

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR CHANGE OF OWNERSHIP EXEMPTION

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.**Facility/Project Identification**

Facility Name: Union County Hospital			
Street Address: 517 North Main Street			
City and Zip Code: Anna 62906-1696			
County: Union	Health Service Area: 5	Health Planning Area: F-07	

Legislators

State Senator Name: Dale Fowler
State Representative Name: Patrick Windhorst

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

Exact Legal Name: Anna Hospital Corporation d/b/a Union County Hospital
Street Address: 517 North Main Street
City and Zip Code: Anna 62906-1696
Name of Registered Agent: CT Corporation System
Registered Agent Street Address: 208 S. LaSalle St., Ste 814
Registered Agent City and Zip Code: Chicago, IL 60604
Name of Chief Executive Officer: Harry Brockus
CEO Street Address: 517 North Main Street
CEO City and Zip Code: Anna 62906-1696
CEO Telephone Number: (618) 332-0694

Type of Ownership of Applicants

<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership
<input checked="" type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship
<input type="checkbox"/> Other	<input type="checkbox"/>

- Corporations and limited liability companies must provide an **Illinois certificate of good standing**.
- Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner.

APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Primary Contact [Person to receive ALL correspondence or inquiries]

Name: Harry Brockus
Title: Chief Executive Officer
Company Name: Union County Hospital
Address: 517 North Main Street, Anna 62906
Telephone Number: (618) 332-0694
E-mail Address: HBrockus@qhcs.com
Fax Number: N/A

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Legislators

State Senator Name: Dale Fowler
State Representative Name: Patrick Windhorst

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

Exact Legal Name: Quorum Health Corporation
Street Address: 1573 Mallory Lane, Suite 100
City and Zip Code: Brentwood, TN 37027
Name of Registered Agent: CT Corporation System
Registered Agent Street Address: 208 S. LaSalle St., Suite 814
Registered Agent City and Zip Code: Chicago, IL 60604
Name of Chief Executive Officer: Julie Manas (President)
CEO Street Address: 1573 Mallory Lane, Suite 100
CEO City and Zip Code: Brentwood, TN 37027
CEO Telephone Number: (615) 221-1400

Type of Ownership of Applicants

<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership	
<input checked="" type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental	
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/>
Other		
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Legislators

State Senator Name: Dale Fowler
State Representative Name: Patrick Windhorst

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

Exact Legal Name: Quincy Health, LLC
Street Address: c/o Davidson Kempner Capital Management LP, 520 Madison Ave, 30th FL Attn: Travis Troyer
City and Zip Code: NY, NY 10022
Name of Registered Agent: CT Corporation System
Registered Agent Street Address: 208 S. LaSalle St., Suite 814
Registered Agent City and Zip Code: Chicago, IL 60604
Name of Chief Executive Officer: Stuart McLean
CEO Street Address: GoldenTree Asset Management, 300 Park Avenue, 21st Floor
CEO City and Zip Code: New York, NY 10022
CEO Telephone Number: (212) 446-4000

Type of Ownership of Applicants

<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership
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Street Address: 517 North Main Street
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State Senator Name: Dale Fowler
State Representative Name: Patrick Windhorst

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

Exact Legal Name: Deaconess Regional Healthcare Services Illinois, Inc.
Street Address: 600 Mary St.
City and Zip Code: Evansville, IN 47747
Name of Registered Agent: CT Corporation System
Registered Agent Street Address: 208 S. LaSalle St., Suite 814
Registered Agent City and Zip Code: Chicago, IL 60604
Name of Chief Executive Officer: Shawn McCoy
CEO Street Address: 4011 Gateway Blvd.
CEO City and Zip Code: Newburgh, IN 47630
CEO Telephone Number: (812) 450-2252

Type of Ownership of Applicants

<input checked="" type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship
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Telephone Number: (618) 332-0694
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Fax Number: N/A

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Exact Legal Name: Deaconess Health System, Inc.
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City and Zip Code: Evansville, IN 47747
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Registered Agent Street Address: 208 S. LaSalle St., Suite 814
Registered Agent City and Zip Code: Chicago, IL 60604
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CEO Street Address: 600 Mary St.
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CEO Telephone Number: (812) 450-2252

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<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship
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Primary Contact [Person to receive ALL correspondence or inquiries]

Name: Shawn McCoy
Title: Chief Executive Officer
Company Name: Deaconess Health System
Address: 4011 Gateway Blvd., Newburgh, IN 47630
Telephone Number: (812) 450-2252
E-mail Address: shawn_mccoy@deaconess.com
Fax Number: (812) 842-3955

Additional Contact [Person who is also authorized to discuss the Application]

Name: Daniel J. Lawler
Title: Partner
Company Name: Barnes & Thornburg LLP
Address: One North Wacker Drive, Suite 4400, Chicago IL 60606-2833
Telephone Number: (312) 214-4861
E-mail Address: Daniel.Lawler@btlaw.com
Fax Number: (312) 759-5646

Post Exemption Contact

[Person to receive all correspondence subsequent to exemption issuance-**THIS PERSON MUST BE EMPLOYED BY THE LICENSED HEALTH CARE FACILITY AS DEFINED AT 20 ILCS 3960**]

Name: Harry Brockus
Title: Chief Executive Officer
Company Name: Union County Hospital
Address: 517 North Main Street, Anna 62906
Telephone Number: (618) 332-0694
E-mail Address: HBrockus@qhcs.com
Fax Number: N/A

Site Ownership after the Project is Complete

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Union County Hospital District*
Address of Site Owner: 517 North Main Street, Anna
<i>*Site will be leased to Deaconess Illinois Union County Hospital, Inc.</i>
Street Address or Legal Description of the Site: Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statements, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease, or a lease.
APPEND DOCUMENTATION AS ATTACHMENT 2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Current Operating Identity/Licensee

[Provide this information for each applicable facility and insert after this page.]

Exact Legal Name: Anna Hospital Corporation d/b/a Union County Hospital		
Address: 517 North Main Street, Anna 62906		
<input type="checkbox"/> Non-profit Corporation <input checked="" type="checkbox"/> For-profit Corporation <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Other	<input type="checkbox"/> Partnership <input type="checkbox"/> Governmental <input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/>

Operating Identity/Licensee after the Project is Complete

[Provide this information for each applicable facility and insert after this page.]

Exact Legal Name: Deaconess Illinois Union County Hospital, Inc.	
Address: 517 North Main Street, Anna 62906	
<input checked="" type="checkbox"/> Non-profit Corporation <input type="checkbox"/> For-profit Corporation <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Other	<input type="checkbox"/> Partnership <input type="checkbox"/> Governmental <input type="checkbox"/> Sole Proprietorship
<ul style="list-style-type: none"> Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner. Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership. 	
APPEND DOCUMENTATION AS ATTACHMENT 3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

Organizational Relationships

Provide (for each applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.
APPEND DOCUMENTATION AS ATTACHMENT 4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Narrative Description

In the space below, provide a brief narrative description of the change of ownership. Explain **WHAT** is to be done in **State Board defined terms**, **NOT WHY** it is being done. If the project site does NOT have a street address, include a legal description of the site.

Anna Hospital Corporation d/b/a Union County Hospital, located at 517 North Main Street, Anna, Illinois is currently owned by Quorum Health Corporation (“Quorum”) which proposes to transfer the operating assets of the hospital to Deaconess Illinois Union County Hospital, Inc., an Illinois not-for-profit corporation whose sole corporate member is Deaconess Regional Healthcare Services Illinois, Inc., which is also an Illinois not-for-profit corporation. The hospital’s real estate assets are owned by the Union County Hospital District which leases those assets to Anna Hospital Corporation. Quorum will assign the real estate lease to Deaconess Regional Healthcare Services Illinois, Inc., which will sublease the real estate to Deaconess Illinois Union County Hospital, Inc.

The transaction will result in the issuance of a license to an entity different from the current licensee. The new licensee will be Deaconess Illinois Union County Hospital, Inc.

The transaction will occur pursuant to an asset purchase agreement that also includes the transfer of assets of three other Quorum hospitals in southern Illinois, and for which separate change of ownership exemption applications are being filed. The structure of the transaction of all four hospitals is diagrammed in Attachment 6.

The purchase price attributed to Union County Hospital for purposes of this application is \$10 million. The total purchase price for all of the transactions relating to Quorum Health Corporation is \$146 million.

Deaconess Regional Healthcare Services, Illinois, Inc., currently manages two existing hospitals in southern Illinois, namely, Ferrell Hospital in Eldorado and Lawrence County Memorial Hospital in Lawrenceville, through management agreements with those facilities. As of the closing of the proposed transaction, Deaconess Regional Healthcare Services, Illinois, Inc., will be an affiliate of, but will not be owned or controlled by, Deaconess Health System, Inc., which owns and operates 11 hospitals in Indiana and Kentucky. The affiliation will include the appointment of two board members by Deaconess Health System, Inc., to the seven member board of Deaconess Regional Healthcare Services, Inc.

Related Project Costs

Provide the following information, as applicable, with respect to any land related to the project that will be or has been acquired during the last two calendar years:

Land acquisition is related to project	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Purchase Price: \$	_____	
Fair Market Value: \$	_____	

Project Status and Completion Schedules

Outstanding Permits: Does the facility have any projects for which the State Board issued a permit that is not complete? Yes ___ No X. If yes, indicate the projects by project number and whether the project will be complete when the exemption that is the subject of this application is complete.

Anticipated exemption completion date (refer to Part 1130.570): November 30, 2022

State Agency Submittals

Are the following submittals up to date as applicable:

- ☒ Cancer Registry
- ☒ APORS
- ☒ All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
- ☒ All reports regarding outstanding permits

Failure to be up to date with these requirements will result in the Application being deemed incomplete.

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ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
CHANGE OF OWNERSHIP APPLICATION FOR EXEMPTION- 04/2021 Edition**CERTIFICATION**

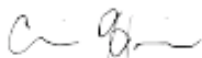
The Application must be signed by the authorized representatives of the applicant entity. Authorized representatives are:

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of:

Anna Hospital Corporation d/b/a Union County Hospital

in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the fee required for this application is sent herewith or will be paid upon request.



SIGNATURE

Christopher M. Harrison

PRINTED NAME

Senior Vice President and Treasurer

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this ____ day of _____

Signature of Notary

Seal

SIGNATURE

Donald R. Esposito Jr.

PRINTED NAME

Senior Vice President and Secretary

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this ____ day of _____

Signature of Notary

Seal

*Insert the EXACT legal name of the applicant

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This Application is filed on the behalf of:

Quorum Health Corporation

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PRINTED NAME

Executive Vice President and
Chief Financial Officer and Treasurer
PRINTED TITLE

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Chief Financial Officer and Treasurer
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This Application is filed on the behalf of:

Quincy Health, LLC

in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the fee required for this application is sent herewith or will be paid upon request.



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- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of:

Quincy Health, LLC

in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the fee required for this application is sent herewith or will be paid upon request.

SIGNATURE

Christopher M. Harrison
PRINTED NAME

Executive Vice President and
Chief Financial Officer and Treasurer
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this ____ day of ____

Signature of Notary

Seal

Donald R. Esposito Jr.

SIGNATURE

Donald R. Esposito Jr.
PRINTED NAME

Chief Legal Officer and Secretary
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this ____ day of ____

Signature of Notary

Seal

*Insert the EXACT legal name of the applicant

CERTIFICATION

The Application must be signed by the authorized representatives of the applicant entity. Authorized representatives are:

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of

Deaconess Illinois Union County Hospital, Inc.

in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the fee required for this application is sent herewith or will be paid upon request.

SIGNATURE

PRINTED NAME

PRINTED TITLE

SIGNATURE

PRINTED NAME

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 10 day of October 2022

Signature of Notary

Seal

*Insert the EXACT legal name of the applicant

Notarization:

Subscribed and sworn to before me
this 10 day of October 2022

Signature of Notary

Seal

JULIE EADES
Notary Public - Seal
Warrick County - State of Indiana
Commission Number NP0692823
My Commission Expires Nov 2, 2024

CERTIFICATION

The Application must be signed by the authorized representatives of the applicant entity. Authorized representatives are:

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of

Deaconess Regional Healthcare Services Illinois, Inc.

in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the fee required for this application is sent herewith or will be paid upon request.


SIGNATURE

Marc Tured Florence
PRINTED NAME

Chairman
PRINTED TITLE


SIGNATURE

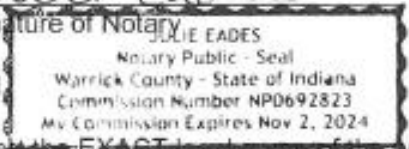
Lynn Lingafelter
PRINTED NAME

Secretary
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 10 day of October, 2022

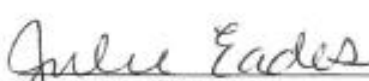

Signature of Notary

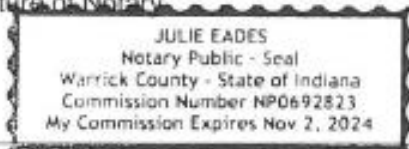
Seal: 
JULIE EADES
Notary Public - Seal
Warrick County - State of Indiana
Commission Number NP0692823
My Commission Expires Nov 2, 2024

*Insert the EXACT legal name of the applicant

Notarization:

Subscribed and sworn to before me
this 10 day of October, 2022


Signature of Notary

Seal: 
JULIE EADES
Notary Public - Seal
Warrick County - State of Indiana
Commission Number NP0692823
My Commission Expires Nov 2, 2024

CERTIFICATION

The Application must be signed by the authorized representatives of the applicant entity. Authorized representatives are:

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of

Deaconess Health System, Inc.

in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the fee required for this application is sent herewith or will be paid upon request.

