

ATTORNEY GENERAL EXPEDITED REVIEW
HOSPITAL CONVERSION INITIAL APPLICATION

Please provide the following information (please replicate as needed):


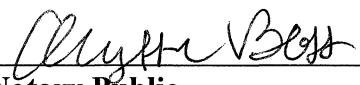
Name of Transacting Parties:	
Care New England Health System Southeastern Healthcare System, Inc. The Memorial Hospital d/b/a Memorial Hospital of Rhode Island	
Date Application Submitted:	
Original Application Submitted:	February 11, 2013
Application Resubmitted:	March 22, 2013
Date of Agreement Execution with the Director for Payment of Costs*:	
[TBD]	

* Please provide copies of the responsive documents.

**All questions concerning this Application should be directed to:
Office of Health Care Advocate (401) 274-4400**

CERTIFICATION

Please provide the attestation/verification for each of the Transacting Parties and licensed hospital affiliates. (Please replicate as needed):

<i>I hereby certify that the information contained in this application is complete, accurate and true.</i>	
 Signed by the President or Chief Executive Officer	
<u>Care New England Health System</u> Entity	
Subscribed and sworn to before me on this <u>15th</u> day of <u>March</u> 2013.	
 Notary Public My Commission Expires: <u>2/28/2015</u>	

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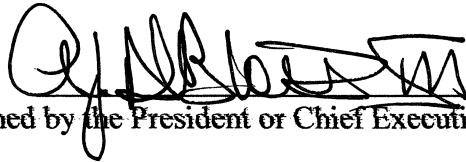
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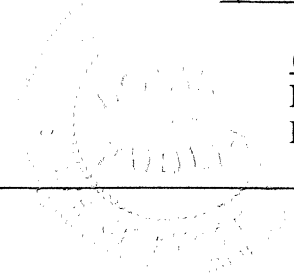


Signed by the President or Chief Executive Officer

Southeastern Healthcare System, Inc.
Entity

Subscribed and sworn to before me on this 20th day of March 2013.


Notary Public
My Commission Expires: 02/13/2015



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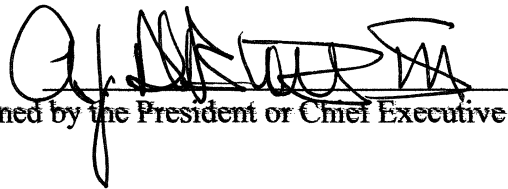
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CERTIFICATION

Please provide the attestation/verification for each of the Transacting Parties and licensed hospital affiliates. (Please replicate as needed):

I hereby certify that the information contained in this application is complete, accurate and true.



Signed by the President or Chief Executive Officer

The Memorial Hospital d/b/a Memorial Hospital of Rhode Island
Entity

Subscribed and sworn to before me on this 20th day of March 2013.



Notary Public

My Commission Expires: 02/13/2015

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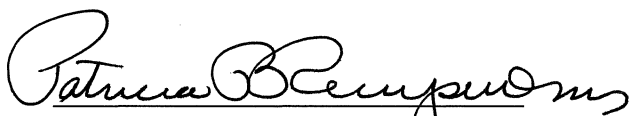
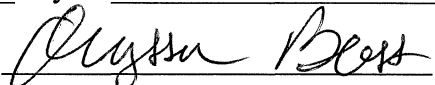
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**All questions concerning this Application should be directed to:
Office of Health Care Advocate (401) 274-4400**

CERTIFICATION

Please provide the attestation/verification for each of the Transacting Parties and licensed hospital affiliates. (Please replicate as needed):

<i>I hereby certify that the information contained in this application is complete, accurate and true.</i>	
 Signed by the President or Chief Executive Officer	
<u>Butler Hospital</u> Entity	
Subscribed and sworn to before me on this <u>15th</u> day of <u>March</u> 2013.	
 Notary Public My Commission Expires: <u>02/28/2015</u>	

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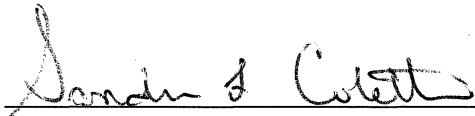
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CERTIFICATION

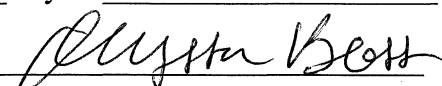
Please provide the attestation/verification for each of the Transacting Parties and licensed hospital affiliates. (Please replicate as needed):

I hereby certify that the information contained in this application is complete, accurate and true.


Signed by the President or Chief Executive Officer

Kent County Memorial Hospital
Entity

Subscribed and sworn to before me on this 15th day of March 2013.


Notary Public
My Commission Expires: 2/28/2015

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**All questions concerning this Application should be directed to:
Office of Health Care Advocate (401) 274-4400**

CERTIFICATION

Please provide the attestation/verification for each of the Transacting Parties and licensed hospital affiliates. (Please replicate as needed):

<i>I hereby certify that the information contained in this application is complete, accurate and true.</i>	
 <u>Constance A. Howes</u> Signed by the President or Chief Executive Officer	
 <u>Women & Infants Hospital of Rhode Island</u> Entity	
Subscribed and sworn to before me on this <u>15th</u> day of <u>March</u> 2013.	
 <u>Clyssa Boss</u> Notary Public My Commission Expires: 02/28/2015	

**TABLE OF
CONTENTS**

TABLE OF CONTENTS

Question Number/ Appendix	Bates Number
A.....	RIAG0002
B.....	RIAG0003
C.....	RIAG0004
1.....	RIAG0005
2.....	RIAG0007
3.....	RIAG0008
4.....	RIAG0009
5.....	RIAG0010
6.....	RIAG0011
7.....	RIAG0012
8.....	RIAG0013
9.....	RIAG0014
10.....	RIAG0015
11.....	RIAG0016
12.....	RIAG0017
13.....	RIAG0018
14.....	RIAG0019
15.....	RIAG0020
 APPENDIX A	 RIAG0021
 EXHIBIT 2 Draft MHRI Foundation Articles and Bylaws; Affiliation Agreement .	 RIAG0022
EXHIBIT 3 <i>Cy Pres</i> Petition	RIAG0124
EXHIBIT 6 Current Officers, Directors, and Senior Managers	RIAG0137
EXHIBIT 7 Severances and Agreements	RIAG0170
EXHIBIT 9 Resignations.....	RIAG0248
EXHIBIT 12 Past Officers, Directors, and Senior Managers	RIAG0249
EXHIBIT 14 Draft Revised Articles and Bylaws.....	RIAG0328

INFORMATION OF TRANSACTING PARTIES AND AFFILIATED HOSPITALS

A. Contact information of President or CEO of each Transacting Party (Please replicate as needed):

Care New England Health System

Name: Dennis D. Keefe, President & CEO	Telephone: (401) 453-7900	
Address: 45 Willard Avenue, Providence	State: RI	Zip: 02905
E-mail: dkeefe@carene.org	Fax (401) 453-7686	

Southeastern Healthcare System, Inc.

Name: Arthur J. DeBlois, III, Interim President/CEO	Telephone: (401) 729-2383	
Address: 111 Brewster Street, Pawtucket	State: RI	Zip: 02863
E-mail: arthur_deblois@mhri.org	Fax (401) 729-2066	

The Memorial Hospital d/b/a Memorial Hospital of Rhode Island

Name: Arthur J. DeBlois, III, Interim President/CEO	Telephone: (401) 729-2383	
Address: 111 Brewster Street, Pawtucket	State: RI	Zip: 02863
E-mail: arthur_deblois@mhri.org	Fax (401) 729-2066	

- B. Name, title, address, phone, fax and e-mail of one contact person for each Transacting Party for this application process (only if different from the President/CEO in Question 2). (Please replicate as needed):

Care New England Health System

Name: Michael G. Tauber, Esq.	Telephone: (401) 457-5238	
Address: Hinckley, Allen & Snyder LLP 50 Kennedy Plaza, Suite 1500 Providence	State: RI	Zip: 02903
E-mail: mtauber@haslaw.com	Fax (401) 277-9600	

**Southeastern Healthcare System, Inc.
The Memorial Hospital d/b/a Memorial Hospital of Rhode Island**

Name: Kimberly I. McCarthy, Esq.	Telephone: (401) 861-8256	
Address: Partridge Snow & Hahn LLP 180 South Main Street, Providence	State: RI	Zip: 02903
E-mail: kim@psh.com	Fax (401) 861-8210	

C. For each existing affiliate hospital of the Transacting Parties, please provide the following information (Please replicate as needed):

Name of Hospital: Butler Hospital	License #: 00124	
Address: 345 Blackstone Boulevard, Providence	State: RI	Zip: 02906
Telephone: (401) 455-6200		
E-mail of President or CEO: precupero@butler.org		
Relationship of Hospital to Transacting Party: Care New England Health System is the sole corporate member		

Name of Hospital: Kent Hospital	License #: 00125	
Address: 455 Toll Gate Road, Warwick	State: RI	Zip: 02886
Telephone: (401) 737-7010 x31200		
E-mail of President or CEO: scoletta@kentri.org		
Relationship of Hospital to Transacting Party: Care New England Health System is the sole corporate member		

Name of Hospital: Women & Infants Hospital of Rhode Island	License #: 00126	
Address: 101 Dudley Street, Providence	State: RI	Zip: 02905
Telephone: (401) 274-1122 x1103		
E-mail of President or CEO: chowes@wihri.org		
Relationship of Hospital to Transacting Party: Care New England Health System is the sole corporate member of Women & Infants Corporation, which is the sole corporate member of Women & Infants Hospital of Rhode Island		

Name of Hospital: The Memorial Hospital d/b/a Memorial Hospital of Rhode Island	License #: 00128	
Address: 111 Brewster Street, Pawtucket	State: RI	Zip: 02863
Telephone: (401) 729-2383		
Email of President or CEO: arthur_deblois@mhri.org		
Relationship of Hospital to Transacting Party: Southeastern Healthcare System, Inc. is the sole corporate member		

CHARITABLE ASSETS:

1. Please provide copies of all documents related to:
 - (a) Identification of all charitable assets;
 - (b) Accounting of all charitable assets for the past 3 years; and
 - (c) Distribution of the charitable assets including, but not limited to, endowments, restricted, unrestricted and specific purpose funds as each relates to the proposed transaction.

In response to Questions 1(a) and 1(b), please see Confidential Exhibit 1. The Transacting Parties understand that the Attorney General desires information on (at minimum) all assets of The Memorial Hospital d/b/a Memorial Hospital of Rhode Island ("MHRI") and Southeastern Healthcare System, Inc. ("MHRI Parent") identified in the consolidated financial statements of MHRI Parent as limited as to use, which is a larger pool than the pool of charitable assets of MHRI. With respect to assets limited as to use, the Transacting Parties identify and accounted for those assets as follows.

Gifts to MHRI which are not limited in use (either with an income restriction or a purpose restriction) and which MHRI treats as available for investment or general operations, in its discretion, generally are referred to as "Unrestricted Endowment Funds." See spreadsheets identifying and accounting for those funds over the past 3 years attached as Confidential Exhibit 1.

Gifts to MHRI which are limited in use through an income restriction and/or a purpose restriction are generally referred to as "Restricted Endowment Funds." The principal amounts of those funds are retained and invested, and the income is used as required by the governing instrument, which (generally) is for general hospital purposes, as indicated in the response to Question 4. Most of the Restricted Endowment Funds are invested in the MHRI endowment, as indicated on the spreadsheets attached as Confidential Exhibit 1, which identify and account for those funds over the past 3 years. There are five Restricted Endowment Funds which are maintained in outside trust accounts: the Law, Preston, Richardson, Sayles, and Wood funds.

MHRI voluntarily restricts the use of some otherwise unrestricted funds, fundraising-generated funds, and income from other sources (such as physician stipends, grant funding of projects, and similar non-charitable income) to specific purposes, most often at the request of MHRI staff. These funds, which are subject to ethical, but not legally-enforceable, restrictions on use, generally are referred to as "Temporary Fund Balances" or "Board Restricted Funds." Spreadsheets identifying and accounting for those funds over the past 3 years are attached as Confidential Exhibit 1.

MHRI at one time had a so-called “free bed” program, under which individuals donated a set amount to provide a “free bed” at the hospital, often in memory of a loved one. Many “free bed” donations were recognized with plaques, as set forth in the response to Question 5. The “free bed” program, now closed, was most popular between the 1920s and 1950s and generated about \$400,000 of donations during its existence. MHRI has used these funds to offset the free hospital services it provides (including several million dollars per year in charity care), in addition to numerous other services provided to the community at no charge (including language interpretation, physician referral, community health screenings, health and wellness education, and support groups).

In response to Question 1(c), all charitable assets which are Restricted Endowment Funds will be retained by MHRI post-closing and used for the purposes required by the donor (for the most part, for general hospital purposes of MHRI).

Similarly, all Temporary Fund Balances and similar assets which are subject to ethical, but not legally-enforceable, restrictions on use, will be retained by MHRI post-closing and used for the specific purposes for which they were donated and/or to which they are dedicated by MHRI.

To the extent that any Board Designated Funds (as defined in the Affiliation Agreement referenced in response to Question 2) remain unspent as of the closing, they will be used as the initial capital to fund the MHRI Foundation.

It is not anticipated that any Unrestricted Endowment Funds will be available post-closing, since these funds have been used to address current operating deficits of MHRI, and it is anticipated that similar shortfalls will continue through the closing date.

2. Please provide copies of documents or descriptions of any proposed plan for any entity to be created for charitable assets, including but not limited to, endowments, restricted, unrestricted and specific purpose funds, the proposed articles of incorporation, by-laws, mission statement, program agenda, method of appointment of board members, qualifications of board members, duties of board members, and conflict of interest policies.

Sections 6.2 and 12 of the Affiliation Agreement by and among Care New England Health System (“CNE”), MHRI Parent, and MHRI dated as of January 2, 2013 (the “Affiliation Agreement”), attached as Exhibit 2, contemplates that following the closing of the transaction contemplated thereby (the “Affiliation”), CNE will incorporate a Rhode Island non-profit corporation whose sole member is MHRI (the “MHRI Foundation”) as the primary fund-raising entity for MHRI. The MHRI Foundation will apply to receive tax-exempt status pursuant to Section 501(c)(3) of the Internal Revenue Code. The MHRI Foundation’s board of directors will be elected by MHRI upon recommendation of the CNE Governance and Nominating Committee. The structure of the MHRI Foundation will mirror that of the foundations of the other CNE hospitals (including, without limitation, that CNE’s Conflict of Interest and Confidentiality Policy will be applicable to the MHRI Foundation). The Affiliation Agreement requires that for the first three years of the MHRI Foundation’s existence, at least 51% of its directors must have been MHRI trustees prior to the closing of the Affiliation. Drafts of the proposed Articles of Incorporation and Bylaws of the MHRI Foundation are attached as Exhibit 2.

The Affiliation Agreement provides that, following the Closing Date (as defined in the Affiliation Agreement), to the extent any property was given, devised, or bequeathed to MHRI for charitable, educational or religious purposes (“Gifts”): (i) all ethical and legal considerations regarding Gifts to MHRI will be strictly honored; (ii) all Gifts to MHRI will be used in accordance with documented donor intent; and (iii) all Gifts to MHRI will be used solely to support the program specified by the donor(s).

Notwithstanding the foregoing, any funds which are held by MHRI on the Closing Date and designated as “Board Designated Funds” (as defined in the Affiliation Agreement), to the extent permitted by applicable laws, and to the extent not otherwise needed to provide for any operating budget shortfall of MHRI, will be transferred to the MHRI Foundation after the MHRI Foundation has been formed and recognized as exempt pursuant to Section 501(c)(3) of the Internal Revenue Code.

3. Please provide a *Cy Pres* Petition for the proposed conversion(s) of affiliate hospitals, other affiliate 501(c)(3) entities, and all that will be affected by the proposed conversion.

The Affiliation is structured such that no charitable entity will be terminated, no for-profit organization is involved, and there will be no transfer between the Transacting Parties or their affiliates of any charitable assets that are dedicated to a specific party or purpose. As a result, it does not appear that a *Cy Pres* petition is required, since the proposed conversion will not result in an abandonment of the original purposes of MHRI (or its exempt affiliates) and no resulting entity will depart from the traditional purposes and mission of MHRI (or existing affiliates). *See e.g.* RIGL § 23-17.14-10(a)(13).

Notwithstanding the foregoing, a draft *Cy Pres* petition is attached as Exhibit 3.

4. Please provide the following information regarding all donor restricted gifts received by the Transacting Parties and their affiliates and attach copies of any legal documents that created each gift:

Date of Gift	Name of Gift/ Instrument	Restriction(s)	Value of Gift at time of Gift	Current Value of Gift
		See <u>Confidential</u> <u>Exhibit 4</u>		

5. Please list all current donations that include naming privileges relating to the donation.

See Confidential Exhibit 5 for all donations which include naming privileges for Butler Hospital (“Butler”), Kent County Memorial Hospital (“Kent”), and Women & Infants Hospital of Rhode Island (“WIH”). Regarding MHRI, there are no current donations which include naming privileges. However, the following older donations contained the naming conditions indicated:

- Goff – The Isabella Goff Dormitory
- James Heffner – The Manning-Heffner Memorial Room
- MacColl – The MacColl Wing
- P.T. Phillips – The Peter T. Phillips Photography Room
- William F. Sayles – the Sayles Building
- Hattie Carpenter Webb – The Webb Memorial Laboratory

In addition, MHRI has several hundred plaques around the hospital in memory of individuals and honoring donors. All of those plaques are identified in the attached Confidential Exhibit 5.

CONFLICTS OF INTEREST:

6. Please provide the names of persons currently holding a position as an officer, director, board member, or senior level manager who will or will not maintain any position with the new hospital and whether any said person will receive any salary, severance, stock offering or any financial gain, current or deferred, as a result of or in relation to the proposed conversion, including but not limited to, the individuals job description, employment or other contract or agreement to provide services under this corporate title, and total compensation, including, but not limited to, salary, benefits, expense accounts, membership, 401K, retirement plans, contribution agreements, benefit agreements and any other financial distributions of any kind, including deferred payments or compensation.

See Exhibit 6 (Documents 6-A and 6-B) for a list of the names of persons currently holding a position as an officer, director, board member, or senior level manager of the Transacting Parties and their affiliates. Eight individuals have entered into individual executive retention agreements with MHRI. The job descriptions for these individuals are listed in Exhibit 6 as Document 6-C (the job description for the President of MHRI is set forth in Section 6.04 of the MHRI bylaws). The names and relevant compensation information for these individuals are listed in Confidential Exhibit 6 as Confidential Document 6-D. Copies of the retention agreements are attached as Confidential Exhibit 7.

7. Please provide any and all severance packages, contracts or any other documents relating to same, given, negotiated or renegotiated with any employee or former employee of the Transacting Parties and their affiliates for the prior 1 year from the date of the application through the present. Please include in your response any agreements to provide consulting services and/or covenants to not compete following completion of the proposed conversion as well as the existing ERISA benefit plan and severance agreements or arrangements.

See Exhibit 7 for existing benefit plans and severance policies and see Confidential Exhibit 7 for severance and retention agreements.

8. Please provide an itemization of all loans outstanding and their current balances, given, and/or forgiven in the last 5 years to any executive, employee or consultant of the Transacting Parties and/or their affiliates, including the terms of such loan.

None

9. Please provide a copy of the resignations of any directors and officers of each of the Transacting Parties and/or their affiliates related to the conversion within one year prior to submission.

See Exhibit 9

10. Please provide any and all documents, agreements, contracts or the like, formal or informal, reflecting any current and/or potential employment or compensated relationship for senior management among or between the Transacting Parties and/or their affiliates.

The current executives and senior managers at CNE, Butler, Kent, and WIH will remain in place after the conversion. There are no documents, agreements, contracts, or the like, formal or informal, among or between the Transacting Parties and/or their affiliates which reflect any current and/or potential employment or compensated relationship for senior management of MHRI. Changes, if any, among the executives and senior managers at MHRI and MHRI Parent after the conversion have not yet been determined. CNE will ensure that all key managerial responsibilities at MHRI are fulfilled by qualified professionals after the conversion. As indicated in response to Question 6, MHRI has entered into retention agreements with eight senior management officials, copies of which are provided in Confidential Exhibit 7.

11. Please provide current, signed conflict of interest forms from all incumbent or recently incumbent officers, directors, members of the board, trustee, senior level managers, chairpersons or department chairperson and medical directors on a form acceptable to the Attorney General (“incumbent” or “recently incumbent” means those individuals holding the position at the time the application is submitted and any individual who held a similar position within one year to the applications acceptance).

See Confidential Exhibit 11

BOARD OF DIRECTORS:

12. With regard to the officers, members of the boards of directors, trustees, executives, and senior managers of each of the Transacting Parties and their affiliates, please provide the following for the past 2 years: (a) name; (b) address; (c) phone number; (d) occupation; and (e) tenure.

See Exhibit 12 for 12(a), (d), and (e), and see Confidential Exhibit 12 for 12(a) – (e) (where the exhibits indicate “N/A”, there are no individuals holding those positions).

13. Provide the (a) name; (b) address; (c) phone number; and (d) occupation of the proposed members of the board of directors, trustees, executives and senior managers after the conversion of the Transacting Parties and their affiliates, identifying any additional members or removal of members.

The current members of the governing boards of CNE, Butler, Kent, and WIH will remain members after the conversion.

The additional individuals proposed to serve as At-Large Directors (as described in the response to Question 14) after the conversion have not yet been determined. As described in the response to Question 14, the additional Ex-Officio Director will be the then-incumbent President of MHRI's Medical Staff.

The current executives and senior managers at CNE, Butler, Kent, and WIH will remain in place. Changes, if any, to the executives and senior managers at MHRI and MHRI Parent after the conversion have not yet been determined.

14. Please describe the governance structure of the new hospital after conversion, including a description of how members of any board of directors, trustees or similar type group will be chosen.

CNE will become the sole corporate member of MHRI Parent, making CNE the ultimate corporate parent of all of the entities within the Memorial system, including MHRI, but otherwise leaving the existing corporate structure intact. CNE, directly or indirectly, will hold reserved powers over MHRI, MHRI Parent and their affiliates.

The members of the MHRI Parent's and MHRI's Board of Trustees will be comprised of those individuals who from time to time serve as members of the CNE Board, and MHRI Parent's and MHRI's officers will be identical to the CNE officers. The CNE Board will be expanded to include four additional members, including three "At-Large Directors" nominated by MHRI and approved by CNE, and one "Ex-Officio Director," the President of the MHRI Medical Staff. The Ex-Officio Director and the At-Large Directors shall be subject to the same standards of conduct and board policies as all other directors serving on the CNE Board. The "At-Large Directors" will serve on the CNE Board for terms commencing on the date of the closing of the Affiliation and ending on the date of the first annual meeting of the CNE Board following the third anniversary of the closing, or until their earlier death, resignation or removal. If, during the period following the closing and prior to the first annual meeting following the third anniversary of the closing, an At-Large Director dies, resigns or is removed from the CNE Board, his or her successor will be appointed by the CNE Board from among the individuals who served on the MHRI Board of Trustees prior to the closing. Such successor will serve for the unexpired portion or his or her predecessor's existing term.

CNE, MHRI Parent and MHRI will amend and restate their governing documents to reflect the changes contemplated above. Individuals who formerly served on the MHRI Parent or MHRI Board of Trustees will be eligible to participate on certain CNE committees. All appointees to the CNE system committees will be based on individual interest, skills and experience and will be subject to the approval of the CNE Board (and/or, if necessary, the approval of the governing board of the CNE System entity). The foregoing individuals will have the same terms, and will be subject to the same term limits as other similarly-situated members of the applicable CNE system committee. Each of the foregoing individuals also will be subject to the same standards of conduct and policies as other individuals serving on the applicable CNE system committee.

Attached as Exhibit 14 are proposed drafts of the organizational documents of CNE, MHRI Parent, and MHRI.

TRANSACTION SPECIFIC QUESTIONS:

15. Please answer the additional questions attached hereto as Appendix A to the Initial Application.

See Appendix A

APPENDIX A

A-1 How will MHRI be represented on the governing board of CNE as stated in Response to Question 4 of the DOH Request for Expeditious Review

The members of the MHRI Parent's and MHRI's Board of Trustees will be comprised of those individuals who from time to time serve as members of the CNE Board, and MHRI Parent's and MHRI's officers will be identical to the CNE officers. The CNE Board will be expanded to include four additional members, including three "At-Large Directors" nominated by MHRI and approved by CNE, and one "Ex-Officio Director," the President of the MHRI Medical Staff. The Ex-Officio Director and the At-Large Directors shall be subject to the same standards of conduct and board policies as all other directors serving on the CNE Board. The "At-Large Directors" will serve on the CNE Board for terms commencing on the date of the closing of the Affiliation and ending on the date of the first annual meeting of the CNE Board following the third anniversary of the closing, or until their earlier death, resignation or removal. If, during the period following the closing and prior to the first annual meeting following the third anniversary of the closing, an At-Large Director dies, resigns or is removed from the CNE Board, his or her successor will be appointed by the CNE Board from among the individuals who served on the MHRI Board of Trustees prior to the closing. Such successor will serve for the unexpired portion or his or her predecessor's existing term.

CNE, MHRI Parent and MHRI will amend and restate their governing documents to reflect the changes contemplated above. Individuals who formerly served on the MHRI Parent or MHRI Board of Trustees will be eligible to participate on certain CNE committees, subject to meeting certain qualifications and the approval of the CNE Board. All appointees to the CNE system committees will be based on individual interest, skills and experience and will be subject to the approval of the CNE Board (and/or, if necessary, the approval of the governing board of the CNE System entity). The foregoing individuals will have the same terms, and will be subject to the same term limits as other similarly-situated members of the applicable CNE system committee. Each of the foregoing individuals also will be subject to the same standards of conduct and policies as other individuals serving on the applicable CNE system committee.

Attached as Exhibit 14 are proposed drafts of the organizational documents of CNE, MHRI Parent, and MHRI.

EXHIBIT 2 Table of Contents

<u>Tab</u>	<u>Description</u>	<u>Bates Number</u>
	Explanatory Note	RIAG0023
2-A	MHRI Foundation – proposed Articles of Incorporation	RIAG0024
2-B	MHRI Foundation – proposed Bylaws	RIAG0029
2-C	Affiliation Agreement	RIAG0052

Explanatory Note to Exhibit 2:

Please note that the exhibit to the Affiliation Agreement marked “redacted” was redacted from the Affiliation Agreement itself; it was not redacted from this Application.

Filing Fee: \$35.00



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Office of the Secretary of State
Division of Business Services
148 W. River Street
Providence, Rhode Island 02904-2615

NON-PROFIT CORPORATION

ARTICLES OF INCORPORATION

The undersigned, acting as incorporator(s) of a corporation under Chapter 7-6 of the General Laws of Rhode Island, 1956, as amended, adopt(s) the following Articles of Incorporation for such corporation:

1. The name of the corporation is The Memorial Hospital Foundation

2. The period of its duration is (if perpetual, so state) perpetual

3. The specific purpose or purposes for which the corporation is organized are:

To serve the health care needs and improve the health status of individuals and to engage in
activities in furtherance of the mission of The Memorial Hospital d/b/a Memorial Hospital of
Rhode Island. Such activities shall specifically include, without limitation, raising funds for the
benefit of said Hospital, and other activities, which if not performed by the Corporation would
be performed by said Hospital.

4. Provisions, if any, not inconsistent with the law, which the incorporators elect to set forth in these articles of incorporation for the regulation of the internal affairs of the corporation are:

See attached Exhibit A.

5. The address of the initial registered office of the corporation is:

111 Brewster Street

(Street Address, not P.O. Box)

Pawtucket

(City/Town)

RI 02860

(Zip Code)

and the name of its initial registered agent at

such address is Arthur J. Deblois, III

(Name of Agent)

6. The number of directors constituting the initial Board of Directors of the Corporation is see attached Ex. B.

(not less than 3 directors)

and the names and address of the persons who are to serve as the initial directors are:

Name

Address

See attached Exhibit B.

7. The name and address of each incorporator is:

Name

Address

Alyssa V. Boss

45 Willard Avenue, Providence, RI 02905

8. These Articles of Incorporation shall be effective upon filing unless a specified date is provided which shall be no later than the 30th day after the date of this filing upon filing

Under penalty of perjury, I/we declare and affirm that I/we have examined these Articles of Incorporation, including any accompanying attachments, and that all statements contained herein are true and correct.

Date: _____

Signature of each Incorporator

EXHIBIT A

FOURTH: This Corporation is organized and shall be operated exclusively for charitable, educational and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding provision of any future United States Internal Revenue Law. No part of the net earnings of this Corporation shall inure to the benefit of or be distributable to its members, directors, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article THIRD hereof. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation (except as otherwise provided by Section 501(h) of the Internal Revenue Code of 1986, as amended), and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of or in opposition to any candidates for public office. Notwithstanding any other provision of these articles, the Corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and its regulations (or the corresponding provision of any future United States Internal Revenue Law) or (b) by a corporation, contributions to which are described by Section 170(c)(2) of the Internal Revenue Code of 1986, as amended, and its regulations (or the corresponding provision of any future United States Internal Revenue Law), and deductible under Sections 170(a) and 170(b)(1)(A) of such Code and regulations.

Without in any way limiting the foregoing, the Corporation shall have those powers granted by Section 7-6-7 of the General Laws, as amended, and the following additional powers:

1. To acquire by purchase, lease or otherwise to own, hold, use, maintain, improve and operate, and to sell, lease and otherwise dispose of real and personal property.
2. To seek reimbursement for services rendered from individuals, corporations, foundations, the federal government, any state government and others; to invest and reinvest the funds of the Corporation; to borrow money and issue evidences of indebtedness therefor, and to secure the same by mortgage, pledge or otherwise.
3. To employ agents and servants and in general to perform and do, either directly or indirectly, either alone or in conjunction or cooperation with other persons and organizations, all other acts or things necessary to accomplish the purposes of the Corporation; provided, however, such actions are in accordance with the applicable statutes, rules and regulations of this State and of the United States for the carrying out of the purposes of the Corporation as set forth herein.

The Corporation shall be a membership foundation and shall have no authority to issue capital stock. The membership shall consist of such persons whose names are set forth in the bylaws to be adopted by the incorporators and of such additional members as may thereafter be elected to membership from time to time upon such terms and conditions as the bylaws shall set forth.

The affairs and business of the Corporation shall be managed by a Board of Directors. The directors and officers of the Corporation, terms of office, method of selection, respective duties, and all things pertaining thereto, shall be as defined and established by the bylaws.

Except as otherwise provided by law, the Corporation may at any time dissolve by the affirmative vote of two-thirds of the total number of member votes of the Corporation. Upon dissolution, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the Corporation, dispose of all of the assets of the Corporation outright to The Memorial Hospital d/b/a Memorial Hospital of Rhode Island or its successor(s) in interest, provided that such entities would then qualify under the provisions of Section 501(c)(3) of the Internal Revenue Code of 1986 and its regulations (or the equivalent law as it then exists). If The Memorial Hospital d/b/a Memorial Hospital of Rhode Island or its successors in interest do not so qualify, the Board of Directors may dispose of such assets, to such organization or organizations that do qualify under the provisions of Section 501(c)(3) of the Internal Revenue Code of 1986 and its regulations (or the equivalent law as it then exists). Any of such assets not so disposed of shall be disposed of by the Superior Court of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations as said court shall determine, which are organized and operated exclusively for such purposes.

Except as may otherwise be required by law, the Corporation may at any time dissolve by the affirmative vote of two-thirds of the total number of member votes of the Corporation, merge or consolidate with or into any corporation in such manner that the surviving corporation is organized and operated exclusively for charitable, scientific or educational purposes and in a manner which meets the requirements set forth above.

Except as may be otherwise required by law, these Articles of Incorporation shall be amended only upon the vote of two-thirds of the member votes at a meeting duly called for the purpose pursuant to the bylaws, the notice for which shall contain the substance of each amendment to the Articles to be considered, provided, however, that no such amendment shall authorize or permit the Corporation to be operated otherwise than exclusively for charitable, scientific, and educational purposes and for the specific purposes set forth in Article THIRD, above, and in a manner which meets the requirements set forth above.

