2. Section 1(e) of the Agreement is deleted in its entirety and replaced with the following:

"(e) Hospital Staff. Hospital shall employ directly all staff, other than physician staff and management personnel provided by Manager (including Facility Director), regularly performing services for or on behalf of Hospital, such as nurses (other than as provided in Attachment A), technicians, operations and billing staff. Manager shall oversee and manage all Facility personnel:

(i) Staffing levels for Facility shall be recommended by Manager and subject to the overall budget of Facility as approved by Hospital. Manager shall be responsible for recommending the hiring, retention, replacement and



annual evaluation of Hospital staff, provided that: (a) the Hospital shall participate annually in review of the performance of Facility Director and other key staff; and (b) the ultimate authority to hire and fire all Hospital personnel shall rest with Hospital.

- (ii) Hospital staff shall be qualified to perform and have reasonable expertise in the requirements of their positions, and possess additional credentials and qualifications as may be determined by the Hospital."

3. Section 3(a) of the Agreement is deleted in its entirety and replaced with the following to adjust the Management Fee, the fair market value of which was determined by VMG Health as set forth its report entitled "Fair Market Value Analysis of the Consulting Committee Hourly Rate, Medical Director Hourly Rate, and the Administrative Staff Fee" and dated for distribution on September 12, 2016:

- "(a) Management Fee. Hospital will pay Manager a management fee for the provision of Management Services in the following components (collectively, the 'Management Fee'):
  - (i) for the services of the Medical Director, Four Hundred Ninety Dollars (\$490) (the 'Medical Director Hourly Rate') for each hour of services provided by the Medical Director (the 'Medical Director Fee'); and
  - (ii) for the full-time services of the Facility Director and part-time services of other executive, administrative and nursing employees of Manager, Five Hundred Eighty-Seven Thousand Dollars (\$587,000), per annum (the 'Administrative Staff Fee'); and
  - (iii) for the services of the Medical Consulting Committee, Two Hundred Seventy Dollars (\$270) (the 'Hourly Rate') for each hour of services provided by those members of the Medical Consulting Committee who are shareholders or employees of the Manager (the 'Consulting Committee Fee'); and

The Management Fee shall be payable as set forth in Section 3(c) below."

4. Section 3(c) of the Agreement is deleted in its entirety and replaced by the following:

- "(c) Payment of Management Fee. The Management Fee shall be payable, in arrears, in equal monthly installments of Forty-Eight Thousand Nine Hundred Sixteen and 67/100 Dollars (\$48,916.67), for the Administrative Staff Fee, plus the Medical Director Fee and the Consulting Committee Fee. The Medical Director Fee shall be the number of documented and approved hours of services provided by the Medical Director in the preceding month multiplied by the Medical Director Hourly Rate. The Consulting Committee Fee shall be the number of documented and approved hours of services provided by members of the Medical Consulting

Committee who are shareholders or employees of Manager in the preceding month multiplied by the Hourly Rate. The Medical Director and Medical Consulting Committee members shall submit time cards and other records as requested by Hospital to evidence such services. The Management Fee shall be paid by the Hospital to the Manager no later than the tenth day of each month.”

5. Attachment A to the Agreement is supplemented by adding the following to the end thereof:

“M. Such nursing services as Hospital and Manager may agree.”

6. Contemporaneously with the execution of this Amendment, Hospital will pay Manager the sum of Nine Hundred Sixty Thousand Dollars (\$960,000) representing accrued but unpaid Management Fees under this Agreement during the pendency of the disputes through August 31, 2016.

7. This Amendment may be executed in multiple counterparts, each of which shall be deemed to be original, and all such counterparts shall constitute one instrument. Any signature of a party to this Amendment that is delivered by facsimile or other electronic means shall be deemed to be an original signature of such party.

8. Except as set forth in this Amendment, the Agreement shall remain unaltered and in full force and effect according to the terms and conditions thereof. Capitalized terms not defined in this Amendment shall have the meanings set forth in the Agreement.

(SIGNATURES ON FOLLOWING PAGE)

IN WITNESS WHEREOF, this Amendment has been executed by the Parties in Quincy, Illinois.