Cheryl A. Wathen

SIGNATURE

Cheryl A. Wathen

PRINTED NAME

SVP & CFO

PRINTED TITLE

Stephen W. McLean

SIGNATURE

Stephen W. McLean

PRINTED NAME

CEO

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 10 day of October, 2022

Julie Eades

Signature of Notary

Seal

JULIE EADES
Notary Public - Seal
Warrick County - State of Indiana
Commission Number NP0692823
My Commission Expires Nov 2, 2024

*Insert the EXACT legal name of the applicant

Notarization:

Subscribed and sworn to before me
this 10 day of October, 2022

Julie Eades

Signature of Notary

Seal

JULIE EADES
Notary Public - Seal
Warrick County - State of Indiana
Commission Number NP0692823
My Commission Expires Nov 2, 2024

SECTION II. BACKGROUND.**BACKGROUND OF APPLICANT**

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A listing of all health care facilities currently owned and/or operated in Illinois, by any corporate officers or directors, LLC members, partners, or owners of at least 5% of the proposed health care facility.
3. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant, directly or indirectly, during the three years prior to the filing of the application. Please provide information for each applicant, including corporate officers or directors, LLC members, partners and owners of at least 5% of the proposed facility. A health care facility is considered owned or operated by every person or entity that owns, directly or indirectly, an ownership interest.
4. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
5. If, during a given calendar year, an applicant submits more than one Application, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest that the information was previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

APPEND DOCUMENTATION AS ATTACHMENT 5, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 5.

SECTION III. CHANGE OF OWNERSHIP (CHOW)**Transaction Type. Check the Following that Applies to the Transaction:**

- ☒ Purchase resulting in the issuance of a license to an entity different from current licensee.
- ☐ Lease resulting in the issuance of a license to an entity different from current licensee.
- ☐ Stock transfer resulting in the issuance of a license to a different entity from current licensee.
- ☐ Stock transfer resulting in no change from current licensee.
- ☐ Assignment or transfer of assets resulting in the issuance of a license to an entity different from the current licensee.
- ☐ Assignment or transfer of assets not resulting in the issuance of a license to an entity different from the current licensee.
- ☐ Change in membership or sponsorship of a not-for-profit corporation that is the licensed entity.
- ☐ Change of 50% or more of the voting members of a not-for-profit corporation's board of directors that controls a health care facility's operations, license, certification or physical plant and assets.
- ☐ Change in the sponsorship or control of the person who is licensed, certified or owns the physical plant and assets of a governmental health care facility.
- ☐ Sale or transfer of the physical plant and related assets of a health care facility not resulting in a change of current licensee.
- ☐ Change of ownership among related persons resulting in a license being issued to an entity different from the current licensee
- ☐ Change of ownership among related persons that does not result in a license being issued to an entity different from the current licensee.
- ☐ Any other transaction that results in a person obtaining control of a health care facility's operation or physical plant and assets and explain in "Narrative Description."

1130.520 Requirements for Exemptions Involving the Change of Ownership of a Health Care Facility

1. Prior to acquiring or entering into a contract to acquire an existing health care facility, a person shall submit an application for exemption to HFSRB, submit the required application-processing fee (see Section 1130.230) and receive approval from HFSRB.
2. If the transaction is not completed according to the key terms submitted in the exemption application, a new application is required.
3. READ the applicable review criteria outlined below and **submit the required documentation (key terms) for the criteria:**

APPLICABLE REVIEW CRITERIA	CHOW
1130.520(b)(1)(A) - Names of the parties	X
1130.520(b)(1)(B) - Background of the parties, which shall include proof that the applicant is fit, willing, able, and has the qualifications, background and character to adequately provide a proper standard of health service for the community by certifying that no adverse action has been taken against the applicant by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois against any health care facility owned or operated by the applicant, directly or indirectly, within three years preceding the filing of the application.	X
1130.520(b)(1)(C) - Structure of the transaction	X
1130.520(b)(1)(D) - Name of the person who will be licensed or certified entity after the transaction	
1130.520(b)(1)(E) - List of the ownership or membership interests in such licensed or certified entity both prior to and after the transaction, including a description of the applicant's organizational structure with a listing of controlling or subsidiary persons.	X
1130.520(b)(1)(F) - Fair market value of assets to be transferred.	X
1130.520(b)(1)(G) - The purchase price or other forms of consideration to be provided for those assets. [20 ILCS 3960/8.5(a)]	X
1130.520(b)(2) - Affirmation that any projects for which permits have been issued have been completed or will be completed or altered in accordance with the provisions of this Section	X
1130.520(b)(3) - If the ownership change is for a hospital, affirmation that the facility will not adopt a more restrictive charity care policy than the policy that was in effect one year prior to the transaction. The hospital must provide affirmation that the compliant charity care policy will remain in effect for a two-year period following the change of ownership transaction	X

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
CHANGE OF OWNERSHIP APPLICATION FOR EXEMPTION- 04/2021 Edition

APPLICABLE REVIEW CRITERIA	CHOW
1130.520(b)(4) - A statement as to the anticipated benefits of the proposed changes in ownership to the community	X
1130.520(b)(5) - The anticipated or potential cost savings, if any, that will result for the community and the facility because of the change in ownership;	X
1130.520(b)(6) - A description of the facility's quality improvement program mechanism that will be utilized to assure quality control;	X
1130.520(b)(7) - A description of the selection process that the acquiring entity will use to select the facility's governing body;	X
1130.520(b)(9)- A description or summary of any proposed changes to the scope of services or levels of care currently provided at the facility that are anticipated to occur within 24 months after acquisition.	X
APPEND DOCUMENTATION AS <u>ATTACHMENT 6.</u> IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

SECTION IV.CHARITY CARE INFORMATION

1. All applicants and co-applicants shall indicate the amount of charity care for the latest three **audited** fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.
2. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility under review.
3. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.

Charity care" means care provided by a health care facility for which the provider does not expect to receive payment from the patient or a third-party payer (20 ILCS 3960/3). Charity Care must be provided at cost.

A table in the following format must be provided for all facilities as part of Attachment 7.

CHARITY CARE			
	Year	Year	Year
Net Patient Revenue			
Amount of Charity Care (charges)			
Cost of Charity Care			

APPEND DOCUMENTATION AS ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

After paginating the entire completed application indicate, in the chart below, the page numbers for the included attachments:

INDEX OF ATTACHMENTS			
ATTACHMENT NO.			PAGES
1	Applicant Identification including Certificate of Good Standing		26-32
2	Site Ownership		33-63
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.		64-65
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.		66-68
5	Background of the Applicant		69-71
6	Change of Ownership		72-77
7	Charity Care Information		78-80

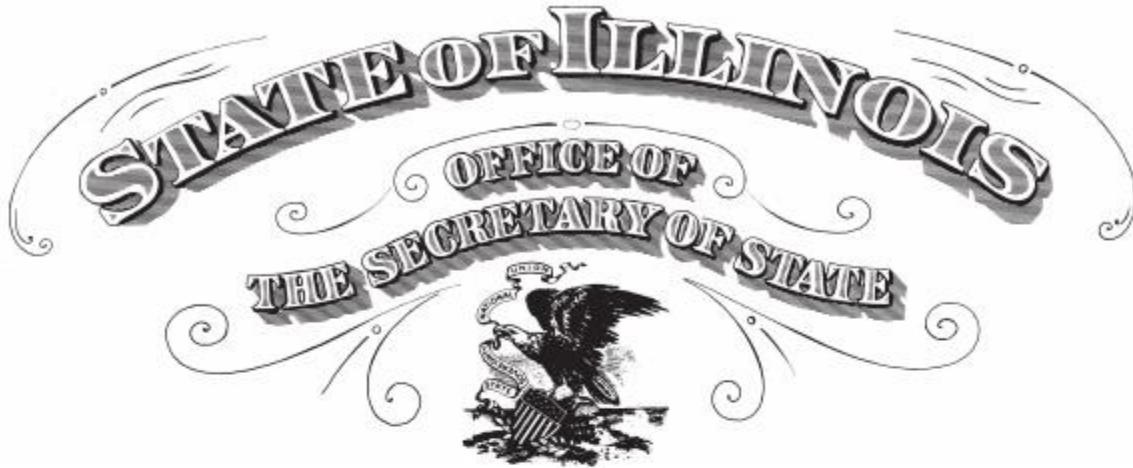
ATTACHMENT 1
TYPE OF OWNERSHIP OF APPLICANTS

Included with this attachment are:

1. The Certificate of Good Standing for the applicant facility.
2. The Certificate of Good Standing for Quorum Health Corporation.
3. The Certificate of Good Standing for Quincy Health, LLC.
4. The Certificate of Good Standing for Deaconess Illinois Union County Hospital, Inc.
5. The Certificate of Good Standing for Deaconess Regional Healthcare Services Illinois, Inc.
6. The Certificate of Good Standing for Deaconess Health System, Inc.

File Number

6155-297-9



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

ANNA HOSPITAL CORPORATION, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON MARCH 22, 2001, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



Authentication #: 2226503640 verifiable until 09/22/2023

Authenticate at: <https://www.isos.gov>

***In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 22ND
day of SEPTEMBER A.D. 2022 .***

Jesse White

SECRETARY OF STATE

Delaware

The First State

Page 1

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "QUORUM HEALTH CORPORATION" IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE SIXTH DAY OF OCTOBER, A.D. 2022.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL REPORTS HAVE BEEN FILED TO DATE.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "QUORUM HEALTH CORPORATION" WAS INCORPORATED ON THE TWENTY-SEVENTH DAY OF JULY, A.D. 2015.

AND I DO HEREBY FURTHER CERTIFY THAT THE FRANCHISE TAXES HAVE BEEN PAID TO DATE.



5792308 8300

SR# 20223710225

You may verify this certificate online at corp.delaware.gov/authver.shtmlA handwritten signature in black ink, appearing to read "JB", is written over a horizontal line. Below the line, the text "Jeffrey W. Bullock, Secretary of State" is printed.

Jeffrey W. Bullock, Secretary of State

Authentication: 204564247

Date: 10-06-22

Delaware

The First State

Page 1

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "QUINCY HEALTH, LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE SIXTH DAY OF OCTOBER, A.D. 2022.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "QUINCY HEALTH, LLC" WAS FORMED ON THE SIXTH DAY OF APRIL, A.D. 2020.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE BEEN PAID TO DATE.



7926082 8300

SR# 20223710188

You may verify this certificate online at corp.delaware.gov/authver.shtmlA handwritten signature of Jeffrey W. Bullock in black ink, written over a horizontal line.

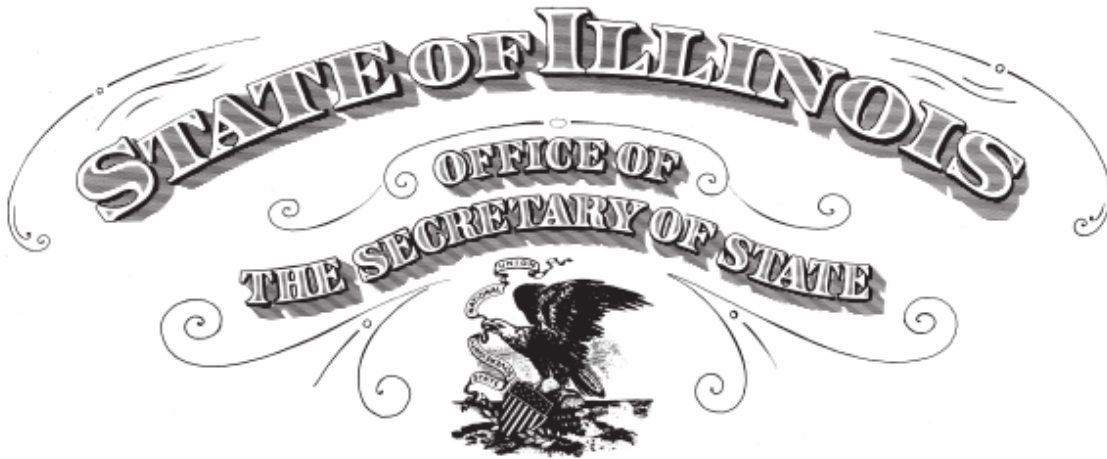
Jeffrey W. Bullock, Secretary of State

Authentication: 204564218

Date: 10-06-22

File Number

7382-610-1



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

DEACONESS ILLINOIS UNION COUNTY HOSPITAL, INC., A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON OCTOBER 03, 2022, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



Authentication #: 2227803578 verifiable until 10/05/2023

Authenticate at: <https://www.ilsos.gov>

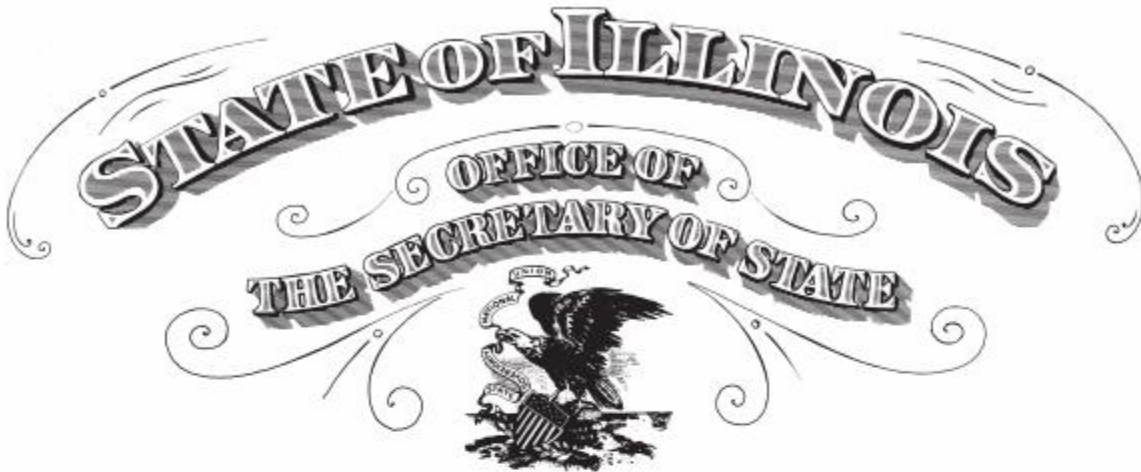
***In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 5TH
day of OCTOBER A.D. 2022 .***

Jesse White

SECRETARY OF STATE

File Number

7031-027-9



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

DEACONESS REGIONAL HEALTHCARE SERVICES ILLINOIS, INC., A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON NOVEMBER 16, 2015, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



Authentication #: 2226503802 verifiable until 09/22/2023
 Authenticate at: <https://www.ilsos.gov>

***In Testimony Whereof, I hereto set
 my hand and cause to be affixed the Great Seal of
 the State of Illinois, this 22ND
 day of SEPTEMBER A.D. 2022 .***

Jesse White

SECRETARY OF STATE

State of Indiana
Office of the Secretary of State

CERTIFICATE OF EXISTENCE

To Whom These Presents Come, Greeting:

I, HOLLI SULLIVAN, Secretary of State of Indiana, do hereby certify that I am, by virtue of the laws of the State of Indiana, the custodian of the corporate records and the proper official to execute this certificate.