EXHIBIT B

[To be determined]

DRAFT

DRAFT

**BYLAWS
OF
THE MEMORIAL HOSPITAL FOUNDATION**

RIAG0029

TABLE OF CONTENTS

Purposes and Exempt Status	1
Purposes	1
Exempt Status and Exempt Activities	1
Name, Seal and Offices.....	2
Name	2
Seal.....	2
Offices	2
Member	2
Member	2
Rights of the Member	2
Transfer of Membership	3
Meetings of the Member	3
Place of Meetings-Member	3
Notice for Meetings-Member	3
Action at Meetings-Member.....	4
Written Consents-Member	4
Board of Directors.....	4
Authority of the Board	4
Number of Directors.....	4
Election and Term	4
Resignation of Directors.....	5
Removal of Directors	5
Vacancy-Director	5
Meetings of the Board	6
Places of Meeting-Board	6
Notice for Meetings-Board.....	6
Waiver of Notice-Board	6
Quorum-Board	7
Action at Meetings-Board	7
Participation by Telephone-Board.....	7
Written Consent-Board.....	7
Reimbursement of Expenses-Committee Members.....	7
Committees	8

Committees..... 8

Term and Election-Committee Members 8

Resignation, Removal and Vacancy-Committee Members 8

Meetings-Committees 9

Waiver of Notice-Committees..... 9

Quorum-Committees 9

Action at Meetings; Written Consents-Committees10

Participation by Telephone-Committees10

Officers 10

 Officers.....10

 Election and Term-Officers.....10

 Resignation-Officers11

 Removal-Officers11

 Vacancy-Officers.....11

 Chairperson11

 Secretary.....12

 Treasurer.....12

 Salaries12

Fiscal Year 13

 Fiscal Year.....13

Agents and Representatives; Prohibition Against Sharing in Earnings..... 13

 Agents and Representatives.....13

 Prohibition Against Sharing in Earnings13

Limitation of Liability..... 13

 Limitation of Liability13

Indemnification 14

 Agreement of the Foundation.....14

 Definitions14

 Advance Payment of Expenses15

 Exclusions15

 Notice to the Foundation; Insurance.....15

 Indemnification16

 Settlement.....17

 Rights Not Exclusive.....17

 Enforcement18

Severability.....18
Successors and Assigns18
Amendment of this Article 1018
Amendments 19
Amendments.....19

**BYLAWS
of
THE MEMORIAL HOSPITAL FOUNDATION**

Article 1

Purposes and Exempt Status

Section 1.1 **Purposes.** The Memorial Hospital Foundation (the “**Foundation**”) is organized to serve the health needs and improve the health status of individuals, and to engage in such activities as will further the clinical, educational and research purposes of The Memorial Hospital d/b/a Memorial Hospital of Rhode Island (“**Hospital**”), a Rhode Island not-for-profit corporation qualifying as tax exempt under Section 501(c)(3) of the Internal Revenue Code of 1986, as the same may be amended from time to time (or the provisions of any succeeding law), and to the extent applicable, the regulations promulgated thereunder by the U.S. Department of Treasury (the “**Code**”). Such activities shall specifically include, without limitation, raising funds for the benefit of Hospital, holding assets for the benefit of Hospital, and other activities, which if not performed by the Foundation would be performed by Hospital.

Section 1.2 **Exempt Status and Exempt Activities.**

(a) The Foundation is organized and shall be operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Code. No part of the net earnings of the Foundation shall inure to the benefit of or be distributable to any for profit member, Directors (as defined below), officers, or any other person, except that the Foundation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in the Articles of Incorporation of the Foundation (the “**Articles of Incorporation**”) and these Bylaws of the Foundation (the “**Bylaws**”).

(b) Notwithstanding any other provision in these Bylaws, no member, Director, officer, employee, or representative of this Foundation shall take any action or carry on any activity by or on behalf of the Foundation not permitted to be taken or carried on by an organization exempt under Section 501(c)(3) of the Code, or by an organization contributions to which are deductible under Section 170(c)(2) of the Code.

Article 2

Name, Seal and Offices

Section 2.1 **Name**. The name of the Foundation is “**The Memorial Hospital Foundation.**”

Section 2.2 **Seal**. The seal of the Foundation shall be circular in form and shall bear on its outer edge the words “The Memorial Hospital Foundation” and in the center the words and figures “Corporate Seal 2013 Rhode Island.”

Section 2.3 **Offices**. The Foundation may have offices at such places as the Board of Directors of the Foundation (the “**Board**” or the “**Board of Directors**”) may from time to time appoint in order to carry out the purposes of the Foundation.

Article 3

Member

Section 3.1 **Member**. The sole member of the Foundation shall be Hospital (the “**Member**”). The Member shall designate a representative who shall serve as the Chairman of the Board of Directors (the “**Chairman**”) and shall act with the full power and authority of the Member. The Member may, at any time and without notice, designate a new representative as Chairman.

Section 3.2 **Rights of the Member**. The Member shall have the right to elect, remove and fill any vacancy on the Board of Directors subject to any restrictions contained in Article 4, remove any officer and amend or amend and restate these Bylaws. The Member shall set the priorities and program objectives of the Foundation. In addition, any proposed amendment to the Bylaws must be authorized by, and shall be effective only upon, the written assent of the Member. The Member shall have only the rights conferred herein under this Section 3.1 and Section 3.2 and no others. The Member furthermore shall annually review the following:

- (a) The report from the Executive Director to the Board of Directors.
- (b) Statement of the Foundation’s financial condition.
- (c) The financial and investment policies of the Foundation.

Section 3.3 **Transfer of Membership.** No membership may be assigned or transferred or encumbered in any manner whatsoever, either voluntarily, involuntarily or by operation of law. Any proposed or attempted assignment, transfer or termination of membership shall be void. Notwithstanding the foregoing, any legally appointed successor to Hospital by way of corporate merger, acquisition or other similar event shall become the sole Member hereof.

Section 3.4 **Meetings of the Member.** An annual meeting of the Member shall be held during December in each year on such date and at such time and place as may be determined by the Board; which annual meeting may occur simultaneous with, or directly following, the annual meeting of the board of directors of the Member held in December. Except as otherwise expressly required by law, special meetings of the Member shall be called by the Secretary of the Foundation (the “**Secretary**”) (or other person as directed by the Board of Directors) upon the request of the Member, the Chairperson or any two (2) Directors and the business transacted at any special meeting of the Member shall be limited to the purpose or purposes stated in the written notice of such special meeting.

Section 3.5 **Place of Meetings – Member.** All annual and special meetings of the Member shall be held at such place, either within or outside the State of Rhode Island as shall be determined by the Board of Directors and stated in the written notice for such annual or special meeting.

Section 3.6 **Notice for Meetings – Member.** Except as otherwise expressly required by law, the Articles of Incorporation or these Bylaws, the Secretary (or other person as directed by the Board of Directors) shall deliver written notice of the annual meeting and any special meeting to the Member, which written notice shall state the place, day and hour of the meeting (and the purpose or purposes if a special meeting) and shall be delivered by mailing, electronically mailing or telephoning the same to Member’s last address, electronic mail address or telephone number appearing on the records of the Foundation not less than (a) ten (10) nor more than sixty (60) days prior to the date of the annual meeting; or (b) forty-eight (48) hours prior to the date of the special meeting. Notice will be deemed delivered at the time when same

is deposited in the United States mail, delivered to the delivery service, electronic mail sent or message left by telephone.

Section 3.7 **Action at Meetings – Member**. Except as otherwise expressly required by law, the Articles of Incorporation or these Bylaws, the affirmative vote of the Member (through its authorized designee) shall be required to take action on any question brought at a meeting.

Section 3.8 **Written Consents – Member**. Except as otherwise expressly required by law, the Articles of Incorporation or these Bylaws, the Member may take action without a meeting in a written consent setting forth the action and signed by the Member; which written consent(s) shall be placed in the records of the Foundation.

Article 4

Board of Directors

Section 4.1 **Authority of the Board**. The Board of Directors shall manage the business affairs and fulfill the purposes of the Foundation, and may exercise all such powers of the Foundation and do all such lawful acts and things except those required to be exercised or done by the Member as specified by law, the Articles of Incorporation or these Bylaws.

Section 4.2 **Number of Directors**. The number of directors (each a “**Director**”) on the Board shall be set annually by the Member; provided, that at least fifty-one percent (51%) of the Directors elected prior to 2016 shall be members or former members of the board of directors of Hospital. In addition, the President and Chief Executive Officer of Care New England Health System and the President and Chief Executive Officer of Hospital shall each serve as *ex officio* Directors, with vote.

Section 4.3 **Election and Term**.

(a) Those individuals elected by the Member as a Director in 2013 shall serve a term of one, two or three years based on their classification into three (3) classes, Class I, Class II and Class III, of approximately the same size. The Class I Directors shall serve for a term of one (1) year, the Class II Directors shall serve for a term of two (2) years, and the Class III Directors shall serve for a term of three (3) years. Thereafter, each Class I, Class II and Class III

Director shall serve for a term of three (3) years; provided, however that no Director shall serve more than four (4) full three (3) year terms consecutively.

(b) At each annual meeting of the Member, the Member shall elect, from those nominees recommended by the Governance and Nominating Committee of Care New England Health System (the “**Governance and Nominating Committee**”) (which Governance and Nominating Committee shall make such recommendations after consultation with the Board), that number of nominees to fill the position of those Directors whose terms have expired or to fill any new Director positions where the size of the Board has been increased. In the case of an increase in the size of the Board, the new positions shall be classified in such a manner to the greatest extent possible so that one-third of the new positions shall have an initial term of one (1) year, one-third of the new positions shall have an initial term of two (2) years, and one-third of the new positions shall have an initial term of three (3) years. Thereafter such new positions shall serve for a term of three (3) years, subject to the limitation in Section 4.3(a).

Section 4.4 **Resignation of Directors**. Any Director may resign at any time by giving written notice to the Board, the Chairperson or the Secretary. The resignation of a Director shall take effect upon receipt of written notice or at such time as specified in the written notice. Unless otherwise specified in the written notice, acceptance of the resignation shall not be necessary to make it effective.

Section 4.5 **Removal of Directors**. Any Director may be removed by the Member, at any special meeting called for that purpose, for conduct detrimental to the interests of the Foundation, for lack of sympathy with its objectives, or for refusal to render reasonable assistance in carrying out its purposes. A Director shall receive ten (10) days prior written notice by registered or certified mail of any special meeting concerning the removal of such Director and shall be entitled to appear and be heard, but not vote, at such special meeting.

Section 4.6 **Vacancy - Directors**. Subject to the term limits set forth in Section 4.3(a), any vacancy in a Director position occurring on the Board shall be filled by the Member at the next annual meeting or any special meeting called for that purpose. An individual elected to fill a vacancy will serve for the unexpired term of his or her predecessor.

Section 4.7 **Meetings of the Board.** An annual meeting of the Board shall be held on the third Tuesday in January in each year on such date and at such time and place as may be determined by the Board. There may be regular meetings of the Board during the fiscal year, which regular meetings shall be held at such time and such place as may be determined by the Board. A special meeting of the Board of Directors shall be called by the Secretary (or other person as directed by the Board of Directors) upon the request of any two (2) Directors or the Chairperson.

Section 4.8 **Place of Meetings – Board.** All meetings of the Board shall be held at such place, either within or outside the State of Rhode Island as shall be determined by the Board of Directors and stated in the notice for such meeting.

Section 4.9 **Notice for Meetings – Board.** The schedule (including dates, place and hour) of the regular monthly meetings of the Board for a year shall be delivered to each Director in advance of the first regular meeting for such year. Except as otherwise expressly required by law, the Articles of Incorporation or these Bylaws, the Secretary (or other person as directed by the Board of Directors) shall deliver written notice of any annual or special meeting to each Director, which written notice shall state the place, day and hour of the meeting and shall be delivered in person or by mailing, overnight delivery, electronically mailing or telephoning the same to each Director's last address, electronic mail address or telephone number appearing on the records of the Foundation not less than seven (7) days prior to the date of the special meeting; provided, however, that a special meeting may be called upon forty-eight (48) hours notice if such notice is given personally or by telephone to each Director. Notice of any meeting of the Board does not need to state the business to be transacted at, nor the purpose of, such meeting. Notice will be deemed delivered at the time when same is deposited in the United States mail, delivered to the delivery service, electronic mail sent or message left by telephone.

Section 4.10 **Waiver of Notice – Board.** A Director may waive notice of any meeting either before or after a meeting by providing to the Secretary a written waiver which shall be placed in the Foundation's records. Attendance by a Director at a meeting shall constitute waiver of notice of that meeting, except where such attending Director objects at the beginning

of such meeting to the transaction of business because the meeting is not lawfully called or convened.

Section 4.11 **Quorum – Board**. A quorum shall exist at a meeting of the Board of Directors if a majority of the then-current Directors are present in person. In the absence of a quorum at any meeting of the Board of Directors, the Directors present in person at such meeting, shall have the power to adjourn the meeting to another place, day and hour with notice given to the Directors in the same manner as a special meeting.

Section 4.12 **Action at Meetings – Board**. Except as otherwise expressly required by law, the Articles of Incorporation or these Bylaws, the affirmative vote of a majority of the Directors present in person at a meeting at which a quorum is present shall be required to take action on any question brought at such meeting.

Section 4.13 **Participation by Telephone – Board**. To the extent a Director is unable to attend an annual, regular or special meeting in person and such Director has provided notice to the office of the Chairperson of his or her circumstances, then such Director may participate in such annual, regular or special meeting by means of a conference telephone or other similar communications equipment pursuant to which all Directors participating in such meeting may simultaneously hear each other and such participation shall be deemed participation “in person.”

Section 4.14 **Written Consents – Board**. Except as otherwise expressly required by law, the Articles of Incorporation or these Bylaws, the Board may take action without a meeting if written consents setting forth the action are requested from and signed by all the Directors, which written consents may be signed in one or more counterparts, each of which shall be an original, but all of which together shall comprise one and the same written consent and which written consent(s) shall be placed in the records of the Foundation.

Section 4.15 **Reimbursement of Expenses – Board**. The Board of Directors may resolve to pay the reasonable out-of-pocket expenses incurred by a Director in the performance of his or her duties as a Director.

Article 5

Committees

Section 5.1 **Committees**. The Board of Directors may designate committees to serve at its pleasure and to have such powers and perform such functions as the Board of Directors may assign to them. The resolution designating such committees shall set forth the composition of each such committee (the membership of which need not be restricted to members of the Board) and the functions to be performed by it. All committee members (along with the Directors and officers of the Foundation), shall be subject to Care New England Health System's Conflicts of Interest and Confidentiality Policy, as may be amended from time to time by the board of directors of Care New England. Unless otherwise determined by the Board, all committees shall adopt a committee charter which shall include the purposes, duties and responsibilities and membership of such committee; provided, that such committee charter (and any amendments thereto) shall be subject to review by the Governance and Nominating Committee and approval by the Board.

Section 5.2 **Term and Election – Committee Members**. For any committee designated by the Board, the Board shall elect individuals to serve on such committees from those nominees recommended by the Governance and Nominating Committee (which Governance and Nominating Committee shall make such recommendations after consultation with the Board). Unless otherwise determined by the Board, the term of each committee member will be one (1) year and there shall be no limit on the number of terms a committee member may serve.

Section 5.3 **Resignation, Removal and Vacancy – Committee Members**. A committee member may resign at any time by giving written notice to the Board, the Chairperson or the Secretary or may be removed with or without cause by the Board. The resignation of a committee member shall take effect upon the receipt of written notice or at such time as specified in the written notice. Unless otherwise specified in the written notice, acceptance of the resignation shall not be necessary to make it effective. Subject to any term limit determined by the Board for such committee member position, any vacancy in a committee member position

shall be filled by the Board. An individual elected to fill a vacancy will serve for the unexpired term of his or her predecessor

Section 5.4 **Meetings – Committees.** Committees may hold meetings (regular and/or special) either within or outside the State of Rhode Island as shall be determined by such committee or the Board of Directors and stated in the notice for such meeting. A special meeting of a committee shall be called by the applicable chairperson upon the request of two (2) members of the applicable committee or the Board of Directors. Regular meetings of a committee shall be held at such intervals as set forth in the applicable committee's charter. The applicable chairperson (or other person as directed by the applicable chairperson) shall deliver written notice of any special meeting to each member of such committee, which written notice shall state the place, day and hour of the meeting and shall be delivered in person or by mailing, overnight delivery, electronically mailing or telephoning the same to the committee member's last address, electronic mail address or telephone number appearing on the records of the Foundation not less than seven (7) days prior to the date of the special meeting; provided, however, that in the event of an emergency, a special meeting may be called upon forty-eight (48) hours notice if such notice is given personally or by telephone to each member of such committee. Notice of any committee meeting does not need to state the business to be transacted at, nor the purpose of, such committee meeting. Notice will be deemed delivered at the time when same is deposited in the United States mail, delivered to the delivery service, electronic mail sent or message left by telephone. If a committee charter addresses some or all of the provisions in this Section 5.4, the provisions in the committee charter shall prevail.

Section 5.5 **Waiver of Notice – Committees.** A committee member may waive notice of any meeting either before or after a meeting by providing to the Secretary a written waiver which shall be placed in the Foundation's records. Attendance by a committee member at a meeting shall constitute waiver of notice of that meeting, except where such attending committee member objects at the beginning of such meeting to the transaction of business because the meeting is not lawfully called or convened.

Section 5.6 **Quorum – Committees.** A quorum shall exist at a meeting of a committee if a majority of the then-current members of such committee are present in person.

Section 5.7 **Action at Meetings; Written Consents – Committees**. The affirmative vote of a majority of the members of a committee present in person at a meeting at which a quorum is present shall be required to take action on any question brought at such meeting. Any action which may be taken at a meeting of a committee may be taken without a meeting if written consents setting forth the action are requested from and signed by all the members of such committee, which written consents may be signed in one or more counterparts, each of which shall be an original, but all of which together shall comprise one and the same written consent and which written consent(s) shall be placed in the records of the Foundation. If a committee charter addresses some or all of the provisions in this Section 5.7, the provisions in the committee charter shall prevail.

Section 5.8 **Participation by Telephone – Committees**. To the extent a committee member is unable to attend a regular or special meeting in person and such committee member has provided notice to the applicable chairperson of his or her circumstances, then such committee member may participate in such regular or special meeting by means of a conference telephone or other similar communications equipment pursuant to which all committee members participating in such meeting may simultaneously hear each other and such participation shall be deemed participation “in person.”

Article 6

Officers

Section 6.1 **Officers**. The officers of the Foundation shall be a Chairperson, a Secretary, a Treasurer, and such other officers or assistant officers as may be appointed from time to time by the Board. Any two (2) or more offices may be held by the same person, with the exception of the offices of Executive Director and Secretary. The Board may also appoint an Executive Director.

Section 6.2 **Election and Term – Officers**. The Chairperson shall be designated by the Member as provided in Section 3.1. All other officers of the Foundation shall be elected by the Board at the annual meeting from those nominees recommended by the Governance and Nominating Committee (which Governance and Nominating Committee shall make such recommendations after consultation with the Board) and shall, unless otherwise determined by

the Board serve for a term of one (1) year. Except with respect to the Chairperson, there is no limit on the number of terms an officer may serve. The Chairperson may not serve in that position for more than three (3) consecutive one (1) year terms; provided that the Board may waive such limitation in circumstances in which continuity in leadership would serve the best interests of the Foundation.

Section 6.3 **Resignation – Officers.** Any officer may resign at any time by giving written notice to the Board, the Chairperson, or the Secretary. The resignation of an officer shall take effect upon the receipt of written notice or at such time as specified in the written notice. Unless otherwise specified in the written notice, acceptance of the resignation shall not be necessary to make it effective.

Section 6.4 **Removal – Officers.** Any officer may be removed by the Member or the affirmative vote of two-thirds of the Directors, at any special meeting of the Member or any regular or special meeting of the Board called for that purpose, for nonfeasance, malfeasance, or misfeasance, for conduct detrimental to the interests of the Foundation, for lack of sympathy with its objectives, or for refusal to render reasonable assistance in carrying out its purposes. A Director shall receive ten (10) days prior written notice by registered or certified mail of any meeting concerning the removal of such Director and shall be entitled to appear and be heard, but not vote, at such meeting.

Section 6.5 **Vacancy – Officers.** Subject to any term limit set forth in Section 6.2, any vacancy in an officer position (except the Chairperson) shall be filled by a majority of the Board (although less than a quorum). An individual elected to fill a vacancy will serve until the first meeting of the Board after the annual meeting where the election and qualification of a successor occurs.

Section 6.6 **Chairperson.** The Chairperson shall preside at all meetings of the Member and of the Board of Directors. The Chairperson shall have general charge and supervision of the affairs of the Foundation and shall perform such other duties as may be assigned to the Chairperson by the Board of Directors. For the purpose of complying with the laws of the State of Rhode Island, the Chairperson shall act as the President of the Foundation.

Section 6.7 **Secretary**. The Secretary shall have charge of books, documents, and papers as the Board of Directors may determine and shall have the custody of the corporate seal. The Secretary shall attend and keep the minutes of all the meetings of the Board of Directors and the Member. The Secretary may, when so authorized or ordered by the Board of Directors, affix the seal of the Foundation to any contract or agreement authorized by the Board of Directors. The Secretary shall, in general, perform all the duties incident to the office of secretary, subject to the control of the Board of Directors, and shall do such other duties as may be assigned to the Secretary by the Board of Directors.

Section 6.8 **Treasurer**. The Treasurer shall have the custody of all funds, property, and securities of the Foundation, subject to such regulations as may be imposed by the Board of Directors. The Treasurer shall be required to give bond for the faithful performance of the Treasurer duties, in such sum and with such sureties as the Board of Directors may require. When necessary the Treasurer may endorse on behalf of the Foundation for collection, checks, notes, and other obligations, and shall deposit the same to the credit of the Foundation at such bank or banks or depository as the Board of Directors may designate. The Treasurer shall sign all receipts and vouchers and, together with such other officer or officers, if any, as shall be designated by the Board of Directors, the Treasurer shall sign all checks of the Foundation and all bills of exchange and promissory notes issued by the Foundation, except in cases where the signing and execution shall be expressly designated by the Board of Directors or by these Bylaws to some other officer or agent of the Foundation. The Treasurer shall enter regularly on the books of the Foundation, to be kept by the Treasurer for that purpose, a full and accurate account of all moneys and obligations received and paid or incurred by the Treasurer or on account of the Foundation, and the Treasurer shall exhibit such books at all reasonable times to any Director or Member on application at the offices of the Foundation. The Treasurer shall, in general, perform all the duties incident to the office of treasurer, subject to the control of the Board of Directors.

Section 6.9 **Salaries**. No officer shall be paid a salary. Officers hired to perform duties outside the scope of their role or duty as officers may be compensated accordingly.

Article 7

Fiscal Year

Section 7.1 **Fiscal Year**. The fiscal year of the Foundation will be determined by the Board and in the absence of such determination will commence on October 1 and end on September 30 of each year.

Article 8

Agents and Representatives; Prohibition Against Sharing in Earnings

Section 8.1 **Agents and Representatives**. The Board of Directors may appoint agents and representatives of the Foundation with powers and to perform acts or duties on behalf of the Foundation as the Board of Directors may see fit, so far as may be consistent with these Bylaws, to the extent authorized by law.

Section 8.2 **Prohibition Against Sharing in Earnings**. No Director, officer, or employee of or member of a committee of or person connected with the Foundation, or any other private individual shall receive at any time any of the net earnings or pecuniary profit from the operations of the Foundation, provided that this shall not prevent the payment to any such person of such reasonable compensation for services rendered to or for the Foundation in effecting any of its purposes as shall be fixed by the Board of Directors; and no such person or persons shall be entitled to share in the distribution of any of the corporate assets upon the dissolution of the Foundation.

Article 9

Limitation of Liability

Section 9.1 **Limitation of Liability**. Pursuant to Section 7-6-9 of the Rhode Island Nonprofit Corporation Act, as the same may be amended from time to time (or the provisions of any succeeding law) no individual serving without compensation as a Director, officer or committee member shall be personally liable to the Foundation or its members based solely on his or her conduct in the execution of the office or duties; provided, however that this Section 9.1 shall not eliminate the liability of a Director, officer or committee member to the extent such liability is imposed by applicable law for (a) malicious, willful or wanton misconduct; (b) breach

of such Director's, officer's or committee member's duty of loyalty to the Foundation; and (c) any transaction from which there is an improper personal benefit. This Section 9.1 shall not eliminate the liability of a Director, officer or committee member for any act or omission occurring prior to the date upon which this provision becomes effective. No amendment to or repeal of this Section 9.1 shall apply to or have any effect on the liability or alleged liability, or any acts or omissions, of any Director, officer or committee member occurring prior to such amendment or repeal.

Article 10

Indemnification

Section 10.1 Agreement of the Foundation. In order to induce the individual members (if any), Directors, officers and committee members of the Foundation to serve as such (each an "**Indemnified Person**"), the Foundation agrees, subject to the exclusions hereinafter set forth, to indemnify an Indemnified Person against, and hold the Indemnified Person harmless from, any Loss or Expense (each as defined in Section 10.2).

Section 10.2 Definitions. Capitalized terms used in this Article 10 shall have the meanings set forth below:

(a) "**Covered Act**" means any act or omission by an Indemnified Person in the Indemnified Person's official capacity with the Foundation and while serving as such or while serving at the request of the Foundation as a member of the governing body, officer, employee or agent of another corporation, limited liability company, partnership, joint venture, trust or other enterprise.

(b) "**Excluded Claim**" has the meaning set forth in Section 10.4.

(c) "**Expenses**" means any reasonable expenses incurred by an Indemnified Person in connection with the defense of any claim made against the Indemnified Person for Covered Acts including, without limitation, legal, accounting or investigative fees and expenses (including the expense of bonds necessary to pursue an appeal of an adverse judgment).

(d) "**Loss**" means any amount which an Indemnified Person is legally obligated to pay as a result of any claim made against such Indemnified Person for Covered Acts including, without limitation, judgments for, and awards of, damages, amounts paid in settlement

of any claim, any fine or penalty or, with respect to an employee benefit plan, any excise tax or penalty.

(e) **“Proceeding”** means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative.

Section 10.3 **Advance Payment of Expenses.** The Foundation will pay the Expenses of an Indemnified Person in advance of the final disposition of any Proceeding except to the extent that the defense of a claim against such Indemnified Party is undertaken pursuant to any directors’ and officers’ liability insurance (or equivalent insurance or other protection known by another term) maintained by the Foundation. The advance payment of Expenses will be subject to such Indemnified Person’s first agreeing in writing with the Foundation to repay the sums paid by it hereunder if it is thereafter determined that the Proceeding involved an Excluded Claim or that such Indemnified Person was otherwise not entitled to indemnification under these Bylaws.

Section 10.4 **Exclusions.** The following shall be considered **“Excluded Claims”** and the Foundation will not be liable to pay any Loss or Expense related to any Excluded Claim:

(a) With respect to a Proceeding in which a final non-appealable judgment or other adjudication by a court of competent jurisdiction determines that the Indemnified Person is liable to the Foundation (as distinguished from being liable to a third party) for:

(i) any breach of the Indemnified Person’s duty of loyalty to the Foundation;

(ii) acts or omissions not in good faith or which involve any malicious, willful or wanton misconduct or knowing violation of law; or

(iii) any transaction from which the Indemnified Person derived an improper personal benefit; or

(b) If a final, non-appealable judgment or other adjudication by a court of competent jurisdiction determines that such payment is unlawful.

Section 10.5 **Notice to the Foundation; Insurance.** Promptly after receipt by an Indemnified Person of notice of the commencement of or the treat of commencement of any Proceeding, such Indemnified Person will, if indemnification with respect thereto may be sought from the Foundation under these Bylaws, notify the Foundation of the commencement thereof.

If, at the time of the receipt of such notice, the Foundation has any directors' and officers' liability insurance (or equivalent insurance or other protection known by another term) in effect, the Foundation will give prompt notice of the commencement of such Proceeding to the insurer in accordance with the procedures set forth in the policy or policies in favor of such Indemnified Person. The Foundation will thereafter take all the necessary or desirable action to cause such insurer to pay, on behalf of such Indemnified Person, all Loss and Expenses payable as a result of such Proceeding in accordance with the terms of such policies. Failure to promptly notify the Foundation will not adversely affect the Indemnified Person's right to indemnification hereunder unless and only to the extent that (a) the Foundation is materially prejudiced in its ability to defend against the Proceeding by reason of such failure; or (b) failure to promptly notify the Foundation causes a delay in notifying any applicable insurer (as described in this Section 10.5) resulting in a denial of coverage.

Section 10.6 **Indemnification**.

(a) Payments on account of the Foundation's indemnity against Loss will be made by the Treasurer of the Foundation except if, in the specific case, a determination is made that the indemnification of the Indemnified Person is not proper in the circumstances because such Loss results from an Excluded Claim. If the Foundation so determines that the Loss results from an Excluded Claim (although no such determination is required by the Foundation prior to payment of a Loss by the Treasurer of the Foundation), the determination shall be made:

(i) by the Board by a majority vote of a quorum consisting of Directors not at the time parties to the Proceeding; or

(ii) if a quorum cannot be obtained for purposes of Section 10.6(a)(i), then by a majority vote of a committee of the Board duly designated to act in the matter by a majority vote of the full Board (in which designated Directors who are parties to the Proceeding may participate) consisting solely of three (3) or more Directors not at the time parties to the Proceeding; or

(iii) by independent legal counsel designated (A) by the Board in a manner described in Section 10.6(a)(i) or by a committee of the Board established in a manner described in Section 10.6(a)(ii), or (B) if the requisite quorum of the full Board cannot be obtained therefor and a committee cannot be so established, by a majority vote of the full Board (in which vote Directors who are parties to the Proceeding may participate). If made, any such

determination permitted to be made by this Section 10.6(a) will be made within sixty (60) days of an Indemnified Person's written request for payment of a Loss.

(b) Payment of an Indemnified Person's Expenses in advance of the final disposition of any Proceeding will be made by the Treasurer of the Foundation except if, in the specific case, a determination is made pursuant to Section 10.6(a) that indemnification of such Indemnified Person is not proper in the circumstances because the Proceeding involved an Excluded Claim.

(c) The Foundation will have the power to purchase and maintain insurance on behalf of any Indemnified Person against liability asserted against him or her with respect to any Covered Act, whether or not the Foundation would have the power to indemnify such Indemnified Person against such liability under the provisions of these Bylaws. The Foundation will be subrogated to the rights of such Indemnified Person to the extent that the Foundation has made any payments to such Indemnified Person in request to any insured Loss or Expense as provided herein.

Section 10.7 **Settlement**. The Foundation will have no obligation to indemnify any Indemnified Person for any amounts paid in settlement of any Proceeding affected without the Foundation's prior written consent. The Foundation will not unreasonably withhold or delay its consent to any proposed settlement. If the Foundation so consents to the settlement of any Proceeding, or unreasonably withholds or delays such consent, it will be conclusively and irrefutably presumed for all purposes that the Loss or Expense does not constitute an Excluded Claim. If the Foundation reasonably withholds its consent solely on the grounds that the Proceeding constitutes an Excluded Claim, the Indemnified Person may accept the settlement without the consent of the Foundation, without prejudice to such Indemnified Person's rights to indemnification in the event the Foundation does not ultimately prevail on the issue of whether the Proceeding constitutes an Excluded Claim.

Section 10.8 **Rights Not Exclusive**. The rights provided in this Article 10 will not be deemed exclusive of any other rights to which an Indemnified Person may be entitled under any agreement, vote of disinterested Directors or otherwise, both as to action in the Indemnified Person's official capacity and as to action in any other capacity while serving in such position,

and will continue after such Indemnified Person ceases to serve the Foundation as an Indemnified Person.

Section 10.9 **Enforcement.**

(a) An Indemnified Person's right to indemnification hereunder will be enforceable by such Indemnified Person in any court of competent jurisdiction and will be enforceable notwithstanding that an adverse determination has been made as provided in Section 10.6.

(b) In the event that any action is institute by an Indemnified Person under these Bylaws, such Indemnified Person will be entitled to be paid all court costs and expenses, including reasonable attorneys' fees, incurred by such Indemnified Person with respect to such action, unless the court determines that each of the material assertions made by such Indemnified Person as a basis for such action was not made in good faith or was frivolous.

Section 10.10 **Severability.** If any provision in this Article 10 is determined by a court to require the Foundation to perform or fail to perform an act which is in violation of any applicable law, this Article 10 shall be limited or modified in its applicable to the minimum extent necessary to avoid a violation of law, and, as so limited and modified, this Article 10 shall be enforceable in accordance with its terms.

Section 10.11 **Successors and Assigns.** The provisions of this Article 10 will be (a) binding upon all successors and assigns of the Foundation (including any transferee of all or substantially all of its assets); and (b) binding on and inure to the benefit of the heirs, executors, administrators and other personal representatives of an Indemnified Person.

Section 10.12 **Amendment of this Article 10** No amendment or termination of this Article 10 will be effective as to an Indemnified Person without prior written consent of that Indemnified Person and, in any event, will not be effective as to any Covered Act of an Indemnified Person occurring prior to the amendment or termination.

Article 11

Amendments

Section 11.1 **Amendments**. These Bylaws may be amended or amended and restated by written consent or approval by the Member in accordance with Section 3.7 or Section 3.8.