BLESSING HOSPITAL

By: Maureen A. Kahn  
Name: MAUREEN A. KAHN  
Title: President/CEO

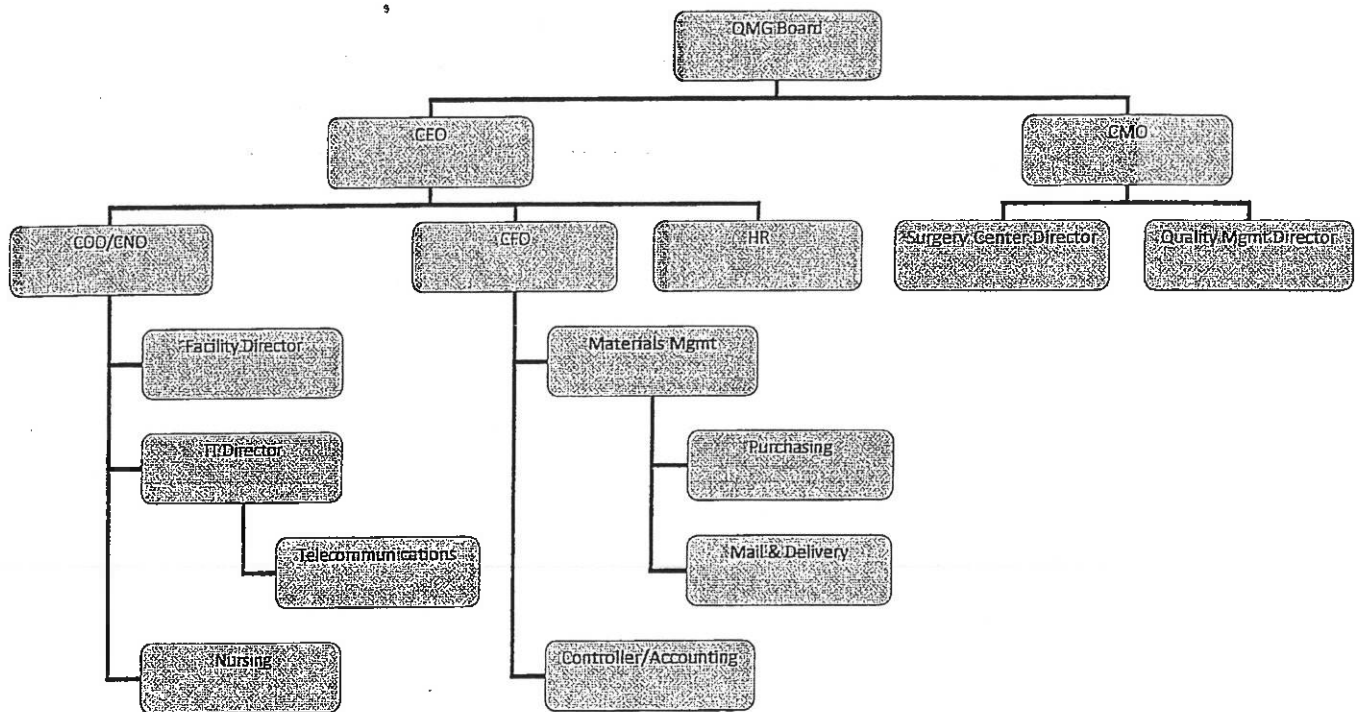
QUINCY PHYSICIANS AND SURGEONS, S.C.  
d/b/a QUINCY MEDICAL GROUP

By: Carol Brockmiller  
Name: Carol Brockmiller  
Title: Chief Executive Officer

ATTACHMENT D

SUMMARY OF ROLES AND SERVICES PERFORMED, MANAGEMENT SERVICES  
ORGANIZATIONAL CHART, AND MANAGEMENT SERVICES CONTACT LIST

Role	Services Performed
Director, Surgery Center of Quincy	management of facility and staff
Quality Management Director	risk mgmt services related to adverse events
HR Director	recruitment and hiring, administration of benefits
Chief Operating Officer	liaison w/ physicians & managing phys relationships, facility and equipment planning & maintenance oversight
Staff Accountant	processing of accounts payable and invoicing related to facility and equipment planning & maintenance
Purchasing Analyst	purchasing related to facility and equipment planning & maintenance
Quality/Risk Management Assistant	risk mgmt services
Nursing Executive Director	supervision of surgical techs
Materials Management	purchasing related to facility and equipment planning & maintenance
Controller	oversight of AP and invoicing process related to purchases related to facility & equipment
Chief Information Officer	oversight and coordination of internet connections
Chief Executive Officer	liaison w/ physicians & managing phys relationships, administration of mgmt agreement contract
Chief Financial Officer	liaison w/ physicians & managing phys relationships, oversight of purchasing and accounting
Nursing Staff	surgical techs
Facility Director	facility and equipment planning & maintenance, oversight of environmental services
Chief Medical Officer	supervision of surgery center director, administration of mgmt agreement contract
Telecommunications Specialist	oversight and coordination of telecommunications system and staff
Switchboard Operators	transferring of calls
Patient Transporter	greet patients, wayfinding, initial transport as needed
Courier	delivery and pick-up of mail twice daily



Senior Director, Surgery Center of Quincy  
Patty Prough  
217-222-6550 x.6675  
Fax: 217-277-2340

Chief Medical Officer  
Dr. Richard Schlepphorst  
217-222-6550 x.3403  
Fax: 217-228-6891

Chief Executive Officer  
Carol Brockmiller  
217-222-6550 x.6455  
Fax: 217-228-6891

Chief Operating Officer/Chief Nursing Officer  
Maria Berhorst  
217-222-6550 x.3341  
Fax: 217-228-6891

Chief Financial Officer  
Patty Williamson  
217-222-6550 x.3304  
Fax: 217-228-6891

Senior Director, Facilities & Grounds  
Reggie Summers  
217-222-6550 x.3339  
Fax: 217-228-6891  
Cell: 217-653-8091

Senior Director, Quality Management  
Kim Lawrence  
217-222-6550 x.6756  
Fax: 217-228-6891

Executive Director, Corporate Development (Human Resources)  
Katie Schelp  
217-222-6550 x.3406  
Fax: 217-228-6891

Senior Director, Accounting / Controller  
Amy Bangert  
217-222-6550 x.3307  
Fax: 217-222-7267