I further certify that records of this office disclose that

DEACONESS HEALTH SYSTEM, INC.

duly filed the requisite documents to commence business activities under the laws of the State of Indiana on April 15, 1982, and was in existence or authorized to transact business in the State of Indiana on October 06, 2022.

I further certify this Domestic Nonprofit Corporation has filed its most recent report required by Indiana law with the Secretary of State, or is not yet required to file such report, and that no notice of withdrawal, dissolution, or expiration has been filed or taken place. All fees, taxes, interest, and penalties owed to Indiana by the domestic or foreign entity and collected by the Secretary of State have been paid.



In Witness Whereof, I have caused to be affixed my signature and the seal of the State of Indiana, at the City of Indianapolis, October 06, 2022

HOLLI SULLIVAN
SECRETARY OF STATE

198204-446 / 20222803211

All certificates should be validated here: <https://bsd.sos.in.gov/ValidateCertificate>
Expires on November 05, 2022.

ATTACHMENT 2
SITE OWNERSHIP

Attached is an attestation of the applicant Quorum Health Corporation attesting to site control of the applicant facility through a lease between Anna Hospital Corporation (d/b/a Union County Hospital) and the Union County Hospital District. A copy of the lease and the hospital district's letter supporting the proposed transaction and the assignment of the lease to Deaconess are also attached.

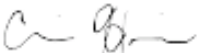
Attestation of Site Ownership

The undersigned is an authorized representative of the applicant Quorum Health Corporation and hereby attests that the sites of the licensed facilities identified below are currently owned or controlled by the affiliates of Quorum Health Corporation identified below.

With respect to Crossroads Community Hospital, Heartland Regional Medical Center and Red Bud Regional Hospital, each facility's site is owned by the Quorum affiliated entity listed below and will be transferred to the Deaconess entity listed below.

With respect to Union County Hospital, the site is owned by the Union County Hospital District ("Hospital District") which currently leases the site to Anna Hospital Corporation which is a Quorum affiliate. Anna Hospital Corporation will assign the lease to Deaconess Illinois Union County Hospital, Inc. The Hospital District has been advised of the proposed assignment and is supportive of the transaction as evidenced by the letter from Pete Barger, District Board Chair for the Hospital District, included with Attachment 2 in Union County Hospital's application.

<u>Facility</u>	<u>Current Site Ownership</u>	<u>Post-transaction Site Ownership</u>
Crossroads Community Hospital 8 Doctors Park Rd., Mt. Vernon, Illinois	National Health Care of Mt. Vernon, Inc. 1573 Mallory Lane, Suite 100, Brentwood, TN	Deaconess Health System, Inc. 600 Mary St. Evansville, IN
Heartland Regional Medical Center 3333 W DeYoung St., Marion, Illinois	Marion Hospital Corporation 1573 Mallory Lane, Suite 100, Brentwood, TN	Deaconess Health System, Inc. 600 Mary St. Evansville, IN
Red Bud Regional Hospital 325 Spring St., Red Bud, Illinois	Red Bud Illinois Hospital Company, LLC 1573 Mallory Lane, Suite 100, Brentwood, TN	Deaconess Regional Healthcare Services Illinois, Inc. 600 Mary St. Evansville, IN
Union County Hospital 517 North Main Street Anna, Illinois	Union County Hospital District 517 North Main Street Anna, Illinois (Site is currently leased to Anna Hospital Corporation)	Union County Hospital District 517 North Main Street Anna, Illinois (Lease will be assigned to Deaconess Illinois Union County Hospital, Inc. following the transaction)


 Christopher M. Harrison
 Executive Vice President and
 Chief Financial Officer and Treasurer
 Quorum Health Corporation

10/10/2022

Dated



517 North Main Street
Anna, IL 62906
618/833-4511 ext. 4269
Fax: 618/833-8481

Debra Savage, Chairwoman
c/o John P. Kniery, Administrator
Illinois Health Facilities & Services Review Board
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761

Dear Chairwoman Savage:

Union County Hospital District (the "District") owns the real property in Anna, Illinois upon and within which Union County Hospital (the "Hospital") is located. The District currently leases that real property to Anna Hospital Corporation ("AHC") pursuant to a Sublease Agreement dated November 1, 2006 (the "Sublease"). AHC has informed the District of the proposed pending transaction whereby AHC intends to sell substantially of its assets used in the operation of the Hospital to Deaconess Illinois Union County Hospital, Inc. ("Deaconess"). In connection with the proposed transaction, AHC intends to assign the Sublease to Deaconess.

Please accept this letter as evidence that the District is supportive of the proposed transaction and we look forward to working with AHC and Deaconess to proceed through the formal approval process to facilitate the assignment of the Sublease to Deaconess.

Please contact me if you have any questions or require any additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Pete Barger", is written over a horizontal line.

Pete Barger
District Board Chair

**ASSET PURCHASE AGREEMENT
AND
AGREEMENT TO LEASE
BY AND BETWEEN
UNION COUNTY HOSPITAL DISTRICT
AND
ANNA HOSPITAL CORPORATION**

July 25, 2006

TABLE OF CONTENTS

<i>Description</i>	<i>Page</i>
1. Conveyance of Assets	1
1.1 Pledged Assets.....	1
1.2 Purchased Assets	2
1.3 Excluded Assets	3
1.4 Assumed Liabilities.....	3
1.5 Excluded Liabilities.....	3
1.6 Agreement to Enter Into Sublease.....	4
1.7 Management Agreement	4
1.8 Development Agreement.....	4
1.9 Consideration	4
2. Closing	4
2.1 Closing	4
2.2 Actions of Seller at Closing	4
2.3 Actions of Buyer at Closing.....	5
3. Representations and Warranties of Seller	6
3.1 Existence and Capacity	6
3.2 Powers; Consents; Absence of Conflicts With Other Agreements, Etc.....	6
3.3 Binding Agreement	6
3.4 Real Property.....	6
3.5 Title	7
3.6 Employee Benefit Plans	7
3.7 Litigation or Proceedings	8
3.8 Taxes	8
3.9 Employee Relations.....	8
3.10 The Contracts	9
3.11 Insurance	9
3.12 Original Lease	10
3.13 Original Agreement.....	10
3.14 Full Disclosure	10
4. Representations and Warranties of Buyer	10

TABLE OF CONTENTS
(continued)

<i>Description</i>	<i>Page</i>
4.1 Existence and Capacity	10
4.2 Powers; Consents; Absence of Conflicts With Other Agreements, Etc.....	10
4.3 Binding Agreement	11
5. Covenants of Seller Prior to Closing.....	11
5.1 Operations	11
5.2 Negative Covenants.....	11
5.3 Governmental Approvals	11
5.4 Tail Insurance.....	11
6. Covenants of Buyer Prior to Closing	12
6.1 Governmental Approvals	12
6.2 Title Commitment	12
6.3 Survey.....	12
7. Conditions Precedent to Obligations of Buyer.....	12
7.1 Representations/Warranties.....	12
7.2 Pre-Closing Confirmations.....	12
7.3 Title Policy	13
7.4 Actions/Proceedings.....	13
7.5 Adverse Change	13
7.6 Insolvency	13
7.7 Opinion of Counsel to Seller.....	13
7.8 Consents to Assignments	13
7.9 Closing Documents	13
8. Conditions Precedent to Obligations of Seller	13
8.1 Representations/Warranties.....	13
8.2 Governmental Approvals	14
8.3 Actions/Proceedings.....	14
8.4 Insolvency	14
8.5 Opinion of Counsel to Buyer	14
8.6 Closing Documents	14
9. Additional Agreements	14

TABLE OF CONTENTS
(continued)

<i>Description</i>	<i>Page</i>
9.1 Allocation of Consideration	14
9.2 Termination Prior to Closing	14
9.3 Post Closing Access to Information	15
9.4 CON Disclaimer	15
9.5 Tax and Medicare Effect	15
9.6 Reproduction of Documents	15
9.7 Cooperation on Tax Matters	15
9.8 Cost Reports	15
9.9 Misdirected Payments, Etc	16
9.10 Employee Matters	16
10. Miscellaneous	16
10.1 Schedules and Other Instruments	16
10.2 Additional Assurances	17
10.3 Consented Assignment	17
10.4 Consents, Approvals and Discretion	17
10.5 Legal Fees and Costs	17
10.6 Choice of Law	17
10.7 Benefit/Assignment	17
10.8 No Brokerage	17
10.9 Cost of Transaction	17
10.10 Confidentiality	18
10.11 Public Announcements	18
10.12 Waiver of Breach	18
10.13 Notice	18
10.14 Severability	19
10.15 Gender and Number	19
10.16 Divisions and Headings	19
10.17 Survival	19
10.18 Affiliates	19
10.19 Waiver of Jury Trial	19

TABLE OF CONTENTS
(continued)

<i>Description</i>	<i>Page</i>
10.20 Accounting Date.....	20
10.21 No Inferences	20
10.22 No Third Party Beneficiaries.....	20
10.23 Enforcement of Agreement	20
10.24 Entire Agreement/Amendment	20

EXHIBITS

<i>Description</i>	<i>Exhibit</i>
Opinion of Counsel to Seller	A
Opinion of Counsel to Buyer	B

SCHEDULES

<i>Description</i>	<i>Schedules</i>
Leased Real Property	1.2(a)(i)
Owned Real Property	1.2(a)(ii)
Personal Property	1.2(b)
Contracts	1.2(c)
Excluded Assets	1.3
Assumed Liabilities	1.4
Real Property	3.4
Employee Benefit Plans	3.6
Litigation or Proceedings	3.7
Employee Relations	3.9
Contracts	3.10
Insurance	3.11
Original Lease	3.12
Original Agreement	3.13

GLOSSARY OF DEFINED TERMS

<i>Description</i>	<i>Section</i>
Affiliate	10.18
Agreement	Introduction
Assets.....	1.2
Assignment and Assumption Agreement	2.2(d)
Assumed Liabilities	1.4
Benefit Plans.....	3.6
Buyer	Introduction
City	3.12
Closing.....	2.1
Closing Date	2.1
Closing Documents	3.14
Consideration.....	1.8
Contracts.....	1.2(e)
Excluded Assets.....	1.3
Excluded Liabilities.....	1.5
Hospital	Recital A
IRC	3.6
Leased Real Property.....	1.2(a)
Management Agreement	Recital B
Memorandum of Lease.....	2.2(b)
Note	Recital C
Original Agreement.....	Recital B
Original Lease	3.12
Owned Real Property	1.2(a)
Permitted Encumbrances.....	3.4
Pledged Assets.....	1.1
Purchased Assets	1.2
Real Property.....	1.2(a)
Seller.....	Introduction
Sublease.....	1.6
Survey.....	6.3
Title Commitment	6.2
Title Company.....	6.2
Title Policy	6.2
WARN Act.....	3.9

**ASSET PURCHASE AGREEMENT
AND
AGREEMENT TO LEASE**

THIS ASSET PURCHASE AGREEMENT AND AGREEMENT TO LEASE (the "Agreement") is made and entered into as of July 25, 2006, by and between UNION COUNTY HOSPITAL DISTRICT, a political subdivision of the State of Illinois ("Seller"), and ANNA HOSPITAL CORPORATION, an Illinois corporation ("Buyer").

RECITALS:

A. Seller is the owner of Union County Hospital, a general acute care hospital located in Anna, Illinois, together with certain related businesses, including a home health agency and a skilled nursing facility (collectively, the "Hospital").

B. Seller and Buyer previously entered into that certain Agreement to Enter into Management Agreement dated August 9, 2001 (the "Original Agreement"), and that certain Management Agreement dated September 7, 2001 (as amended, the "Management Agreement").

C. Pursuant to the Original Agreement, Seller executed that certain Promissory Note dated September 7, 2001, as amended and restated by that certain Amended and Restated Promissory Note dated September 1, 2001 (as amended, the "Note"), payable to Buyer in the original principal amount of \$1,699,733.60.

D. Pursuant to the Management Agreement, Buyer has an option to sublease the land and buildings relating to the Hospital.

E. Subject to the terms and conditions set forth in this Agreement, Buyer and Seller desire to provide for (i) the exercise by Buyer of its option to sublease the land and buildings relating to the Hospital; (ii) the lease by Buyer of certain land and improvements owned by Seller and located adjacent to the Hospital; (iii) the transfer of certain pledged assets to Buyer in repayment of the Note, and (iv) the purchase by Buyer of substantially all of the other assets of Seller which are related to, necessary for, and used in connection with, the operation of the Hospital.

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, the parties hereto agree as follows:

1. CONVEYANCE OF ASSETS.

1.1 Pledged Assets. Subject to the terms and conditions of this Agreement, as of the Closing (as defined in Section 2.1 hereof), Seller agrees to sell, convey, transfer and deliver to Buyer, in full satisfaction of Seller's obligations under the Note, the following assets owned or used by Seller in connection with the operation of the Hospital (the "Pledged Assets"):

- (a) all supplies and inventory used or useful in respect of the Hospital;
- (b) assumable deposits, prepaid expenses and claims for refunds of the Hospital;

(c) all accounts receivable (other than receivables from governmental third-party payors which by law may not be assigned) arising from the rendering of services to patients at the Hospital, billed and unbilled, recorded or unrecorded, with collection agencies or otherwise, accrued and existing in respect of services through the Closing;

(d) an amount equal to the value of all patient receivables related to Medicare, Medicaid and other third-party patients claims due from beneficiaries or governmental third-party payors arising from the rendering of services to patients at the Hospital, billed and unbilled, recorded or unrecorded, accrued and existing in respect of services through the Closing which by law may not be assigned; and

(e) the interest of Owner in all assets of the foregoing types, arising or acquired in the ordinary course of the business of Owner in respect of the Hospital between the date hereof and the Closing.