Adopted on _____, 2013

2-C

EXECUTION COPY

AFFILIATION AGREEMENT
BY AND AMONG
CARE NEW ENGLAND HEALTH SYSTEM,
SOUTHEASTERN HEALTHCARE SYSTEM, INC.
AND
THE MEMORIAL HOSPITAL

January 2, 2013

TABLE OF CONTENTS

		Page
ARTICLE 1	CHARITABLE OBJECTIVES.....	2
1.1	Deliberative Process.....	2
1.2	Charitable Objectives.....	2
ARTICLE 2	AFFILIATION IMPLEMENTATION.....	3
ARTICLE 3	AMENDMENT OF ORGANIZATIONAL DOCUMENTS.....	3
3.1	MHRI Parent.....	3
3.2	MHRI.....	4
3.3	Amendment of CNE Bylaws.....	5
ARTICLE 4	MHRI NOMINEES TO CNE SYSTEM COMMITTEES.....	5
4.1	CNE Board.....	5
4.2	CNE System Committees.....	5
ARTICLE 5	FINANCIAL PROVISIONS.....	6
5.1	No Cash Consideration/Merger.....	6
5.2	Capital Planning.....	6
5.3	Indebtedness.....	6
ARTICLE 6	OPERATION OF MHRI.....	6
6.1	Clinical Services.....	6
6.2	Charitable Assets.....	7
6.3	Charity Care.....	7
6.4	Branding.....	7
6.5	Separate Employers.....	7
6.6	Management.....	8
6.7	Community Involvement.....	8
6.8	Directors and Officers Liability Insurance.....	8
ARTICLE 7	MEDICAL STAFF.....	8
ARTICLE 8	SYSTEM SERVICES.....	8
ARTICLE 9	CLOSING.....	8
9.1	Closing.....	8
9.2	Closing Deliverables of MHRI Parent and MHRI.....	9
9.3	Closing Deliverables of CNE.....	10
ARTICLE 10	REPRESENTATIONS AND WARRANTIES.....	10
10.1	Representations and Warranties of MHRI Parent and MHRI.....	10

TABLE OF CONTENTS
(continued)

	Page
10.2 Representations and Warranties of CNE	21
10.3 Knowledge	24
ARTICLE 11 PRE-CLOSING COVENANTS	24
11.1 Pre-Closing Covenants of MHRI Parent and MHRI	24
11.2 Pre-Closing Covenants of CNE	28
ARTICLE 12 ESTABLISHMENT OF MHRI FOUNDATION	29
ARTICLE 13 CONDITIONS PRECEDENT	30
13.1 Conditions Precedent to the Obligations of CNE	30
13.2 Conditions Precedent to the Obligations of Memorial	31
ARTICLE 14 TERMINATION	32
14.1 Termination	32
14.2 Approval by Board of Trustees	33
ARTICLE 15 GENERAL PROVISIONS	33
15.1 No Assumption or Assignment	33
15.2 Amendment	33
15.3 Notices	33
15.4 Expenses	34
15.5 Counterparts	34
15.6 Entire Transaction	34
15.7 Applicable Law	34
15.8 Headings	34
15.9 Articles and Sections	34
15.10 Gender	34
15.11 Further Assurances	34
15.12 Waiver of Terms	35
15.13 Partial Invalidity	35
15.14 Exhibits and Schedules	35
15.15 Non-Assignment	35
15.16 No Third-Party Beneficiaries	35
15.17 Public Statement	35
15.18 Transaction Instruments	35

SCHEDULES

Schedule 6.2	Board Designated Funds
Schedule 9.2(f)	Bond Consents
Schedule 10.1(b)	Required Consents
Schedule 10.1(c)	Material Changes to Accounting Practices
Schedule 10.1(d)	Interim Changes
Schedule 10.1(e)	Legal Proceedings
Schedule 10.1(f)	Licenses and Permits
Schedule 10.1(g)	Compliance with Law
Schedule 10.1(h)	Property and Assets
Schedule 10.1(i)	Affiliates and Subsidiaries
Schedule 10.1(l)	Insurance
Schedule 10.1(m)	Medicare, Medicaid and other Reimbursement
Schedule 10.1(n)	Medical Staff
Schedule 10.1(o)	Employee Benefit Plans
Schedule 10.1(p)	Defined Benefit Pension Plans
Schedule 10.1(q)	Partnership, Joint Venture, Limited Liability Company or Cost Sharing Agreements
Schedule 10.1(u)	Compliance Program
Schedule 10.1(v)	Tax-exempt Bond Indebtedness
Schedule 10.2(c)	CNE Material Changes to Accounting Practices
Schedule 10.2(d)	CNE Interim Changes
Schedule 10.2(e)	CNE Legal Proceedings
Schedule 10.2(f)	CNE Licenses and Permits
Schedule 10.2(i)	CNE Medicare, Medicaid and other Reimbursement
Schedule 10.2(j)	CNE Tax-exempt Bond Indebtedness

AFFILIATION AGREEMENT

This **AFFILIATION AGREEMENT** (the “**Agreement**”) is made and entered into this 2nd day of January, 2013 (the “**Execution Date**”), by and among **CARE NEW ENGLAND HEALTH SYSTEM**, a Rhode Island non-profit corporation (“**CNE**”), **SOUTHEASTERN HEALTHCARE SYSTEM, INC.**, a Rhode Island non-profit corporation (“**MHRI Parent**”) and **THE MEMORIAL HOSPITAL, d/b/a MEMORIAL HOSPITAL OF RHODE ISLAND**, a Rhode Island non-profit corporation (“**MHRI**”) (MHRI Parent and MHRI collectively, “**Memorial**”) (each a “**Party**” and collectively, the “**Parties**”).

RECITALS

WHEREAS, CNE operates a health care system serving Rhode Island and is the sole member of Butler Hospital, Kent Hospital, Women & Infants Hospital of Rhode Island, VNA of Care New England, Care New England Wellness Center and other associated entities that provide and support health care and health care-related services (collectively, the “**CNE System**”);

WHEREAS, MHRI Parent is the parent organization of a health care system serving Rhode Island and Massachusetts, comprised of a certain number of directly or indirectly owned or controlled affiliates and subsidiaries, as follows: MHRI, Primary Care Centers of New England, Inc., a Rhode Island corporation (“**PCCNE**”), Blackstone Health, Inc., a Rhode Island non-profit corporation (“**BH**”), SHS Ventures, Inc., a Massachusetts non-profit corporation (“**Ventures**”), MHRI Ancillary Services, LLC, a Rhode Island limited liability company (“**Ancillary**”), and Memorial Hospital of Rhode Island Physicians, Inc., a Rhode Island non-profit corporation (“**MHRI Physicians**”), that provide and support health care and health care-related services (collectively, the “**MHRI Affiliates**”);

WHEREAS, MHRI is the shareholder or member of the following joint ventures in which it holds less than all of the outstanding membership or equity interests: The Memorial Physician Hospital Organization, Inc., a Rhode Island corporation (“**PHO**”) and Rhode Island PET Services, LLC in which MHRI or a MHRI Affiliate currently participates (collectively, the “**Joint Venture Affiliates**”);

WHEREAS, the Parties share a common and unifying charitable mission to promote and improve access to health care and the health care status of the communities they serve and to provide high quality, affordable health care and health care-related services;

WHEREAS, the Parties desire to work together to become both a regional and national health care value leader, providing low-cost, high-quality health care services to their patients; and

WHEREAS, the Parties desire to establish a long-term strategic relationship which integrates MHRI Parent and the MHRI Affiliates with and into the CNE System, all on the terms set forth in this Agreement (the “**Affiliation**”).

NOW, THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement, and other good and valuable consideration, the sufficiency and receipt of which hereby are acknowledged, the Parties agree as follows:

ARTICLE 1

CHARITABLE OBJECTIVES

1.1 Deliberative Process. The boards of directors of CNE, MHRI Parent and MHRI, in keeping with their fiduciary duties to oversee their respective organizations' charitable assets, have engaged in a deliberative process to explore ways to effectively serve their communities. These discussions have culminated in the Parties' mutual desire to implement the Affiliation, with a goal of optimizing clinical services and health benefits, creating a strong and effective long-term relationship between the Parties and ensuring that both organizations' charitable missions are achieved over the long term.

1.2 Charitable Objectives. As a means of furthering their common mission, the Parties believe that it is in their mutual best interests to enter into this Agreement and, subject to the terms hereof, establish the Affiliation. In doing so, the Parties have identified the following charitable objectives which they hope will be realized therefrom:

- (a) Clinical excellence demonstrated by comprehensive and consistent quality across a range of services and procedures;
- (b) Improvement in the quality of clinical programs and services;
- (c) Patient access to a broader continuum of services over an expanded service area;
- (d) The creation of operational efficiencies designed to improve performance and reduce costs;
- (e) The maintenance of a strong academic and research platform that is essential to fostering clinical excellence and innovation;
- (f) The development and maintenance of an integrated delivery system in which patient care is coordinated across a full continuum of health care providers, thereby providing CNE and MHRI a foundation for responding to the promises and challenges of the federal health reform legislation;
- (g) The establishment of a "best practices" governance structure which will enable the CNE System to respond nimbly to industry changes, while affording MHRI the same benefits of other entities in the CNE System;
- (h) The enhancement of physician recruitment, retention, and integration initiatives;

(i) The improvement of facilities, equipment, and information technology platforms;

(j) The achievement of “employer of choice” status, ensuring that CNE’s and MHRI’s employees have opportunities to attain their professional goals in a supportive work environment;

(k) The enhancement of the CNE System’s and MHRI’s charitable foundations’ ability to achieve their objectives in the most efficient and effective manner possible;

(l) The responsible stewardship of charitable assets, ensuring that CNE and MHRI collectively will maintain a strong financial profile to enable them to achieve their charitable objectives long into the future; and

(m) The continuation of charity care delivered to the communities that MHRI serves, including, but not limited to, the Blackstone Valley community.

ARTICLE 2

AFFILIATION IMPLEMENTATION

In order to consummate the Affiliation and to achieve the charitable objectives set forth in Article 1, the Parties agree that, on the Closing Date (as such term is defined in Section 9.1), subject to the terms and conditions set forth in this Agreement, the Parties shall take the following actions: (i) MHRI Parent shall amend its organizational documents and shall cause the MHRI Affiliates to amend their respective organizational documents to reflect the changes described in Article 3; (ii) CNE shall amend its organizational documents to reflect the changes described in Article 3; and (iii) the Parties each shall cause their respective affiliates to appoint board members to the appropriate boards, as described in Article 3.

ARTICLE 3

AMENDMENT OF ORGANIZATIONAL DOCUMENTS

3.1 MHRI Parent.

(a) **Amendment of Articles of Incorporation of MHRI Parent.** Effective as of the Closing Date, subject to the terms and conditions set forth in this Agreement, MHRI Parent shall amend its articles of incorporation to provide as follows:

(i) MHRI Parent shall name CNE as its sole corporate member; and

(ii) MHRI Parent’s powers shall be exercised, its business and affairs conducted, and its property managed by its board of trustees, except as otherwise provided by the laws of the State of Rhode Island, its governing documents, and this Agreement.

Effective as of the Closing Date, subject to the terms and conditions set forth in this Agreement, MHRI Parent shall also amend the articles of organization or incorporation, as applicable, of the MHRI Affiliates, if necessary, to ensure that CNE will have the same direct and indirect reserved powers over the MHRI Affiliates as CNE has with respect to its other affiliates.

(b) Amendment of the MHRI Parent Bylaws. Effective as of the Closing Date, subject to the terms and conditions set forth in this Agreement, MHRI Parent shall amend its bylaws in a form mutually acceptable to the Parties to provide as follows:

(i) To include the provisions of Section 3.1(a)(i) through Section 3.1(a)(ii);

(ii) The members of the MHRI Parent Board of Trustees shall be comprised of the individuals who from time to time serve as the members of the CNE Board of Directors (the “CNE Board”);

(iii) MHRI Parent’s officers shall be identical to the CNE officers; and

(iv) The MHRI Parent Board of Trustees shall be subject to CNE’s Conflicts of Interest and Confidentiality Policy, as may be amended from time to time.

3.2 MHRI.

(a) Amendment of Articles of Incorporation of MHRI. Effective as of the Closing Date, subject to the terms and conditions set forth in this Agreement, MHRI shall amend its articles of incorporation to the extent necessary to consummate the Affiliation and to ensure that CNE will have the same direct and indirect reserved powers over MHRI’s Affiliates as CNE has with respect to its other affiliates.

(b) Amendment of the MHRI Bylaws. Effective as of the Closing Date, subject to the terms and conditions set forth in this Agreement, MHRI shall amend its bylaws in a form mutually acceptable to the Parties to provide as follows:

(i) To include the provision in Section 3.2(a);

(ii) The members of the MHRI Board of Trustees shall be comprised of the individuals who from time to time serve as the members of the CNE Board;

(iii) MHRI’s board officers shall be identical to the CNE Board officers; and

(iv) The MHRI Board of Trustees shall have a Quality Committee and shall designate such other committees to serve at its pleasure and to have such powers and perform such functions as the MHRI Board of Trustees may assign to them. All committee members (along with the Trustees and officers of MHRI) shall be subject to CNE’s Conflicts of Interest and Confidentiality Policy, as may be amended from time to time. As soon as feasible after the Closing, all committees shall adopt a committee charter which shall include the

purposes, duties and responsibilities and membership of such committee; provided, that such committee charter (and any amendments thereto) shall be subject to review by the CNE Governance and Nominating Committee and approval by the MHRI Board of Trustees.

3.3 Amendment of CNE Bylaws. Effective as of the Closing Date, subject to the terms and conditions set forth in this Agreement, CNE shall amend its bylaws in a form mutually acceptable to the Parties to provide as follows:

(a) The size of the CNE Board shall be expanded to accommodate the Ex-Officio Director and the At-Large Directors (as such terms are defined in Section 4.1); and

(b) To include such other provisions as may be necessary to effect the appointment of the Ex-Officio Director and At-Large Directors, as contemplated by Section 4.1.

ARTICLE 4

MHRI NOMINEES TO CNE SYSTEM COMMITTEES

4.1 CNE Board.

(a) Effective as of the Closing Date, the President of the MHRI Medical Staff shall serve as an *ex-officio* voting member of the CNE Board (the "**Ex-Officio Director**") and shall continue to serve in such capacity as long as he or she remains the President of the MHRI Medical Staff. Each subsequent President of the MHRI Medical Staff shall serve as the Ex-Officio Director.

(b) On the Closing Date, CNE shall appoint to the CNE Board three (3) directors who were nominated by MHRI and reviewed and approved by CNE prior to the Closing Date (the "**At-Large Directors**"). The At-Large Directors shall serve on the CNE Board for terms commencing on the Closing Date and ending on the date of the first annual meeting of the CNE Board following the third (3rd) anniversary of the Closing Date, or until their earlier death, resignation or removal. If, during the period following the Closing Date and prior to such first annual meeting following the third (3rd) anniversary of the Closing Date, an At-Large Director dies, resigns or is removed from the CNE Board, his or her successor shall be appointed by the CNE Board from among the individuals who served on the MHRI Board of Trustees prior to the Closing Date. Such successor shall serve for the unexpired portion of his or her predecessor's existing term.

(c) The Ex-Officio Director and the At-Large Directors shall be subject to the same standards of conduct and board policies as all other directors serving on the CNE Board.

4.2 CNE System Committees. Effective as of the Closing Date, individuals who formerly served on the MHRI Board of Trustees or the MHRI Parent Board of Trustees shall be eligible to participate and shall be offered opportunities to serve on certain committees of the CNE Board and/or the committees of other entities within the CNE System (collectively, the "**CNE System Committees**"). All appointees to the CNE System Committees shall be based on individual interest, skills and experience and shall be subject to the approval of the CNE Board (and/or, if necessary, the approval of the governing board of the CNE System entity). The

foregoing individuals shall have the same terms, and shall be subject to the same term limits as other similarly-situated members of the applicable CNE System Committee. Each of the foregoing individuals also shall be subject to the same standards of conduct and policies as other individuals serving on the applicable CNE System Committee.

ARTICLE 5

FINANCIAL PROVISIONS

5.1 No Cash Consideration/Merger. The Closing of the Affiliation does not involve the exchange of cash or similar financial consideration; the merger or consolidation of any existing entities; the sale, purchase or lease of part or all of any hospital; nor the transfer of all or substantially all of the assets of any Party.

5.2 Capital Planning. Following the Closing Date, MHRI shall have access to the same capital pool and capital planning process as other hospitals in the CNE System.

5.3 Indebtedness.

(a) In addition to Section 5.3(b) below, as of the Closing Date or within a commercially reasonable period of time thereafter, CNE shall either: (i) take such actions as may be necessary to call, discharge and refinance the Hospital Financing Revenue Bonds (the Memorial Hospital Issue-Series 2003); or, alternatively, (ii) work with MHRI to seek the most effective credit group structure to support the mission and strategies of the Parties, which may include formation of a single obligated group (the "**Obligated Group**"), allowing the Parties to minimize costs, allocate risk and optimize the credit profiles of the CNE System, taking into account the most efficient borrowing structure and future plans of the Parties. The implementation of the Obligated Group structure will be dependent upon applicable requirements in existing debt instruments, market conditions, and current and anticipated commitments, as determined by CNE management and subject to applicable law.

(b) In connection with the evaluation of the credit group structure described in Section 5.3(a) above, if CNE determines it necessary to avoid any potential breach or default of any obligation of MHRI or the MHRI Affiliates, CNE shall fund any operating shortfall of MHRI or any of the MHRI Affiliates (whether in the form of cash, a line of credit provided by a third party or other means) for the period commencing on the Closing Date and ending on September 30, 2016 after giving effect to any integration planning options implemented by CNE, MHRI and the MHRI Affiliates.

ARTICLE 6

OPERATION OF MHRI

6.1 Clinical Services.

(a) As of the Closing Date, MHRI will be CNE System's primary academic teaching base for Brown University with respect to family medicine and internal medicine (*i.e.*, primary care).

(b) As of the Closing Date, the individual then serving as MHRI's Chief of Family Medicine will be named the Executive Chief of Family Medicine for the CNE System.

(c) As soon as feasible after the Closing, MHRI's Chief of Internal Medicine will be named the Executive Chief of Internal Medicine for the CNE System.

(d) The Parties acknowledge the importance of maintaining a robust surgical practice at MHRI. In furtherance of this goal, CNE shall endeavor to implement the programs and system initiatives agreed upon by the Parties following the Closing Date.

6.2 Charitable Assets. Following the Closing Date, subject to the terms and conditions set forth in this Agreement, to the extent any property was given, devised, or bequeathed to MHRI for charitable, educational or religious purposes ("**Gifts**"):

(i) All ethical and legal considerations regarding Gifts to MHRI will be strictly honored;

(ii) All Gifts to MHRI will be used in accordance with documented donor intent; and

(iii) All Gifts to MHRI will be used solely to support the program specified by the donor(s).

Notwithstanding the foregoing, any funds which are held by MHRI on the Closing Date and designated as "Board Designated Funds" as indicated on Schedule 6.2 hereof shall, to the extent permitted by applicable laws, and to the extent not otherwise needed to provide for any operating budget shortfall of MHRI, be transferred to the MHRI Foundation (as defined in Article 12) after the MHRI Foundation has been formed and recognized as exempt pursuant to Section 501(c)(3) of the Code.

6.3 Charity Care. Following the Closing Date, the Parties shall endeavor to make charity care available to the communities that MHRI serves, including, but not limited to, the Blackstone Valley community, at a level comparable to the level of charity care provided by other similarly-situated entities within the CNE System, and in any event in accordance with applicable law, including but not limited to Rhode Island General Laws § 23-17-43 and § 23-17.14-15.

6.4 Branding. The MHRI Affiliates will retain their current names, and will be identified as "a CNE Affiliate."

6.5 Separate Employers. CNE, MHRI Parent and the MHRI Affiliates are separate and distinct employers, and nothing in this Agreement shall alter or affect their status as separate and distinct employers, nor shall it alter or affect relationships with bargaining units within their operations and labor relations within their organizations. CNE, MHRI and the MHRI Affiliates shall each: (i) retain control of labor relations within their organizations, and (ii) cooperate with one another to maintain the qualified status of their respective benefit plans. Nothing herein is intended to or shall be interpreted to extend automatically or by operation of law, the

representation rights of any labor organization representing employees of such bargaining unit (or any collective bargaining agreement covering such bargaining unit).

6.6 Management. Following the Closing Date, the Parties will work together to evaluate the integration of MHRI management within the CNE system.

6.7 Community Involvement. Following the Closing Date, the Parties will support other 501(c)(3) organizations located in the Blackstone Valley that MHRI and the MHRI Affiliates have traditionally supported in prior years (whether in the form of financial assistance or management expertise on a voluntary basis or encouraging volunteer support) at a level proportionate with the level provided by other similarly-situated entities within the CNE System, taking into account the relative levels of gross patient service revenue of each applicable entity.

6.8 Directors and Officers Liability Insurance. Following the Closing Date, CNE shall provide a directors and officers liability policy with respect to the directors and officers of MHRI Parent and MHRI (including but not limited to those positions and individuals identified in Section 10.3 hereof).

ARTICLE 7

MEDICAL STAFF

Following the Closing Date, the medical staff of MHRI shall remain independent, and the Parties shall evaluate best practices for credentialing and privileging at MHRI and each of the other CNE System hospitals and, where appropriate and desired, modify existing medical staff organizational materials from and after the Closing Date to reflect the best in contemporary practice.

ARTICLE 8

SYSTEM SERVICES

In recognition of the Parties' mutual desire to control costs and reduce potential exposure to liabilities, following the Closing Date, CNE shall provide MHRI Parent and the MHRI Affiliates, and MHRI Parent and the MHRI Affiliates shall accept from CNE, the same types of centralized corporate services (such as legal, compliance, risk management, human resources, and managed care contracting services) as CNE provides to other hospitals within the CNE System (the "**System Services**"); provided, however, that CNE may elect to implement the System Services over time to ensure that existing contractual obligations to third-party service providers are honored and to ensure smooth and seamless transition to the System Services. All System Services shall be provided in accordance with CNE's policies and procedures.

ARTICLE 9

CLOSING

9.1 Closing. Subject to the satisfaction or waiver by the appropriate Party of all the conditions precedent to Closing specified herein, the consummation of the Affiliation

contemplated by and described in this Agreement (the “Closing”) shall take place at 45 Willard Avenue, Providence, Rhode Island, at 10:00 a.m. local time, within seventy-two (72) hours following the satisfaction of the closing conditions set forth in Article 13 (the “Closing Date”), or a date mutually agreed upon by the Parties. Notwithstanding anything herein to the contrary, this Agreement may be terminated by either Party if the Closing Date shall not have taken place by September 30, 2013 (which date may be extended by mutual agreement of the Parties).

9.2 Closing Deliverables of MHRI Parent and MHRI. At the Closing, MHRI Parent and MHRI shall deliver to CNE the following documents:

(a) **Amended Articles of Incorporation.** Amended Articles of Incorporation of MHRI Parent and MHRI, and Amended Articles of Incorporation for MHRI Affiliates if necessary as described in Sections 3.1(a) and 3.2, in forms mutually acceptable to the Parties;

(b) **Amended Bylaws.** Amended bylaws of MHRI Parent and MHRI, and Amended bylaws for MHRI Affiliates if necessary to ensure that CNE will have the same direct and indirect reserved powers over MHRI’s Affiliates as CNE has with respect to its other affiliates;

(c) **President’s Certificate of MHRI Parent and MHRI.** A President’s Certificate of MHRI Parent and MHRI, dated as of the Closing Date, attesting to the accuracy of representations and warranties and the performance by MHRI Parent and MHRI of the covenants and the conditions precedent set forth in this Agreement;

(d) **Secretaries’ Certificates of MHRI Parent and MHRI.** A Secretary’s Certificate of MHRI Parent and MHRI, dated as of the Closing Date, certifying the due adoption and continued effectiveness of attached resolutions of MHRI Parent and MHRI approving: (i) the transactions contemplated by this Agreement; (ii) this Agreement and the Closing documents referred to herein; (iii) the amended articles of incorporation of MHRI Parent and MHRI as contemplated by this Agreement; (iv) the amended bylaws of MHRI Parent and MHRI as contemplated by this Agreement; and (v) the reconstitution of the boards of MHRI Parent and MHRI as contemplated by this Agreement;

(e) **Legal Opinion.** The legal opinion of Partridge Snow & Hahn LLP in a form mutually agreed upon by the Parties, opining as to: (i) the good standing of MHRI Parent and each MHRI Affiliate; and (ii) the fact that this Agreement and the documents contemplated hereby have been duly authorized and executed by MHRI Parent and MHRI;

(f) **Bond Consents.** Each of the consents, authorizations, orders and approvals set forth on Schedule 9.2(f) required to be obtained in connection with the Bonds;

(g) **Title Commitment.** A complete and accurate title commitment for the real estate parcels comprising MHRI’s main campus, demonstrating MHRI’s good and marketable title to those parcels;

(h) **Phase I Environmental Site Assessment Report.** A Phase I Environmental Site Assessment Report for the real estate parcels comprising MHRI’s main campus; and

(i) **Other Deliverables.** Such other instruments and documents as may be reasonably requested by CNE to carry out the transactions contemplated by this Agreement and to comply with its terms.

9.3 Closing Deliverables of CNE. At the Closing, CNE shall deliver to Memorial the following documents:

(a) **Amended Bylaws of CNE.** Amended bylaws of CNE;

(b) **President's Certificate of CNE.** A President's Certificate of CNE, dated as of the Closing Date, attesting to the accuracy of representations and warranties and the performance of the covenants and the conditions precedent set forth in this Agreement;

(c) **Secretary's Certificate of CNE.** A Secretary's Certificate of CNE, dated as of the Closing Date, certifying the due adoption and continued effectiveness of attached resolutions of CNE approving: (i) the transactions contemplated by this Agreement; (ii) this Agreement and the Closing documents referred to herein; (iii) the amended bylaws of CNE as contemplated by this Agreement; and (iv) the appointment of the Ex-Officio Director and the At-Large Directors to the CNE Board as contemplated by this Agreement; and

(d) **Other Deliverables.** Such other instruments and documents as may be reasonably requested by MHRI to carry out the transactions contemplated by this Agreement and to comply with its terms.

ARTICLE 10

REPRESENTATIONS AND WARRANTIES

10.1 Representations and Warranties of MHRI Parent and MHRI. MHRI Parent and MHRI represent and warrant to CNE as of the Execution Date and as of the Closing Date, as follows:

(a) **Due Organization.** MHRI Parent, MHRI, BH, and MHRI Physicians are Rhode Island non-profit corporations. PCCNE and PHO are Rhode Island corporations. Ancillary is a Rhode Island limited liability company. Ventures is a Massachusetts non-profit corporation. MHRI Parent and each MHRI Affiliate and the PHO is duly organized, validly existing and in good standing under the laws of its state of incorporation/organization, and has the corporate or limited liability company power and authority to own, operate or hold under lease its properties and assets and to carry on its business and operations as presently conducted. MHRI Parent and MHRI have caused true, complete and correct copies of the articles of incorporation, articles of organization, bylaws and operating agreements (as applicable) of MHRI Parent and each MHRI Affiliate and the PHO, as in effect as of the Execution Date, to be delivered to CNE.

(b) **Corporate Authorization; No Violation.** MHRI Parent and MHRI each have the full corporate power and authority to enter into, and to perform their respective obligations under this Agreement. The execution, delivery and performance of this Agreement by MHRI Parent and MHRI have been duly and properly authorized by proper corporate action

in accordance with applicable laws and their respective articles of incorporation and bylaws. This Agreement constitutes the lawful, valid and legally binding obligation of MHRI Parent and MHRI, enforceable against each of them in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or other laws of general application affecting the enforcement of creditors' rights and by general equitable principles. The execution, delivery and performance of this Agreement will not: (i) violate or conflict with any material provision of, does not constitute a default or breach of any material contract, lease, agreement, indenture, mortgage, pledge, sublease, option, assignment, permit, license, approval or other commitment to which MHRI Parent, MHRI, an MHRI Affiliate or PHO is a party or is subject or by which MHRI Parent, MHRI, an MHRI Affiliate or PHO is bound, any judgment decree, order, writ or injunction of any court order or requesting authority; (ii) result in the acceleration or mandatory prepayment of any indebtedness of MHRI Parent, MHRI, an MHRI Affiliate or PHO; or (iii) result in the creation of any lien, charge, or encumbrance of any kind, the termination or acceleration of any indebtedness or other obligation of MHRI Parent, MHRI, a MHRI Affiliate or PHO. Except as set forth on Schedule 10.1(b), no approval, authorization, registration, consent, order or other action of or filing with any person, including any court, administrative agency or other governmental authority, is required (that has not been obtained) for the execution and delivery by MHRI Parent and MHRI of this Agreement or the consummation by MHRI Parent and the MHRI Affiliates of the transactions contemplated or required hereby.

(c) **Financial Statements.** MHRI Parent and MHRI have delivered to CNE true and correct copies of the audited consolidated financial statements of MHRI Parent and the MHRI Affiliates for the three (3) years ended September 30, 2009, September 30, 2010 and September 30, 2011 and interim financial statements for the twelve (12) months ended September 30, 2012 (the "**Balance Sheet Date**") (collectively, the "**Memorial Financial Statements**"). The Memorial Financial Statements were prepared from and are in accordance with the books and records of MHRI Parent and the MHRI Affiliate and present fairly and accurately the financial position of MHRI Parent and the MHRI Affiliates, and the results of their respective operations at the dates and for the periods indicated and have been prepared in conformity with generally accepted accounting principles, applied consistently for the periods specified, except for the interim financial statements which lack footnotes and year-end audit adjustments. Except as set forth on Schedule 10.1(c), MHRI Parent and the MHRI Affiliates have not made any material changes to their accounting methods or practices since the Balance Sheet Date. To their Knowledge, MHRI Parent and the MHRI Affiliates have no material liabilities or obligations, whether contingent or absolute, direct or indirect, or matured or unmatured, which are not shown or provided for in the most recent Memorial Financial Statements, except for (i) liabilities that have arisen since the Balance Sheet Date in the ordinary course of business or as contemplated by this Agreement or (ii) liabilities set forth on Schedule 10.1(c).

(d) **Interim Change.** Except as set forth on Schedule 10.1(d), from and after the Balance Sheet Date, there has not been: (i) any change in the financial condition, assets, liabilities, properties or results of operations of the business of MHRI Parent and the MHRI Affiliates which has had or could have a material adverse effect on the business of MHRI Parent and the MHRI Affiliates; (ii) any damage, destruction or loss, whether or not covered by insurance, which has had or could have, in the aggregate, a material adverse effect on the business of any of MHRI Parent and the MHRI Affiliates; (iii) any disposition by MHRI Parent

or any MHRI Affiliate of any property, rights or other assets owned by or employed in the business of MHRI Parent or the MHRI Affiliates except for dispositions in the usual and ordinary course of the business of MHRI Parent and the MHRI Affiliates; (iv) any amendment or termination of any Material Contract (as defined in Section 10.1(q)); and (v) any event or condition of any character which has had or could have a material adverse effect on the business of MHRI Parent or the MHRI Affiliates.

(e) **Legal Proceedings.** Except as disclosed on Schedule 10.1(e), none of MHRI Parent, the MHRI Affiliates or the PHO is engaged in, is a party to, or, to its Knowledge, has been threatened with any action, suit, proceeding, complaint, charge, hearing, investigation or arbitration or other method of settling disputes or disagreements that may materially and adversely affect its business or financial condition or questions the ability of MHRI Parent or MHRI to perform hereunder. Except as set forth on Schedule 10.1(e), MHRI Parent, the MHRI Affiliates and the PHO have not received any notice of any investigation, threatened or contemplated, by any federal, state or local governmental or regulatory agency, including investigations involving its business practices and policies, that could have, in the aggregate, a material adverse effect on their respective business. Schedule 10.1(e) also lists (a) all pending actions, suit, proceedings, complaints, charges, hearings, investigations and arbitrations or other method of settling disputes or disagreements that involve MHRI Parent, a MHRI Affiliate or PHO and (b) a claim of more than Five Hundred Thousand Dollars (\$500,000), a governmental violation or a Material Contract.

(f) **Licenses, Permits and Approvals.** MHRI Parent and each MHRI Affiliate holds all governmental licenses, permits, certificates, accreditations (including, but not limited to, accreditation from the Joint Commission), consents and approvals that are material to its business and operations (the “**Memorial Licenses and Permits**”), all of which are listed on Schedule 10.1(f), together with their expiration dates. Each Memorial License and Permit is current and valid. No notice from any governmental authority or accrediting body in respect to the revocation, termination, suspension or limitation of any Memorial License or Permit has been received, nor has any such action been proposed or, to the Knowledge of MHRI Parent and the MHRI Affiliates, threatened.

(g) **Compliance with Law.** MHRI Parent, each MHRI Affiliate and PHO is in compliance with all laws, regulations, ordinances, decrees and orders applicable to each of them that, if violated, would have a material adverse effect on the property, assets or current operations of MHRI Parent, each MHRI Affiliate or the PHO, or ability to consummate the Affiliation. Except as set forth on Schedule 10.1(g), without limiting the generality of the foregoing, MHRI Parent, each MHRI Affiliate and PHO is in material compliance with all health care regulatory laws, Environmental Laws and employment laws (the PHO does not have any employees.) None of MHRI Parent, the MHRI Affiliates, the PHO and, to the Knowledge of MHRI Parent, the MHRI Affiliates, and PHO, their respective employees has committed a violation of federal or state laws regulating health care fraud, including but not limited to the federal Anti-Kickback Law, 42 U.S.C. § 1320a-7b, the Stark I and II Laws, 42 U.S.C. § 1395nn, as amended, and the False Claims Act, 31 U.S.C. § 3729, et seq. MHRI Parent, the MHRI Affiliates and PHO (if applicable) are in compliance with the administrative simplification provisions required under the Health Insurance Portability and Accountability Act of 1996, including the electronic data interchange regulations and the health care privacy regulations, as

of the applicable effective dates for such requirements that, if violated, would, or is reasonably likely to, have a material adverse effect on the property, assets or current operations of MHRI Parent, each MHRI Affiliate or the PHO, or their respective ability to consummate the Affiliations. “**Environmental Laws**” as used herein shall mean any and all federal, state and local statutes and ordinances, and all rules and regulations promulgated thereunder, pertaining or relating to the identification, reporting, generation, manufacture, processing, distribution, use, treatment, storage, disposal, emission, discharge, release, transport or other handling of any pollutants, contaminants, chemicals, wastes, including medical wastes, radioactive materials, or other noxious or harmful substances or materials. Memorial has provided CNE true and correct copies of all environmental surveys listed on Schedule 10.1(g) and applicable to the properties of MHRI Parent and the MHRI Affiliates completed in the most recent five (5) years.

(h) Title to Properties and Assets.