1.2 Purchased Assets. Subject to the terms and conditions of this Agreement, as of the Closing, Seller agrees to sell, convey, transfer and deliver to Buyer, and Buyer agrees to purchase, all of the assets owned or used by Seller in connection with the operation of the Hospital, other than the Pledged Assets (which will be conveyed to Buyer pursuant to Section 1.1) and the Excluded Assets (hereinafter defined), which assets shall include, without limitation, the following (the "Purchased Assets"):

(a) leasehold title to (i) the real property leased by Seller from the City (hereinafter defined) pursuant to the Original Lease (hereinafter defined), as more particularly described on Schedule 1.2(a)(i) hereto, together with all improvements, any construction in progress, any other buildings and fixtures thereon, and all rights, privileges and easements appurtenant thereto (collectively, the "Leased Real Property"), and (ii) the real property owned by Seller and located adjacent to the Leased Real Property, as more particularly described on Schedule 1.2(a)(ii) hereto, together with all improvements, any construction in progress, any other buildings and fixtures thereon, and all rights, privileges and easements appurtenant thereto (collectively, the "Owned Real Property"; the Leased Real Property and the Owned Real Property are referred to collectively herein as the "Real Property");

(b) all tangible personal property, including, without limitation, all major, minor or other equipment, vehicles, furniture and furnishings, the current list of which is set forth on Schedule 1.2(b) hereto;

(c) all claims, causes of action, and judgments in favor of Seller relating to the condition of the Purchased Assets and, to the extent assignable by Seller, all warranties (express or implied) and rights and claims assertable by (but not against) Seller related to the Purchased Assets;

(d) all financial, patient, medical staff and personnel records relating to the Hospital (including, without limitation, all accounts receivable records, equipment records, medical administrative libraries, medical records, patient billing records, documents, catalogs, books, records, files, operating manuals and current personnel records);

(e) all rights and interests of Seller in the contracts, commitments, leases and agreements listed on Schedule 1.2(e) hereto (the "Contracts");

(f) all licenses and permits, to the extent assignable, held by Seller relating to the ownership, development, and operation of the Hospital (including, without limitation, any pending or approved governmental approvals);

(g) all names, trade names, trademarks and service marks (or variations thereof) associated with the Hospital, all goodwill associated therewith, and all applications and registrations associated therewith, including, without limitation, the name "Union County Hospital";

(h) all goodwill associated with the Hospital and the Assets;

(i) any assets owned by Affiliates (hereinafter defined) of Seller which are used in connection with the operations of the Hospital;

(j) the electronic funds transfer account of the Hospital (the "EFT Account") and all information necessary to access the EFT Account;

(k) all other property, other than the Excluded Assets, of every kind, character or description owned by Seller or its Affiliates and used or held for use in the business of the Hospital or the Assets, wherever located and whether or not similar to the items specifically set forth above, and all other businesses and ventures owned by Seller in connection with the operations of the Hospital or the Purchased Assets; and

(l) the interest of Seller in all property of the foregoing types, arising or acquired in the ordinary course between the date hereof and the Closing.

The Purchased Assets and the Pledged Assets are referred to collectively herein as the "Assets". Seller shall convey good and marketable title to the Assets to Buyer free and clear of all claims, assessments, security interests, liens, restrictions and encumbrances, other than the Permitted Encumbrances (hereinafter defined) and the Assumed Liabilities (hereinafter defined).

1.3 Excluded Assets. Those assets of Seller described on Schedule 1.3 hereto shall be retained by Seller (collectively, the "Excluded Assets") and shall not be conveyed to Buyer.

1.4 Assumed Liabilities. In connection with the conveyance of the Assets to Buyer, Buyer agrees to assume, as of the Closing, the future payment and performance of the following liabilities (the "Assumed Liabilities") of Seller:

(a) all obligations accruing after the Closing with respect to the Contracts;

(b) all trade accounts payable and current liabilities relating to the operation of the Hospital from and after September 7, 2001 (excluding the current portion of any long-term debt of Seller);

(c) the capital lease obligations set forth on Schedule 1.4 hereto; and

(d) obligations and liabilities as of the Closing Date in respect of accrued vacation, holiday, and sick pay of Seller's employees at the Hospital who are hired by Buyer as of the Closing Date and related taxes, but only to the extent such accrued vacation, holiday, sick pay, and related taxes are set forth on Schedule 1.4 hereto.

1.5 Excluded Liabilities. Except for the Assumed Liabilities, Buyer shall not assume, and under no circumstances shall Buyer be obligated to pay or assume, and none of the assets of Buyer shall be or become liable for or subject to, any liability, indebtedness, commitment or obligation of Seller, whether known or unknown, fixed or contingent, recorded or unrecorded, currently existing or hereafter arising or otherwise (collectively, the "Excluded Liabilities").

1.6 Agreement to Enter Into Sublease. As of the date hereof, Seller and Buyer have entered into that certain Sublease Agreement (the "Sublease"), pursuant to the terms of which Buyer shall lease the Real Property from Seller commencing on the Closing Date.

1.7 Management Agreement. Subject to the terms and conditions set forth in this Agreement, as of the Closing, the Management Agreement shall terminate and the parties shall have no further rights or obligations thereunder, except to the extent such rights or obligations specifically survive the termination thereof.

1.8 Development Agreement. Subject to the terms and conditions set forth in this Agreement, as of the Closing, that certain Development Agreement dated September 7, 2001, by and between Seller and Buyer shall terminate and the parties shall have no further rights or obligations thereunder.

1.9 Consideration. Subject to the terms and conditions set forth in this Agreement, Buyer shall pay Seller as prepaid rent for the Sublease and as the purchase price for the Purchased Assets, Three Million Five Hundred Thousand and No/100 Dollars (\$3,500,000.00) (the "Consideration"). Buyer shall pay the Consideration to Seller at the Closing by wire transfer of immediately available funds to an account designated by Seller.

2. CLOSING.

2.1 Closing. Subject to the satisfaction or waiver by the appropriate party of all of the conditions precedent to Closing specified in Sections 7 and 8 hereof, the consummation of the transactions contemplated by and described in this Agreement (the "Closing") shall take place at the offices of Johnson & Stark, LLC at 10:00 a.m. local time, on or before October 31, 2006, or on such other date or at such other location as the parties may mutually designate in writing (the date of consummation is referred to herein as the "Closing Date").

2.2 Actions of Seller at Closing. At the Closing and unless otherwise waived in writing by Buyer, Seller shall deliver to Buyer the following:

(a) a Memorandum of Lease (the "Memorandum of Lease"), fully executed by Seller, to be recorded at the Closing in the public records for Union County, Illinois;

(b) a General Assignment, Conveyance and Bill of Sale, fully executed by Seller, conveying the Assets to Buyer;

(c) an Assignment and Assumption Agreement (the "Assignment and Assumption Agreement"), fully executed by Seller, conveying Seller's interest in the Contracts to Buyer;

(d) all instruments and documents required by the Title Company (as defined in Section 6.3 hereof) to issue the Title Policy (as defined in Section 6.3 hereof) as described in and provided by Section 7.3 hereof;

(e) copies of resolutions duly adopted by Seller authorizing and approving its performance of the transactions contemplated hereby, the execution and delivery of this Agreement and the documents described herein, and its reimbursement of Buyer for certain expenses relating to the operation of the Hospital following the Closing, certified as true and of full force as of the Closing, by an appropriate officer of Seller;

(f) certificates of the Chairman of the Board of Trustees of Seller certifying that each covenant and agreement of Seller to be performed prior to or as of the Closing pursuant to this Agreement has been performed and each representation and warranty of Seller is true and correct on the Closing Date, as if made on and as of the Closing;

(g) certificates of incumbency for the respective officers of Seller executing this Agreement or making certifications for the Closing dated as of the Closing Date;

(h) the opinion of counsel to Seller as provided by Section 7.7 hereof;

(i) all Certificates of Title and other documents evidencing an ownership interest conveyed as part of the Assets; and

(j) such other instruments and documents as Buyer reasonably deems necessary to effect the transactions contemplated hereby.

2.3 Actions of Buyer at Closing. At the Closing and unless otherwise waived in writing by Seller, Buyer shall deliver to Seller the following:

(a) an amount equal to the Consideration in immediately available funds;

(b) the Memorandum of Lease, fully executed by Buyer;

(c) the Assignment and Assumption Agreement, fully executed by Buyer;

(d) the original Note marked "cancelled" by Buyer;

(e) copies of resolutions duly adopted by the Board of Directors of Buyer authorizing and approving its performance of the transactions contemplated hereby and the execution and delivery of this Agreement and the documents described herein, certified as true and in full force as of the Closing, by the appropriate officers of Buyer;

(f) certificates of the President or a Vice President of Buyer certifying that each covenant and agreement of Buyer to be performed prior to or as of the Closing pursuant to this Agreement has been performed and each representation and warranty of Buyer is true and correct on the Closing Date, as if made on and as of the Closing;

(g) certificates of incumbency for the respective officers of Buyer executing this Agreement or making certifications for the Closing dated as of the Closing Date;

(h) certificates of existence and good standing of Buyer from the state in which it is incorporated, dated the most recent practical date prior to Closing;

(i) the opinion of counsel to Buyer as provided by Section 8.5 hereof; and

(j) such other instruments and documents as Seller reasonably deems necessary to effect the transactions contemplated hereby.

3. REPRESENTATIONS AND WARRANTIES OF SELLER. As of the date hereof, and, when read in light of any Schedules which have been updated in accordance with the provisions of Section 10.1 hereof, as of the Closing Date, Seller represents and warrants to Buyer the following:

3.1 Existence and Capacity. Seller is a political subdivision of the State of Illinois. Seller has the requisite power and authority to enter into this Agreement and the Sublease, to perform its obligations hereunder and thereunder, and to conduct its business as now being conducted.

3.2 Powers; Consents; Absence of Conflicts With Other Agreements, Etc. The execution, delivery, and performance of this Agreement by Seller, and all other agreements referenced herein, or ancillary hereto, to which Seller is a party, and the consummation of the transactions contemplated herein by Seller:

(a) are within its powers, are not in contravention of law or of the terms of its organizational documents, and have been duly authorized by all appropriate action;

(b) except as provided in Section 5.3 below, do not require any approval or consent of, or filing with, any governmental agency or authority bearing on the validity of this Agreement which is required by law or the regulations of any such agency or authority;

(c) will neither conflict with, nor result in any breach or contravention of, or the creation of any lien, charge, or encumbrance under, any indenture, agreement, lease, instrument or understanding to which it is a party or by which it is bound;

(d) will not violate any statute, law, rule, or regulation of any governmental authority to which it or the Assets may be subject; and

(e) will not violate any judgment, decree, writ or injunction of any court or governmental authority to which it or the Assets may be subject.

3.3 Binding Agreement. This Agreement, the Sublease and all agreements to which Seller will become a party pursuant hereto or thereto are and will constitute the valid and legally binding obligations of Seller, and are and will be enforceable against Seller in accordance with the respective terms hereof or thereof.

3.4 Real Property. Seller owns good, marketable and insurable leasehold title to the Leased Real Property, and good, marketable and insurable fee simple title to the Owned Real Property. Neither the Real Property nor the leasehold estate created by the Sublease shall be subject to any liens, encumbrances or other restrictions except those more particularly described in Schedule 3.4 hereto and approved by Buyer (the "Permitted Encumbrances"). With respect to the Real Property (a) Seller has not received during the past five (5) years notice of a violation of any applicable ordinance or other law, order, regulation or requirement; (b) the Real Property is subject to no easements, restrictions, ordinances, or such other limitations on title so as to make such property unusable for its current use or the title uninsurable or unmarketable or which materially restrict or impair the use, marketability or insurability of the Real Property; (c) there are no tenants or other persons or entities occupying any space in the Real Property, other than pursuant to tenant leases described in Schedule 3.4; and (d) Seller has not received any 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 Real Property or that would adversely affect the current use of any part of the Real Property.

3.5 Title. As of the Closing, Seller shall own and hold good, valid and marketable title to all of the Assets, and at the Closing Seller will assign and convey to Buyer good, valid and marketable title to all of the Assets, subject to no mortgage, lien, pledge, security interest, conditional sales agreement, right of first refusal, option, restriction, liability, encumbrance or charge other than the Assumed Liabilities and the Permitted Encumbrances.

3.6 Employee Benefit Plans. Except as set forth on Schedule 3.6 hereto:

(a) Seller does not have any pension, profit-sharing, stock bonus, deferred compensation, or other retirement plans including any Internal Revenue Code ("IRC") Section 403(b) plans or Section 457 plans; welfare benefit plans including group health plans; fringe benefit, cafeteria, or tuition assistance plans; executive compensation or incentive plans; severance plans; vacation, holiday, sick-leave, paid-time-off, or other employee compensation plans, procedures, programs, payroll practices, policies, agreements, commitments, contracts, or understandings; or any annuity contracts, custodial agreements, trusts, escrow agreements, or other agreements related to any such plans or other arrangements. All such plans or arrangements that are set forth on Schedule 3.6 are referred to collectively as the "Benefit Plans." With respect to such Benefit Plans, Seller has delivered to Buyer accurate and complete copies of the Benefit Plans; annuity contracts, trust agreements, insurance contracts, or any other funding instruments; governmental rulings, determination letters, or opinion letters; contracts with third-party administrators and other independent contractors; and summary plan descriptions, modifications, memoranda, employee handbooks, and other written communications.

(b) With respect such Benefit Plans, Seller does not currently and has not participated in or sponsored, contributed to, or had an obligation to contribute to a multiemployer plan, multiple employer plan, or single employer plan to which at least two or more of the contributing sponsors are not part of the same controlled group; participated in any Benefit Plan that is self-insured or is a self-funded multiple employer welfare arrangement; participated in, engaged in, or been a party to any prohibited transaction; had asserted against it any claim for any excise tax, interest, or penalty; or committed a breach of any responsibilities or obligations imposed upon fiduciaries. Buyer will not be responsible for, or required to pay, any liability of Seller, contingent or otherwise, with respect to any Benefit Plans.

(c) Each Benefit Plan that is pension or other retirement plan and each related trust agreement, annuity contract, or other funding instrument is and has been since its inception qualified and tax-exempt under the provisions of Sections 401(a) (or 403(b)) and 501(a) of the IRC; is and has been since its inception in material compliance with its terms and, both as to form and in operation, with the requirements prescribed by any and all laws that are applicable to such Benefit Plan; does not have and has not had since its inception any unfunded accrued liability; has not experienced any reportable events; has not had any accumulated funding deficiencies or liquidity shortfalls; does not have any liabilities required to be disclosed that have not been disclosed; and has not been partially or fully terminated, nor has the PBGC instituted or threatened a proceeding to terminate any such Benefit Plan or to appoint a trustee. Each Benefit Plan that is not pension or other retirement plan is in material compliance with its terms and, both as to form and operation, with the requirements prescribed by any and all laws that are applicable to such Benefit Plan.

(d) No Benefit Plan is currently or has been within the last three (3) years under audit, inquiry, or investigation by the any governmental entity, and there are no outstanding issues with reference to the Benefit Plans pending before any governmental agency. Other than routine claims for benefits, there are no actions, mediations, audits, arbitrations, suits, claims, or investigations pending or threatened against or with respect to any of the Benefit Plans or their assets, and there are no threatened or pending claims by or on behalf of the Benefit Plans or by any employee of Seller alleging a breach or breaches of fiduciary duties or violations of law.

3.7 *Litigation or Proceedings.* Seller has delivered to Buyer an accurate list and summary description (Schedule 3.7) of all litigation or proceedings with respect to the Hospital and the Assets to which Seller is a party. Seller is not in default under any order of any court or federal, state, municipal, or other governmental department, commission, board, bureau, agency or instrumentality wherever located. Except as set forth in a writing delivered by Seller to Buyer which specifically make reference to this Section 3.7 or as set forth on Schedule 3.7, there are no claims, actions, suits, proceedings, or investigations pending, or to the best knowledge of Seller, threatened against or affecting Seller with respect to the Hospital or the Assets, at law or in equity, or before or by any federal, state, municipal, or other governmental department, commission, board, bureau, agency, or instrumentality wherever located.

3.8 *Taxes.* Seller has filed all federal, state and local tax returns required to be filed by it (all of which are true and correct in all material respects) and has duly paid or made provision for the payment of all taxes (including any interest or penalties and amounts due state unemployment authorities) which are due and payable to the appropriate tax authorities. Seller has withheld proper and accurate amounts from its employees' compensation in compliance with all withholding and similar provisions of the IRC, including employee withholding and social security taxes, and any and all other applicable laws. No deficiencies for any of such taxes have been asserted or threatened, and no audit on any such returns is currently under way or threatened. There are no outstanding agreements by Seller for the extension of time for the assessment of any such taxes. Seller has not taken and will not take any action in respect of any federal, state or local taxes (including, without limitation, any withholdings required to be made in respect of employees) that may have an adverse impact upon the Hospital or the Assets as of or subsequent to Closing. There are no tax liens on any of the Assets and, to the knowledge of Seller, no basis exists for the imposition of any such liens.

3.9 *Employee Relations.*

(a) Except as set forth on Schedule 3.9, all employees of the Hospital are employees of Seller. There has not been within the last three (3) years, there is not presently pending or threatened, and no event has occurred or circumstance exists that could provide the basis for any strike, slowdown, picketing, work stoppage, or employee grievance process, or any proceeding against or affecting Seller relating to an alleged violation of any legal requirements pertaining to labor relations, including any charge, complaint, or unfair labor practices claim filed by an employee, union, or other person with the National Labor Relations Board or any comparable governmental body, organizational activity, or other labor dispute against or affecting Seller or its premises. With respect to the employees of Seller, no collective bargaining agreement exists or is currently being negotiated by Seller; no application for certification of a collective bargaining agent is pending; no demand has been made for recognition by a labor organization; no union representation question exists; no union organizing activities are taking place; and none of the employees of Seller is represented by any labor union or organization.

(b) Seller has complied in all respects with all legal requirements relating to employment; employment practices; terms and conditions of employment; equal employment

opportunity; nondiscrimination; immigration; wages; hours; benefits; payment of employment, social security, and similar taxes; occupational safety and health; and plant closing. Seller is not liable for the payment of any compensation, damages, taxes, fines, penalties, interest, or other amounts, however designated, for failure to comply with any of the foregoing legal requirements. Except as set forth in Schedule 3.9, there are no pending or threatened claims before the Equal Employment Opportunity Commission (or comparable state agency), complaints before the Occupational Safety and Health Administration (or comparable state agency), wage and hour claims, unemployment compensation claims, workers' compensation claims, or the like.

(c) Seller has provided to Buyer the personnel records of all of Seller's employees and the salary or wage records for such employees including records reflecting sick, paid-time-off, and vacation leave that is accrued or credited but unused or unpaid. Seller has provided to Buyer copies of each employment, consulting, independent contractor, bonus, or severance agreement to which Seller is a party. Schedule 3.9 states the number of employees terminated or laid off by Seller within the ninety (90) days preceding the Closing; in relation to the foregoing, Seller has not violated the Worker Adjustment and Retraining Notification Act (the "WARN Act") or any similar state or local legal requirements. No officer, director, agent, employee, consultant, or independent contractor of Seller is bound by any contract that purports to limit the ability of such officer, director, agent, employee, consultant, or independent contractor to engage in or continue or perform any conduct, activity, duties or practice relating to the business of Seller.

3.10 The Contracts. Seller has delivered to Buyer an accurate list (Schedule 1.2(e)) of the Contracts. Seller has made available to Buyer true and correct copies of the Contracts, and has given, and will give, the agents, employees and representatives of Buyer access to the originals of the Contracts. The Contracts include all commitments, contracts, leases and agreements, written or oral, which materially affect the Hospital, the Assets or the operation of any thereof, to which Seller is a party or by which Seller, the Hospital or the Assets is bound. Seller represents and warrants with respect to the Contracts that: (a) the Contracts constitute valid and legally binding obligations of the parties thereto and are enforceable in accordance with their terms; (b) each Contract constitutes the entire agreement by and between the respective parties thereto with respect to the subject matter thereof; (c) all obligations required to be performed under the terms of the Contracts have been performed, no act or omission has occurred or failed to occur which, with the giving of notice, the lapse of time or both would constitute a default under the Contracts, and each of such Contracts is now and will be upon and after the Closing Date in full force and effect without default on the part of the parties thereto; (d) except as expressly set forth on Schedule 3.10, none of the Contracts requires consent to the assignment and assumption of such Contracts by Buyer, and Seller will use its best efforts to obtain any required consents prior to the Closing; and (e) except as expressly set forth on Schedule 3.10, the assignment of the Contracts to and assumption of such Contracts by Buyer will not result in any penalty or premium, or variation of the rights, remedies, benefits or obligations of any party thereunder.

3.11 Insurance. Seller has delivered to Buyer an accurate schedule (Schedule 3.11) disclosing the insurance policies covering the ownership and operations of the Hospital and the Assets, which Schedule reflects the policies' numbers, terms, identity of insurers, amounts, and coverage. All of such policies are in full force and effect with no premium arrearage. Seller has given in a timely manner to its insurers all notices required to be given under its insurance policies with respect to all of the claims and actions covered by insurance, and no insurer has denied coverage of any such claims or actions. Seller has not (a) received any notice or other communication from any such insurance company canceling or materially amending any of such insurance policies, and no such cancellation or amendment is threatened or (b) failed to give any required notice or present any

claim which is still outstanding under any of such policies with respect to the Hospital or any of the Assets.

3.12 Original Lease. A true and correct copy of that certain Lease Agreement dated March 1, 1964 (the "Original Lease"), by and between the City of Anna, Illinois (the "City") and Seller, pursuant to which Seller leases the Leased Real Property from the City, is attached hereto as Schedule 3.12. The Original Lease constitutes the valid and legally binding obligations of the parties thereto and is enforceable in accordance with its terms; (b) the Original Lease constitutes the entire agreement by and between Seller and the City with respect to the subject matter thereof; and (c) all obligations required to be performed under the terms of the Original Lease have been performed, no act or omission has occurred or failed to occur which, with the giving of notice, the lapse of time or both would constitute a default under the Original Lease, and the Original Lease is now and will be upon and after the Closing Date in full force and effect without default on the part of the parties thereto.

3.13 Original Agreement. Except as set forth on Schedule 3.13 hereto, the representations and warranties of Seller contained in Sections 4.6, 4.7, 4.8, 4.9, 4.15, 4.16 and 4.23 of the Original Agreement are true and correct as of the date hereof as though such representations and warranties had been made on and as of the date hereof.

3.14 Full Disclosure. This Agreement and Schedules hereto and all Closing Documents (as defined below) furnished and to be furnished to Buyer and its representatives by Seller pursuant hereto do not and will not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements made and to be made not misleading. To the best knowledge of Seller, all other information furnished or to be furnished to Buyer and its representatives pursuant to or in connection with this Agreement does not and will not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements made and to be made not misleading. Copies of all documents referred to in any Schedule hereto have been delivered or made available to Buyer and constitute true, correct and complete copies thereof and include all amendments, exhibits, schedules, appendices, supplements or modifications thereto or waivers thereunder. The term "Closing Documents" means those documents executed and delivered at the Closing pursuant to Section 2 above.

4. REPRESENTATIONS AND WARRANTIES OF BUYER. As of the date hereof, and, when read in light of any Schedules which have been updated in accordance with the provisions of Section 10.1 hereof, as of the Closing Date, Buyer represents and warrants to Seller the following:

4.1 Existence and Capacity. Buyer is a corporation, duly organized and validly existing in good standing under the laws of the State of Illinois. Buyer has the requisite power and authority to enter into this Agreement and the Sublease, to perform its obligations hereunder and thereunder, and to conduct its business as now being conducted.

4.2 Powers; Consents; Absence of Conflicts With Other Agreements, Etc. The execution, delivery, and performance of this Agreement by Buyer and all other agreements referenced herein, or ancillary hereto, to which Buyer is a party, and the consummation of the transactions contemplated herein by Buyer:

(a) are within its corporate powers, are not in contravention of law or of the terms of its organizational documents, and have been duly authorized by all appropriate corporate action;

(b) except as provided in Section 6.1 below, do not require any approval or consent of, or filing with, any governmental agency or authority bearing on the validity of this Agreement which is required by law or the regulations of any such agency or authority;

(c) will neither conflict with, nor result in any breach or contravention of, or the creation of any lien, charge or encumbrance under, any indenture, agreement, lease, instrument or understanding to which it is a party or by which it is bound;

(d) will not violate any statute, law, rule, or regulation of any governmental authority to which it may be subject; and

(e) will not violate any judgment, decree, writ, or injunction of any court or governmental authority to which it may be subject.

4.3 Binding Agreement. This Agreement, the Sublease and all agreements to which Buyer will become a party pursuant hereto or thereto are and will constitute the valid and legally binding obligations of Buyer, and are and will be enforceable against Buyer, in accordance with the respective terms hereof and thereof.

5. COVENANTS OF SELLER PRIOR TO CLOSING. Between the date of this Agreement and the Closing:

5.1 Operations. From the date hereof until the Closing, Seller will carry on its business pertaining to the Hospital in substantially the same manner as presently conducted and not make any material change in personnel, operations, finance, accounting policies, or real or personal property pertaining to the Hospital.

5.2 Negative Covenants. From the date hereof until the Closing, Seller will not, without the prior written consent of Buyer take any action outside the ordinary course of business of the Hospital.

5.3 Governmental Approvals. Seller shall (i) obtain all governmental approvals (or exemptions therefrom) necessary or required to allow Seller to perform its obligations under this Agreement; and (ii) assist and cooperate with Buyer and its representatives and counsel in obtaining all governmental consents, approvals, and licenses which Buyer deems necessary or appropriate and in the preparation of any document or other material which may be required by any governmental agency as a predicate to or as a result of the transactions contemplated herein.

5.4 Tail Insurance. Prior to the Closing, Seller shall, at its sole cost and expense, obtain "tail" insurance to insure against professional and general liabilities of the Hospital relating to all periods prior to the Closing. The insurance shall have coverage levels equal to the current policies insuring Seller.

6. COVENANTS OF BUYER PRIOR TO CLOSING. Between the date of this Agreement and the Closing:

6.1 Governmental Approvals. Buyer shall (i) obtain all governmental approvals (or exemptions therefrom) necessary or required to allow Buyer to perform its obligations under this Agreement; and (ii) assist and cooperate with Seller and its representatives and counsel in obtaining all governmental consents, approvals, and licenses which Seller deems necessary or appropriate and in the preparation of any document or other material which may be required by any governmental agency as a predicate to or as a result of the transactions contemplated herein.

6.2 Title Commitment. Buyer, at its expense, shall obtain a current title commitment (the "Title Commitment") issued by a title insurance company selected by Buyer (the "Title Company"), together with legible copies of all exceptions to title referenced therein. The Title Commitment shall contain the express commitment of the Title Company to issue a Leasehold Owner's Title Policy (the "Title Policy") to Buyer in an amount equal to the amount being allocated by the parties to the Real Property insuring good and marketable leasehold title to the Real Property with the standard printed exceptions endorsed or deleted in accordance with Section 7.3 hereof.

6.3 Survey. Seller shall deliver copies of all existing surveys of the Real Property to Buyer. Buyer, at its expense, shall obtain a current as-built survey of the Real Property (the "Survey"). The Survey shall meet the requirements of an ALTA/ASCM survey and otherwise be in form and detail satisfactory to Buyer.

7. CONDITIONS PRECEDENT TO OBLIGATIONS OF BUYER. Notwithstanding anything herein to the contrary, the obligations of Buyer to consummate the transactions described herein are subject to the fulfillment, on or prior to the Closing Date, of the following conditions precedent unless (but only to the extent) waived in writing by Buyer at the Closing:

7.1 Representations/Warranties. The representations and warranties of Seller contained in this Agreement shall be true when made and, when read in light of any Schedules that have been updated in accordance with the provisions of Section 10.1 hereof, as of the Closing Date as though such representations and warranties had been made on and as of such Closing Date. Each and all of the terms, covenants, and conditions of this Agreement to be complied with or performed by Seller on or before the Closing Date pursuant to the terms hereof shall have been duly complied with and performed.

7.2 Pre-Closing Confirmations. Buyer shall have obtained documentation or other evidence satisfactory to Buyer in its reasonable discretion that Buyer has:

(a) Received approval from all Government Entities whose approval is required to complete the transactions herein contemplated, including, without limitation, the approval of the Illinois Health Facilities Planning Board;

(b) Received written confirmation from all applicable licensure agencies that upon the Closing all licenses required by law to operate the Hospital as currently operated will be transferred to, or issued or reissued in the name of, Buyer;

(c) Obtained reasonable assurances that Medicare and Medicaid certification of the Hospital for its operation by Buyer will be effective as of the Closing and that Buyer may participate in and receive reimbursement from such programs effective as of the Closing; and

(d) Obtained such other consents and approvals as may be legally or contractually required for the consummation of the transactions described herein.