(i) Schedule 10.1(h) sets forth an accurate, correct and complete list of each parcel of real property owned by any of MHRI Parent and the MHRI Affiliates (the “**Properties**”). Except as disclosed on Schedule 10.1(h), to its Knowledge MHRI Parent or the listed MHRI Affiliate has good, defensible and marketable title to all Properties, free and clear of all liens, mortgages, security interests, options, pledges, charges, covenants, conditions, restrictions and other encumbrances and claims of any kind or character whatsoever except for such restrictions and easements customarily granted or suffered to exist by owners of commercial real property which, individually or in the aggregate, would not be likely to materially detract from the value or interfere with the use of the properties for the purposes for which they are currently used. All such property has been maintained in good condition, ordinary wear and tear excepted.

(ii) Except as disclosed on Schedule 10.1(h), MHRI Parent, each MHRI Affiliate and the PHO has good, defensible and marketable title to all non-real property assets of every kind, character and description, tangible and intangible, used in the operation of MHRI Parent, the MHRI Affiliates and the PHO, free and clear of all liens, mortgages, security interests, options, pledges, charges, covenants, conditions, restrictions and other encumbrances and claims of any kind or character whatsoever.

(i) **Affiliates and Subsidiaries.** Except as disclosed on Schedule 10.1(i), none of MHRI Parent and the MHRI Affiliates is a shareholder, partner, or member of any corporation, partnership or other entity. The capitalization of the PHO is set forth on Schedule 10.1(i). All of the shares and membership interests of PCCNE and Ancillary (collectively, the “**For-Profit Affiliates**”) have been duly authorized, are validly issued, fully paid and non-assessable. Except as set forth on Schedule 10.1(i), there are no outstanding or authorized options, warrants, purchase rights, subscription rights, conversion rights, exchange rights, or other contracts or commitments that could require MHRI Parent, a MHRI Affiliate, or a third party to issue, sell, or otherwise cause to become outstanding any of the shares or membership interests in the For-Profit Affiliates. Except as set forth on Schedule 10.1(i), there are no outstanding or authorized stock or unit appreciation, phantom stock, profit participation, or similar rights with respect to the For-Profit Affiliates. Except as set forth on Schedule 10.1(i), there are no voting trusts, proxies, or other agreements or understandings with respect to the voting of the shares or membership interests of the For-Profit Affiliates.

(j) **Taxes.** MHRI Parent, each MHRI Affiliate and PHO 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) that are due and payable to the appropriate tax authorities. MHRI Parent and each MHRI Affiliate has withheld proper and accurate amounts from its employees' compensation in compliance with all withholding and similar provisions of the Internal Revenue Code (the "**Code**"), including employee withholding and social security taxes, and all other applicable laws. No deficiencies for any of such taxes have been asserted or, to the Knowledge of MHRI Parent, the MHRI Affiliates and the PHO, threatened against any of MHRI Parent, the MHRI Affiliates and the PHO, and no audit on any such returns is currently under way, or to the Knowledge of MHRI Parent and MHRI, is threatened. There are no outstanding agreements by any of MHRI, the MHRI Affiliates or the PHO for the extension of time for the assessment of any such taxes. Neither MHRI Parent, nor any MHRI Affiliate or PHO has taken 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 it subsequent to Closing. There are no tax liens on any of the assets of MHRI Parent, MHRI Affiliates or PHO.

(k) **Tax Exempt Status.** MHRI Parent and MHRI are exempt organizations under Section 501(c)(3) of the Code, and are not "private foundations" within the meaning of Section 509(a) of the Code. The Internal Revenue Service (the "**Service**") has not taken, or to the Knowledge of MHRI Parent and MHRI proposed to take, any action to revoke the tax-exempt status of MHRI Parent or MHRI, and has not announced, or to the Knowledge of MHRI Parent and MHRI proposed to announce, that MHRI Parent or MHRI is a "private foundation" within the meaning of Section 509(a) of the Code. There has been no change in their respective organization or operations that could result in a loss of MHRI Parent's or MHRI's status as an organization described in Section 501(c)(3) of the Code or that could cause MHRI Parent, or MHRI to be treated as a "private foundation" within the meaning of Section 509(a) of the Code.

(l) **Insurance.** Schedule 10.1(l) sets forth an accurate, correct and complete list and summary description (including the name of the insurer, coverage, premium and expiration date) of all binders and policies of insurance (collectively, the "**Memorial Insurance**") maintained by any of MHRI Parent, the MHRI Affiliates and the PHO or in which any of MHRI Parent, the MHRI Affiliates and the PHO is a named insured. The Memorial Insurance has been issued under valid and enforceable policies or binders for the benefit of MHRI Parent, a MHRI Affiliate and/or the PHO, and all such policies or binders are in full force and effect and are in amounts and for risks, casualties and contingencies which are customarily insured against by enterprises in businesses similar to MHRI Parent, the MHRI Affiliates or the PHO. There are no pending or asserted claims against any Memorial Insurance as to which any insurer has denied liability. Except as set forth on Schedule 10.1(l), no notice of cancellation or nonrenewal with respect to, or material increase of premiums for, any Memorial Insurance has been received by MHRI Parent, a MHRI Affiliate or the PHO within twenty-four (24) months immediately preceding the Closing Date, and Memorial does not have Knowledge of a claim that could give rise to a notice of cancellation or nonrenewal or a material increase in premiums for any Memorial Insurance.

(m) **Medicare, Medicaid and Other Reimbursement.** Except as set forth on Schedule 10.1(m), neither MHRI Parent nor the MHRI Affiliates is engaged in termination proceedings as to its participation in Medicare or Medicaid or has received notice that its current participation in Medicare or Medicaid is subject to any contest, termination or suspension as a result of alleged violations or any noncompliance with participation requirements. MHRI Parent and each MHRI Affiliate meets the conditions for participation in the Medicare and Medicaid programs, and there are no pending or to the Knowledge of MHRI Parent or MHRI, threatened proceedings or investigations under such programs involving any of the foregoing except those set forth on Schedule 10.1(m). MHRI Parent and each MHRI Affiliate to the extent applicable, has previously furnished CNE with its Medicare and Medicaid cost reports for 2011 and those cost reports are materially complete and accurate for the periods indicated. All liabilities and contractual adjustments of MHRI Parent and each MHRI Affiliate under any third-party payor or reimbursement programs has been properly reflected and adequately reserved for in the Memorial Financial Statements or MHRI Affiliate Financial Statements.

(n) **Medical Staff.** MHRI Parent and MHRI have previously provided to CNE a true, correct and complete copy of the bylaws of the medical staff of MHRI (as approved by the Board of Trustees of MHRI on June 27, 2012). Except as set forth on Schedule 10.1(n), there are no pending or to the Knowledge of MHRI Parent and MHRI, threatened disputes with or investigations of members of, or applicants of, the medical staff of MHRI. All appeal bonds, if any, with respect to any medical staff member or applicant against whom an adverse action has been taken have expired. Schedule 10.1(n) sets forth a written description of all adverse actions taken against members of the medical staff of MHRI within the past three (3) years.

(o) **Employees, Employee Benefit Plans and Labor Relations.**

(i) Schedule 10.1(o) sets forth an accurate, correct and complete list and summary description of all "employee welfare benefit plans" (as defined in Section 3(1) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")), "employee pension benefit plans" (as defined in Section 3(2) of ERISA), and all other employee benefit plans, programs and arrangements, whether funded or unfunded, qualified or nonqualified, that are maintained or contributed to by MHRI Parent, MHRI, and MHRI Affiliates for the benefit of any of its officers, employees or other persons (collectively, the "**Benefit Plans**"). MHRI Parent and MHRI have delivered to CNE accurate, correct and complete copies of the following, as applicable (i) each Benefit Plan document, (ii) the most recent annual report on Form 5500, if any, filed with the Service with respect to each Benefit Plan, (iii) each trust agreement and group annuity contract, if applicable, relating to each Benefit Plan, (iv) certified financial statements for Benefit Plans required to file Schedule H to Form 5500, if any, and actuarial statements, if any, relating to any Benefit Plan, (v) the summary plan description, if any, for each Benefit Plan, (vi) collective bargaining agreements or other such contracts, (vii) each determination letter, ruling letter or any outstanding ruling request on the tax-exempt status of any qualified Benefit Plan or any voluntary employees' beneficiary association implementing a Benefit Plan, if any, (viii) except as previously disclosed to CNE in writing, any and all notices of any audit or investigation of a Benefit Plan that were given by the Internal Revenue Services, the PBGC or the Department of Labor to MHRI Parent or any MHRI Affiliate within the four (4) years preceding the date of this Agreement; and (ix) with respect to each employee welfare benefit plan providing health benefits subject to COBRA, sample correspondence to employees from

each such plan giving notice of their rights under Section 4980B of the Code and any other documents relating to such plan indicating compliance with Section 4980B. Neither the MHRI Parent nor any MHRI Affiliate is a sponsor or contributor to any employee benefit plan of any Joint Venture Affiliate.

(ii) Except as disclosed on Schedule 10.1(o), neither MHRI Parent nor any MHRI Affiliate maintains, contributed to or has any liability or potential liability under (or with respect to) any “defined benefit plan” (as defined in Section 3(35) of ERISA), or any “multiemployer plan” (as defined in Section 3(37) of ERISA). No assets of MHRI Parent or a MHRI Affiliate are subject to any filed lien (nor, to the Knowledge of MHRI, any lien arising by operation of statute), under ERISA or the Code regarding, relating to or resulting from the operation of a Benefit Plan.

(iii) All contributions to, and payments from, the Benefit Plans required to be made in accordance with the terms of the Benefit Plans and applicable law have been timely made. Except as disclosed on Schedule 10.1(p), no Benefit Plan is subject to the funding rules of Section 302 of ERISA or Section 412 of the Code.

(iv) All Benefit Plans (and all related trust agreements or annuity contracts or any funding instruments) comply currently, and have complied in the past, both as to form and operation, and have been administered in accordance with the provisions of ERISA, where applicable, and with the Code, where required in order to be tax-qualified under Section 401(a) of the Code, and all other applicable laws, rules and regulations. Except as disclosed on Schedule 10.1(o), the Benefit Plans that are pension benefit plans have received determination letters from the Service to the effect that such Benefit Plans are qualified and exempt from Federal income taxes under Sections 401(a) and 501(a), respectively, of the Code, and no such determination letter has been revoked, nor has revocation been, to the Knowledge of MHRI Parent and MHRI, threatened. MHRI Parent and MHRI have previously furnished CNE with all amendments to any such Benefit Plan since the date of its most recent determination letter or application therefor.

(v) All reports, returns and similar documents with respect to the Benefit Plans required to be filed with any government agency or distributed to any Benefit Plan participant have been duly and timely filed or distributed to the Knowledge of MHRI and MHRI Parent. To the Knowledge of MHRI and MHRI Parent, there are no investigations by any governmental agency, termination proceedings or other claims (except claims for benefits payable in the normal operation of the Benefit Plans), suits or proceedings against or involving any Benefit Plan or asserting any rights or claims to benefits under any Benefit Plan that could give rise to any material liability, nor are MHRI or MHRI Parent aware of any facts that could give rise to any material liability in the event of any such investigation, claim, suit or proceeding.

(vi) Each Benefit Plan that is subject to the health care continuation requirements of Part 6 of Subtitle I of ERISA or Section 4980B of the Code (“**COBRA**”) has been administered in material compliance with such requirements. Except as disclosed on Schedule 10.1(o), no Benefit Plan provides medical benefits to any current or future retired or terminated employee (or any dependent thereof) of MHRI Parent or a MHRI Affiliate, other than as required pursuant to COBRA.

(vii) Neither MHRI nor MHRI Parent has Knowledge that any “prohibited transaction” (as defined in Section 4975 of the Code or Section 406 of ERISA) has occurred that involves the assets of any Benefit Plan and that could subject MHRI Parent or a MHRI Affiliate, or any of their respective employees, or a trustee, administrator or other fiduciary of any trusts created under any Benefit Plan to the tax or penalty on prohibited transactions imposed by Section 4975 of the Code or the sanctions imposed under Title I of ERISA, nor of any facts giving rise to a prohibited transaction with respect to the assets of a Benefit Plan. Except as set forth on Schedule 10.1(o), no Benefit Plan has been terminated.

(viii) Neither MHRI Parent nor any MHRI Affiliate has Knowledge of any liability with respect to any Benefit Plan solely by reason of being treated as a single employer under Section 414 of the Code with any trade, business or entity other than MHRI Parent or the MHRI Affiliates.

(ix) To the Knowledge of MHRI Parent and MHRI, each Benefit Plan that is a nonqualified deferred compensation plan (as defined in Code Section 409A(d)(1)) has been operated since January 1, 2005 in good faith compliance with Code Section 409A and the underlying Internal Revenue Service guidance and Department of Treasury Regulations.

(x) Except as set forth in Schedule 10.1(o), none of MHRI Parent or the MHRI Affiliates is a party to any labor contract, collective bargaining agreement, letter of understanding or any other arrangement, formal or informal, with any labor union or organization that obligates MHRI Parent or a MHRI Affiliate to compensate its employees at prevailing rates or union scale, nor are any of MHRI Parent’s or any MHRI Affiliate’s employees represented by any labor union or organization. Except as set forth in Schedule 10.1(o), there is no pending or threatened labor dispute, work stoppage, unfair labor practice complaint, strike, administrative or court proceeding or order related to any of the foregoing, between MHRI Parent or a MHRI Affiliate and any of their present or former employees (or a union), and MHRI Parent and MHRI have no Knowledge of a basis therefor. Except as set forth in Schedule 10.1(o), there is no pending threatened suit, action, investigation or claim between MHRI Parent or a MHRI Affiliate and any of their present or former employees (or a union), and MHRI Parent and MHRI have no Knowledge of a basis therefor. Except as set forth in Schedule 10.1(o), to MHRI Parent’s and MHRI’s Knowledge, there has not been any labor union organizing activity with respect to any union pertaining to MHRI Parent or a MHRI Affiliate or elsewhere with respect to employees of MHRI Parent or the MHRI Affiliates within the last three (3) years.

(p) **Defined Benefit Pension Plans.** Except as set forth in Schedule 10.1(p):

(i) MHRI Parent and MHRI have paid, if applicable, all amounts due to the Pension Benefit Guaranty Corporation (“**PBGC**”) pursuant to ERISA § 4007.

(ii) No amendment not previously provided to CNE has been made, or is reasonably expected to be made, to any Benefit Plan that has required or could require the provision of security under Section 401(a)(29) of the Code.

(iii) No accumulated funding deficiency, whether or not waived, exists with respect to any Benefit Plan; no event has occurred or circumstance exists that may result in an accumulated funding deficiency as of the last day of the current plan year of any such Benefit Plan.

(iv) The actuarial report for any pension plan pursuant to which MHRI Parent, MHRI, or any ERISA Affiliate participated, fairly presents the financial condition and the results of operations of each such pension plan in accordance with generally accepted accounting principles. “ERISA Affiliate” means, with respect to MHRI Parent or MHRI, any other entity that, together with MHRI Parent or MHRI, would be treated as a single employer under Section 414 of the Code.

(v) Since the last valuation date for each pension plan pursuant to which MHRI Parent, MHRI, or any ERISA Affiliate participated, no event has occurred or circumstance exists that would increase the amount of benefits under any such pension plan or that would cause the excess of pension plan assets over benefit liabilities (as defined in ERISA § 4001) to decrease, or the amount by which benefit liabilities exceed assets to increase, other than the normal market fluctuation of the investments from time to time.

(vi) No reportable event (as defined in ERISA § 4043 and in regulations issued thereunder) has occurred.

(vii) To the Knowledge of MHRI Parent and MHRI, there is no fact or circumstance that may give rise to any liability of MHRI Parent, MHRI, or any ERISA Affiliate to the PBGC under Title IV of ERISA.

(q) **Material Contracts.** To the Knowledge of MHRI Parent and MHRI, none of MHRI Parent, the MHRI Affiliates and the PHO is in breach or default under any material term or provision of any Material Contract to which it is a party or by which it is bound, nor, to the Knowledge of MHRI Parent and MHRI, is any other party thereto in breach or default thereunder. To the Knowledge of MHRI Parent and MHRI, none of the transactions contemplated by this Agreement creates in any party to any such Material Contract the right to revise the terms of, to terminate, to accelerate any obligation, or otherwise to declare that such Material Contract has been breached. MHRI Parent and MHRI have delivered or made available to CNE true and complete copies of all Material Contracts and all such Material Contracts are in full force and effect and are valid and enforceable obligations of MHRI Parent, a MHRI Affiliate or the PHO except as enforceability maybe limited by bankruptcy, insolvency, or other laws of general application affecting the enforcement of creditors’ rights and by general equitable principles. The term “**Material Contracts,**” shall mean any of the following agreements to which MHRI Parent, a MHRI Affiliate or the PHO is a party or by which any of their respective properties is bound and which, as of the Execution Date, remains executory in whole or in part:

(i) Each partnership, joint venture, limited liability company or cost-sharing agreement listed on Schedule 10.1(q);

(ii) Each guarantee;

- (iii) Each instrument, agreement or other obligation evidencing indebtedness in an initial face amount greater than One Hundred Thousand Dollars (\$100,000);
- (iv) Each contract materially affecting ownership of, title to, use of or any interest in real estate, including any leases;
- (v) Each agreement with a physician, physician organization or related party;
- (vi) Each agreement for the acquisition, lease or provision of services, supplies, equipment, inventory, fixtures, or other property involving more than One Hundred Thousand Dollars (\$100,000);
- (vii) Each agreement with a term equal to or greater than one (1) year;
- (viii) Each payor agreement and each agreement with a health maintenance organizations, preferred provider organization, accountable care organization, or other alternative delivery system;
- (ix) Each employment contract with individual employees or agents;
- (x) Each equipment lease for an amount greater than One Hundred Thousand Dollars (\$100,000) or for a term equal to or greater than one (1) year;
- (xi) Each equipment maintenance agreement for an amount greater than One Hundred Thousand Dollars (\$100,000) or for a term equal to or greater than one (1) year;
- (xii) Each agreement with municipalities;
- (xiii) Each patent licensing agreement or any other agreement, license, or commitment with respect to patents, patent applications, trademarks, trade names, service marks, technical assistance, copyrights, or other like terms for an amount greater than One Hundred Thousand Dollars (\$100,000) or for a term equal to or greater than one (1) year;
- (xiv) Each contract or commitment providing for payments based in any manner on the revenues or profits of MHRI Parent, the MHRI Affiliates or the PHO;
- (xv) Each agreement, license, or commitment relating to data processing programs, software, or source codes utilized in connection with MHRI Parent, the MHRI Affiliates or the PHO;
- (xvi) Each contract or commitment, whether in the ordinary course of business or not, which involve future payments, performance of services or delivery of goods or material, to or by MHRI Parent, any MHRI Affiliate or the PHO of any amount or value in excess of One Hundred Thousand Dollars (\$100,000); and

(xvii) Each collective bargaining agreement to or with any labor unions, labor organizations, or other employee representatives or groups of employees.

(r) **Hill-Burton and Other Liens.** To the Knowledge of MHRI Parent and MHRI, none of MHRI Parent or the MHRI Affiliates, and any of their predecessors have received any loans, grants or loan guarantees pursuant to the Hill-Burton Act program, the Health Professions Educational Assistance Act, the Nurse Training Act, the National Health Planning and Resources Development Act, and the Community Mental Health Centers Act, as amended, or similar laws or acts relating to health care facilities. To the Knowledge of MHRI Parent and MHRI, the transactions contemplated hereby will not result in any obligation on CNE or any of its affiliates to repay any of such loans, grants or loan guarantees, nor subject MHRI Parent or the MHRI Affiliates to any lien, restriction or obligation, including any requirement to provide uncompensated care.

(s) **Intellectual Property; Computer Software.** No proceedings are pending or, to the Knowledge of MHRI Parent or MHRI, threatened that challenge the validity of the ownership by MHRI Parent, the MHRI Affiliates or the PHO of their respective trademarks, service marks, trade names, patents, copyrights, inventions, processes and applications therefor (whether registered or common law) currently owned or used by MHRI Parent, the MHRI Affiliates or the PHO (the "**Intellectual Property**"). MHRI Parent, the MHRI Affiliates and the PHO have not licensed anyone to use such Intellectual Property and neither MHRI Parent nor MHRI have Knowledge of the use or the infringement of any such Intellectual Property by any other person. MHRI Parent, each of the MHRI Affiliates and the PHO own (or possess adequate and enforceable licenses or other rights to use) all Intellectual Property and all computer software programs and similar systems used in the conduct of its business.

(t) **Experimental Procedures.** During the past five (5) years, none of MHRI Parent and the MHRI Affiliates has performed or permitted the performance of any experimental or research procedures or studies involving patients at MHRI or the MHRI Affiliates not authorized and conducted in accordance with the procedures of the institutional review board of MHRI.

(u) **Compliance Program.** MHRI Parent and MHRI have made available to CNE a copy of its current compliance program materials, including without limitation, all program descriptions, compliance officer and committee descriptions, ethics and risk area policy materials, training and education materials, auditing and monitoring protocols, reporting mechanisms, and disciplinary policies. Except as set forth on Schedule 10.1(u), MHRI Parent, the MHRI Affiliates and the PHO: (i) are not a party to a Corporate Integrity Agreement with the Office of Inspector General of the Department of Health and Human Services; (ii) have no reporting obligations pursuant to any settlement agreement entered into with any governmental entity; (iii) have not been the subject of any government payer program investigation conducted by any federal or state enforcement agency; (iv) have not been a defendant in any *qui tam*/False Claims Act litigation; (v) have not been served with or received any search warrant, subpoena, civil investigative demand, contact letter, or telephone or personal contact by or from any federal or state enforcement agency (except in connection with medical services provided to third-parties who may be defendants or the subject of investigation into conduct unrelated to the operation of the health care businesses conducted by MHRI Parent, the MHRI Affiliates and the PHO); and

(vi) have not received any complaints from employees, independent contractors, vendors, physicians, or any other person that assert that MHRI Parent, any MHRI Affiliate or the PHO has violated any law or regulation. For purposes of this Agreement, the term "compliance program" refers to provider programs of the type described in the compliance guidance published by the Office of Inspector General of the Department of Health and Human Services.

(v) **Bonds.** Schedule 10.I(v) sets forth all tax-exempt bond indebtedness issued for the benefit of MHRI Parent and/or the MHRI Affiliates (the "**Bonds**"). MHRI Parent and the MHRI Affiliates have not taken any action, nor omitted to take any action, which would cause the interest on the Bonds to be includible in the gross income of the owners thereof for federal income tax purposes.

(w) **Disclosure; No Material Omissions.**

(i) The representations and warranties of MHRI Parent and MHRI contained in this Agreement (including each exhibit, certificate or other written statement delivered pursuant to this Agreement) are accurate, correct and complete.

(ii) To their Knowledge, MHRI Parent and MHRI have responded in all material respects to CNE's requests for information and documentation as part of CNE's due diligence review of the business, operations, assets and liabilities of MHRI Parent, the MHRI Affiliates and the Joint Venture Affiliates. MHRI Parent and MHRI have not knowingly omitted any material information relating to the businesses, operations, assets or liabilities of MHRI Parent, the MHRI Affiliates or the Joint Venture Affiliates in its responses to CNE's requests. None of MHRI Parent, the MHRI Affiliates and the Joint Venture Affiliates has received any material information which would render untrue or misleading any information previously disclosed to CNE during its due diligence review.

(x) **Survival.** None of the representations and warranties contained in this Section 10.I shall survive the Closing.

10.2 Representations and Warranties of CNE. CNE represents and warrants to Memorial as of the Effective Date and of the Closing Date, as follows:

(a) **Due Organization.** CNE is a Rhode Island non-profit corporation duly organized, validly existing and in good standing under the laws of the State of Rhode Island, and has the corporate power and authority to own, operate or hold under lease its properties and assets and to carry on its business and operations as presently conducted. CNE has caused true, complete and correct copies of its articles of incorporation and bylaws, as in effect as of the Execution Date, to be delivered or otherwise made available to MHRI Parent and MHRI.

(b) **Corporate Authorization; No Violation.** CNE has the full corporate power and authority to enter into, and to perform its obligations under, this Agreement. The execution, delivery and performance of this Agreement by CNE have been duly and properly authorized by proper corporate action in accordance with applicable laws, its articles of incorporation, as amended to the Effective Date, and its bylaws, as amended to the Effective Date. This Agreement constitutes the lawful, valid and legally binding obligation of CNE, enforceable against it in accordance with its terms, except as enforceability may be limited by

bankruptcy, insolvency or other laws of general application affecting the enforcement of creditors' rights and by general equitable principles. The execution, delivery and performance under this Agreement in accordance with its terms by CNE has not and will not: (i) violate or conflict with any material provision of, does not constitute a default or breach of any material contract, lease, agreement, indenture, mortgage, pledge, sublease, option, assignment, permit, license, approval or other commitment to which CNE is a party or is subject or by which CNE is bound, any judgment decree, order, writ or injunction of any court order or requesting authority; (ii) violate or constitute a default under any law, statute, code, regulation, agreement, or other requirement of any governmental authority; or (iii) result in the acceleration or mandatory prepayment of any indebtedness of CNE.

(c) **Financial Statements.** CNE has delivered to Memorial true and correct copies of the audited financial statements of CNE for the three (3) years ended September 30, 2009, September 30, 2010 and September 30, 2011 and interim financial statements for the twelve (12) months ended September 30, 2012 (the "**CNE Balance Sheet Date**") (collectively, the "**CNE Financial Statements**"). The CNE Financial Statements are complete, true and correct in all material respects, present fairly and accurately the financial position of CNE and the results of its operations at the dates and for the periods indicated and have been prepared in conformity with generally accepted accounting principles, applied consistently for the periods specified, except for the interim statements which lack footnotes and year-end audit adjustments. Except as set forth on Schedule 10.2(c), CNE has not made any material changes to its accounting methods or practices since the CNE Balance Sheet Date. CNE has no material liabilities or obligations, whether contingent or absolute, direct or indirect, or matured or unmatured, that are not shown or provided for in the most recent CNE Financial Statements.

(d) **Interim Change.** Except as set forth on Schedule 10.2(d), from and after the CNE Balance Sheet Date, there has not been: (i) any change in the financial condition, assets, liabilities, properties or results of operation of the business of CNE that has had in the aggregate, a material adverse effect on the ability of CNE to consummate the Affiliation; (ii) any damage, destruction or loss, whether or not covered by insurance, that has had, in the aggregate, a material adverse effect on the ability of CNE to consummate the Affiliation; (iii) any disposition by CNE of any property, rights or other assets owned by or employed in the business of CNE, except for dispositions in the usual and ordinary course of the business of CNE and dispositions that do not materially adversely effect the ability of CNE to consummate the Affiliation; (iv) any material amendment or termination of any material contract of CNE that has had or could have a material adverse effect on the business of CNE; and (v) any event or condition of any character which has had, in the aggregate, a material adverse effect on the ability of CNE to consummate the Affiliation.

(e) **Legal Proceedings.** Except as disclosed on Schedule 10.2(e), CNE is not engaged in, is not a party to, nor, to its Knowledge, has been threatened with any action, suit, proceeding, complaint, charge, hearing, investigation or arbitration or other method of settling disputes or disagreements which may materially and adversely affect its ability to consummate the Affiliation. Except as set forth on Schedule 10.2(e), CNE has received no notice of any investigation, threatened or contemplated, by any federal, state or local governmental or regulatory agency, including investigations involving its business practices and policies, which had, in the aggregate, a material adverse effect on CNE's ability to consummate the Affiliation.

(f) **Licenses, Permits and Approvals.** CNE holds all governmental licenses, permits, certificates, accreditations (including, but not limited to, accreditation from the Joint Commission), consents and approvals that are material to its business and operations (the “**CNE Licenses and Permits**”), all of which are listed on Schedule 10.2(f), together with their expiration dates. Each CNE License and Permit is current and valid. No notice from any governmental authority or accrediting body in respect to the revocation, termination, suspension or limitation of any CNE License or Permit has been issued or given, nor has any such action been proposed or, to the Knowledge of CNE, threatened, and there is no basis for any such action.

(g) **Compliance with Law.** CNE is in compliance with all laws, regulations, ordinances, decrees and orders applicable to it, that if violated, would have a material adverse effect on the property, assets or current operations of CNE, or ability to consummate the Affiliation. Without limiting the generality of the foregoing, CNE is in material compliance with all health care regulatory laws, Environmental Laws and all employment laws. Neither CNE, nor, to CNE’s Knowledge, any of its respective employees has committed a material violation of federal or state laws regulating health care fraud, including but not limited to the federal Anti-Kickback Law, 42 U.S.C. § 1320a-7b, the Stark I and II Laws, 42 U.S.C. § 1395nn, as amended, and the False Claims Act, 31 U.S.C. § 3729, et seq which would materially and adversely effect its ability to consummate the Affiliation. CNE is in compliance with the administrative simplification provisions required under the Health Insurance Portability and Accountability Act of 1996, including the electronic data interchange regulations and the health care privacy regulations, as of the applicable effective dates for such requirements that, if violated, would, or is reasonably likely to, have a material adverse effect on the property, assets or current operations of CNE, or its ability to consummate the Affiliation.

(h) **Tax Exempt Status.** CNE is an exempt organization under Section 501(c)(3) of the Code, and is not a “private foundation” within the meaning of Section 509(a) of the Code. The Service has not taken, or to the Knowledge of CNE proposed to take, any action to revoke the tax-exempt status of CNE, and has not announced, or to the Knowledge of CNE proposed to announce, that CNE is a “private foundation” within the meaning of Section 509(a) of the Code. There is no change in the organization or operation of CNE which would result in a loss of CNE’s status as an organization described in Section 501(c)(3) of the Code or which could cause CNE to be treated as a “private foundation” within the meaning of Section 509(a) of the Code.

(i) **Medicare, Medicaid and Other Reimbursement.** Except as set forth on Schedule 10.2(i), CNE is not engaged in termination proceedings as to its participation in Medicare or Medicaid and has not received notice that its current participation in Medicare or Medicaid is subject to any contest, termination or suspension as a result of alleged violations or any noncompliance with participation requirements. CNE meets the conditions for participation in the Medicare and Medicaid programs, and there are no pending or to the Knowledge of CNE, threatened proceedings or investigations under such programs involving any of the foregoing. CNE has previously furnished MHRI Parent and MHRI with its Medicare and Medicaid cost reports for 2011. To the Knowledge of CNE, the cost reports are complete and accurate for the periods indicated. All liabilities and contractual adjustments of CNE under any third-party payor

or reimbursement programs has been properly reflected and adequately reserved for in the CNE Financial Statements.

(j) **Bonds.** Schedule 10.2(j) sets forth all tax-exempt bond indebtedness issued for CNE (the “**CNE Bonds**”). CNE has not taken any action, nor omitted to take any action, which would cause the interest on the CNE Bonds to be includible in the gross income of the owners thereof for federal income tax purposes.

(k) **Disclosure; No Material Omissions.**

(i) The representations and warranties of CNE contained in this Agreement, and each exhibit, certificate or other written statement delivered pursuant to this Agreement, are accurate, correct and complete.

(ii) CNE has responded in all material respects to Memorial’s requests for information and documentation as part of Memorial’s due diligence review of the business, operations, assets and liabilities of CNE. CNE has not knowingly omitted any material information relating to the businesses, operations, assets or liabilities of CNE in its responses to Memorial’s requests. CNE has not received any material information which would render untrue or misleading any information previously disclosed to Memorial during its due diligence review.

(l) **Survival.** None of the representations and warranties contained in this Section 10.2 shall survive the Closing.

10.3 Knowledge. “**Knowledge**” as used in this Article 10, shall mean (i) with respect to CNE, the actual knowledge of its President/CEO, Senior Vice President for Finance/CFO and Director of Compliance of a particular fact, circumstance or condition, after reasonable inquiry and investigation (including of subordinates), and (ii) with respect to MHRI Parent and MHRI, the actual knowledge of its Interim President/CEO (currently, Arthur DeBlois III), Senior Vice President Financial Services (currently, Michael Ryan), Senior Vice President of Business Development, Administration and Practice Operations (currently, Thomas Gough), Vice President Environmental and Support Services (currently, Thomas Ross) Senior Vice President Clinical Operations (currently, Shelley MacDonald), Director of Legal Affairs (currently, Joseph Cortellini), and Vice President of Human Resources (currently, Lisa Pratt) of a particular fact, circumstance or condition, after reasonable inquiry and investigation (including of subordinates).

ARTICLE 11

PRE-CLOSING COVENANTS

11.1 Pre-Closing Covenants of MHRI Parent and MHRI. MHRI Parent and MHRI hereby agree to keep, perform and fully discharge, and to cause the MHRI Affiliates and the PHO to keep, perform and fully discharge, the following covenants and agreements from the Execution Date until the Closing Date (or thereafter, as specifically noted below):

(a) **Interim Conduct of Business.** MHRI Parent and MHRI shall:
(i) preserve, protect and maintain the business, properties and assets of MHRI Parent, each MHRI Affiliate and the PHO; (ii) operate the business of MHRI Parent and cause the businesses

of each MHRI Affiliate and the PHO to be operated consistent with prior practices and in the ordinary course of business; (iii) preserve the good will of all individuals having business or other relations with MHRI Parent, a MHRI Affiliate or the PHO, including physicians, employees, patients, customers and suppliers; and (iv) obtain all documents called for by this Agreement and required to facilitate the consummation of the transactions contemplated by this Agreement; (v) provide CNE promptly with interim financial statements for itself and each MHRI Affiliate, as and when they are available; and (vi) not, without providing to CNE prior written notification, (A) make any changes, or permit any changes to be made, in the governing documents of MHRI Parent, the MHRI Affiliates (other than with respect to Ventures to designate MHRI as its sole member) and the PHO, except for changes expressly authorized by this Agreement, or (B) enter into any transaction which could have a material adverse effect on the businesses of MHRI Parent, a MHRI Affiliate or the PHO, except for transactions expressly authorized by this Agreement.