7.3 Title Policy. At the Closing, the Title Company shall be ready, willing and able to issue a pro forma of the Title Policy (or marked Title Commitment containing no additional exceptions to title to the Real Property) to Buyer. The Title Policy shall be issued on an ALTA Form 1992 Leasehold Owner's Title Policy in an amount equal to the amount being allocated by the parties to the Real Property and shall insure to Buyer good and marketable leasehold title to the Real Property subject only to (i) the Permitted Encumbrances, and (ii) taxes for the current and subsequent years "not yet due and payable." The Title Policy shall have all standard and general exceptions deleted so as to afford full "extended form coverage" and shall contain such endorsements thereto as Buyer may reasonably require in connection with its review of the Title Commitment and the Survey.

7.4 Actions/Proceedings. No action or proceeding before a court or any other governmental agency or body shall have been instituted or threatened to restrain or prohibit the transactions herein contemplated, and no governmental agency or body shall have taken any other action or made any request of any party hereto as a result of which Buyer reasonably and in good faith deems it inadvisable to proceed with the transactions hereunder.

7.5 Adverse Change. No material adverse change in the results of operations, financial condition, business or prospects of the Hospital shall have occurred, and Seller shall not have suffered any material change, loss or damage to the Assets, whether or not covered by insurance.

7.6 Insolvency. Seller shall not (i) be in receivership or dissolution, (ii) have made any assignment for the benefit of creditors, (iii) have admitted in writing its inability to pay its debts as they mature, (iv) have been adjudicated a bankrupt, or (v) 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 Seller.

7.7 Opinion of Counsel to Seller. Buyer shall have received an opinion from counsel to Seller dated as of the Closing Date and addressed to Buyer, in form and substance satisfactory to counsel for Buyer, covering the matters set forth in Exhibit A hereto.

7.8 Consents to Assignments. All consents, waivers, and estoppels of third parties which are reasonably necessary, in the opinion of Buyer, to complete effectively the transactions herein contemplated shall have been obtained and are in form and substance reasonably satisfactory to Buyer.

7.9 Closing Documents. All Closing Documents required by Section 2.2 shall have been delivered to Buyer.

8. CONDITIONS PRECEDENT TO OBLIGATIONS OF SELLER. Notwithstanding anything herein to the contrary, the obligations of Seller to consummate the transactions described herein are subject to the fulfillment, on or prior to the Closing Date, of the following conditions precedent unless (but only to the extent) waived in writing by Seller at the Closing:

8.1 Representations/Warranties. The representations and warranties of Buyer contained in this Agreement shall be true when made and, when read in light of any Schedules that have been updated in accordance with the provisions of Section 10.1 hereof, as of the Closing Date as though

such representations and warranties had been made on and as of such Closing Date. Each and all of the terms, covenants, and conditions of this Agreement to be complied with or performed by Buyer on or before the Closing Date pursuant to the terms hereof shall have been duly complied with and performed.

8.2 Governmental Approvals. All material consents, authorizations, orders and approvals of (or filings or registrations with) any Government Entity or other party required in connection with the execution, delivery and performance of this Agreement shall have been obtained or made by Buyer when so required, except for any documents required to be filed, or consents, authorizations, orders or approvals required to be issued, after the Closing Date.

8.3 Actions/Proceedings. No action or proceeding before a court or any other governmental agency or body shall have been instituted or threatened to restrain or prohibit the transactions herein contemplated, and no governmental agency or body shall have taken any other action or made any request of any party hereto as a result of which Seller reasonably and in good faith deems it inadvisable to proceed with the transactions hereunder.

8.4 Insolvency. Buyer shall not (i) be in receivership or dissolution, (ii) have made any assignment for the benefit of creditors, (iii) have admitted in writing its inability to pay its debts as they mature, (iv) have been adjudicated a bankrupt, or (v) 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 Buyer.

8.5 Opinion of Counsel to Buyer. Seller shall have received an opinion from counsel to Buyer and CHS dated as of the Closing Date and addressed to Seller, in form and substance satisfactory to counsel for Seller, covering the matters set forth in Exhibit B hereto.

8.6 Closing Documents. All Closing Documents required by Section 2.3 shall have been delivered to Seller.

9. ADDITIONAL AGREEMENTS.

9.1 Allocation of Consideration. The Consideration shall be allocated between rent and among the various classes of Assets in accordance with and as provided by Section 1060 of the IRC. Within one hundred eighty (180) days of the Closing, Buyer shall provide Seller with a preliminary allocation of the Consideration for Seller's review and approval, which approval shall not be unreasonably withheld or delayed. The parties agree that any tax returns or other tax information they may file or cause to be filed with any governmental agency shall be prepared and filed consistently with such agreed upon allocation. In this regard, the parties agree that, to the extent required, they will each properly prepare and timely file Form 8594 in accordance with Section 1060 of the IRC.

9.2 Termination Prior to Closing. Notwithstanding anything herein to the contrary, this Agreement may be terminated at any time: (i) on or prior to the Closing Date by mutual consent of Seller and Buyer; (ii) by Buyer by written notice to Seller if any event occurs or condition exists which has or will cause Seller to be unable to satisfy one or more conditions to the obligations of Buyer to consummate the transactions contemplated by this Agreement as set forth in Section 7; (iii) by Seller by written notice to Buyer if any event occurs or condition exists which has or will cause Buyer to be unable to satisfy one or more conditions to the obligations of Seller to consummate the transactions contemplated by this Agreement as set forth in Section 8; (iv) by Buyer or Seller if the

Closing Date shall not have taken place on or before January 31, 2007 (which date may be extended by mutual agreement of Buyer and Seller); or (v) by either Seller or Buyer pursuant to Section 10.1 hereof.

9.3 Post Closing Access to Information. Seller and Buyer acknowledge that subsequent to the Closing each party may need access to information or documents in the control or possession of the other party for the purposes of concluding the transactions herein contemplated, audits, compliance with governmental requirements and regulations, and the prosecution or defense of third party claims. Accordingly, Seller and Buyer agree that for a period of six (6) years after the Closing each will make reasonably available to the other's agents, independent auditors, counsel, and/or governmental agencies upon written request and at the expense of the requesting party such documents and information as may be available relating to the Assets for periods prior and subsequent to the Closing to the extent necessary to facilitate concluding the transactions herein contemplated, audits, compliance with governmental requirements and regulations, and the prosecution or defense of claims.

9.4 CON Disclaimer. This Agreement shall not be deemed to be an acquisition or obligation of a capital expenditure or of funds within the meaning of the certificate of need statute of any state, until the appropriate governmental agencies shall have granted a certificate of need or the appropriate approval or ruled that no certificate of need or other approval is required.

9.5 Tax and Medicare Effect. None of the parties (nor such parties' counsel or accountants) has made or is making any representations to any other party (nor such party's counsel or accountants) concerning any of the tax or Medicare effects of the transactions provided for in this Agreement as each party hereto represents that each has obtained, or may obtain, independent tax and Medicare advice with respect thereto and upon which it, if so obtained, has solely relied.

9.6 Reproduction of Documents. This Agreement and all documents relating hereto may, subject to the provisions of Section 10.10 hereof, be reproduced by Seller and by Buyer by any photographic, photostatic, microfilm, micro-card, miniature photographic or other similar process and Seller and Buyer may destroy any original documents so reproduced. Seller and Buyer agree and stipulate that any such reproduction shall be admissible in evidence as the original itself in any judicial, arbitral or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by the Seller or Buyer in the regular course of business) and that any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence.

9.7 Cooperation on Tax Matters. Following the Closing, the parties shall cooperate fully with each other and shall make available to the other, as reasonably requested and at the expense of the requesting party, and to any taxing authority, all information, records or documents relating to tax liabilities or potential tax liabilities of Seller for all periods on or prior to the Closing and any information which may be relevant to determining the amount payable under this Agreement, and shall preserve all such information, records and documents (to the extent a part of the Purchased Assets delivered to Buyer at Closing) at least until the expiration of any applicable statute of limitations or extensions thereof.

9.8 Cost Reports. Buyer shall prepare and file all terminating and other cost reports required or permitted by law to be filed under the Medicare and Medicaid or other third party payor programs and the State Health Agency for periods ending on or prior to the Closing Date, or as a result of the consummation of the transactions described herein. Buyer shall have the right, at its

expense, to reopen or amend previously filed or closed Medicare and Medicaid cost reports pertaining to the Hospital, in which case Buyer shall have the right to any additional amounts due the Hospital from the Medicare and Medicaid programs relating to such reopened or amended cost reports. Buyer shall have the right to appeal any Medicare or Medicaid determinations related to any such reopened or amended costs reports.

9.9 *Misdirected Payments, Etc.* Seller and Buyer covenant and agree to remit, with reasonable promptness, to the other any payments received, which payments are on or in respect of accounts or notes receivable owned by (or are otherwise payable to) the other.

9.10 *Employee Matters.* As of the Closing Date, Seller shall terminate all of its employees at the Hospital, and Buyer shall hire all active employees in good standing commencing as of the Closing Date in positions and at seniority and compensation levels consistent with those being provided by Seller immediately prior to the Closing Date. Notwithstanding the foregoing, Buyer reserves the right not to hire any individual employee for any lawful reason whatsoever. Nothing herein shall be deemed to affect or limit in any way normal management prerogatives of Buyer with respect to employees, create or grant to any employees third-party beneficiary rights or claims of any kind or nature, or alter any employment-at-will relationship between the Buyer and the employees. In respect of the employees employed by Buyer, Buyer shall provide such employees with employee benefits consistent with the benefits generally offered to employees of affiliates of Buyer in the same geographic area as the Hospital and, to the extent Seller has qualified retirement plans for such employees, Buyer shall recognize the existing seniority of all such employees for benefits purposes and shall provide credit under such plans for purposes of determining eligibility and vesting and the rate of benefit accrual (but not actual benefit accrual); provided, however, that no such credit need be given in respect of any new plan commenced or participated in by Buyer in which no prior service credit is given or recognized to or for other plan beneficiaries. In extending such benefits, Buyer shall waive pre-existing conditions limitations in Buyer's welfare benefit plans that might otherwise apply to such employees except to the extent employees have not satisfied such limitations under the current welfare benefit plans of Seller but only to the extent permitted under the terms of Seller's welfare benefit plans and applicable insurance policies. Following the Closing Date, Seller shall continue to be responsible for the administration of, and all obligations and liabilities relating to, the Benefit Plans.

10. MISCELLANEOUS.

10.1 *Schedules and Other Instruments.* Each Schedule and Exhibit to this Agreement shall be considered a part hereof as if set forth herein in full. From the date hereof until the Closing Date, Seller or Buyer may update their Schedules, subject to the other party's approval rights described below. Any other provision herein to the contrary notwithstanding, all Schedules, Exhibits, or other instruments provided for herein and not delivered at the time of execution of this Agreement or which are incomplete at the time of execution of this Agreement shall be delivered or completed within ten (10) days after the date hereof or prior to the Closing, whichever is sooner. It shall be deemed a condition precedent to the obligations of the parties hereto that each of the Schedules, Exhibits, and related documents, instruments, books, and records shall meet with the approval of such parties. If 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, Exhibit or other instrument that is delivered to such party after the execution of this Agreement, then such party may terminate this Agreement on or before the Closing by giving written notice thereof to the other party.

10.2 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 or parties shall execute such additional instruments and take such additional actions as the requesting party may deem necessary to effectuate this Agreement.

10.3 Consented Assignment. Anything contained herein to the contrary notwithstanding, this Agreement shall not constitute an agreement to assign any claim, right, contract, license, lease, commitment, sales order, or purchase order if an attempted assignment thereof without the consent of the other party thereto would constitute a breach thereof or in any material way affect the rights of Seller thereunder, unless such consent is obtained. Each of Seller and Buyer shall use its best efforts to obtain any third party consents to the transactions contemplated by this Agreement. If such consent is not obtained, or if an attempted assignment would be ineffective or would materially affect the rights thereunder of Seller so that Buyer would not in fact receive all such rights, Seller and Buyer shall cooperate in good faith in any reasonable arrangement designed to provide for Buyer the benefits under any such claim, right, contract, license, lease, commitment, sales order, or purchase order, including, without limitation, enforcement of any and all rights of Seller against the other party or parties thereto arising out of the breach or cancellation by such other party or otherwise.

10.4 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 whenever 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.

10.5 Legal Fees and Costs. In the event a party elects to incur legal expenses to enforce or interpret any provision of this Agreement by judicial proceedings, the prevailing party will be entitled to recover such legal expenses, including, without limitation, reasonable attorneys' fees, costs, and necessary disbursements at all court levels, in addition to any other relief to which such party shall be entitled.

10.6 Choice of Law. The parties agree that this Agreement shall be governed by and construed in accordance with the laws of the State of Illinois without regard to conflict of laws principles.

10.7 Benefit/Assignment. Subject to provisions herein to the contrary, this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective legal representatives, successors, and assigns. No party may assign this Agreement without the prior written consent of the other parties, which consent shall not be unreasonably withheld; provided, however, that any party may, without the prior written consent of the other parties, assign its rights and delegate its duties hereunder to one or more Affiliates (as defined in Section 10.18).

10.8 No Brokerage. Buyer and Seller each represent and warrant to the other that it has not engaged a broker in connection with the transactions described herein. Each party agrees to be solely liable for and obligated to satisfy and discharge 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 party.

10.9 Cost of Transaction. Whether or not the transactions contemplated hereby shall be consummated, the parties agree as follows: (i) Seller shall pay the fees, expenses, and disbursements of Seller and its agents, representatives, accountants, and legal counsel incurred in connection with

the subject matter hereof and any amendments hereto; (ii) Buyer shall pay the fees, expenses, and disbursements of Buyer and its agents, representatives, accountants and legal counsel incurred in connection with the subject matter hereof and any amendments hereto; and (iii) Buyer shall pay any state or local deed, stamp or other tax associated with or assessed in connection with the conveyance of any of the Assets.