(b) **Preserve Accuracy of Representations and Warranties.** MHRI Parent and MHRI shall not take any action that would render any representation or warranty contained in Section 10.1 inaccurate or untrue as of the Closing Date. MHRI Parent and MHRI shall promptly notify CNE of any lawsuits, claims, administrative actions or other proceedings asserted or commenced against MHRI Parent, any MHRI Affiliate, the PHO or any of their respective officers, trustees or members involving in any material way the businesses, properties or assets of MHRI Parent or a MHRI Affiliate. MHRI Parent and MHRI shall promptly notify CNE in writing of any facts or circumstances that comes to its attention and that causes, or through the passage of time may cause, any of the representations and warranties contained in Section 10.1 to be untrue or misleading at any time from the Execution Date until the Closing Date.

(c) **Access to Information.** MHRI Parent and MHRI shall give to CNE and/or to its representatives full and free access, during normal business hours, to all properties, books, records and contracts pertaining to the businesses, properties and assets of MHRI Parent, each MHRI Affiliate and the PHO, as may be reasonably requested with reasonable prior notice. MHRI Parent and MHRI shall cooperate in keeping CNE fully informed and shall promptly notify CNE of any unexpected emergency or other unanticipated adverse change in the normal course of business or prospects of the business of MHRI Parent, each MHRI Affiliate and the PHO.

(d) **Maintenance of Books and Accounting Practices.** MHRI Parent and MHRI shall: (i) maintain the books of account and records of MHRI Parent and MHRI and cause the books and records of account of each MHRI Affiliate and the PHO to be maintained in the usual, regular and ordinary manner in accordance with generally accepted accounting principles consistently applied and on a basis consistent with prior years, and (ii) make no material changes in its accounting methods or practices or cause any MHRI Affiliate or the PHO to make any material change in its accounting methods or practices.

(e) **Compliance with Laws; Regulatory Consents.** MHRI Parent and MHRI shall: (i) comply in all material respects with all applicable statutes, laws, ordinances and regulations; (ii) keep, hold and maintain all certificates, accreditations, licenses and other permits necessary for the conduct and operation of the business of MHRI Parent, each MHRI

Affiliate and the PHO; and (iii) use reasonable commercial efforts and cooperate fully with CNE to obtain all consents, approvals, exemptions and authorizations of third parties, whether governmental or private, make all filings, and give all notices which may be necessary or desirable on the part of MHRI Parent, each MHRI Affiliate and the PHO under all applicable laws and under all contracts, agreements and commitments to which MHRI Parent, each MHRI Affiliate and the PHO is a party or is bound in order to consummate the transactions contemplated or required by this Agreement.

(f) **No Merger or Consolidation.** None of MHRI Parent, the MHRI Affiliates and the PHO shall merge or consolidate with, or acquire (except in the ordinary course) any of the assets of, any other corporation, business or person.

(g) **Third Party Authorizations.** MHRI Parent and MHRI shall use commercially reasonable efforts to obtain expeditiously all consents, approvals and authorizations of third parties necessary for the valid execution, delivery and performance of this Agreement by them.

(h) **Confidentiality.** MHRI Parent and MHRI shall, and shall cause the MHRI Affiliates and the PHO and their respective agents, servants, employees and all other persons who will be allowed access to CNE's Confidential Information, and their representatives (the "**Memorial Representatives**") to hold in confidence all information regarding CNE obtained in connection with the negotiation and performance of this Agreement or its due diligence investigation of CNE, and shall not divulge to third parties or use in a manner detrimental to CNE such information. "**Confidential Information**" means all tangible and intangible information related in any way to the Affiliation or either Party's business and operations, now or hereafter furnished or made available by either Party in connection the evaluation of the Affiliation, including but not limited to analyses, business or strategic plans, compilations, draft agreements, financial statements, proposals, studies, patient revenue, gross charges, payor mix, market data, employment or compensation models or other information relating to the business of either Party or any of their corporate affiliates. "Confidential Information" also shall include the existence of the Affiliation and this Agreement, the terms or potential terms thereof, and the documents and instruments related thereto. Confidential Information shall not include information that is generally available to the public prior to its disclosure to the other Party, was available to the other Party on a non-confidential basis prior to the Affiliation, or was lawfully obtained from a third party who was not under an obligation to maintain the confidentiality of such information. MHRI Parent and MHRI shall, and shall cause the Memorial Representatives to: (i) keep, strictly confidential CNE's Confidential Information; (ii) use CNE's Confidential Information solely in connection with the Affiliation and for no other purpose; (iii) reveal CNE's Confidential Information only to those Memorial Representatives who need to know the Confidential Information for the purposes set forth above, have been informed of the confidential nature of the Confidential Information, and have agreed to maintain the confidentiality of the Confidential Information. MHRI Parent and MHRI agree to be responsible for the acts and omissions of the Memorial Representatives. If MHRI Parent, MHRI or their corporate affiliates or Memorial Representatives are requested or required (by oral questions, written interrogatories, requests for information or documents, subpoena, civil investigatory demands or similar process) to disclose any of CNE's Confidential Information, it shall provide CNE with immediate notice of such request or requirement so that CNE may seek

an appropriate protective order or selectively waive compliance with the provisions of this Agreement. Further, if in the absence of a protective order or receipt of a waiver hereunder, MHRI Parent, the MHRI Affiliates or the PHO or Memorial Representatives is nonetheless, in the opinion of its counsel, compelled to disclose any of CNE's Confidential Information to any tribunal or agency, or else stand liable for contempt or suffer other censure or penalty, MHRI Parent, the MHRI Affiliates and the PHO, and the Memorial Representatives may disclose the minimum amount of Confidential Information that is necessary to prevent them from being held liable for contempt of court or similar censure. In such event, MHRI Parent, the MHRI Affiliates and the PHO shall have no liability hereunder for the disclosure of such Confidential Information unless such disclosure was caused by or resulted from a previous disclosure by it or any of its Memorial Representatives in breach of this Agreement. MHRI Parent and MHRI are obligated to return all documents, notes, memoranda, other materials containing CNE's Confidential Information and all copies to CNE upon expiration of the Affiliation, or at any time upon written request from CNE. MHRI Parent and MHRI acknowledge that there is not an adequate remedy at law for the breach of this Section 11.1(h) and that, in addition to any other remedies available, CNE shall be entitled to preliminary and permanent injunctive relief either pending or following a trial on the merits, together with any other remedies that may be available in law or in equity, without being required to post bond or other security. Such action will not be considered an election of remedies or a waiver of any right by CNE to assert any other remedy or remedies it may have at law or in equity. The provisions of this Section 11.1(h) shall survive any termination of this Agreement.

(i) **Performance of Undertakings.** MHRI Parent and MHRI shall perform faithfully at all times any and all covenants, undertakings, stipulations and provisions applicable to it contained in this Agreement and in any and every document executed, authenticated and delivered hereunder. MHRI Parent and MHRI shall use reasonable commercial efforts to consummate the transactions contemplated by this Agreement and shall not take any other action inconsistent with the obligations hereunder or which could hinder or delay the consummation of the transactions contemplated or required hereby.

(j) **Exclusivity.** Unless this Agreement has been terminated pursuant to Article 14 hereof, in light of the significant dedication of time and resources required by the Parties to evaluate the Affiliation, MHRI Parent and MHRI agree that MHRI Parent, the MHRI Affiliates and the Memorial Representatives shall not, without the prior written consent of CNE, explore, meet, discuss, negotiate, directly or indirectly, or enter into an agreement with any third party for the purpose of discussing, organizing, formulating, designing, developing, investing in or implementing an arrangement that could lead to a change in control, sale of equity, lease of assets, sale of assets, joint operating agreement/joint operating company, merger, consolidation, liquidation or any other type of transaction similar to the Affiliation contemplated by this Agreement.

(k) **Insurance.** Each of MHRI Parent and MHRI shall maintain policies of fire and casualty, professional liability and other forms of insurance in such amounts, with such deductibles and against such risks and losses as are reasonable for its business, assets and properties.

11.2 Pre-Closing Covenants of CNE. CNE hereby agrees to keep, perform and fully discharge the following covenants and agreements from the Execution Date until the Closing Date (or thereafter, as specifically noted below):

(a) **Preserve Accuracy of Representations and Warranties.** CNE shall not take any action that would render any representation or warranty contained in Section 10.2 inaccurate or untrue as of the Closing Date. CNE shall promptly notify MHRI Parent and MHRI of any lawsuits, claims, administrative actions or other proceedings asserted or commenced against CNE or any of its officers, trustees or members involving in any material way the businesses, properties or assets of CNE. CNE shall promptly notify MHRI Parent and MHRI in writing of any facts or circumstances that come to its attention and that causes, or through the passage of time may cause, any of the representations and warranties contained in Section 10.2 to be untrue or misleading at any time from the Execution Date until the Closing Date.

(b) **Access to Information.** CNE shall give to MHRI Parent and MHRI and to its representatives full and free access, during normal business hours, to all properties, books, records and contracts pertaining to the businesses, properties and assets of CNE, as may be reasonably requested with reasonable prior notice. CNE shall cooperate in keeping MHRI Parent and MHRI fully informed and shall promptly notify Memorial of any unexpected emergency or other unanticipated adverse change in the normal course of business or prospects of the business of CNE.

(c) **Compliance with Laws: Regulatory Consents.** CNE shall: (i) comply in all material respects with all applicable statutes, laws, ordinances and regulations; (ii) keep, hold and maintain all certificates, accreditations, licenses and other permits necessary for the conduct and operation of the business of CNE; and (iii) use reasonable commercial efforts and cooperate fully with MHRI Parent and MHRI to obtain all consents, approvals, exemptions and authorizations of third parties, whether governmental or private, make all filings, and give all notices which may be necessary or desirable on the part of CNE under all applicable laws and under all contracts, agreements and commitments to which CNE is a party or is bound in order to consummate the transactions contemplated or required by this Agreement.

(d) **Third Party Authorizations.** CNE shall use commercially reasonable efforts to obtain expeditiously all consents, approvals and authorizations of third parties necessary for the valid execution, delivery and performance of this Agreement by CNE.

(e) **Confidentiality.** CNE shall, and shall cause its agents, servants, employees and all other persons who will be allowed access to MHRI Parent's and MHRI's Confidential Information (the "**CNE Representatives**") to hold in confidence all information regarding MHRI Parent, the MHRI Affiliates and the Joint Venture Affiliates obtained in connection with the negotiation and performance of this Agreement or its due diligence investigation of them, and shall not divulge to third parties or use in a manner detrimental to them such information. CNE shall, and shall cause the CNE Representatives to: (i) keep, strictly confidential Confidential Information; (ii) use such Confidential Information solely in connection with the Affiliation and for no other purpose; (iii) reveal such Confidential Information only to those CNE Representatives who need to know the Confidential Information for the purposes set forth above, have been informed of the confidential nature of the

Confidential Information, and have agreed to maintain the confidentiality of the Confidential Information. CNE agrees to be responsible for the acts and omissions of the CNE Representatives. If CNE or its corporate affiliates or Representatives are requested or required (by oral questions, written interrogatories, requests for information or documents, subpoena, civil investigatory demands or similar process) to disclose any of such Confidential Information, it shall provide MHRI Parent and MHRI with immediate notice of such request or requirement so that they may seek an appropriate protective order or selectively waive compliance with the provisions of this Agreement. Further, if in the absence of a protective order or receipt of a waiver hereunder, CNE or any of its corporate affiliates or CNE Representatives is nonetheless, in the opinion of its counsel, compelled to disclose any of the Confidential Information to any tribunal or agency, or else stand liable for contempt or suffer other censure or penalty, CNE's affiliate or CNE Representative may disclose the minimum amount of Confidential Information that is necessary to prevent CNE from being held liable for contempt of court or similar censure. In such event, CNE shall have no liability hereunder for the disclosure of such Confidential Information unless such disclosure was caused by or resulted from a previous disclosure by it or any of its Representatives in breach of this Agreement. CNE is obligated to return all documents, notes, memoranda, other materials containing such Confidential Information and all copies to CNE upon expiration of the Affiliation, or at any time upon written request from MHRI Parent and MHRI. CNE acknowledges that there is not an adequate remedy at law for the breach of this Section 11.2(e) and that, in addition to any other remedies available, MHRI Parent and MHRI shall be entitled to preliminary and permanent injunctive relief either pending or following a trial on the merits, together with any other remedies that may be available in law or in equity, without being required to post bond or other security. Such action will not be considered an election of remedies or a waiver of any right by MHRI Parent and MHRI to assert any other remedy or remedies they may have at law or in equity. The provisions of this Section 11.2(e) shall survive any termination of this Agreement.

(f) **Performance of Undertakings.** CNE shall perform faithfully at all times any and all covenants, undertakings, stipulations and provisions applicable to it contained in this Agreement and in any and every document executed, authenticated and delivered hereunder. CNE shall use its reasonable commercial efforts to consummate the transactions contemplated by this Agreement and shall not take any other action inconsistent with its obligations hereunder or which would prevent the consummation of the transactions contemplated or required hereby.

(g) **Exclusivity.** Unless the Agreement has been terminated pursuant to Article 14 hereof, except for the Affiliation, CNE will not commit to any acquisition that would prevent CNE from consummating the Affiliation.

ARTICLE 12

ESTABLISHMENT OF MHRI FOUNDATION

Following the Closing Date, CNE shall incorporate a Rhode Island non-profit corporation whose sole member is MHRI (the "**MHRI Foundation**"). CNE shall seek a determination from the Service that the MHRI Foundation is an entity that is recognized as exempt pursuant to Section 501(c)(3) of the Code. Following its incorporation, the MHRI Foundation shall act as the primary fund-raising entity for MHRI. The members of the MHRI

Foundation board of directors shall be elected by MHRI upon recommendation of the CNE Governance and Nominating Committee. For the first three (3) years of its existence, at least fifty-one percent (51%) of the directors serving on the MHRI Foundation board shall have been MHRI trustees prior to Closing.

ARTICLE 13

CONDITIONS PRECEDENT

13.1 Conditions Precedent to the Obligations of CNE. The obligations of CNE to consummate the transactions contemplated by this Agreement are, at the option of CNE, subject to the satisfaction, on or prior to the Closing Date, of the following conditions:

(a) **Accuracy of Warranties; Performance of Covenants.** Except for changes or developments expressly permitted or contemplated by the express terms of this Agreement, the representations and warranties of MHRI Parent and MHRI contained in Section 10.1 shall be true and accurate as if made on and as of the Closing Date. MHRI Parent and MHRI shall have performed all of the obligations and complied with all of the covenants, agreements and conditions applicable to it required to be performed or complied with by it on or prior to the Closing Date.

(b) **Delivery of Closing Deliverables.** MHRI Parent and MHRI shall have delivered to CNE all of the Closing deliverables set forth in Section 9.2.

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

(d) **Regulatory Approvals; Expiration of Waiting Periods.** All material consents, authorizations, orders and approvals of (or filings or registrations with) any governmental entity or other party required in connection with the execution, delivery and performance of this Agreement shall have been obtained or made by MHRI Parent and MHRI 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.

(e) **Consents.** All consents, approvals and authorizations of third parties required for the consummation of the transactions contemplated by this Agreement shall have been obtained on or before the Closing Date.

(f) **Due Diligence.** CNE shall have completed its due diligence investigation of MHRI Parent, each MHRI Affiliate and each Joint Venture Affiliate, and the investigation from the Execution Date to the Closing Date has not, in CNE's reasonable discretion: (i) revealed any new material liability not disclosed as of the Execution Date; or (ii) resulted in the quantification of liabilities with respect to any matters disclosed prior to the Execution Date that are material.

(g) **Insolvency.** None of MHRI Parent, the MHRI Affiliates and the PHO shall: (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 as 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 MHRI Parent, any MHRI Affiliate or the PHO.

(h) **Defined Benefit Pension Plan.** Memorial shall have frozen its defined benefit pension plan.

(i) **Welfare Plans.** The Parties shall have developed a mutually agreeable plan with respect to Memorial's welfare plans.

(j) **Dissolution of The RS Realty Company.** Memorial shall have dissolved and wound up the affairs of The RS Realty Company, a Rhode Island corporation, and all proceeds and other assets shall be transferred to MHRI or another MHRI Affiliate.

(k) **Consents Related to Indebtedness.** CNE shall have either: (i) obtained such consents and approvals necessary to refinance Memorial's existing bond indebtedness and for Memorial to join CNE's Obligated Group; or (ii) obtained any consents related to CNE's bond indebtedness that are necessary for CNE to comply with Section 5.3(b), in CNE's discretion.

(l) **Tail or Nose Coverage.** Memorial, at its sole cost and expense, shall have obtained a reporting endorsement satisfactory to MHRI to all of its insurance coverage which is underwritten on a claims-made basis (i.e., tail or nose coverage) which: (i) insures Memorial for pre-Closing acts or omissions; (ii) has liability limits no less than the underlying policy; and (iii) has a reporting period of not less than six years.

13.2 Conditions Precedent to the Obligations of Memorial. The obligations of Memorial to consummate the transactions contemplated by this Agreement are, at the option of Memorial, subject to the satisfaction, on or prior to the Closing Date, of the following conditions:

(a) **Accuracy of Warranties; Performance of Covenants.** Except for changes or developments permitted or contemplated by the express terms of this Agreement, the representations and warranties of CNE contained in Section 10.2 shall be true and accurate as if made on and as of the Closing Date. CNE shall have performed all of the obligations and complied with all of the covenants, agreements and conditions applicable to it required to be performed or complied with by it on or prior to the Closing Date.

(b) **Delivery of Closing Deliverables.** CNE shall have delivered to MHRI and MHRI Parent all of the Closing deliverables set forth in Section 9.3.

(c) **No Pending Action.** No action or proceeding before any court or governmental body will be pending or threatened wherein an unfavorable judgment, decree or order would prevent the carrying out of this Agreement or any of the transactions contemplated

hereby, declare unlawful the transactions contemplated by this Agreement or cause such transactions to be rescinded.

(d) **Regulatory Approvals; Expiration of Waiting Periods.** All material consents, authorizations, orders and approvals of (or filings or registrations with) any governmental entity or other party required in connection with the execution, delivery and performance of this Agreement shall have been obtained or made by CNE 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.

(e) **Consents.** All consents, approvals and authorizations of third parties required for the consummation of the transactions contemplated by this Agreement shall have been obtained on or before the Closing Date.

(f) **Insolvency.** CNE 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 as 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 CNE.

ARTICLE 14

TERMINATION

14.1 Termination. This Agreement may be terminated before the Closing Date, with each Party bearing its own expenses:

(a) Upon the written consent of the Parties;

(b) In the event that any of the conditions precedent to the performance of the obligations of CNE, or the obligations of Memorial, are not fulfilled and cannot be fulfilled on or prior to the Closing Date for any reason other than refusal of the Party giving notice to the other Party and have not been waived by such Party, or if a default is made by another Party in the observance, or in the due and timely performance, of any of the covenants and agreements herein contained that cannot be cured on or prior to the Closing Date and is not waived by the Party giving such notice; provided, however, that nothing provided therein will be construed as permitting CNE to terminate if CNE is in default or MHRI Parent or MHRI to terminate if one or both of them is in default;

(c) If any consents or approvals that are necessary for the consummation of the transactions contemplated by this Agreement or the continuing business properties or prospects of the entity resulting from the consummation of the transactions contemplated by this Agreement are refused or withdrawn by any governmental authority having jurisdiction;

(d) If the Closing does not occur by September 30, 2013 or such later date as may be agreed by the Parties in writing; or

(e) Upon receipt of a second request for information from the Department of Justice or Federal Trade Commission following submission of the Parties' Hart-Scott-Rodino pre-merger notification filing.

14.2 Approval by Board of Trustees. Any termination pursuant to Section 14.1 must first be approved by the board of the Party seeking termination, to the extent that such approval is required for such action.

ARTICLE 15

GENERAL PROVISIONS

15.1 No Assumption or Assignment. Notwithstanding Section 5.3, nothing contained in this Agreement shall be deemed to be an assumption or assignment by any Party hereto of any other Parties' or its affiliates' liabilities, obligations, debts, known or unknown, whether absolute, contingent, accrued or otherwise, including without limitation any and all (a) obligations, commitments or liabilities of or claims arising out of or in connection with the Affiliation contemplated hereunder; (b) liabilities for federal, state or local taxes arising from the business or operations of any Party or its affiliates; (c) liabilities or negligence claims relating to the provision of medical services or nursing care; (d) liabilities for any default in the performance of or breach of any contract, agreement, lease, commitment or obligation; (e) liabilities for Medicare or third-party payor reimbursement program recaptures or offsets for cost reporting periods prior to the Closing Date; (f) liability for FICA, workers' compensation or other employment related taxes; (g) obligations, commitments or liabilities relating to the establishment, adoption, administration or funding of participation in, contribution to, or maintenance or termination, whether on, prior or subsequent to the Closing Date, of any employee benefit plan, program, or arrangement (whether or not described in or subject to, ERISA); (h) funding obligations relating to insurance or self-insurance programs; and (i) any other liability or obligation accruing prior to the Closing Date.

15.2 Amendment. Except as otherwise provided in this Agreement, no amendment of any provision of this Agreement shall be effective unless the same shall be in writing and signed by the Parties, and then such amendment shall be effective only in the specific instance and for the specific purpose for which given.

15.3 Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be delivered personally or sent by registered or certified mail, postage prepaid, as follows:

If to CNE:

Care New England Health System
45 Willard Avenue
Providence, RI 02905-2499
Attn: President and Chief Executive
Officer and Senior Vice
President and General Counsel

If to Memorial:

Memorial Hospital of Rhode Island
111 Brewster Street
Pawtucket, RI 02860
Attn: President/Chief Executive Officer

With a copy to:

McDermott, Will & Emery
227 West Monroe Street
Chicago, Illinois 60606
Attn: John M. Callahan, Esq.

With a copy to:

Partridge Snow & Hahn
180 South Main Street
Providence, RI 02903-7104
Attn: James Hahn, Esq.

A Party may change its address for receiving notice by written notice given to the others named above. All notices shall be effective when received, if by personal delivery, or two (2) business days after being deposited in the mail addressed as set forth above, if mailed.

15.4 Expenses. Each Party shall pay its own costs and expenses in connection with the transactions contemplated or required hereby.

15.5 Counterparts. This Agreement may be executed simultaneously in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. The Parties may deliver executed signature pages to this Agreement by facsimile or e-mail transmission. No Party may raise (a) the use of a facsimile or email transmission to deliver a signature or (b) the fact that any signature, agreement or instrument was signed and subsequently transmitted or communicated through the use of a facsimile or email transmission as a defense to the formation or enforceability of a contract, and each Party forever waives any such defense.

15.6 Entire Transaction. This Agreement contains the entire understanding of the Parties with respect to the transactions contemplated hereby and supersedes all other agreements and understandings of the Parties on the subject matter hereof.

15.7 Applicable Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Rhode Island, without regard to conflicts of laws principles, and the Parties hereby consent to the jurisdiction of Rhode Island courts over all matters relating to this Agreement.

15.8 Headings. Headings of Articles and Sections in this Agreement and the table of contents hereof are solely for convenience or reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

15.9 Articles and Sections. All references to "Articles," "Sections," "Exhibits" and "Schedules" in this Agreement are to Articles, Sections, Exhibits and Schedules of this Agreement unless otherwise specifically provided.

15.10 Gender. Unless the context otherwise indicates, words importing the singular shall include the plural and vice versa and the use of the neuter, masculine or feminine gender is for convenience only and shall be deemed to mean and include all other genders.

15.11 Further Assurances. After the Affiliation, each Party shall take such further actions and execute and deliver such additional documents and instruments as may be reasonably

requested by the other Party in order to perfect and complete the transactions specifically contemplated herein.

15.12 Waiver of Terms. Any of the terms or conditions of this Agreement may be waived at any time by the Party entitled to the benefit thereof, but only by a written notice signed by the Party waiving such terms or conditions. The waiver of any term or condition shall not be construed as a waiver of any other term or condition of this Agreement and shall be effective only in the specific instance and for the specific purpose for which given.

15.13 Partial Invalidity. In case any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.

15.14 Exhibits and Schedules. Any Party may set forth any disclosures required by a Schedule in a separate writing delivered to the other Parties that specifically makes reference to the applicable Section of this Agreement and the required schedule thereto. From the Execution Date until the Closing, any Party may update any Exhibit or Schedule as necessary, with the other Parties' consent and approval. The Exhibits and Schedules shall be construed with and as an integral part of this Agreement to the same extent as if the same had been set forth verbatim herein.

15.15 Non-Assignment. No Party may assign its rights in this Agreement or delegate its duties under this Agreement to a third party without first obtaining the prior written consent of the other Parties. Notwithstanding anything to the contrary herein, the Parties agree that CNE may, without the other Parties' prior written consent, assign its rights or delegate its duties hereunder to a successor organization resulting from a merger, consolidation, change of membership or sponsorship, or sale of assets.

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

15.17 Public Statement. The Parties shall determine in advance, by mutual agreement and consent, the timing and content of any announcement, press release or other public statement concerning the transactions contemplated by this Agreement.

15.18 Transaction Instruments. Notwithstanding anything to the contrary in this Agreement, each certificate, document, schedule or exhibit or other instrument delivered in connection with this Agreement shall be issued by a party's officers, directors and trustees in their capacity as officer, director or trustee, respectively, and such individuals shall only be liable to CNE, MHRI Parent or MHRI for actions if such actions were malicious, or were willful and wanton misconduct.

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IN WITNESS WHEREOF, the Parties have executed or caused this Agreement to be executed on the day and year first above written.

CARE NEW ENGLAND HEALTH SYSTEM

By: Dennis D. Keefe

Name: Dennis D. Keefe

Title: President and Chief Executive Officer

SOUTHEASTERN HEALTHCARE SYSTEM,
INC.

By: _____

Name: _____

Title: _____

THE MEMORIAL HOSPITAL

By: _____

Name: _____

Title: _____

[Signature Page to Affiliation Agreement]

IN WITNESS WHEREOF, the Parties have executed or caused this Agreement to be executed on the day and year first above written.

CARE NEW ENGLAND HEALTH SYSTEM

By: _____

Name: Dennis D. Keefe

Title: President and Chief Executive Officer

SOUTHEASTERN HEALTHCARE SYSTEM,
INC.

By: A. J. DeBlois III

Name: A. J. DeBlois III

Title: Interim President & CEO

THE MEMORIAL HOSPITAL

By: A. J. DeBlois III

Name: A. J. DeBlois III

Title: Interim President & CEO

[Signature Page to Affiliation Agreement]

Schedule 6.2

Board Designated Funds

Memorial Hospital of Rhode Island
Board Designated Funds
September 30, 2012

	<u>MHIRI</u>		<u>SHS Parent</u>
Board Designated Funds	\$5,641,495		
Board Designated Funds- Debt Reduction	\$1,824,166		
Total Board Designated Funds	<u>\$7,465,661</u>	\$296,155	<u>\$7,761,816</u>
Obligated Designated Funds-			
Due from SHS Ventures	\$214,241	(\$214,241)	\$0
RI Pet Services Investment	\$5,000		\$5,000
MPHO Investment	\$672,672		\$672,672
Malpractice Self Insured Trust	\$582,545		\$582,545
Workers Comp Trust	\$364,625		\$364,625
Cash restricted for Bond payment	\$521,051		\$521,051
Remaining obligated EMR Phase 2	\$416,207		\$416,207
Investment in PCC - NE		\$512,716	\$512,716
Due to PCC - NE		(\$2,320)	(\$2,320)
Total Obligated	<u>\$2,776,341</u>	<u>\$296,155</u>	<u>\$3,072,496</u>
Unobligated Board Designated Funds	<u>\$4,689,320</u>	<u>\$0</u>	<u>\$4,689,320</u>

12/21/2012

Schedule 9.2(f)

Bond Consents

Consent of Bank of America, N.A. with respect to the Series 2003 Bonds

Schedule 10.1(b)

Required Consents

1. Department of Health
2. Department of Attorney General
3. Confirmation of no action taken by the Department of Justice and Federal Trade Commission with respect to the Hart-Scott-Rodino filing.
4. Thirty days prior written notice to Tufts Health Plan of the Affiliation is required, and Tufts Health Plan may terminate the Hospital Health Services Agreement, effective October 1, 1999, in its reasonable judgment.

Schedule 10.1(c)

Material Changes to Accounting Practices and Liabilities

MHRI has made an adjustment in its balance sheet as of September 30, 2012 to increase the loss reserve for a legal matter previously disclosed to CNE for which MHRI self-insures.

Schedule 10.1(d)

Interim Changes

(i) MHRI has material operating losses each month, and expects that these losses will continue from the Balance Sheet Date to the Closing, and such losses have been and will be specified in the monthly unaudited financial statements provided and to be provided to CNE.

(ii) No exceptions.

(iii) R.S. Realty sold all of its apartment buildings on December 12, 2012 and received net proceeds of approximately \$3,157,000. The remaining assets of R.S. Realty will be moved to the MHRI balance sheet by December 31, 2012.

(iv) Memorial has purchased insurance tail or nose coverage as described in Section 13.1(l) of the Agreement.

(v) MHRI will enter into employment retention agreements with certain of its senior managers as previously disclosed to CNE by letter from Arthur J. DeBlois, III dated December 28, 2012.

Schedule 10.1(e)

Legal Proceedings

REDACTED

Schedule 10.1(f)

Licenses and Permits

<u>Accreditation/Certification</u>	<u>Certifying Group</u>	<u>Expiration Date</u>	<u>MHRI Department or Other Entity</u>
Hospital Accreditation	Joint Commission	December 2014	MHRI Administration
Home Care Accreditation	Joint Commission	December 2014	MHRI Home Care
Disease Specific Care - Advanced Primary Stroke Center	Joint Commission	February 2013	Dept of Medicine
Internal Medicine Residency	Accreditation Council for Graduate Medical Education (ACGME)	October 2014	Dept of Medicine
Family Medicine Residency	Accreditation Council for Graduate Medical Education (ACGME)	May 2015	Dept of Medicine
Podiatry Residency Program	Council on Podiatric Medical Education	June 2017	Dept of Podiatry
School of Nurse Anesthesia	Council on Accreditation of Nurse Anesthesia Educational Programs.	Expiration 2021	Dept of Anesthesia
Adult Inpatient Rehabilitation Program	Commission on Accreditation of Rehabilitation Facilities (CARF)	December 2014	Medical Rehabilitation
Laboratory Accreditation	College of American Pathologists (CAP)	October 2013	Lab/Pathology
Laboratory Accreditation	American Association of Blood Banks (AABB)	January 2013	Lab/Pathology
Clinical Laboratory Improvement Amendments (CLIA)	Centers for Medicare and Medicaid (CMS)		
CLIA - Memorial Hospital	CMS	February 2013	Lab/Pathology
CLIA - Family Care Clinic	CMS	October 2013	Lab/Pathology

CLIA - Internal Medicine Clinic	CMS		October 2013	Lab/Pathology
CLIA - Dr. Pepi / WHCS	CMS		November 2012	Lab/Pathology
CLIA - Boulevard Medical	CMS		December 2013	Lab/Pathology
CLIA - Primary Care Center Plainville	CMS		November 2012	Lab/Pathology
CLIA - Cardiac Rehabilitation	CAM		November 2012	Lab/Pathology
Community Hospital Comprehensive Cancer Program	American College of Surgeons (ACOS)		May 2013	Cancer Center
Cancer Center (QOPI) Quality Oncology Practice Initiative Certification	American Society of Clinical Oncology (ASCO)		October 2014	Cancer Center
Ultrasound Accreditation	American College of Radiology (ACR)		November 2014	Diagnostic Imaging (MHRI)
Nuclear Medicine	American College of Radiology (ACR)		November 2014	Diagnostic Imaging (MHRI)
Magnetic Resonance Imaging (MRI)	American College of Radiology (ACR)		December 2013	Diagnostic Imaging (MHRI)
Computed Tomography (CT)	American College of Radiology (ACR)		December 2014	Diagnostic Imaging (MHRI)
Mammography	American College of Radiology (ACR)		June 2015	Diagnostic Imaging (MHRI)
Mammography Quality Standards Act (MQSA)	Food & Drug Administration		June 2015	Diagnostic Imaging (MHRI)
Mammography	American College of Radiology (ACR)		August 2015	Diagnostic Imaging (Plainville)
Mammography Quality Standards Act (MQSA)	Food & Drug Administration		August 2015	Diagnostic Imaging (Plainville)
Sleep Lab Accreditation	American Academy of Sleep Medicine		June 2016	Medicine / Pulmonary

RHODE ISLAND DEPARTMENT OF HEALTH LICENSES AND EXPIRATION DATES:

RI DOH License – Memorial Hospital of Rhode Island (12/31/12, application submitted and pending response from the DOH)
RI DOH License – Memorial Hospital Home Care (12/31/12, application submitted and pending response from the DOH)
RI DOH License – Pharmacy, Institutional (111 Brewster Street, Pawtucket, RI) (9/30/13)
RI DOH License – Pharmacy, Non-Resident (3300 N. Central Avenue, Phoenix, AZ) (9/30/13)
RI DOH License – Hospital Radiology Facility (111 Brewster Street, Pawtucket, RI) (8/31/13)
RI DOH License – Hospital Radiology Facility (1000 Broad Street, Central Falls, RI) (8/31/13)
RI DOH License – Specific Radiology Facility (8/31/13)
RI DOH License – Radioactive Materials (Isotopes, X-Ray Tubes) (4/30/13)
RI DOH License – New Horizons Adult Day Program (3/31/13)
RI DOH License – MHRI Ancillary Services, LLC (to operate freestanding phlebotomy stations) (N/A)*

RHODE ISLAND DEPARTMENT OF ENVIRONMENTAL MANAGEMENT LICENSES/PERMITS AND EXPIRATION DATES:

RI DEM/Narragansett Bay Commission (DEM air pollution control permit – 12/28/13) (NBC permit expires 12/1/15)
RI DEM Biohazard License (Permit limits amounts of oil/gas/diesel used by calendar year)

MASSACHUSETTS DEPARTMENT OF PUBLIC HEALTH LICENSES AND EXPIRATION DATES:

MA DPH License – SHS Ventures, Inc. Ambulatory Clinic (9/22/14)
Radiation Control Program Certificate of Registration (60 Messenger Street, Plainville, MA) (12/31/13)

*Licenses are issued for drawing sites. MHRI Ancillary Services, LLC currently has no open drawing sites and as a result no license. In the event that MHRI Ancillary Services, LLC opens a drawing site, it would apply and receive a license from the DOH.