10.10 Confidentiality. It is understood by the parties hereto that the information, documents, and instruments delivered to Buyer by Seller and its agents and the information, documents, and instruments delivered to Seller by Buyer and its agents are of a confidential and proprietary nature. Each of the parties hereto agrees that both prior and subsequent to the Closing it will maintain the confidentiality of all such confidential information, documents, or instruments delivered to it by each of the other parties hereto or their agents in connection with the negotiation of this Agreement or in compliance with the terms, conditions, and covenants hereof and will only disclose such information, documents, and instruments to its duly authorized officers, members, directors, representatives, and agents (including consultants, attorneys, and accountants of each party) and applicable governmental authorities in connection with any required notification or application for approval or exemption therefrom. Each of the parties hereto further agrees that if the transactions contemplated hereby are not consummated, it will return all such documents and instruments and all copies thereof in its possession to the other parties to this Agreement. Each of the parties hereto recognizes that any breach of this Section 10.10 would result in irreparable harm to the other party to this Agreement and its Affiliates (as defined in Section 10.18 below) and that therefore either Seller or Buyer shall be entitled to an injunction to prohibit any such breach or anticipated breach, without the necessity of posting a bond, cash, or otherwise, in addition to all of its other legal and equitable remedies. Nothing in this Section 10.10, however, shall prohibit the use of such confidential information, documents, or information for such governmental filings as in the opinion of Seller's counsel or Buyer's counsel are required by law or governmental regulations or are otherwise required to be disclosed pursuant to applicable state law.

10.11 Public Announcements. Seller and Buyer mutually agree that no party hereto shall release, publish, or otherwise make available to the public in any manner whatsoever any information or announcement regarding the transactions herein contemplated without the prior written consent of Seller and Buyer, except for information and filings reasonably necessary to be directed to governmental agencies to fully and lawfully effect the transactions herein contemplated or required in connection with securities and other laws.

10.12 Waiver of Breach. The waiver by any party of a breach or violation of any provision of this Agreement shall not operate as, or be construed to constitute, a waiver of any subsequent breach of the same or any other provision hereof.

10.13 Notice. Any notice, demand, or communication required, permitted, or desired to be given hereunder shall be deemed effectively given when personally delivered, when received by receipted overnight delivery, or five (5) days after being deposited in the United States mail, with postage prepaid thereon, certified or registered mail, return receipt requested, addressed as follows:

Seller:	Union County Hospital District 517 North Main Street Anna, Illinois 62906 Attention: Chairman
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With a simultaneous copy to: Gary E. Stark, Esq.
Johnson & Stark, LLC
309 Division Street
Cairo, Illinois 62914

Buyer: Anna Hospital Corporation
c/o Community Health Systems
7100 Commerce Way, Suite 100
Brentwood, Tennessee 37027
Attention: President

With a simultaneous copy to: Community Health Systems
7100 Commerce Way, Suite 100
Brentwood, Tennessee 37027
Attention: General Counsel

or to such other address, and to the attention of such other person or officer as any party may designate, with copies thereof to the respective counsel thereof as notified by such party.

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

10.15 Gender and Number. Whenever the context of this Agreement requires, the gender of all words herein shall include the masculine, feminine, and neuter, and the number of all words herein shall include the singular and plural.

10.16 Divisions and Headings. The divisions of this Agreement into sections and subsections and the use of captions and headings in connection therewith are solely for convenience and shall have no legal effect in construing the provisions of this Agreement.

10.17 Survival. All of the representations, warranties, covenants, and agreements made by the parties in this Agreement or pursuant hereto in any certificate, instrument, or document shall survive the consummation of the transactions described herein, and may be fully and completely relied upon by Seller and Buyer, as the case may be, notwithstanding any investigation heretofore or hereafter made by any of them or on behalf of any of them, and shall not be deemed merged into any instruments or agreements delivered at the Closing or thereafter.

10.18 Affiliates. As used in this Agreement, the term "Affiliate" means, as to the entity in question, any person or entity that directly or indirectly controls, is controlled by or is under common control with, the entity in question and the term "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, by contract or otherwise.

10.19 Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHTS IT MAY HAVE TO DEMAND THAT ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT OR THE RELATIONSHIPS OF THE PARTIES HERETO BE TRIED BY JURY. THIS WAIVER EXTENDS TO ANY AND ALL RIGHTS TO DEMAND A TRIAL BY

JURY ARISING FROM ANY SOURCE INCLUDING, BUT NOT LIMITED TO, THE CONSTITUTION OF THE UNITED STATES OR ANY STATE THEREIN, COMMON LAW OR ANY APPLICABLE STATUTE OR REGULATIONS. EACH PARTY HERETO ACKNOWLEDGES THAT IT IS KNOWINGLY AND VOLUNTARILY WAIVING ITS RIGHT TO DEMAND TRIAL BY JURY.

10.20 Accounting Date. The transactions contemplated hereby shall be effective for accounting purposes as of 12:01 a.m. on the Closing Date, unless otherwise agreed in writing by Seller and Buyer. The parties will use commercially reasonable efforts to cause the Closing to be effective as of a month end, with equitable adjustments made to the Consideration necessary to give effect to the foregoing.

10.21 No Inferences. Inasmuch as this Agreement is the result of negotiations between sophisticated parties of equal bargaining power represented by counsel, no inference in favor of, or against, either party shall be drawn from the fact that any portion of this Agreement has been drafted by or on behalf of such party.

10.22 No Third Party Beneficiaries. The terms and provisions of this Agreement are intended solely for the benefit of Buyer and Seller and their respective permitted successors or assigns, and it is not the intention of the parties to confer, and this Agreement shall not confer, third-party beneficiary rights upon any other person.

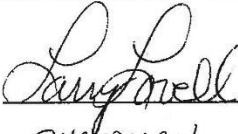
10.23 Enforcement of Agreement. The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement was not performed in accordance with its specific terms or was otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in any court of competent jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity.

10.24 Entire Agreement/Amendment. This Agreement supersedes all previous contracts or understandings, including any offers, letters of intent, proposals or letters of understanding, and constitutes the entire agreement of whatsoever kind or nature existing between or among the parties respecting the within subject matter, and no party shall be entitled to benefits other than those specified herein. As between or among the parties, no oral statements or prior written material not specifically incorporated herein shall 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. All prior representations or agreements, whether written or verbal, not expressly incorporated herein are superseded, and no changes in or additions to this Agreement shall be recognized unless and until made in writing and signed by all parties hereto. This Agreement may be executed in two or more counterparts, each and all of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

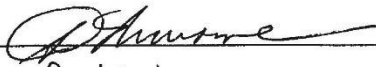
[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in multiple originals by their authorized officers, all as of the date first above written.

UNION COUNTY HOSPITAL DISTRICT

By: 
Title: CHAIRMAN
("Seller")

ANNA HOSPITAL CORPORATION

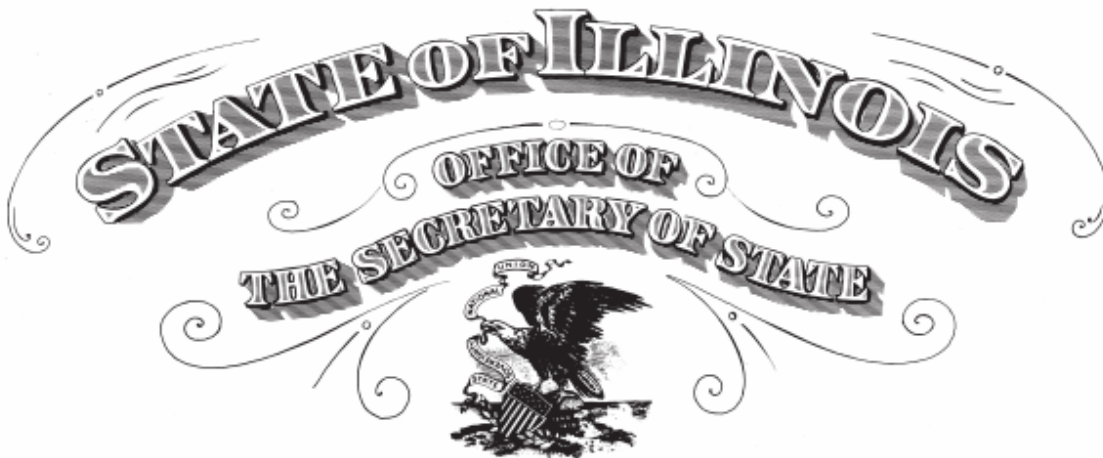
By: 
Title: President
("Buyer")

ATTACHMENT 3
OPERATING ENTITY/LICENSEE

Following the transaction, the licensee of the applicant facility will be Deaconess Illinois Union County Hospital, Inc. Included with this Attachment is the Certificate of Good Standing of Deaconess Illinois Union County Hospital, Inc. The sole corporate member of Deaconess Illinois Union County Hospital, Inc., is Deaconess Regional Healthcare Services Illinois, Inc. The post-transaction organizational chart is included with Attachment 4.

File Number

7382-610-1



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

DEACONESS ILLINOIS UNION COUNTY HOSPITAL, INC., A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON OCTOBER 03, 2022, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



Authentication #: 2227803578 verifiable until 10/05/2023

Authenticate at: <https://www.isos.gov>

***In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 5TH
day of OCTOBER A.D. 2022 .***

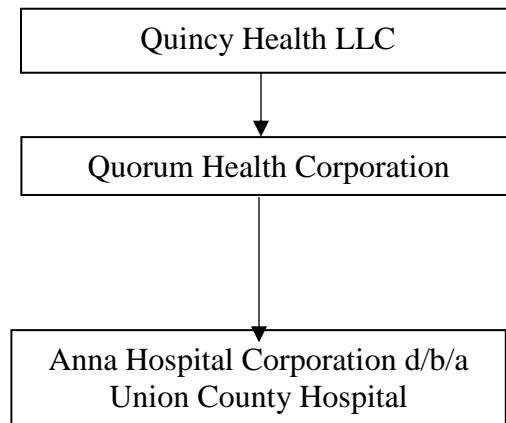
Jesse White

SECRETARY OF STATE

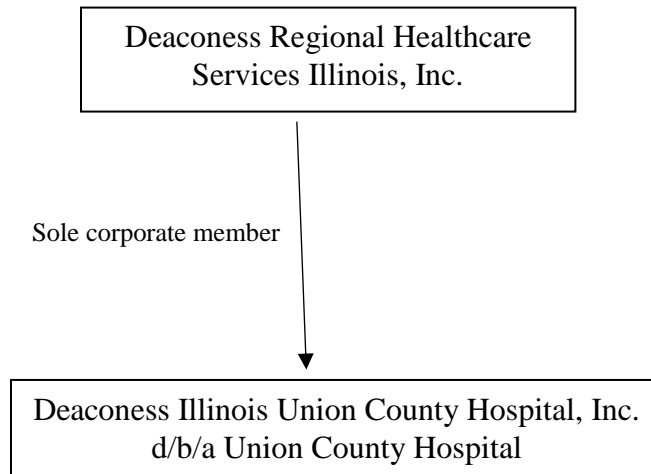
ATTACHMENT 4
ORGANIZATIONAL RELATIONSHIPS

The applicant facility's pre-transaction and post-transaction organizational charts are included with this Attachment. Following the transaction, the licensee of the facility will be Deaconess Illinois Union County Hospital, Inc., whose sole corporate member is Deaconess Regional Healthcare Services Illinois, Inc. Both Deaconess entities are not-for-profit corporations and therefore have no owners of a 5% or more interest.

Pre-Transaction Organizational Chart



Post-Transaction Organizational Chart



ATTACHMENT 5
BACKGROUND OF THE APPLICANTS

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.

Quorum Hospital Corporation's affiliated Illinois hospitals are:

Crossroads Community Hospital
 8 Doctors Park Rd
 Mount Vernon, Illinois
 General Hospital License #0003947

Vista Medical Center East
 1324 N Sheridan Rd
 Waukegan, Illinois
 General Hospital License #0005397

Gateway Regional Medical Center
 2100 Madison Ave.
 Granite City, Illinois
 General Hospital License #0005223

Heartland Regional Medical Center
 3333 W DeYoung St
 Marion, Illinois
 General Hospital License #0005298

Red Bud Regional Hospital
 325 Spring Street
 Red Bud, Illinois
 Critical Access Hospital License #0005199

Union County Hospital
 517 North Main Street
 Anna, Illinois
 Critical Access Hospital License #0005421

Quorum Hospital Corporation's affiliated Illinois Ambulatory Surgical Treatment Center is:

Edwardsville Ambulatory Surgery Center,
 LLC
 12 Ginger Creek Parkway
 Glen Carbon, Illinois
 ASTC License #7002504

Quorum Hospital Corporation's affiliated Illinois Long Term Care Facility is:

Red Bud Regional Care
 350 West South 1st Street
 Red Bud, Illinois
 Nursing Home License #0045476

Deaconess Health System, Inc.'s affiliated hospitals are:

Deaconess Midtown Hospital
600 Mary St.
Evansville, IN 47747

Deaconess Gateway Hospital
4011 Gateway Blvd.
Newburgh, IN 47630

Deaconess Henderson Hospital
1305 North Elm St.
Henderson, KY 42420

Deaconess Gibson Hospital
1808 Sherman Dr.
Princeton, IN 47670

Deaconess Union County Hospital
4606 US Hwy, 60 West
Morganfield, KY 42437

Baptist Health Deaconess Hospital
Madisonville
900 Hospital Dr.
Madisonville, KY 42431

The Women's Hospital
4199 Gateway Blvd.
Newburgh, IN 47630

Deaconess Orthopedic Neuroscience Hospital
4011 Gateway Blvd.
Newburgh, IN 47630

The Heart Hospital
4007 Gateway Blvd.
Newburgh, IN 47630

Encompass Health Deaconess Rehabilitation
Hospital – Midtown Campus
600 Mary St., Unit 4100
Evansville, IN 47747

Encompass Health Deaconess Rehabilitation
Hospital
9355 Warrick Wellness Trail
Newburgh, IN 47630

- 2. A listing of all health care facilities currently owned and/or operated in Illinois, by any corporate officers or directors, LLC members, partners, or owners of at least 5% of the proposed health care facility.**

Other than the facilities listed in paragraph 1 above, no health care facilities are currently owned or operated in Illinois by any of the applicants identified in the organizational charts included in Attachment 4 or their respective corporate officers or directors.

- 3. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant, directly or indirectly, during the three years prior to the**

filing of the application. Please provide information for each applicant, including corporate officers or directors, LLC members, partners and owners of at least 5% of the proposed facility. A health care facility is considered owned or operated by every person or entity that owns, directly or indirectly, an ownership interest.

Included with Attachment 6 is the applicants' certification of no adverse action during the three years prior to the filing of the application.

- 4. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations.**

Included with Attachment 6 is the applicants' authorization permitting HFSRB and IDPH access to any documents necessary to verify the information submitted.

- 5. If, during a given calendar year, an applicant submits more than one Application, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion.**

The applicants are not relying on information submitted in prior applications.