Schedule 10.1(g)

Compliance with Law

1. ETO emission control letter dated June 27, 2012.
2. Hazardous Material and Waste Overview dated December 14, 2012.
3. Level 1 Environmental Compliance Survey dated August, 2006.
4. MHRI has confirmed that it destroyed the records of all graduates of the Internal Medicine residency program for the periods of residency from 1977 through 1999. The approximate number of files destroyed was 238. MHRI is not aware of any particular law or regulation which requires that these files be maintained for any specific period of time.
5. MHRI has been unable to provide contracts for certain physicians, many of whom perform precepting services, as previously disclosed to CNE by letter from Arthur J. DeBlois, III dated December 31, 2012.
6. MHRI is subject to Recovery Contract Audits (RAC) by CMS. These audits occur in the ordinary course of business.

Schedule 10.1(h)
Property and Assets

(i) List of Real Property

1. Memorial Hospital of Rhode Island*
111 Brewster Street
Pawtucket, Rhode Island 02860
2. Notre Dame Ambulatory Center
1000 Broad Street a/k/a 35 Chestnut Street
Central Falls, Rhode Island 02863
3. Southeastern Medical Center
60 Messenger Street
Plainville, Massachusetts 02762
4. Women's Health Care Specialists
174 Armistice Boulevard
(a/k/a 192 and 194 Armistice Boulevard, Units B and D)
Pawtucket, Rhode Island 02860
5. 555 Prospect Street
Pawtucket, Rhode Island 02860
6. 1002 Broad Street**, Unit 2
Central Falls, Rhode Island 02863

*Restrictions prohibit MHRI from granting a mortgage on the premises and all the buildings and improvements thereon. (See Indentures at Book 137 Page 115, Book 139 Page 366 and Book 159 Page 27). Also, a portion of the premises is restricted for use as a dormitory or home for the use of nurses and persons connected with any training school for nurses (See Indenture at Book 139 Page 365).

**A loan related to a mortgage on this property granted to Fleet National Bank in 1989 has been paid in full, and MHRI will coordinate with Bank of America to have this mortgage discharged prior to the Closing Date.

(ii) Non-Real Title Exception (in each case, the debtor is MHRI).

<u>UCC Financing Statement Number</u>	<u>Date</u>	<u>Secured Party</u>	<u>Collateral</u>
200705027720	6/1/2007	General Electric	Equipment
200805950630	2/13/2008	Ikon Financial	Equipment
200908119060	12/9/2009	Bank of America	See below*
201109422380	1/4/2011	Philip Healthcare	Equipment
201211502130	8/14/2012	Creekridge Capital	Equipment
201211659140	10/1/2012	Creekridge Capital	Equipment
200705102120	6/21/2007	Fujifilm Medical Systems	Equipment
200806249850	5/5/2008	Fujifilm Medical Systems	Equipment
200806250090	5/5/2008	Fujifilm Medical Systems	Equipment

*All Collateral described in a Security Agreement with Bank of America dated July 31, 2009 together with an Endowment Account described in the Pledge and Security Agreement for Endowment Account with Bank of America dated July 31, 2009.

Schedule 10.1(i)

Affiliates and Subsidiaries

MHRI owns 1% of the membership interests in Rhode Island PET Services, LLC, a Rhode Island limited liability company.

MHRI is the Hospital Member of the PHO. Physicians, osteopaths and podiatrists who meet certain qualifications are the Practitioner Members of the PHO.

There are no exceptions to be listed with respect to the last three sentences of Section 10.1(i).

Schedule 10.1(l)

Insurance

See attached list.

**Memorial Hospital of Rhode Island
2012-2013 Policy Schedule**

Exposure Type	First Named Insured	Insurer	Policy No.	Policy Period	Policy Term Premium	Limits
Hospital Professional Liability	Southeastern Healthcare System, Inc.	Coverys	2-22599	7/1/12-13	\$575,628	Coverage Trigger: Occurrence Professional \$1,000,000/\$3,000,000 Deductible: None
Employed Physicians, Residents, & Interns Liability	Employed Physicians & Residents of Southeastern Healthcare System, Inc.	Coverys	2-22599PL	7/1/12-13	\$889,050	Coverage Trigger: Occurrence Each Physician: \$1,000,000/3,000,000
Excess Liability	Southeastern Healthcare System, Inc.	Coverys	2-22599CA	7/1/12-13	\$414,632	Coverage Trigger: Claims Made & Occurrence Per Claim: \$15,000,000 Policy Aggregate: \$15,000,000 Retro Date: 5/1/97 & 7/1/06
General Liability	Southeastern Healthcare System, Inc.	Coverys	2-22599GL	7/1/12-13	\$59,335	Coverage Trigger: Occurrence General \$1,000,000/\$3,000,000 Employee Benefits \$1,000,000/\$3,000,000 Deductible: None
Automobile	Memorial Hospital of Rhode Island	Philadelphia	PHPK524917	4/1/12-13	\$19,602	Vehicles: 12 Combined Single Limit: \$1,000,000 Uninsured/Underinsured: \$1,000,000 Deductible: Comp - \$500 Collision: \$1,000
Package Policy	Boulevard Medical Office Condo	Travelers	7374X1051	7/29/12-13	\$8,452	General \$1,000,000/\$2,000,000 Property: \$1,318,505

Property	Memorial Hospital of Rhode Island	Affiliated FM	AM992	10-1-12-13	\$137,642	Policy Limit: \$278,577,211 Deductible: Property: \$25,000 BI: 24 Hours Earthquake & Flood: \$100,000
Directors & Officers/ Employment Practices Liability	Southeastern Healthcare System, Inc.	Federal Insurance Company (Chubb)	8167-2827	12/1/12-13	\$30,407	D&O Limit: \$3,000,000 EPL Limit: \$3,000,000 Policy Aggregate: \$6,000,000 Retentions: D&O \$50,000, Antitrust: \$100,000 Pending & Prior: 10/22/90 except 3rd Party & EPL: 10/22/06
Fiduciary Liability & Crime Coverage	Southeastern Healthcare System, Inc.	Travelers Indemnity	105712042	12/1/12-13	\$8,871	Fiduciary: \$1,000,000 ERISA: \$1,000,000 Employee Theft: \$500,000 Forgery & Alteration: \$100,000 Retentions: Employee Theft: \$2,500 Forgery & Alteration: \$1,000
Cyber & Privacy Liability	Southeastern Healthcare System, Inc.	ACE America Insurance Company	EONG24588300001	9/10/12-13	\$33,080	Privacy Liability: \$3,000,000 Data Breach Fund: \$300,000 Network Security Liability: \$3,000,000 Regulatory Proceeding: \$500,000 Retention: \$50,000 Coverage Trigger: Claims Made Retroactive Date: 9/10/12
Excess Workers Compensation	Southeastern Healthcare System, Inc.	Safety National	SP4046101	5/1/12-13	\$82,835	Retention: \$450,000 Workers Compensation: Statutory Employers Liability: \$1,000,000 Total Payroll: \$83,419,396
Workers Compensation - MA Employees	Primary Care Centers of New England	The Hartford	08 - WEC LH5366	10-1-12-13	\$1,939	Workers Compensation: Statutory Employers Liability: \$500,000

Workers Compensation - MA Employees	SHS Ventures	The Hartford	08-WEC C19966	4-18-12-13	\$1,085	Workers Compensation: Statutory Employers Liability: \$500,000
Directors & Officers Employment Practices Liability	Memorial Physician Hospital Organization, Inc.	Federal Insurance Company (Chubb)	Form 14-02-9523	8-15-12-13	\$7,200	D&O Limit: \$1,000,000 Entity Coverage: \$1,000,000 EPL: \$1,000,000 3 rd Party: \$1,000,000 Annuity: \$1,000,000 IRC: \$50,000 EMTALA: \$50,000 Excess Benefit: \$10,000 HIPAA: \$25,000
Executive Shield -- Side A Only Excess Executive Liability Insurance Coverage	Southeastern Healthcare System, Inc.	National Union Fire Insurance Company of Pittsburgh, PA	01-580-26-06	12-27-12-12-1-13	\$18,361	Excess D&O Limit: \$3,000,000
D&O Liability	Southeastern Healthcare System, Inc.	Allied World National Assurance Company	Form D0-00032-00	12-31-12-13	\$10,000	Side A Excess: \$2,000,000
Excess Insurance	Memorial Hospital of Rhode Island	National Union Fire Insurance Company of Pittsburgh, PA	Form 74675	12-01-12-13	\$22,806	Side A Excess: \$3,000,000
Package Policy	Blackstone Health, Inc.	Philadelphia Indemnity Insurance Company	PHSD635665	To be provided	To be provided	To be provided

Schedule 10.1(m)

Medicare, Medicaid and other Reimbursement

(i) through (vii): No exceptions.

Schedule 10.1(n)

Medical Staff

- i. Pending or threatened disputes with or investigations of members of, or applicants of, the medical staff of MHRI other than those previously disclosed in writing to CNE: none .
- ii. Appeal bonds with respect to any medical staff member or applicant against whom an adverse action has been taken which have not expired: none .
- iii. Adverse actions within the past three years:

Dr. Fredy Roland's license to prescribe narcotics was restricted by the RI Board of Medical Licensure and Discipline on March 12, 2012 for a specified period of time. Memorial Hospital notified all personnel that Dr. Roland's license was restricted and that he could not dispense or prescribe narcotics. Effective January 1, 2013, Dr. Roland will be a "Refer and Follow" member of the Medical staff. This category carries no privileges within the hospital.

Schedule 10.1(o)

Employee Benefit Plans

- (i) List and summary description of all Benefit Plans as defined in the Agreement, and copies of the documents requested in Section 10.1(o)(i), as applicable, for each Benefit Plan: to be attached.
- (iv) Benefit Plans that are pension benefit plans that have not received determination letters from the Service to the effect that such Benefit Plans are qualified and exempt from Federal income taxes under Sections 401(a) and 501(a), respectively, of the Code; any such determination letter that has been revoked; any revocation of a determination that has been threatened: none: to be attached.
- (vi) No exceptions.
- (vii) No exceptions.
- (x) No exceptions.

Schedule 10.1(p)

Defined Benefit Pension Plans

- i. No exceptions.
- ii. No exceptions.
- iii. Benefit Plans subject to the funding rules of Section 302 of ERISA or Section 412 of the Code: to be attached.
- iv. No exceptions.
- v. No exceptions.
- vi. No exceptions.
- vii. No exceptions.
- viii. No exceptions.
- ix. No exceptions.
- x. No exceptions.

Schedule 10.1(q)

Partnership, Joint Venture, Limited Liability Company or Cost Sharing Agreements

MHRI is a member of Rhode Island PET Services, LLC and MHRI Ancillary Services, LLC.

MHRI is a party to the Amended and Restated Operating Agreement of Rhode Island PET Services, LLC adopted January 30, 2002, and revised February 22, 2002 and November 14, 2002.

Schedule 10.1(u)

Compliance Program

No exceptions.

Schedule 10.1(v)

Tax-exempt Bond Indebtedness

Hospital Financing Revenue Bonds, The Memorial Hospital Issue, \$25,000,000 Rhode Island Health Education Building Corporation, Series 2003.

Schedule 10.2(c)
CNE Material Changes to Accounting Practices

No exceptions.

Schedule 10.2(d)
CNE Interim Changes

No exceptions.

Schedule 10.2(c)
CNE Legal Proceedings

No exceptions.

Schedule 10.2(f)
CNE Licenses, Permits and Approvals

Governmental licenses, permits, certificates, accreditations (including, but not limited to, accreditation from the Joint Commission), consents and approvals material to CNE's business and operations are held by CNE's hospitals and other operating units. CNE holds no such licenses, permits, certificates, accreditations, consents or approvals. For convenience, the CNE hospitals' Rhode Island hospital licenses and accreditations from the Joint Commission are listed in the chart below.

Issuing Agency or Organization	Name of License / Permit / Accreditation	Identification Number	Expiration Date
Joint Commission	Hospital and Behavioral Health Accreditation (Butler)	601	This accreditation cycle is effective beginning July 12, 2012. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 36 months.
Joint Commission	Behavioral Health Care Accreditation (Butler)	358714	This accreditation cycle is effective beginning February 10, 2012. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 36 months.
Joint Commission	Hospital, Home Medical Equipment, Stroke Center Accreditation (Kent)	5655	This accreditation cycle is effective beginning January 30, 2010. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 39 months.
Joint Commission	Hospital and Behavioral Health Care Accreditation (WH)	5650	This accreditation cycle is effective beginning June 24, 2011. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 36 months.

Issuing Agency or Organization	Name of License / Permit / Accreditation	Identification Number	Expiration Date
Rhode Island Department of Health	Hospital (Butler)	HOS000124	Hospital licenses in Rhode Island expire annually on December 31.
Rhode Island Department of Health	Hospital (Kent)	HOS000125	Hospital licenses in Rhode Island expire annually on December 31.
Rhode Island Department of Health	Hospital (WIH)	HOS000126	Hospital licenses in Rhode Island expire annually on December 31.

Schedule 10.2(i)
CNE Medicare, Medicaid and Other Reimbursement

No exceptions.

Schedule 10.2(i)
CNE Tax-exempt Bond Indebtedness

CNE, Butler Hospital (“**Butler**”), Kent County Memorial Hospital (“**Kent**”), Women & Infants Corporation (“**WIC**”), and Women & Infants Hospital of Rhode Island (“**WIH**”) are members of an obligated group (collectively, the “**Obligated Group**”) pursuant to the February 1, 2008 Master Trust Indenture among CNE, Butler, Kent, WIC, WIH and The Bank of New York Company, N.A., as Master Trustee. The Rhode Island Health and Educational Building Corporation (the “**Authority**”), has issued, on behalf of the Obligated Group:

1. Hospital Financing Revenue Bonds - Care New England Issue, Series 2008A pursuant to an Indenture of Trust and Pledge Agreement dated February 1, 2008 between the Authority and The Bank of New York Company, N.A., as Trustee;
2. Hospital Financing Revenue Bonds - Care New England Issue, Series 2008B pursuant to an Indenture of Trust and Pledge Agreement dated February 1, 2008 between the Authority and The Bank of New York Company, N.A., as Trustee;
3. Hospital Financing Revenue Bonds - Care New England Issue, Series 2010 pursuant to an Indenture of Trust and Pledge Agreement dated December 30, 2010 between the Authority and The Bank of New York Company, N.A., as Trustee; and
4. Hospital Financing Revenue Bonds Care New England Issue, Series 2011 pursuant to an Indenture of Trust and Pledge Agreement dated August 12, 2011 between the Authority and The Bank of New York Company, N.A., as Trustee.

CARE NEW ENGLAND)
HEALTH SYSTEM, a Rhode Island)
Non-profit corporation,)
)
v.)
)
PETER KILMARTIN, in his capacity as)
Attorney General of the State of Rhode)
Island, SOUTHEASTERN)
HEALTHCARE SYSTEM, INC., a)
Rhode Island non-profit corporation, and)
THE MEMORIAL HOSPITAL d/b/a)
MEMORIAL HOSPITAL OF RHODE)
ISLAND, a Rhode Island non-profit)
corporation, THE RS REALTY)
COMPANY, INC., a Rhode Island)
non-profit corporation, and SHS)
VENTURES, INC., a Massachusetts)
non-profit corporation.)
/

C.A. No.: 13 -

VERIFIED PETITION FOR *CY PRES*

Care New England Health System (“Care New England”), a Rhode Island non-profit corporation, respectfully requests that this Honorable Court enter a decree, under the doctrine of *cy pres*, approving of Respondent The Memorial Hospital, d/b/a Memorial Hospital of Rhode Island’s (“Memorial Hospital”), continued use of its charitable assets in light of a proposed affiliation between Care New England, Memorial Hospital, and Respondent Southeastern Healthcare Systems, Inc. (“Southeastern Healthcare”).

INTRODUCTION

1. This Verified Petition for *Cy Pres* is being filed in connection with an application seeking approval of a proposed affiliation between Respondents Care New

England, Southeastern Healthcare, and Memorial Hospital (collectively, the “Affiliated Parties”), pursuant to the Rhode Island Hospital Conversions Act, R.I. Gen. Laws §§ 23-17.14-1 *et seq.* (the “Act”). The application seeks approval of the proposed affiliation from the Rhode Island Department of Health (the “DOH”) and the Rhode Island Attorney General, as required by the Act. *See* R.I. Gen. Laws §§ 23-17.14-5 and 23-17.14-12.1. The review by the DOH and the Attorney General is being conducted on an expedited basis, based on the Director of DOH’s determination that Memorial Hospital meets the Act’s criteria for conducting an expedited review, including that Memorial Hospital is a financially distressed hospital. *See* R.I. Gen. Laws §23-17.14-12.1 (listing criteria and authorizing the expedited review).

2. As explained below, although the Affiliation Agreement will not affect Memorial Hospital’s continued fulfillment of its charitable mission and its use of charitable assets, Care New England submits this Petition out of an abundance of caution and as required by the review of the DOH and the Attorney General pursuant to the Act. To the extent the Court finds that the Affiliation Agreement affects Memorial Hospital’s charitable mission such that it would frustrate the intent of Memorial Hospital’s charitable asset donors, Care New England submits that the circumstances here clearly meet the standard for application of *cy pres* under R.I. Gen. Laws § 18-4-1 or existing equitable principles, and that the decree sought is fitting and proper.

THE PARTIES

3. Petitioner, Care New England, is a Rhode Island non-profit organization and is tax-exempt pursuant to section 501(c)(3) of the Internal Revenue Service Code (the “Code”). Care New England operates a statewide integrated health care system

serving the residents of Rhode Island. As the sole member of Butler Hospital, Kent Hospital, Women & Infants Hospital of Rhode Island, and VNA of Care New England, as well as other Rhode Island-based healthcare facilities, Care New England provides Rhode Islanders with a high quality continuum of health care, counseling, and education. Care New England is also dedicated to the advancement of medical education and research, with Butler Hospital serving as the principal teaching affiliate for psychiatry and human behavior for The Warren Alpert Medical School of Brown University, and Women & Infants serving as the Medical School's primary affiliate in obstetrics, gynecology, and newborn pediatrics. Additionally, Kent Hospital is affiliated with the University of New England College of Osteopathic Medicine.

4. Respondent Southeastern Healthcare is a Rhode Island non-profit organization and is tax-exempt pursuant to section 501(c)(3) of the Code. Southeastern Healthcare is the parent organization of a health care system serving Rhode Island and Massachusetts, comprised of directly or indirectly owned or controlled affiliates and subsidiaries, including Respondents The RS Realty Company, Inc., a Rhode Island non-profit organization that is tax-exempt pursuant to section 501(c)(3) of the Code, and Respondent SHS Ventures, Inc., a Massachusetts non-profit organization that is tax-exempt under section 501(c)(3) of the Code. Southeastern Healthcare is also the parent organization of Respondent Memorial Hospital.

5. Respondent Memorial Hospital is a Rhode Island non-profit organization and is tax-exempt pursuant to section 501(c)(3) of the Code. Memorial Hospital is a 294-bed acute care teaching hospital with its main campus located in Pawtucket, Rhode Island. Memorial Hospital provides residents of the Blackstone Valley region of Rhode

Island and southeastern Massachusetts with access to primary and ambulatory care services, as well as high quality cancer and cardiovascular treatment facilities. Memorial Hospital also serves as a teaching affiliate of The Warren Alpert Medical School of Brown University, and the chief site for the Medical School's primary care academic program is housed in Memorial Hospital's Center for Primary Care.

6. As explained in more detail below, the Director of the DOH has determined that Memorial Hospital is a financially distressed hospital as defined by the Act. *See* R.I. Gen. Laws § 23-17.14-12.1(a)(2). Under the Act, a hospital may be declared to be financially distressed if it is “facing significant financial hardship that may impair its ability to continue to operate effectively without the proposed [affiliation,]” and if it meets one or more of six financial criteria set out in the statute. *Id.*¹

7. The Affiliated Entities, both individually and collectively, play an essential role in ensuring that residents throughout Rhode Island continue to receive high quality health care and related services. Care New England hospitals offer 643 licensed beds and 80 neonatal intensive care unit bassinets. Annually, Care New England hospitals experience over 88,000 emergency room visits, discharge approximately 42,000 patients, perform approximately 23,000 surgical procedures, and deliver more than 9,400 babies. In addition, VNA of Care New England annually provides almost 60,000 skilled nursing visits.

8. In 2011, Memorial Hospital experienced more than 32,000 emergency

¹ Those six criteria are: (i) operating loss for the two (2) most recently completed fiscal years; (ii) less than fifty (50) days cash-on-hand; (iii) current asset to liability ratio of less than one point five (1.5); (iv) long-term debt to capitalization greater than seventy-five percent (75%); (v) inpatient occupancy rate of less than fifty percent (50%); and (vi) would be classified as below investment grade by a major rating agency. *See* R.I. Gen. Laws §§ 23-17.14-12.1(a)(2)(i) – (vi).

room visits, discharged approximately 6,800 patients, and performed almost 6,900 surgical procedures. Importantly, many of the patients who rely on Memorial Hospital for emergency and primary care reside in areas of Rhode Island that are predominantly poor and traditionally underserved, such as Pawtucket and Central Falls.

9. Both Care New England and Memorial Hospital participate in the Medicare and Medicaid programs, and both are committed to providing health care to those unable to afford such care.

THE AFFILIATION

10. It is the charitable mission of each of the Affiliated Parties to promote and improve access to health care and the health care status of the communities they serve, and to provide those communities with high quality, affordable health care and related services.

11. In furtherance of their common and unifying charitable missions, and in light of Memorial Hospital's classification as a financially distressed hospital under the Act, the governing boards of each of the Affiliated Parties, in keeping with their fiduciary duties to oversee their respective organizations' charitable assets, recently engaged in a deliberative process to explore ways to better serve their communities. Those discussions centered on the Affiliated Parties' mutual desire to enter into an affiliation agreement with the goal of optimizing clinical services and health benefits, creating a strong and effective long-term relationship between the Affiliated Parties, and ensuring that the Affiliated Parties' charitable missions are achieved over the short and long term.

12. As a result of their discussions, on January 2, 2013, the Affiliated Parties executed a written affiliation agreement (the "Affiliation Agreement"), a copy of which is

attached hereto as Exhibit 1. The Affiliation Agreement sets out the terms of the parties' proposed affiliation, and will control the parties' affiliation *if* the affiliation is approved by the DOH and the Attorney General as required by the Act. *See* R.I. Gen. Laws §§ 23-17.14-5 and 23-17.14-12.1. Under the Affiliation Agreement, Care New England is to be named the sole corporate member of Southeastern Healthcare.

13. A central goal of the parties in drafting the Affiliation Agreement was that it not adversely affect any aspect of Memorial Hospital's current operations, but instead, that it bolster Memorial Hospital's ability to continue fulfilling its charitable mission in the communities it serves, and ensure that Memorial Hospital continues to utilize its charitable assets in strict accordance with each donor's documented intent. The terms of the Affiliation Agreement – more specifically, of Articles 1, 5, 6, 8, and 12 of the Affiliation Agreement – clearly reflect this goal.

14. As an initial matter, the Affiliation Agreement will have no discernible effect on Memorial Hospital's continued existence and operations, except to provide Memorial Hospital with much-needed access to Care New England's resources, both financial and administrative. The Affiliation Agreement provides that the affiliation does not involve the merger or consolidation of existing entities, or the sale, purchase, or lease of part or all of any hospital, including Memorial Hospital. *See* Ex. 1, Sec. 5.1. The affiliation also does not involve the exchange of cash or any similar financial consideration, or the transfer of all or substantially all of the assets of any of the Affiliated Parties. *See id.* In addition, Memorial Hospital and Southeast Healthcare will retain their current names (while also being identified as "a [Care New England] Affiliate"). *See* Ex. 1, Sec. 6.4.

15. The Affiliation Agreement further provides that Memorial Hospital will have access to Care New England’s capital pool, and that Care New England “shall fund any operating shortfall of [Memorial Hospital] or [its] affiliates (whether in the form of cash, a line of credit provided by a third party or other means)” through September 30, 2016, should Care New England determine that such funding is necessary to avoid a potential breach or default of any of Memorial Hospital’s obligations. *See* Ex. 1, Sec. 5.2 (access to capital pool), 5.3(b) (payment of operating shortfalls). As a financially distressed hospital that has operated at a loss for the past several years, Memorial Hospital will benefit from its access to this much-needed funding support. Memorial Hospital will also benefit from the additional administrative support – including legal, compliance, risk management, human resources, and managed care contracting services – that it will receive from Care New England under the Affiliation Agreement. *See* Ex. 1, Art. 8.

16. The Affiliation Agreement also ensures that the Affiliated Parties will continue to fulfill their shared charitable objectives and purposes, and that Memorial Hospital will continue to utilize its charitable assets in strict accordance with each donor’s documented intent. *See* Ex. 1, Sec. 1.2 (charitable objectives), 6.2 (charitable assets). Section 1.2 provides in relevant part:

1.2 Charitable Objectives. As a means of furthering their common mission, the [Affiliated] Parties believe that it is in their mutual best interests to enter into this Agreement and, subject to the terms hereof, establish the Affiliation. In doing so, the [Affiliated] Parties have identified the following charitable objectives which they hope will be realized therefrom:

...

(I) The responsible stewardship of charitable assets, ensuring that [Care New England] and [Memorial Hospital] collectively will maintain a strong

financial profile to enable them to achieve their charitable objectives long into the future; and

(m) The continuation of charity care delivered to the communities that [Memorial Hospital] serves, including, but not limited to, the Blackstone Valley community.

See Ex. 1, Sec. 1.2:

17. Section 6.2 further ensures that Memorial Hospital will continue to use its charitable assets in strict accordance with each donor's wishes. It provides:

6.2 Charitable Assets. Following the Closing Date, subject to the terms and conditions set forth in this [Affiliation] Agreement, to the extent any property was given, devised, or bequeathed to [Memorial Hospital] for charitable, educational or religious purposes ("**Gifts**"):

(i) All ethical and legal considerations regarding Gifts to [Memorial Hospital] will be strictly honored;

(ii) All Gifts to [Memorial Hospital] will be used in accordance with documented donor intent; and

(iii) All Gifts to [Memorial Hospital] will be used solely to support the program specified by the donor(s).

See Ex. 1, Sec. 6.2. This provision ensures that charitable gifts to Memorial Hospital will continue to be used in strict accordance with each donor's documented intent.

18. The Affiliation Agreement also provides for Memorial Hospital's continued provision of charity care to the community. Section 6.3 provides:

6.3 Charity Care. Following the Closing Date, the Parties shall endeavor to make charity care available to the communities that [Memorial Hospital] serves, including, but not limited to, the Blackstone Valley community, at a level comparable to the level of charity care provided by other similarly-situated entities within the [Care New England] System, and in any event in accordance with applicable law, including but not limited to Rhode Island General Laws § 23-17-43 and § 23-17.14-15.

See Ex. 1, Sec. 6.3.

19. In addition, section 6.7 of the Affiliation Agreement ensures the continued support of other tax-exempt organizations in the Blackstone Valley traditionally

supported by Memorial Hospital in prior years “at a level proportionate with the level provided by other similarly-situated entities within the [Care New England] System, taking into account the relative levels of gross patient service revenue of each applicable entity.” *See* Ex. 1, Sec. 6.7.

20. Regarding Memorial Hospital’s future fund-raising, the Affiliation Agreement contemplates that Care New England will incorporate a Rhode Island non-profit corporation (the “Foundation”) to serve as Memorial Hospital’s primary fundraising entity. *See* Ex. 1, Art. 8. The Foundation’s sole member will be Memorial Hospital, and Care New England will seek a determination that the Foundation is tax-exempt under section 501(c)(3) of the Code. *Id.*

21. In sum, other than naming Care New England as the sole corporate parent of Memorial Hospital’s parent organization, Southeastern Healthcare, nothing in the Affiliation Agreement will affect Memorial Hospital’s continued existence and operations, except to benefit Memorial Hospital by providing Memorial Hospital with access to much-needed funding and other resources, and by ensuring that (i) the Affiliated Parties continue to fulfill their shared charitable mission, (ii) Memorial Hospital continues to utilize its charitable assets in strict accordance with each donor’s documented intent, (iii) the Affiliated Parties endeavor to make charity care available to the communities served by Memorial Hospital, and (iv) tax-exempt organizations in the Blackstone Valley traditionally supported by Memorial Hospital will continue to receive support.

22. The Rhode Island Attorney General, who is aware of this petition and of the Affiliation Agreement, has conducted a thorough and appropriate investigation of the

affiliation, including the future use of Memorial Hospital's charitable assets. Based upon that investigation, including the documents reviewed and the representations made by the Affiliated Parties, the Attorney General does not object to the proposed affiliation, or to the relief requested in this Petition.

CHARITABLE ASSETS AT ISSUE IN THIS PETITION

23. The charitable assets at issue in this Petition are the charitable donations and other assets currently in the possession or control of Memorial Hospital, bequests made to Memorial Hospital of which it is aware, as well as future and inchoate gifts or bequests to Memorial Hospital which are currently unknown to the Affiliated Parties.

RELIEF SOUGHT UNDER THE DOCTRINE OF CY PRES

24. As demonstrated above, the proposed affiliation and the Affiliation Agreement will not adversely affect Memorial Hospital, but instead will bolster its ongoing operations and enhance its ability to continue to fulfill its charitable mission and purpose. Memorial Hospital will continue to perform the same functions, to pursue the same charitable objectives, to provide charity care to the same communities, and to support the same non-profit organizations that it did prior to the proposed affiliation.

25. Most important, Memorial Hospital is *required* by the Affiliation Agreement to continue to use its charitable assets in strict accordance with the documented intent of each donor. As a result, there will be no change in the use of Memorial Hospital's charitable assets.

26. Although the Affiliation Agreement will not affect Memorial Hospital's continued fulfillment of its charitable mission and its use of charitable assets, Care New England submits this Petition out of an abundance of caution and as required by the

review of the DOH and the Attorney General pursuant to the Act. To the extent the Court finds that the Affiliation Agreement affects Memorial Hospital's charitable mission such that it would frustrate the intent of Memorial Hospital's charitable asset donors, Care New England submits that the circumstances here clearly meet the standard for application of *cy pres*, under R.I. Gen. Laws § 18-4-1 or existing equitable principles, and that the decree sought is fitting and proper.

RELIEF REQUESTED

WHEREFORE, Petitioner requests that this Honorable Court enter an order that decrees as follows:

1. That the Petitioner is the proper party to bring this action.
2. That the Affiliated Parties' proposed affiliation pursuant to the terms of the Affiliation Agreement will not affect Memorial Hospital's continued fulfillment of its charitable mission and its use of charitable assets, and therefore, that Memorial Hospital may continue to hold title to and control all of its charitable assets.
3. That this Court grant such other relief as it shall deem appropriate under the circumstances.

CARE NEW ENGLAND HEALTH
SYSTEM

By Its Attorneys,

Hinckley, Allen & Snyder LLP
50 Kennedy Plaza, Suite 1500
Providence, RI 02903
(401) 274-2000 Telephone
(401) 277-9600 Facsimile

Dated: _____

VERIFICATION STATEMENT

I, Dennis D. Keefe, on behalf of Care New England Health System, have read the within Petition and believe the allegations stated therein to be true and correct to best of my knowledge and belief.

Care New England Health System

By: _____
Its: President and Chief Executive Officer

STATE OF RHODE ISLAND

COUNTY OF _____

Subscribed and sworn to before me by Dennis D. Keefe in his capacity as President and Chief Executive Officer of Care New England Health System, this _____ day of _____, 2013.