ATTACHMENT 6
CHANGE OF OWNERSHIP

1. Section 1130.520(b)(1)(A) - Names of the parties

- a. Anna Hospital Corporation d/b/a Union County Hospital
- b. Quorum Health Corporation
- c. Quincy Health, LLC
- d. Deaconess Illinois Union County Hospital, Inc.
- e. Deaconess Regional Healthcare Services Illinois, Inc.
- f. Deaconess Health System, Inc.

2. Section 1130.520(b)(1)(B) - Background of the parties

The applicants' certification of no adverse action within three years preceding the filing of the application is included with this Attachment. In addition, each of the applicants, by their signatures to the Certification pages of this application, attest that they are fit, willing, able, and have the qualifications, background, and character to adequately provide a proper standard of health service for the community.

3. Section 1130.520(b)(1)(C) - Structure of the transaction

Anna Hospital Corporation d/b/a Union County Hospital is currently owned by Quorum Health Corporation ("Quorum") which proposes to transfer the operating assets of the hospital to Deaconess Illinois Union County Hospital, Inc. whose sole corporate member is Deaconess Regional Healthcare Services Illinois, Inc. The hospital's real estate assets are owned by the Union County Hospital District which leases those assets to Anna Hospital Corporation. Quorum will assign the real estate lease to Deaconess Regional Healthcare Services Illinois, Inc., which will sublease the real estate to Deaconess Illinois Union County Hospital, Inc.

The purchase price attributed to Union County Hospital for purposes of this application is \$10 million. The total purchase price for all of the transactions relating to Quorum Health Corporation is \$146 million.

The transaction will occur pursuant to an asset purchase agreement that also includes the transfer of assets of three other Quorum hospitals in southern Illinois, and for which separate change of ownership exemption applications are being filed. The structure of the transaction of all four hospitals is diagrammed in chart included with this Attachment.

4. Section 1130.520(b)(1)(D) - Name of the person who will be licensed or certified entity after the transaction

Following the transaction, the licensee will be Deaconess Illinois Union County Hospital, Inc.

5. Section 1130.520(b)(1)(E) - List of the ownership or membership interests in such licensed or certified entity both prior to and after the transaction, including a

description of the applicant's organizational structure with a listing of controlling or subsidiary persons.

Organizational charts showing the current interest structure of the applicant facility and the post-change ownership interest are included with Attachment 4.

6. Section 1130.520(b)(1)(F) - Fair market value of assets to be transferred.

Deaconess Regional Healthcare Services Illinois, Inc. will have a purchase price of \$10,000,000 for the assets of the applicant facility. The physical assets and facilities are currently being valued for accounting purposes and are expected to be completed near the closing date for the sole purpose of recording the assets at fair market value in accordance with current accounting standards.

7. Section 1130.520(b)(1)(G) - The purchase price or other forms of consideration to be provided for those assets.

See paragraph 6 above.

8. Section 1130.520(b)(2) - Affirmation that any projects for which permits have been issued have been completed or will be completed or altered in accordance with the provisions of this Section

In accordance with 77 Ill. Admin. Code 1130.520, the applicants, by their signatures to the Certification pages of this application, affirm that any projects for which permits have been issued by the Review Board have been completed or will be completed or altered in accordance with the provisions of 77 Ill. Admin. Code 1130.520.

9. Section 1130.520(b)(3) - If the ownership change is for a hospital, affirmation that the facility will not adopt a more restrictive charity care policy than the policy that was in effect one year prior to the transaction. The hospital must provide affirmation that the compliant charity care policy will remain in effect for a two-year period following the change of ownership transaction

The applicants, by their signatures to the Certification pages of this application, attest that the compliant charity care policy for any hospital applicant will remain in effect for a two-year period following the transaction.

10. Section 1130.520(b)(4) - A statement as to the anticipated benefits of the proposed changes in ownership to the community

As the result of the transaction, the communities served are anticipated to have numerous benefits including, but not limited to, increased primary care and specialty physicians, significant increases in capital spending, the deployment of the EPIC medical record, a more generous charity care policy, improved quality, increase in local jobs, lower healthcare costs, increase in base pay for many of the current employees, improved spending on community benefits and health needs assessments, reduced outsourcing of services and enhanced public/private partnerships with local communities.

11. Section 1130.520(b)(5) - The anticipated or potential cost savings, if any, that will result for the community and the facility because of the change in ownership

As a result of the transaction, many currently outsourced services will be brought internal, increasing jobs and reducing outsourced costs, thus benefitting the community and reducing costs.

12. Section 1130.520(b)(6) - A description of the facility's quality improvement program mechanism that will be utilized to assure quality control

Deaconess anticipates retaining existing quality programs that are in place currently, and will ultimately conform those policies to the Deaconess overall quality programs, which will enhance quality over time.

13. Section 1130.520(b)(7) - A description of the selection process that the acquiring entity will use to select the facility's governing body

Initially and on a go-forward basis, Deaconess Regional Healthcare Services Illinois, Inc., as the sole corporate member, will appoint and remove the Board members for the applicant facility.

14. Section 1130.520(b)(9)- A description or summary of any proposed changes to the scope of services or levels of care currently provided at the facility that are anticipated to occur within 24 months after acquisition.

Deaconess anticipates retaining existing scope of services that are in place currently, and looks to begin increasing services and access in compliance with any required regulatory approvals following the transaction. There is no present intention to reduce the scope of services.

Mr. John Kniery, Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Dear Mr. Kniery:

On behalf of the applicant facility and Quorum Health Corporation ("Quorum"), I hereby certify that no adverse action has been taken against the applicant facility or any other Illinois hospital facility owned, operated or controlled by Quorum during the three years prior to the filing of this application for change of ownership.

The applicants affirm that all Quorum owned Illinois health care facilities are identified in this application and that no other health care facilities are currently owned or operated in Illinois by any corporate officers or directors, LLC members, partners, or owners of at least 5% of the applicant facility.

The applicants hereby permit the Illinois Health Facilities and Services Review Board and Illinois Department of Public Health ("IDPH") to have access to any documents necessary to verify the information submitted in the application for change of ownership of the facility including, but not limited to: (i) official records of IDPH or other State of Illinois agencies; (ii) the licensing or certification records of other states, when applicable; and (iii) the records of nationally reorganized accreditation organizations.

Respectfully submitted,



Christopher M. Harrison
Executive Vice President and
Chief Financial Officer and Treasurer
Quorum Health Corporation

10/10/2022
Dated

Mr. John Kniery, Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Dear Mr. Kniery:

On behalf of Deaconess Regional Healthcare Services Illinois, Inc. ("Deaconess Illinois"), please be advised that neither Deaconess Illinois nor any Deaconess affiliated entity own or control any hospital facilities in Illinois. Deaconess Illinois manages Ferrell Hospital in Eldorado, Illinois and Lawrence County Memorial Hospital in Lawrenceville, Illinois, pursuant to management agreements with those facilities. I hereby certify that no adverse action has been taken against those two facilities during the three years prior to the filing of this application for change of ownership.

The applicants hereby permit the Illinois Health Facilities and Services Review Board and Illinois Department of Public Health ("IDPH") to have access to any documents necessary to verify the information submitted in the application for change of ownership of the facility including, but not limited to: (i) official records of IDPH or other State of Illinois agencies; (ii) the licensing or certification records of other states, when applicable; and (iii) the records of nationally reorganized accreditation organizations.

This letter further attests that the applicant facility will not adopt a more restrictive charity care policy that was in effect one year prior to the transaction.

Respectfully submitted,

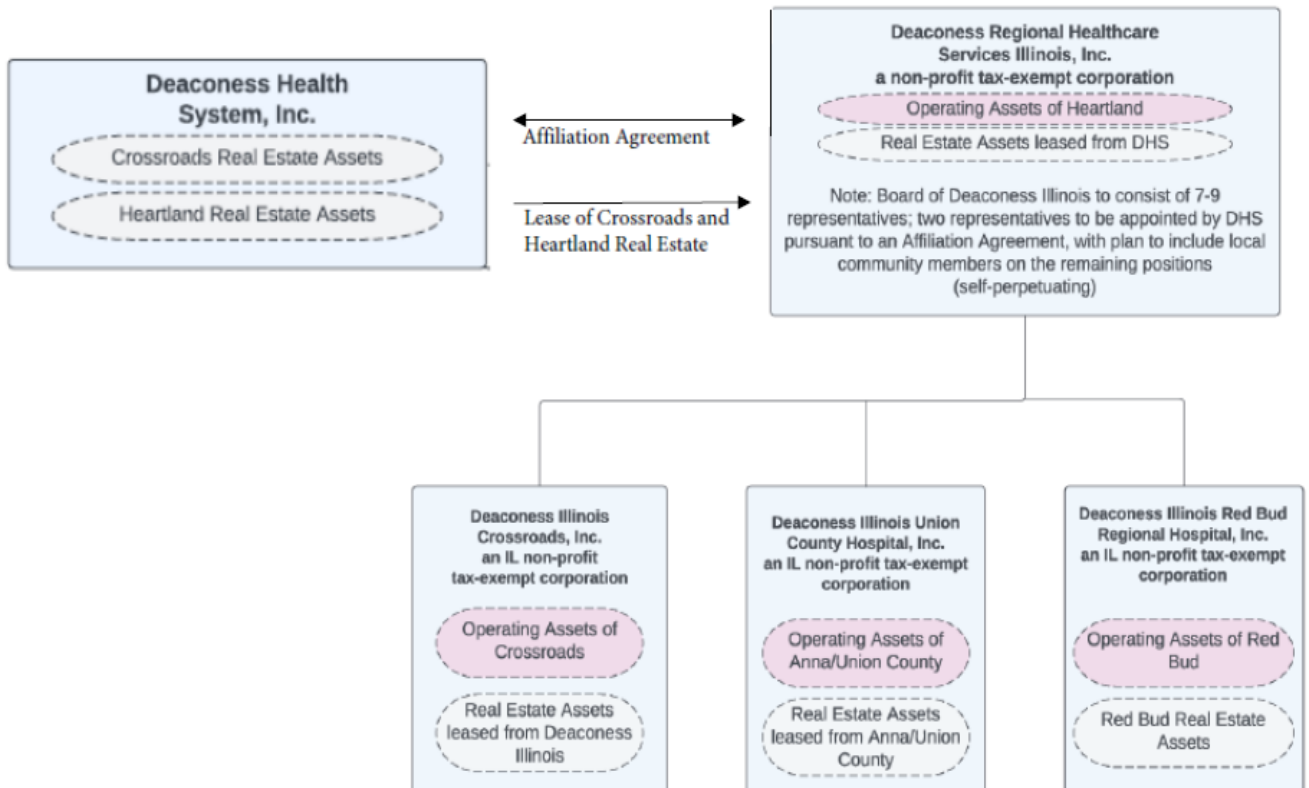


Marc Jared Florence
Chairman
Deaconess Regional Healthcare Services Illinois, Inc.

10/10/22
Dated

Deaconess / Quorum Acquisition
Structure Diagram

10/3/22



ATTACHMENT 7**CHARITY CARE INFORMATION**

The amount of charity care for the last three years provided by each of Quorum Health Corporation's affiliated Illinois hospitals are included in the tables below.

CROSSROADS COMMUNITY HOSPITAL, Mt. Vernon			
	2018	2019	2020
Net Patient Revenue (\$)	47,837,708	51,135,047	50,470,632
Amount of Charity Care (charges)	0.2% of net patient revenue	0.2% of net patient revenue	1.7% of net patient revenue
Cost of Charity Care (\$)	92,907	77,176	878,228

GATEWAY REGIONAL MEDICAL CENTER, Granite City			
	2018	2019	2020
Net Patient Revenue (\$)	119,853,104	131,644,070	117,499,287
Amount of Charity Care (charges)	0.6% of net patient revenue	0.2% of net patient revenue	4.2% of net patient revenue
Cost of Charity Care (\$)	662,943	268,232	4,939,160

HEARTLAND REGIONAL MEDICAL CENTER, Marion			
	2018	2019	2020
Net Patient Revenue (\$)	122,956,140	108,538,922	91,681,819
Amount of Charity Care (charges)	0.1% of net patient revenue	0.1% of net patient revenue	0.2% of net patient revenue
Cost of Charity Care (\$)	72,702	96,346	182,223

RED BUD REGIONAL HOSPITAL, Red Bud			
	2018	2019	2020
Net Patient Revenue (\$)	28,080,998	30,328,846	29,797,957
Amount of Charity Care (charges)	0.3% of net patient revenue	0.5% of net patient revenue	0.1% of net patient revenue
Cost of Charity Care (\$)	90,677	138,053	35,582

UNION COUNTY HOSPITAL, Anna			
	2018	2019	2020
Net Patient Revenue (\$)	23,749,436	23,622,462	21,283,050
Amount of Charity Care (charges)	0.3% of net patient revenue	0.0% of net patient revenue	0.6% of net patient revenue
Cost of Charity Care (\$)	65,284	8,068	135,815

VISTA MEDICAL CENTER, Waukegan			
	2018	2019	2020
Net Patient Revenue (\$)	189,423,688	193,507,563	194,594,078
Amount of Charity Care (charges)	0.3% of net patient revenue	0.1% of net patient revenue	4.2% of net patient revenue
Cost of Charity Care (\$)	550,384	159,356	8,206,020

The above charity care information is from the 2018, 2019, and 2020 Hospital Profiles for each facility.

The Deaconess applicants do not currently own or control any hospitals in Illinois. However, the applicant Deaconess Regional Healthcare Services Illinois, Inc., currently manages Ferrell Hospital and Lawrence County Memorial Hospital pursuant to management agreements with those facilities. The amount of charity care for the last three years provided by each of those two hospitals are included in the tables below.

FERRELL HOSPITAL, Eldorado			
	2018	2019	2020
Net Patient Revenue (\$)	15,339,697	17,257,428	22,267,174
Amount of Charity Care (charges)	1.1% of net patient revenue	1.4% of net patient revenue	0.9% of net patient revenue
Cost of Charity Care (\$)	167,719	244,938	209,753

LAWRENCE COUNTY MEMORIAL HOSPITAL, Lawrenceville			
	2018	2019	2020
Net Patient Revenue (\$)	15,396,324	15,710,359	15,804,771
Amount of Charity Care (charges)	4.2% of net patient revenue	4.5% of net patient revenue	5.4% of net patient revenue
Cost of Charity Care (\$)	645,000	705,000	861,000

The above charity care information is from the 2018, 2019, and 2020 Hospital Profiles for each facility.