Notary Public
My Commission Expires:

CERTIFICATION

I certify that, on _____, 2013, I sent by first class mail a copy of the foregoing Verified Petition for *Cy Pres* to:

Jodi N. Bourque, Esq.
Assistant Attorney General and Health Care Advocate
Department of Attorney General
150 South Main Street
Providence, RI 02903

Arthur J. Deblois, III
111 Brewster Street
Pawtucket, Rhode Island 02860
Registered Agent for All Respondents

#51163796

EXHIBIT 6 Table of Contents

<u>Tab</u>	<u>Description</u>	<u>Bates Number</u>
6-A	MHRI Parent – Officers, Directors, Executives, and Senior Managers	RIAG0138
6-B	CNE – Officers, Directors, Executives and Senior Managers	RIAG0143
6-C	MHRI – Job Descriptions	RIAG0147

Officers, Directors, Executives and Senior Managers of SHS

NAME	OCCUPATION	POSITION SHS, INC.	TENURE
SOUTHEASTERN HEALTHCARE SYSTEMS, INC.			
Ackerman, Robert	Information Technology	Vice President	Aug 2010 - Present
Andrade, Robert P.	Bank COO	Chairman of the Board	Jan 1998 - Present
Cylke, Deborah	Superintendent of Schools Healthcare	Trustee	Jan 2012 - Present
DeBlois, Arthur J. III	Administration	Interim President/CEO	May 2012 - Present
Degen, Alfred P.	Retired	Trustee	Jan 1996 - Present
Dietz, Francis R.	Retired	Consultant/Former President/CEO	Jan 1964 - Sep 2011
Furtado, Gary	Bank CEO	Trustee	Jan 1992 - Present
Girard, Elizabeth	Retired Healthcare	Former Senior Vice President	Mar 1970 - Nov 2011
Gough, Thomas	Administration	Senior Vice President	Oct 2001 - Present
Hahn, James H.	Attorney	Former Trustee	Jan 2010 - Jun 2012
Hunt, William J.	Insurance Agency President	Trustee	Jan 1986 - Present
Kapos, William M.	Coffee Company President	Treasurer	Jan 1999 - Present
Kessel, Marie	Healthcare		Aug 1999 - Present
MacDonald-Gallagher, Michelle	Administration Healthcare	Former Vice President	Dec 2012 - Nov 1989 - Present
Mooney, F. Paul Jr.	Administration Manufacturing Company VP	Senior Vice President Trustee	Jan 2002 - Present

Officers, Directors, Executives and Senior Managers of SHS

<u>NAME</u>	<u>OCCUPATION</u>	<u>POSITION SHS, INC.</u>	<u>TENURE</u>
Murray, Patrick J. Jr.	Bank CEO	Assistant Treasurer	Jan 2008 - Present
Partridge, John J.	Attorney	Trustee	Jan 1985 - Present
Poulin, Edna S.	Retired	Trustee	Jan 1985 - Present
Pratt, Lisa	Human Resources	Vice President	Jan 2006 - Present
Roberts, Virginia C.	Bank Sr. Vice President	Vice Chair of the Board	Jan 1995 - Present
Rojas, Augusto Jr.	Sales Manager Healthcare	Trustee	Jan 2012 - Present
Ross, Thomas	Administration	Vice President	Apr 1973 - Present
Ryan, Michael	Financial Management Real Estate Firm	Senior Vice President	Jun 1989 - Present
Schmitt, Irene	Managing Partner	Trustee	Jan 2012 - Present
Scown, Gregory	Retired	Secretary	Jan 2009 - Present
Sherry, Karl F.	Real Estate Firm Partner	Assistant Secretary; Chairman, BHI	Jan 2006 - Present
Tursky, Martin E.	Healthcare Administration	Former President/CEO	Jan 2010 - Jun 2012
Van Tilburg, Judith	Healthcare Administration	Vice President	Jun 2008 - Present

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

Officers, Directors, Executives and Senior Managers of MHR

NAME

MEMORIAL HOSPITAL OF RHODE ISLAND

<u>NAME</u>	<u>OCCUPATION</u>	<u>POSITION MHR</u>	<u>TENURE</u>
Ackerman, Robert	Information Technology	Vice President	Aug 2010 - Present
Andrade, Robert P.	Bank COO	Chairman of the Board	Jan 1998 - Present
Cylke, Deborah	Superintendent of Schools	Trustee	Jan 2012 - Present
DeBlois, Arthur J. III	Healthcare Administration	Interim President/CEO	May 2012 - Present
Degen, Alfred P.	Retired	Trustee	Jan 1996 - Present
Dietz, Francis R.	Retired	Consultant/Former President/CEO	Jan 1964 - Sep 2011
Furtado, Gary	Bank CEO	Trustee	Jan 1992 - Present
Girard, Elizabeth	Retired	Former Senior Vice President	Mar 1970 - Nov 2011
Gough, Thomas	Healthcare Administration	Senior Vice President	Oct 2001 - Present
Hahn, James H.	Attorney	Former Trustee	Jan 2010 - Jun 2012
Hunt, William J.	Insurance Agency President	Trustee	Jan 1986 - Present
Kapos, William M.	Coffee Company	Treasurer	Jan 1999 - Present
Kessel, Marie	Healthcare Administration	Former Vice President	Aug 1999 - Dec 2012
MacDonald-Gallagher, Michelle	Healthcare Administration	Senior Vice President	Nov 1989 - Present
Mooney, F. Paul Jr.	Manufacturing Company VP	Trustee	Jan 2002 - Present

Officers, Directors, Executives and Senior Managers of MHRI

<u>NAME</u>	<u>OCCUPATION</u>	<u>POSITION MHRI</u>	<u>TENURE</u>
Murray, Patrick J. Jr.	Bank CEO	Assistant Treasurer	Jan 2008 - Present
Partridge, John J.	Attorney	Trustee	Jan 1985 - Present
Poulin, Edna S.	Retired	Trustee	Jan 1985 - Present
Pratt, Lisa	Human Resources	Vice President	Jan 2006 - Present
Roberts, Virginia C.	Bank Sr. Vice President	Vice Chair of the Board	Jan 1995 - Present
Rojas, Augusto Jr.	Sales Manager Healthcare	Trustee	Jan 2012 - Present
Ross, Thomas	Administration	Vice President	Apr 1973 - Present
Ryan, Michael	Financial Management Real Estate Firm	Senior Vice President	Jun 1989 - Present
Schmitt, Irene	Managing Partner	Trustee	Jan 2012 - Present
Scown, Gregory	Retired	Secretary	Jan 2009 - Present
Sherry, Karl F.	Real Estate Firm Partner	Assistant Secretary; Chairman, BHI	Jan 2006 - Present
Tursky, Martin E.	Healthcare Administration	Former President/CEO	Jan 2010 - Jun 2012
Van Tilburg, Judith	Healthcare Administration	Vice President	Jun 2008 - Present

2012: Officers, Directors, Executives and Senior Managers of CNE, Butler, Kent and WIH

Name	CNE/Butler/ Kent or WIH	Occupation	Tenure
2012 DIRECTORS of CNE, Butler, Kent and WIH¹			
Herbert Brennan, DO	<i>Ex Officio</i> Director of each entity (eff. 10.2012)	Physician	2012 to present
David Carcieri, MD	<i>Ex Officio</i> Director of each entity (incoming 12.2012)	Physician	2012 to present
Allen Cicchitelli	Director of each entity	Real Estate Executive	2011 to present
Esther Emar	Director of each entity	Health Care Executive	2011 to present
Justice Robert Flanders, Jr. (Ret.)	Director of each entity	Attorney	2011 to present
John Galvin	Director of each entity	Business Executive	2011 to present
Kent Gladding	Director of each entity	Banking Executive	2011 to present
Douglas Jacobs	Director of each entity	Retired Banking Executive	2011 to present
Dennis Keefe	Director of each entity	Health Care Executive	2011 to present
Diane Lipscombe, Ph.D.	Director of each entity	Professor and Researcher	2012 to present
Joseph McGair, Esq.	Director of each entity	Attorney	2011 to present
Robert Padula	Director of each entity	Insurance Executive	2011 to present
Cynthia Patterson	Director of each entity	Retired, Community Rep.	2011 to present

¹ In 2012, the individuals that serve on the board of Care New England Health System are also the individuals that serve on the boards of Butler, Kent and WIH – mirror boards were created in October 2011.

Name	CNE/Butler/ Kent or WIH	Occupation	Tenure
Charles Reppucci	Director of each entity	Business Executive	2011 to present
Lisa Shea, MD	Director of each entity	Physician and Health Care Executive	2011 to present
George Shuster	Director of each entity	Business Executive	2011 to present
Santina Siena, MD	<i>Ex Officio</i> Director of each entity (outgoing 12.2012)	Physician	2011 to 12.2012
Joseph Spinale, DO	<i>Ex Officio</i> Director of each entity (ended 9.2012)	Physician	2011 to 9.2012
Maribeth Williamson	Director of each entity	Business Executive	2011 to present
2012 OFFICERS of CNE, Butler, Kent and WIH			
Dennis Keefe	CNE Officer (President and CEO)	Health Care Executive	2011 to present
George Shuster	Officer of each entity (Chairman)	Business Executive	2011 to present
Charles Reppucci	Officer of each entity (Vice Chairman)	Business Executive	2011 to present
Douglas Jacobs	Officer of each entity (Treasurer)	Retired Banking Executive	2011 to present
Jack Sutherland, III	CNE Officer (Sr. VP for Finance/CFO)	Health Care Executive	2006 to present
Cynthia Patterson	Officer of each entity (Secretary)	Retired, Community Rep.	2011 to present
Alyssa Boss	Officer of each entity (Asst. Secretary)	Attorney	2012 to present
Patricia Recupero, JD MD	Butler Officer (President and CEO)	Physician, Attorney and Health Care Executive	1999 to present

Name	CNE/Butler/ Kent or WIH	Occupation	Tenure
Sandra Coletta	Kent Officer (President and CEO)	Health Care Executive	2009 to present
Constance Howes	WIH Officer (President and CEO)	Attorney and Health Care Executive	2002 to present
2012 Executives and Senior Management of CNE, Butler, Kent and WIH			
Alyssa Boss	CNE Senior Mgr. (Senior Vice President and General Counsel)	Attorney	2012 to present
Sandra Coletta	CNE Senior Mgr. (Chief Operating Officer)	Health Care Executive	2012 to present
Gail Costa	CNE Senior Mgr. (Senior Vice President for Planning)	Business Executive	Prior to formation of CNE to present
Michael Dacey, MD	CNE Senior Mgr. (Chief Clinical Integration Officer)	Physician	2012 to present
Domenic Delmonico	CNE Senior Mgr. (Senior Vice President for Managed Care) Contracting	Business Executive	2000 to present
Constance Howes	CNE Senior Mgr. (Executive Vice President of Women's Health CNE)	Attorney and Health Care Executive	2012 to present
May Kernan	CNE Senior Mgr. (Senior Vice President for Marketing Communications)	Business Executive	Prior to formation of CNE to present
Ray Powrie, MD	CNE Senior Mgr. (Chief Medical Quality Officer)	Physician	2012 to present
Cedric Priebe III, MD	CNE Senior Mgr. (Senior Vice President and CIO)	Physician, Business Executive	2004 to present
Patricia Recupero, JD MD	CNE Senior Mgr. (Executive Vice President of Brain and Behavioral Health)	Physician, Attorney and Health Care Executive	2012 to present

Name	CNE/Butler/ Kent or WIH	Occupation	Tenure
John Sutherland, III	CNE Senior Mgr. (Senior Vice President for Finance/CFO)	Health Care Executive	2006 to present
Marilyn Walsh	CNE Senior Mgr. (Senior Vice President/Human Resources)	Business Executive	Prior to formation of CNE to present
Bonnie Baker	Butler Senior Mgr. (Vice President Finance)	Business Executive	2011 to present
Paul Beaudoin	Kent Senior Mgr. (Senior Vice President Finance, CFO)	Business Executive	1997 to present
Walter Dias	Butler Senior Mgr. (Chief Operating Officer)	Business Executive	1997 to present
Joseph DiPietro	Kent Senior Mgr. (Senior Vice President and Chief Administrative Officer)	Health Care Executive, SVP and CAO of Kent	2009 to present
Mark Marcantano	WIH Senior Mgr. (Chief Operating Officer)	Business Executive	2010 to present

**MEMORIAL HOSPITAL OF RHODE ISLAND
ADMINISTRATION**

TITLE: *Vice President, Business Development, Administration and Practice Operations
Vice President, Memorial Physician Hospital Organization
Executive Director, Blackstone Health Inc.*

REPORTS TO: *President/CEO, MHRI
President, Memorial Physician Hospital Organization
President, Board of Directors, Blackstone Health, Inc.*

Major Responsibilities

The Vice President for Business Development, Administration and Practice Operations is responsible for strategic planning and business development and also serves as the senior executive responsible for the operation of numerous clinical and administrative departments of the hospital, freestanding subsidiary corporations and all community based primary and specialty care physician practices owned and operated by the hospital and/or its parent organization.

The Business Development component of the position includes hospital and health system based strategic planning functions as well as business/program development initiatives in conjunction with the Board of Trustees, senior management and medical staff leadership. Duties include development and presentation of strategic plans, service line program evaluation, market assessments and forecasting, development of business plans and proforma, competitive intelligence, oversight of hospital based statistical data analysis/reporting functions and negotiation and drafting of strategic partnership agreements.

The clinical and administrative component of the position includes senior administrative oversight of the following departments/entities: Cancer Center, Cardiovascular Center, Neurodevelopmental Center, Sleep Lab, Risk Management, Legal Affairs, Graduate Medical Education (residency programs), Continuing Medical Education, Grants/Research Administration, the Institutional Review Board, Physician Recruitment and the Medical Library.

The Practice Operations component of the position includes responsibility for the operation of the following primary and specialty care physician practices/departments within the hospital: Family Medicine, Internal Medicine, Women's Health Specialists (Obstetrics/Gynecology), Pediatrics, Neurology, General Surgery, Neurosurgery, Orthopedics, Hospitalist service, Intensivist service, Podiatry, Endocrinology, Infectious Disease, Dermatology, Pulmonary Medicine, The Primary Care Center of Plainville and The Primary Care of Quality Hill.

Additional administrative responsibilities include negotiation and implementation of contracts and pay-for-performance agreements with third party insurers on behalf of the hospital and its affiliated physicians.

As Vice President of the Memorial Physician Hospital Organization, responsible for all contracting between the 200+ physician PHO and third party payors, management of the PHO's group purchasing program, development and implementation of strategic PHO initiatives, oversight of the hospital's physician referral service, PHO-based medical management functions and all other administrative operations of the PHO.

As Executive Director of Blackstone Health Inc. responsible for all operations, financial and accounting functions, regulatory compliance, legislative affairs, government relations, human resources, risk management, planning, and grant administration pertaining to Blackstone Health Inc., a non-profit senior-based health and social service organization with a \$1.3 million annual budget, providing clinically supervised adult day services and a congregate meal program serving 15 communities throughout the State of Rhode Island.

The Vice President participates in assessing the environment, forecasting trends, transmitting values, communicating ideas, initiating systems, managing resources and allocating financial, human, material and informational resources to ensure the fulfillment of the three organization's missions, goals and objectives.

QUALIFICATIONS

Education	<i>Master's Degree in Healthcare Planning and Administration or Master's Degree in Business Administration</i>
Experience	<i>A minimum of 6-8 years prior Senior Management experience with similar responsibilities</i>
Licensure	<i>None</i>

Knowledge

▪A thorough understanding of integrated healthcare delivery systems, trends in medicine and healthcare delivery, hospital and ambulatory care operations, faculty/academic medical practices, hospital based medical practices and community based independent private practice.

& Skills

- Proven/demonstrated skills in all phases of strategic planning and business development from conception through implementation and monitoring and if necessary, re-intervention phases.
- Intimate knowledge of all major hospital and physician reimbursement payment methods and ability to complete detailed reimbursement analyses.
- Proven negotiation skills with respect to budgeted capitation agreements, all forms of hospital inpatient and outpatient reimbursement and physician based reimbursement both capitated and fee for service
- Ability to work at high level with executives from other organizations on confidential strategic initiatives
- Excellent oral and written communication skills
- Skills in team building and group facilitation
- Critical thinking and program development skills

Qualities

- Self-directed and self-motivated
- Professional accountability and autonomy
- Creativity
- Ability to operate in complex political and regulatory environments
- Commitment to patient focused care and professional development

The Vice President of Strategic Planning and Business Development must meet the performance criteria in each of the following areas: (1) Operations, (2) Resource Management, (3) Professional Development, (4) Strategic Planning/Performance Improvement and (5) Communication/Collaboration, (6)

- 3 = exceeds standard and/or meets standard > 98% of the time
- 2 = meets standard 90 to 97% of the time
- 1 = needs further development and/or improvement
- 0 = consistently does not meet standard
- S = self appraisal of performance level - (Enter 3, 2, 1, or 0 for each item)



MEMORIAL HOSPITAL OF RHODE ISLAND
Senior Leadership Evaluation Tool

TITLE: *Senior Vice President for Finance*

REPORTS TO: *President & CEO*

Major Responsibilities

The Senior Vice President for Finance is responsible for the overall fiscal operations of the organization. He/she insures that the hospital's financial statements are accurate, auditable and reliable, and provides fiscal information to senior management and the Board of Directors to facilitate management of the organization. He / she provides financial budgets, forecasts and analysis to guide the management of the organization. The Senior Vice President for Finance manages and directs all reimbursement arrangements with third parties and governmental agencies to maximize reimbursement. The management of the organization's revenue cycle and cash flow is a critical responsibility of this position. The Senior Vice President for Finance is operationally responsible for the Patient Financial Services department. He / she manages the banking relationships for the organization. He / she provides oversight and analysis of the hospital's Pension Fund. He / she is operationally responsible for the Accounting department. The position is responsible for the oversight of the insurance relationships for the organization. The position is responsible for fiscal management of the research grants for the organization. He / she is responsible for all federal and state tax filings. He / she is the Treasurer of the Memorial Physician Hospital Organization

All of the responsibilities above need to be carried out in full compliance with the letter and spirit of the regulations established by all governmental and regulatory oversight agencies. In addition, all of the responsibilities need to be fulfilled keeping in mind the charitable mission of the organization, and in fulfillment of the organization's goals and objectives.

QUALIFICATIONS

- Education** *Master's Degree in Healthcare Finance or related field required*
- Experience** *A minimum of ten years healthcare finance experience, with five years prior Senior Management experience*
- Knowledge & Skills** *A thorough understanding of finance in the healthcare environment, health care delivery systems and the overall healthcare marketplace*
Leadership and motivational skills
Excellent communication and interpersonal skills
Demonstrated skills in planning, organizing and priority setting
Skills in team building and group facilitation
Critical thinking and program development skills
- Qualities** *Self-directed and self-motivated*
Professional accountability and autonomy
Creativity
Commitment to professionalism, integrity, and compliance.

The Senior Vice President must meet the performance criteria in each of the following areas: (1) Operations, (2) Resource Management, (3) Professional Development, (4) Strategic Planning/Performance Improvement and (5) Communication/Collaboration



MEMORIAL HOSPITAL OF RHODE ISLAND
Senior Leadership Evaluation Tool

TITLE: *Senior Vice President for Clinical Operations/
Chief Nursing Officer*

REPORTS TO: *President & CEO*

Major Responsibilities

The Senior Vice President for Operations/Chief of Nursing provides leadership, direction and administration of operations to achieve the organization's goals. He/she in collaboration with the governing body Medical and Administrative staff promotes a culture of safety and is responsible for the provision of high quality, cost effective health care. The Chief of Nursing directs the delivery of all nursing care, treatment and services 24 hours a day, 7 days a week and exercises final authority over staff who provide nursing care, treatment and services. He/She provides leadership by setting and maintaining standards of care and practice and developing, implementing and evaluating policies, programs and services to support the needs of the community.

The Senior Vice President participates in assessing the environment, forecasting trends, transmitting values, communicating ideas, initiating systems, managing resources and allocating financial, human, material and informational resources to ensure the fulfillment of the organization's mission, goals and objectives.

QUALIFICATIONS

Education *Bachelor's Degree in Nursing and Master's Degree in a clinical or business related field required*

Experience *A minimum of five years prior Senior Management experience*

Licensure *Current Rhode Island RN licensure*

Knowledge *A thorough understanding of operations, health care delivery systems and contemporary nursing practice*

& Skills *Leadership and motivational skills
Excellent communication and interpersonal skills
Demonstrated skills in planning, organizing and priority setting
Skills in team building and group facilitation
Critical thinking and program development skills*

Qualities *Self-directed and self-motivated
Professional accountability and autonomy
Creativity
Commitment to Patient Focused Care and Professional Development*

The Senior Vice President must meet the performance criteria in each of the following areas: (1) Operations, (2) Resource Management, (3) Professional Development, (4) Strategic Planning/Performance Improvement and (5) Communication/Collaboration, (6) Nursing.

**MEMORIAL HOSPITAL OF RHODE ISLAND
SUPPORT SERVICES DEPARTMENT**

TITLE: VICE PRESIDENT, Property Management, Environmental & Support

REPORTS TO: PRESIDENT

**JOB CODE: XXX
GRADE: Exec Payroll
FLSA: Exempt**

MAJOR RESPONSIBILITIES:

Responsible for the development, maintenance and administrative supervision for the hospital's following services: Plant Services, Laundry, Materials Management, Environmental Services (Housekeeping), Communications, Security and Food and Nutrition. In addition, this position is responsible for the planning, coordination and supervision of all new construction and renovations of facilities, property management, environment of care and other related functions. Under the direction of the President, plans and coordinates the activities of these service departments with Administration, Department Managers, medical Committees and Physicians. Develops, maintains and implements programs to improve and maintain the quality of patient care delivered. Is the designated Safety Officer and is responsible for monitoring safety management activities. Supervises the individual and departmental activities of the departments reporting to this position.

QUALIFICATIONS:

Education: Bachelor's Degree; MBA or equivalent

Experience: Five to Seven years experience in Hospital Management

Knowledge, Skills & Abilities: General working knowledge of health care facilities
General knowledge of various environmental laws and regulations
General knowledge of various laws and regulations regarding property management

Skills: Skilled at staff development and team building
Skills in communication, collaboration and negotiation
Skills in planning, organizing and priority setting
Skills in decision making and problem solving
Skills in motivating and developing group cohesiveness
Skills in coaching, teaching and mentoring staff
Ability to work effectively with peers
Ability to apply logic to the decision making process
Ability to handle multiple situations simultaneously

Qualities: Self-motivated and self-directed
Commitment to continuing education
Professional accountability and autonomy

The Vice President of Environmental & Support Services and Property Management must meet the performance criteria for all areas designated:

3 = exceeds standard and/or meets standard > 98% of the time

2 = meets standard 90 to 97% of the time

1 = needs further development and/or improvement

0 = consistently does not meet standard

S =Column for self-appraisal

**MEMORIAL HOSPITAL OF RHODE ISLAND
HUMAN RESOURCES DEPARTMENT**

TITLE: Vice President, Human Resources

REPORTS TO: Sr. Vice President of Operations

MAJOR RESPONSIBILITIES:

The Vice President for Human Resources is responsible for the overall management of the Human Resources function, including employment, compensation, benefits, records management, labor relations, education, staff competence and interpretive services. The Vice President will ensure compliance with regulatory standards and will evaluate the effectiveness of the human resource processes and systems, which support the operation of the hospital, patient care and staff performance. The Vice President develops a management plan for the department and is responsible for making the decisions necessary to ensure the implementation of the management plan and the support of the delivery of high quality, cost-effective care to the hospital's customer base. Specific components of the Vice President's role include: (1) operation of the Human Resource Department; (2) management of department resources; (3) development of Hospital staff; (4) strategic planning and performance improvement, and (5) communication and collaboration with Hospital departments and employees.

Performs related duties as required.

QUALIFICATIONS:

Education: Master's Degree required

Licensure: PHR (Professional in Human Resources) preferred, ASHHRA (American Society for Healthcare Human Resources Administration) or SHRM (Society of Human Resources Management) membership required

Experience: Seven to ten years of management experience in Human Resources; previous healthcare experience preferred

Knowledge, Skills & Abilities: Extensive knowledge of employment, compensation, benefits, labor and employee relations and other areas of Human Resource Management. A thorough understanding of federal and state laws and regulations governing affirmative action, wages and hours, employment, pensions and benefits and management relations.
Ability to provide an advanced level of support, coaching and guidance to managers and employees who have employee relation issues. Hands on approach to working with line managers.
Ability to manage a multitude of responsibilities and adapt to changing business and customer needs in a fast paced environment.
Demonstrated problem solving and customer service skills. Strong group facilitation, negotiation skills, conflict resolution skills and influence skills. Excellent presentation skills, inclusive of the use of the audiovisual equipment.
Excellent analytical skills.
Proven ability and experience providing *customer focused HR solutions* and services which meet the needs of internal/external customers.
Proven ability to develop and execute HR strategies.

Qualities: Motivation and self-direction
Commitment to continuing education and professional development
Professional accountability and autonomy

Physical Requirements: Lifting up to 10 lbs. and occasionally lifting and/or carrying such articles as files, books, etc. Involves sitting, walking, stooping, standing and reaching.

Criteria for scores:
3 = exceeds standards
2 = meets standards
1 = needs further development and/or improvement
0 = consistently does not meet standard

MEMORIAL HOSPITAL OF RHODE ISLAND
INFORMATION SERVICES DEPARTMENT

TITLE: VICE PRESIDENT INFORMATION SERVICES, CIO JOB CODE: Executive Payroll
GRADE: -
REPORTS TO: CHIEF EXECUTIVE OFFICER / CEO FLSA: Exempt

MAJOR RESPONSIBILITIES:

The CIO is responsible for the direction, evaluation, and management of computer systems throughout the hospital and the Information Services. Directs the delivery of services and contributes to providing positive patient care outcomes, supervising all organizational personnel, ensuring staff competence, and evaluating and/or improving the effectiveness of the processes and systems which support the operation of the hospital, patient care and staff performance, He/She works closely with other Department Managers in designing, evaluating, and implementing systems that support end users in the productive use of computer hardware and software. He/She is knowledgeable in the Information Services hospital contracts (negotiations) with third parties and billing requirements for the third parties.

QUALIFICATIONS:

Education: Bachelors Degree required, Masters preferred

Licensure: None required

Experience: Ten (10) years experience in information technologies (healthcare preferred) with increasing responsibilities for management, and supervising employees and support of information technologies.

Knowledge,

Skills &

Abilities: Knowledgeable in mainframe, desktop, notebook, handheld, and server computers
Knowledgeable (generally) in LAN, WAN, Citrix, and VPN design, implementation, and operations.
Knowledgeable in operating systems such as Windows, Unix, and Linus.
Knowledge of various office productivity software programs such as word processing, databases, spreadsheet programs , and communications software.
Familiarity with various computer peripherals such as printers, monitors, and other equipment

Skilled at staff development and team building
Skilled in communication, collaboration and negotiation
Skills in planning, organizing, and priority setting
Skills in decision making and problem solving
Ability to handle multiple situations simultaneously
Ability to apply logic to the decision making process

Qualities: Motivation and self direction
Professional accountability
Ability to meet deadlines
Commitment to continuing professional education

Physical

Requirements: Lifting up to 10 lbs and occasionally lifting and/or carrying such articles as files, books, etc.
Involves sitting, walking, stooping, and reaching. However, as necessary must be able to meet the physical requirements for staff level positions in the department(s).



MEMORIAL HOSPITAL OF RHODE ISLAND
Senior Leadership Evaluation Tool

TITLE: VICE PRESIDENT FOR PROFESSIONAL PRACTICE

REPORTS TO: SENIOR VICE PRESIDENT FOR CLINICAL OPERATIONS, CNO

MAJOR RESPONSIBILITIES

The Vice President for Professional Practice is responsible for professional practice standards in accordance with regulatory requirements within areas of the hospital. He/she critically evaluates policies, procedures, protocols and care maps, and implements mechanisms to achieve patient outcomes and compliance with established standards. The Vice President is responsible for the clinical components related to research, implementation and evaluation of automated systems. He/She oversees, coordinates, and as appropriate, integrates interdisciplinary programs, monitors performance standards and existing practices, and designs systems to measure and improve organizational performance and staff competency. The Vice President is accountable for ongoing evaluation and improvement of programs and activities related to Continuous Quality and Performance Improvement, Case Management, Coordinated Care, Social Service, Discharge Planning and External Consultation.

This role requires interface with and provides support to multiple Departments, including Administration, Nursing, Allied Health, and the Medical Staff. He/she serves as a leader on Hospital and Medical Staff committees and represents MHRI as a speaker, consultant, and active participant in professional organizations.

QUALIFICATIONS:

- Education** Graduate of NLN accredited School of Nursing; MS in Nursing required
- Experience** Demonstrated clinical competence with a minimum of 3 years acute care clinical experience in nursing
Educational experience within a hospital setting as educator or manager of professional development
Public speaking experience
Management experience with a minimum of one year at director level or two years in department level
Experience in quality measurement, research, or statistical analysis with NAQH certification preferred
- Licensure** Current Rhode Island RN licensure
- Knowledge** Thorough understanding of contemporary nursing practice and health care delivery systems
- Skills & Abilities** Knowledge of Care Map systems and Case Management concepts
Skills in group facilitation and/or team building
Demonstrated skills in planning, organizing, and priority setting
Critical Thinking, Program Development and Project Management skills
Ability to manage support staff and departmental budget
Excellent communication and interpersonal skills
Leadership and motivational skills
- Qualities** Self-directed and self-motivated
Commitment to continuing education and professional development
Professional accountability and autonomy
Creativity

The Vice President must meet the performance criteria in each of the following areas: (1) Operations, (2) Resource Management, (3) Professional Development, (4) Strategic Planning/Performance Improvement and (5) Communication/Collaboration

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

THE MEMORIAL HOSPITAL

BYLAWS

ARTICLE I

BYLAWS AND PURPOSE OF THE HOSPITAL

Section 1.01. Incorporation. The name of the corporation shall be The Memorial Hospital with its main facilities located in the City of Pawtucket, County of Providence and State of Rhode Island (the "Hospital"). Pursuant to the provisions of its legislative charter and these Bylaws, and subject to the powers of the Member set forth in Article II, Section 2.02, all authority and governing force of the Hospital is vested in the Board of Trustees (the "Board") who in turn are appointed by the sole member of the Hospital (hereinafter referred to as the "Member").

Section 1.02. Purpose. The overall purpose of the Hospital is to be a university medical school affiliated institution and to serve as the community health center for the Blackstone Valley community and other communities. The Hospital shall have programs of community outreach and shall develop training programs with primary care as its focal point. In addition, the Hospital shall continue to provide the highest quality care in its traditional in-patient activities and develop tertiary care capabilities in various areas of medical and surgical specialties. The Hospital shall in all respects undertake management decisions and activities regardless of race, color, gender, creed, age, national origin, or availability of insurance.

ARTICLE II

MEMBERSHIP OF THE HOSPITAL

Section 2.01. Member. The Member of the Hospital shall be Southeastern Healthcare System, Inc., a non-profit corporation organized and existing under the laws of the State of Rhode Island.

Section 2.02. Powers. The Member shall exercise all of the rights and powers conferred upon the member of a non-profit corporation under the laws of the State of Rhode Island. The Member shall have such other powers as are specified in its charter and in these Bylaws. Without limitation as to the foregoing, the Member shall have the following powers: (1) The sole power to amend these Bylaws; (2) The sole power to elect Trustees; (3) The sole power to elect officers of the Hospital; (4) The sole power to approve the Hospital's budget and any non-budgeted, material expenditures; (5) The sole power to approve the investments by the Hospital in any subsidiary or affiliate of the Hospital; (6) The sole power to vote the capital stock in any subsidiary or affiliate of the Hospital; and (7) The sole power to authorize the incurrence of indebtedness or guarantee indebtedness and any mortgage, pledge or grant of

security interest, provided however that the Member may delegate its authority to the Board of the Hospital.

ARTICLE III

MEETINGS OF THE HOSPITAL

Section 3.01. The Annual Meeting of the Hospital. The annual meeting of the Hospital (“the Annual Meeting of the Hospital”) shall be held within the State of Rhode Island at a place determined by the Member, on the last Wednesday in the month of November for the purpose of electing Trustees for a term commencing at the close of business of the meeting and for the transaction of such other business as may come before the meeting without notice other than by this Section 3.01. The Member may provide by resolution the time and place for the holding of additional regular meetings without notice other than such resolution.

Section 3.02. Special Meetings. Special meetings of the Hospital may be called at any time by the Chairman, President, any three (3) or more Trustees or the Member. The call of a special meeting shall state the time and place of the meeting and the specific business to be considered at said meeting. No other business may be transacted other than that specified in the call of the meeting.

Section 3.03. Notice of Special Meetings. Notice of any special meeting of the Hospital shall be given at least three (3) days prior thereto by written notice delivered personally or mailed to the Member and each Officer and Trustee at their business addresses (or, if no business address, then at their residences) or by facsimile. If mailed, such notice shall be deemed delivered when deposited in the United States mail, so addressed, with postage prepaid thereon. If notice is given personally or by facsimile, notice shall be deemed delivered when received.

Section 3.04. Action Without a Meeting. Any action that may be taken by the Member at a special meeting of the Hospital may be taken without a meeting if a consent or consents in writing, setting forth the action so to be taken, shall be signed before or after such action by the Member. Such written consent or consents shall be filed with the minutes of the proceedings of the Member.

ARTICLE IV

CORPORATORS

Section 4.01. Composition. The Corporators shall be a diverse group of individuals who have evidenced their interest in the purposes and programs of the Hospital and the communities served by the Hospital. The number of Corporators shall be established and may be changed from time to time by resolution of the Member. At the 2003 Annual Meeting of the Hospital, the Corporators were divided into two (2) classes of approximately equal size. The term of office of the Corporators in the first class shall expire at the 2004 Annual Meeting of the Corporators, and the term of office of the second class of Corporators shall expire at the 2005 Annual Meeting of the Corporators. The Member may elect a Corporator at any time. Each Corporator elected shall serve until the expiration of such Corporator’s term or until his or her successor shall have been duly elected and qualified or until such Corporator’s death or

resignation or removal in the manner provided herein. A Corporator elected during the Annual Meeting of the Hospital shall serve for a term of two (2) years commencing at the next Annual Meeting of the Corporators. A Corporator elected at any other time shall serve for a term ending at the second Annual Meeting of the Corporators occurring after that Corporator's election. All members of the Board shall be Corporators. The Member shall have the authority to remove any Corporator with or without cause. In the event of the death, resignation or removal of a Corporator during the Corporator's term, the Member may fill the vacancy for the duration of the unexpired term. Any Corporator (i) attaining age seventy-two (72) as of December 2, 2003, or after the Annual Meeting of the Corporators of any year or (ii) whose principal residence has changed from the service area of the Hospital and who, in either case, no longer desires to serve as an active Corporator shall, upon the designation of the Member, be eligible to be elected as a Corporator Emeritus following expiration of such Corporator's term of office. A Corporator Emeritus shall be a person who served as a Corporator in good standing and, in the sole discretion of the Member, is worthy of being appointed a Corporator Emeritus. A Corporator Emeritus shall have all of the rights and privileges of a Corporator.

Section 4.02. Purpose, Powers and Authority. The Corporators shall receive reports from the officers and committees of the Hospital, shall be asked to provide advice and counsel to the Hospital on matters of importance to the Hospital, and shall be eligible to serve the Hospital in various capacities. Notwithstanding the foregoing, the Corporators shall not have any vote on any matter.

Section 4.03. Meetings of the Corporators. The annual meeting of the Corporators ("the Annual Meeting of the Corporators") shall be held within the State of Rhode Island at a place determined by the Member, on the first Tuesday in the month of December in each year. In addition, there may be such other meetings of the Corporators as may be called by the Chairman, for the purpose of receiving the reports of the Chairman, President, Treasurer, the President of the Medical Staff, the President of the Auxiliary, and the President of the Nurses' Alumni Organization, and to receive such other committee reports and transact such other business as is appropriate. The Chairman of the Board of Directors of the Member shall chair such meetings.

Section 4.04. Notice of Meetings of Corporators. Notice of the Annual Meeting of the Corporators or other meeting of the Corporators shall be given by the Secretary by publication thereof at least three (3) times in a newspaper of general circulation in the city of Pawtucket or by written notice to each Corporator and Corporator Emeritus.

ARTICLE V

BOARD OF TRUSTEES

Section 5.01. Selection. Any person who has demonstrated or is apt to demonstrate an interest in the Hospital and the fulfillment of its role as a hospital seeking to deliver the best medical treatment possible and is otherwise interested in the purpose of the Hospital is eligible for election as a Trustee. The Trustees shall be elected by the Member at the Annual Meeting of the Hospital. Additional or replacement Trustees may be elected by the Member at any time.

Section 5.02. Powers. Subject to the powers of the Member set forth in Article II, Section 2.02, the Board shall have the control and management of the affairs, property, and interests of the Hospital and may exercise all powers of the Hospital. The Chairman of the Board of the Member (the "Chairman") and the President of the Member shall be the Chairman and the President of the Hospital, respectively.

Section 5.03. Membership. The Board shall consist of not less than ten (10) nor more than forty (40) Trustees. The Chairman of the Member and the President of the Member shall be members of the Board.

Section 5.04. Term of Office and Vacancy. The Trustees shall serve a term of one (1) year, and until a successor shall have been duly elected and qualified, or until the death, resignation or removal of such Trustee. In the event of the death, resignation or removal of any Trustee during the Trustee's term in office, the vacancy may be filled by the Member.

Section 5.05. Removal. The Member shall have the authority to remove any Trustee with or without cause.

Section 5.06. Regular Meetings. The Board shall meet not less than once per calendar quarter and as the Board may otherwise prescribe by resolution. The time and place for the holding of additional regular meetings may be provided by resolution without notice other than such resolution. A majority of the Board shall constitute a quorum for the transaction of business. The Board shall invite two (2) physicians from the Executive Committee of the Medical Staff to attend the regular meetings of the Executive Committee of the Board and the regular meetings of the Board.

Section 5.07. Special Meetings. Special meetings of the Board shall be called by the Secretary at the request of the Chairman, President, any three (3) Trustees, or the Member.

Section 5.08. Notice of Special Meetings. Notice of each special meeting specifying its purpose shall be given by the Secretary at least three (3) days prior thereto by written notice delivered personally or mailed to the Trustees at their business addresses (or, if no business address, then at their residences) or by facsimile or electronic transmission. If mailed, such notice shall be deemed delivered when deposited in the United States mail, so addressed, with postage prepaid thereon. If notice is given personally, by facsimile or by electronic transmission, notice shall be deemed delivered when received by the Trustee.

Section 5.09. Joint Meetings. Any meeting of the Board or any committee thereof shall be deemed to be a joint meeting of the Board or such committee and the Board of the Member or its comparable committee, unless otherwise specified in the notice.

Section 5.10. Presence Through Communications Equipment. Unless otherwise provided by law, Trustees may participate in a meeting of the Board by means of a conference telephone or similar communications equipment, including video conferencing, by means of which all persons participating in the meeting can communicate with each other at the same time and participation by such means shall constitute presence in person at the meeting.

Section 5.11. Action Without a Meeting. Any action that may be taken by the Board at a meeting may be taken without a meeting if a consent or consents in writing, setting forth the action so to be taken, shall be signed before or after such action by all of the Trustees. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

Section 5.12. Quorum. A majority of the number of Trustees of the Hospital from time to time shall constitute a quorum for the transaction of business at any meeting of the Board, but if less than such a majority is present at a meeting, a majority of the Trustees then present may adjourn the meeting from time to time without further notice. A majority of the members of any committee from time to time shall constitute a quorum for the transaction of business at any meeting of such committee, but if less than such a majority is present at a meeting, a majority of the members then present may adjourn the meeting from time to time without further notice.

Section 5.13. Manner of Acting. The act or decision done or made by a majority of the Trustees present at a meeting duly held at which a quorum is present shall be the act of the Board, unless a greater number is required by the Rhode Island Non-Profit Corporation Act, as amended (the "Act") or by the articles of incorporation.

Section 5.14. Presumption of Assent. A Trustee who is present at a meeting of the Board at which action on any corporate matter is taken shall be deemed to have assented to such action unless his or her dissent shall be entered in the minutes of the meeting or unless the Trustee shall file a written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Hospital immediately after adjournment of the meeting. Such right to dissent shall not apply to a Trustee who voted in favor of such action.

Section 5.15. Specific Duties and Responsibilities of the Board. In addition to the foregoing, the Board shall have the following duties and responsibilities:

(1) Orientation – All new members of the Board will attend an orientation session within the first two months of appointment.

(2) The Board, through reports from the Administration and the Medical Staff, shall endorse the Plan for Patient Care, and ensure that assessment and improvement mechanisms are in place to review and appraise the quality of care and patient safety rendered at the Hospital. The Board in conjunction with the Member shall establish policy, review and approve the organizational structure, strategic planning strategy, annual operating budget and capital budget for the Hospital and the program planning activities of the Hospital, enforce the mission, vision and goals of the institution, and promote financial stability. The Board will receive and review reports to ensure corporate compliance and Health Insurance Portability and Accountability Act of 1996 ("HIPAA") regulations are maintained.

(3) All designated employees of the Hospital shall be regularly reviewed regarding performance in their positions according to their job description. A detailed report from the Vice President of Human Resources shall be compiled in order to ensure competence of employees who are performing patient care services. The Board shall promote performance

improvement by encouraging continuing education for employees and promote resolution of conflicts among hospital employees. The President of the Hospital shall provide the Board with a summary of such report for annual review.

(4) The Board will promote education for its members – administration, financial and clinical through numerous means including Board retreats.

(5) The Board shall evaluate the performance of its functions on an annual basis.

Section 5.16. Attendance. In order to effectively discharge their responsibilities as Trustees, each Trustee is required to attend at least fifty percent (50%) of all regular Board meetings within a twelve month period, unless a Trustee requests in writing that his or her absences be excused by the Chairman. The Chairman shall have discretion to excuse such absences, regardless of whether the request is made prior to or after the absences. Failure to attend the requisite number of meetings without being excused by the Chairman shall, at the discretion of the Chairman, result in removal from the Board.

Section 5.17. Honorary Trustees. Any member of the Board attaining age seventy-two (72) after the Annual Meeting of the Hospital shall be ineligible for a re-election as a Trustee but shall be eligible to be elected as an Honorary Trustee. An Honorary Trustee shall be a person, who served as a Trustee in good standing and who regardless of age, in the opinion of the Member worthy of being appointed an Honorary Trustee. Honorary Trustees are not obligated to meet the attendance requirements of the Board and are ineligible to vote.

Section 5.18. Executive Committee of the Board. The Executive Committee of the Board shall be composed of the Chairman, the Vice Chairman, the President, the Treasurer, the Secretary and not less than five (5) other Trustees, which Trustees shall be appointed by the Chairman with approval of the Board. Such Trustees shall serve until the next Annual Meeting or at the pleasure of the Board. The Executive Committee of the Board shall exercise all the powers and authority of the Board when the Board is not meeting. A quorum for the meetings of the Executive Committee of the Board shall be at least five (5) members of the committee.

Section 5.19. Other Committees of the Board and the Hospital. The standing committees of the Board and the Hospital are the committees specified in Article VII of these Bylaws. In addition to the standing committees specified in Article VII hereof, the Board shall have the power to create, from time to time, other standing committees with such powers and responsibilities as the Board shall deem necessary and advisable. The Chairman, with the approval of the Board, shall also have the power, from time to time, to create special committees whose members may include individuals who are not Trustees. All committees, whether standing committees or special committees, shall be subject at all times to the supervision and control of the Board. All committees, whether standing committees or special committees, shall report at periodic intervals to the Board and in addition, to the Executive Committee of the Board upon request.

Section 5.20. Appointments. The Board shall make all appointments and reappointments to any category of membership on the Medical Staff on the recommendation of the Executive Committee of the Board and the Executive Committee of the Medical Staff. All

appointments shall be initially for a provisional period of one (1) year and thereafter reappointments shall be conferred as specified in the Bylaws Governing the Medical Staff as the same may be amended from time to time. The procedures for processing and evaluating Medical Staff applications and all clinical privileges shall be developed by the Executive Committee of the Medical Staff in accordance with the Bylaws Governing the Medical Staff as the same may be amended from time to time. All members of the Medical Staff shall be required to maintain and carry professional liability insurance as shall be determined by the Board from time to time.

Section 5.21. Contracts. The Board may authorize any officer or officers, or any agent or agents, to enter into contracts and agreements in the name of and on behalf of the Hospital, and such authority may be general or confined to specific instances.

Section 5.22. Checks, Drafts or Other Similar Orders. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Hospital, shall be signed by such officer or officers, or such agent or agents, of the Hospital and in such manner as shall from time to time be determined by resolution of the Board.

Section 5.23. Deposits. All funds of the Hospital not otherwise employed shall be deposited from time to time to the credit of the Hospital in such banks, trust companies or other depositories or financial institutions as the Board may select.

ARTICLE VI

OFFICERS OF THE HOSPITAL

Section 6.01. The Officers. The officers of the Hospital (the "Officers") shall be the Chairman, not less than one (1) Vice-Chairman, the President, the Treasurer, the Assistant Treasurer, the Secretary, the Assistant Secretaries and such other Officers as may be deemed desirable by the Board. The officers designated herein shall be elected annually by the Board at its annual meeting upon nomination from the Member. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as is practicable. Each officer shall hold office until his or her successor shall have been duly elected and shall have qualified or until such officer's death, resignation or removal in the manner hereinafter provided.

Section 6.02. Chairman. The Chairman, who shall be the Chairman of the Board of the Member, shall preside at all meetings of the Hospital, the Board, and of the Executive Committee of the Board. The Chairman shall appoint the chair and members of all committees and submit appointments to the Board for approval, unless otherwise specified by these Bylaws. The Chairman shall be a member ex officio of all committees. In the absence of the President or in the event of the President's death, inability or refusal to act, the Chairman shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President.

Section 6.03. Vice Chairman. In the absence of the Chairman, the Vice-Chairman shall have the powers and duties of the Chairman and such other powers and duties as the Board may prescribe from time to time.

Section 6.04. President. The President, who shall be the President of the Member, shall be the principal executive officer of the Hospital and, subject to the direction and under the supervision of the Board, shall have general charge of the business, affairs and property of the Hospital, and control over its officers, agents and employees. The President shall execute, on behalf of the Hospital, any deeds, mortgages, bonds, contracts or other instruments which the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws to some other officer or agent of the Hospital, or shall be required by law to be otherwise signed or executed. The President shall do and perform all duties incident to the office of President and such other duties as may be assigned to the President by these Bylaws or by the Board. The President shall execute written consents of the Hospital in lieu of taking actions required or desirable at annual, regular or special meetings of such subsidiary entities as the President may deem necessary or desirable, subject to the direction of the Board. The President's performance shall be evaluated by the Executive Committee, which shall report to the Board annually. The President shall direct an in-department orientation for the Trustees as to the goals and objectives of the Hospital and the role of the Trustees in the development of such goals and objectives.

Section 6.05. Treasurer. The Treasurer shall perform such duties as may be from time to time assigned to the Treasurer by the Chairman or the Board. The Treasurer shall serve ex officio on the Finance Committee and shall undertake such other duties as from time to time may be assigned to the Treasurer by the President or by the Board. If required by the Board, the Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Trustees shall determine.

Section 6.06. Assistant Treasurer. The Assistant Treasurer shall assume all the duties of the Treasurer whenever the latter is not readily available. The Assistant Treasurer shall, if required by the Board, give bond for the faithful performance of the Assistant Treasurer's duties.

Section 6.07. Secretary. The Secretary shall: (a) keep the minutes of the proceedings of the Board in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the Hospital and see that the seal of the Hospital is affixed to all documents the execution of which on behalf of the Hospital under its seal is duly authorized; and (d) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the President or by the Board.

Section 6.08. Assistant Secretaries. In the event of the absence or disability of the Secretary, the Assistant Secretaries, in order of seniority, shall have the powers and duties of the Secretary and such other powers and duties as the Board may prescribe from time to time.

Section 6.09. Removal. The Member shall have the authority to remove any officer, with or without cause. Nothing herein, however, shall affect or interfere with any existing contractual rights of an officer who is a full-time or part-time employee of the Hospital.

Section 6.10. Resignations. Any officer or agent may resign at any time by giving written notice to the Board of Directors or to the President or Secretary. The resignation shall take effect at the time specified in the notice and, unless otherwise specified in such notice, the acceptance of the resignation shall not be necessary to make it effective.

Section 6.11. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled in the manner prescribed in these Bylaws for election or appointment to such office.

ARTICLE VII

STANDING COMMITTEES

Section 7.01. Standing Committees. The Joint Conference Committee, Finance Committee, Corporate Governance Committee, Community Relations & Fund Development Committee, Departmental Visiting Committee, and Audit Committee shall be the standing committees of the Board. Where indicated, individuals who are not Trustees may serve on such committees.

Section 7.02. Joint Conference Committee. The Joint Conference Committee shall serve as the communication liaison between the Medical Staff, Administration and the Board. It shall consider matters relating to medical care generally, including medical programs, education and staff, quality assurance assessment and development, patient care audit reports and evaluation and staff reports, and it shall make periodic recommendations thereon to the Board. The Joint Conference Committee shall recommend to the Board all required action designed to ensure that the Hospital is in compliance with the Standards of the Joint Commission on Accreditation of Healthcare Organizations and other accrediting agencies. Members of the Joint Conference Committee shall be comprised of the Executive Committee of the Board and the Executive Committee of the Medical Staff, and Senior Vice President Operations/Chief of Nursing. The Joint Conference Committee shall meet regularly each calendar quarter and at such other times as may be necessary or desirable.

Section 7.03. Finance Committee. The Finance Committee shall be charged with the supervision of the investments of the endowment funds of the Hospital, subject, however, to the authority of the Board and the Member. The Finance Committee shall have the power to authorize the purchase or sale of particular securities; invest and reinvest Hospital funds; contract with independent investment advisors, investment counsel or managers, or trust companies or other professionals to act; and authorize the payment of compensation for investment management services. The Finance Committee shall also have the power to deposit the securities and other investments of the Hospital with such financial institution or brokerage as it may select and to execute with the depositories such contracts respecting the terms of the deposits and the duties of the depository as it may deem proper. The Finance Committee shall keep records of all its proceedings and it shall present its report to the next meeting of the Board for approval. The Finance Committee shall meet monthly and consist of at least five (5) Trustees, including the Treasurer ex officio and the President ex officio. The Finance Committee shall be a joint committee of the Hospital and the Member. A majority in number of the members of the Finance Committee shall constitute a quorum.

Section 7.04. Corporate Governance Committee. The Corporate Governance Committee shall develop, recommend and annually review corporate governance guidelines of the Hospital and oversee corporate governance matters, shall coordinate an annual review of the Board's performance in corporate governance, supervise adherence to the Hospital's conflict of interest policy, and review from time to time the Bylaws of the Hospital, conflict of interest questionnaires and policies, requests for waivers of such policies, and review the effectiveness of the Hospital's conflict of interest policy. The Corporate Governance Committee shall be a joint committee of the Hospital and the Member.

Section 7.05. Community Relations & Fund Development Committee. The Community Relations & Fund Development Committee shall keep the community informed of the aims, activities, and needs of the Hospital through the promotion of ethical publicity and proper interpretation of the objectives and performance of the Hospital, and shall meet when needed. The Community Relations & Fund Development Committee shall endeavor to increase the income of the Hospital by way of gifts, legacies and other similar donations, either for the general or for the specific purposes of the Hospital. The President or the President's delegate shall serve on the Committee. The Community Relations & Fund Development Committee shall be charged with the duty of recommending for nomination new Corporators to the Member. The Committee shall be a joint committee of the Hospital and the Member.

Section 7.06. Departmental Visiting Committee. The Departmental Visiting Committee is a committee of the whole Board which shall have the duty of visiting specific departments of the Hospital from time to time in groups of two (2) or more Trustees as designated by the Chairman. The Departmental Visiting Committee shall ascertain the effectiveness, efficiency, and patient safety of such departments and shall report its findings to the Board.

Section 7.07. Audit Committee. The Audit Committee shall be charged with the duty of recommending the appointment of independent auditors of the Hospital, of reviewing the scope and cost for the annual audit, of reviewing the result of such audit, and of monitoring the response of management to such audit and the implementation of internal audit procedures. The members of the Audit Committee must meet any educational and professional requirements established by the Board as prerequisites for membership on the Audit Committee. The Audit Committee shall be a joint committee of the Hospital and the Member.

ARTICLE VIII

THE MEDICAL STAFF

Section 8.01. Organization. For the purpose of these Bylaws, the designation "Medical Staff" shall mean the organization of physicians, dentists, and podiatrists who are or may be privileged to attend patients in the Hospital. The members of the Medical Staff shall adopt bylaws and rules and regulations, from time to time, for the conduct of its affairs, but such bylaws, rules and regulations shall not become effective until first approved by the Board after due notice of proposed action thereon, at a meeting of the Board.

Section 8.02. Responsibilities. The Medical Staff shall be responsible for, among other things, establishing policies, subject to Board approval and consistent with its bylaws and rules and regulations, as well as the Bylaws of the Hospital and applicable law, relating to: (a) participation in the Hospital's quality review and utilization management program, which includes assessing, maintaining, and improving the quality and efficiency of medical care; evaluating practitioner and institutional performance; monitoring critical patient care practices; evaluating practitioner's credentials for appointments and reappointments to the Medical Staff; delineating clinical privileges; and promoting appropriate use of medical and health care resources; (b) recommendation of appointments and reappointments to the Medical Staff; (c) development and monitoring of medical education and training programs; (d) development and maintenance of bylaws and related manuals and policies; (e) participation in the Hospital's long range planning activities; and (f) the exercise of all required responsibilities in a timely and proper manner.

The Medical Staff shall also evaluate the professional competence of the Medical Staff. Notwithstanding the foregoing, the Trustees shall have ultimate authority as to staff appointments, reappointments, assignment and curtailment of privileges which authority shall be exercised in accordance with the Bylaws Governing the Medical Staff, as the same may be amended from time to time in conformity herewith. The Medical Staff shall establish a system of controls that is designed to ensure the achievement and maintenance of high standards of professional ethical practices. The Medical Staff shall have the responsibility of reporting to the Board, through the Joint Conference Committee, as to its evaluation of the achievement and maintenance of such standards.

ARTICLE IX

THE AUXILIARY

Section 9.01. There shall be an Auxiliary which shall adopt bylaws from time to time for the conduct of its own affairs. These bylaws shall not become effective until first approved by the Board after due notice of proposed action thereon, at a meeting of the Board at which a quorum is present.

ARTICLE X

CONFLICT OF INTEREST

Section 10.01. Statement of General Policy on Conflict of Interest. No transaction involving remuneration or benefit to a Trustee or officer, or to an organization in which such Trustee or officer has a material financial interest or of which the Trustee or officer is a member, officer, director, general partner, principal or controlling stockholder, shall be entered into by the Hospital without (a) full disclosure to the Board or the Member by the interested Trustee or officer of the material facts of the transaction and the Trustee or officer's interest or relationship; (b) the authorization, approval or ratification of the affirmative vote of a majority of disinterested Trustees or the Member; and (c) a determination by the Board or the Member that the transaction is fair to the Hospital at the time it is authorized, approved or ratified. No Trustee so involved may vote on such authorization, approval or ratification by the Board or the Member.

Section 10.02. Adoption of Policy. The Board shall, from time to time, adopt a policy for the Trustees or officers and such other personnel as they shall deem appropriate, providing for the periodic disclosure to the Hospital of any and all interests which may give rise to a possible conflict of interest, either pecuniary or otherwise.

ARTICLE XI

INDEMNIFICATION

Section 11.01. Each person who was, is, or is threatened to be made a named defendant or respondent in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is, or was, a Trustee or an officer of the Hospital, or who, while a Trustee or an officer of the Hospital, is or was serving at the request of the Hospital as a Trustee, officer, employee or agent of another foreign or domestic corporation, joint venture, trust, other enterprise or employee benefit plan, shall be indemnified against judgments, penalties, fines, settlements and reasonable expenses (including attorneys' fees) actually incurred by such person in connection with any such action, suit or proceeding to the full extent permitted under the Act. The indemnification provided by this Article XI shall not be deemed exclusive of any other rights to which those persons seeking indemnification may be entitled under any bylaw, agreement, or otherwise, and shall continue as to any person who has ceased to be a Trustee or an officer and shall inure to the benefit of the heirs, executors and administrators of such person. The Hospital may purchase and maintain insurance on behalf of any person who is or was a Trustee, officer, employee or agent of the Hospital, or who, while a Trustee, officer, employee or agent of the Hospital, is or was serving at the request of the Hospital as a Trustee, officer, partner, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust, other enterprise or employee benefit plan, against any liability asserted against such person and incurred by such person in any such capacity or arising out of such person's status as such, whether or not the Hospital would have the power or obligation to indemnify such person against such liability under the provisions of this Article XI or under the Act.

ARTICLE XII

GENERAL PROVISIONS

Section 12.01. Fiscal Year. The fiscal year of the Hospital shall begin on October 1 of each year and end on September 30 of the succeeding year.

Section 12.02. Registered Office and Registered Agent. The registered office of the Hospital shall be located within the State of Rhode Island and need not be identical with the principal office of the Hospital. The registered agent and registered office may be changed from time to time by the Board in accordance with the provisions of the Act.

Section 12.03. Waiver of Notice. Whenever any notice is required to be given to any person under the provisions of these Bylaws or under the provisions of the articles of incorporation or under the provisions of the Act, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. The attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when a person attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in any written waiver of notice of such meeting.

ARTICLE XIII

AMENDMENTS

Section 13.01. These Bylaws may be amended from time to time by vote of the Member. Notice of any amendment proposed by the Board shall be given to the Member in such form as the Board shall deem appropriate.

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EXHIBIT 7 Table of Contents

As set forth below, Exhibit 7 contains the following documents: (1) CNE’s Severance Policy; (2) a copy of CNE’s 457(b) Plan; (3) a copy of CNE’s Pension Account – Summary Plan Description; and (4) a copy of CNE’s 403(b) Match and Savings Plan.

<u>Tab</u>	<u>Description</u>	<u>Bates Number</u>
7-A	CNE Severance Policy	RIAG0171
7-B	CNE 457(b) Plan	RIAG0174
7-C	CNE Pension Account Summary Plan Description	RIAG0200
7-D	CNE 403(b) Match and Savings Plan	RIAG0220

CARE NEW ENGLAND

Butler Hospital · Kent Hospital · Women & Infants Hospital · VNA of CNE

Subject: Severance Policy -	Prepared by: Marilyn Walsh Sr. Vice President, Human Resources	Effective Date: 5/23/2012	Policy Number: 3005
Page: 1 of 3	Approved by: Dennis D. Keefe, President	Replaces: 1/1/2007	Replaces: 3005

Purpose: Care New England ("CNE") recognizes the need to assist employees who lose their jobs because of changing staffing needs and to assist them in their transition from employment with CNE. With that in mind, under normal circumstances and when economic conditionals permit, this policy should guide severance.

Scope: This policy applies to all benefit status employees (20 hours and above) not covered by collective bargaining agreements or other contracts, directly employed by the Care New England Health System and who receive a Form W-2 under the name of CNE.

Policy: It is the policy of CNE to provide salary, welfare benefits, outplacement assistance and employee assistance program support ("EAP") to employees who are separated from employment because of the following reasons listed below and are otherwise eligible for severance benefits. These benefits will be based on (1) the employee's job classification with CNE and (2) their years of employment.

Qualifying Reasons for Separation of Employment:

- (1) Their employment is terminated because their position is eliminated or
- (2) Their employment is terminated in conjunction with an acquisition, merger, reorganization or discontinuance of a service line, department or unit.

Eligibility: Employees who (1) lose their jobs for a qualifying reason; and (2) are not offered comparable employment by any CNE partner or successor organization before their termination date at the same base salary or higher; and (3) who execute a general release of liability, are eligible for the severance program under this policy. Employees who are offered comparable positions by any CNE partner or successor organization will not be eligible to receive severance benefits under this policy.

Below is a listing by job title of the benefits available to the eligible employees:

	Executives (VP and SVP and COO)	AVP and Directors	Supervisors and Managers	Non-management, Nonunion Employees
Health, Dental and EAP	COBRA and EAP paid for the period of time that severance is paid.	COBRA and EAP paid for the period of time that severance is paid.	COBRA and EAP paid for the period of time that severance is paid.	COBRA and EAP paid for the period of time that severance is paid.
Severance Pay	52 weeks min. + 2 weeks for each completed year of service in excess of 6 years up to a maximum of 68 weeks.	24 weeks min. + 2 weeks for each completed year of service in excess of 6 years up to a maximum of 36 weeks.	8 weeks min. + 1 week for each completed year of service in excess of 6 years up to a maximum of 18 weeks	4 weeks min. + 1 week for each completed year of service in excess of 4 years up to a maximum of 10 weeks
Outplacement	9 months	6 months	3 month	Group seminar

All accrued paid leave time will be paid out at the time of separation in accordance with the Paid Time Off policy.

Administration: COBRA continuation provided in the schedule is for individual or family, medical and/or dental, whichever the employee is enrolled in at the time of termination of employment by CNE. Individuals covered under this policy will be required to continue to pay the same portion of the premium for health and dental coverage as they did while employed by CNE. COBRA continuation coverage may be available beyond the period indicated on the schedule at the individual's own expense in accordance with State and Federal regulations and CNE policy.

Severance pay will be paid in accordance with CNE's normal payroll practices during the relevant severance period, reduced by applicable taxes and the individual's share of COBRA premiums. If the individual is rehired by CNE or its successor prior to the expiration of their severance period, their severance pay and benefits will cease and they will be paid a regular salary and receive normal employee benefits according to their employment status. However, should the individual accept employment with an employer other than those listed above during the severance period, his/her remaining severance pay will be paid out in a lump sum (minus applicable taxes) and his/her paid COBRA benefits will cease once he/she becomes benefit eligible with his/her employer. Individuals receiving severance benefits under this Policy agree that they have a duty to inform CNE's Vice President of Human Resources upon the acceptance of employment with another employer.

Plan Administrator: Vice President of Human Resources is the plan administrator. It is the Vice President's responsibility to communicate and implement this policy for affected employees, and respond to issues and concerns.

NOTE: THIS POLICY ONLY PROVIDES GUIDANCE TO MANAGERS AND SUPERVISORS AND MAY NOT BE RELIED ON BY EMPLOYEES AS ESTABLISHING ANY PARTICULAR TERMS AND CONDITIONS OF EMPLOYMENT. THIS POLICY IS NOT INTENDED AS AND DOES NOT CREATE, EITHER EXPRESSLY OR BY IMPLICATION AN EMPLOYMENT AGREEMENT OR MODIFY THE EMPLOYMENT AT-WILL STATUS OF ANY EMPLOYEE OF CNE. THIS POLICY IS SUBJECT TO CHANGE OR ELIMINATION AT ANY TIME FOR ANY REASON WITHOUT NOTICE AT THE DISCRETION OF CNE.

7-B

**CARE NEW ENGLAND HEALTH SYSTEM
457(b) PLAN**

Table of Contents

ARTICLE ONE--DEFINITIONS

- 1.1 Account
- 1.2 Administrator
- 1.3 Beneficiary
- 1.4 Code
- 1.5 Compensation
- 1.6 Effective Date
- 1.7 Employee
- 1.8 Employer
- 1.9 Normal Retirement Date
- 1.10 Participant
- 1.11 Plan
- 1.12 Plan Year
- 1.13 Trust
- 1.14 Trust Fund
- 1.15 Valuation Date

ARTICLE TWO--PLAN PARTICIPATION

- 2.1 Participation
- 2.2 Termination of Participation

ARTICLE THREE--ELECTIVE DEFERRALS, CONTRIBUTIONS, AND TRANSFERS FROM OTHER CODE SECTION 457 PLANS

- 3.1 Elective Deferrals
- 3.2 Employer Contributions
- 3.3 Transfers of Funds from Other Code Section 457 Plans
- 3.4 Timing of Contributions

ARTICLE FOUR--ACCOUNTING RULES

- 4.1 Investment of Accounts and Accounting Rules

ARTICLE FIVE--VESTING, RETIREMENT AND DISABILITY BENEFITS

- 5.1 Vesting
- 5.2 Normal Retirement
- 5.3 Permanent and Total Disability

ARTICLE SIX--MANNER AND TIME OF DISTRIBUTING BENEFITS

- 6.1 Manner of Payment
- 6.2 Time of Commencement of Benefit Payments
- 6.3 Furnishing Information
- 6.4 Minimum Distribution Rules for Installment Payments
- 6.5 Death Benefit
- 6.6 Designation of Beneficiary
- 6.7 Time and Mode of Distributing Death Benefits

ARTICLE SEVEN--ADMINISTRATION OF THE PLAN

- 7.1 Plan Administration
- 7.2 Claims Procedure
- 7.3 Trust Agreement and Designation of Trustee

ARTICLE EIGHT--LIMITATION ON ELECTIVE DEFERRALS AND EMPLOYER CONTRIBUTIONS

- 8.1 Limitation on Elective Deferrals and Employer Contributions
- 8.2 Catch-Up Limitation
- 8.3 Adjustment for Exceeding Limitation

ARTICLE NINE--AMENDMENT AND TERMINATION

- 9.1 Amendment
- 9.2 Termination of the Plan

ARTICLE TEN--UNFORESEEABLE EMERGENCIES

10.1 Unforeseeable Emergencies

ARTICLE ELEVEN -- MISCELLANEOUS PROVISIONS

- 11.1 Benefits Unfunded
- 11.2 ERISA Compliance
- 11.3 Plan Does Not Affect Employment
- 11.4 Successor to the Employer
- 11.5 Benefits not Assignable
- 11.6 Source of Payments
- 11.7 Distribution to Legally Incapacitated Person
- 11.8 Construction
- 11.9 Governing Documents
- 11.10 Governing Law
- 11.11 Headings
- 11.12 Counterparts

SIGNATURE PAGE

CARE NEW ENGLAND HEALTH SYSTEM 457(b) PLAN

WHEREAS, Care New England Health System, Butler Hospital, Kent County Memorial Hospital, Women & Infants Hospital of Rhode Island and Kent County Visiting Nurse Association (hereinafter collectively referred to as the "Employer") wish to adopt an unfunded, eligible deferred compensation plan pursuant to Section 457(b) of the Internal Revenue Code of 1986, as amended, for the benefit of a select group of their management or highly compensated employees; and

WHEREAS, the Employer has authorized the adoption of the Care New England Health System 457(b) Plan (hereinafter referred to as the "Plan"), effective as of January 1, 2005; and

WHEREAS, it is the intention of the Employer and the Participants that the Plan is an unfunded deferred compensation plan and that the Participants have the status of general unsecured creditors of the Employer; and

WHEREAS, it is intended that the Plan is to be for the exclusive benefit of the Participants and their Beneficiaries;

NOW, THEREFORE, the Plan is hereby adopted as follows:

ARTICLE ONE--DEFINITIONS

For purposes of the Plan, unless the context or an alternative definition specified within another Article provides otherwise, the following words and phrases shall have the definitions provided:

1.1 **"ACCOUNT"** shall mean the individual bookkeeping accounts maintained for a Participant under the Plan which shall record (a) the amounts of Compensation deferred to the Plan at the Participant's election pursuant to Section 3.1, if any, (b) the Participant's allocation of Employer matching contributions, if any, pursuant to Section 3.2(a), (c) the Participant's allocations of Employer discretionary contributions, if any, pursuant to Section 3.2(b), (d) any amounts transferred to this Plan under Section 3.3 from another Code Section 457 plan, and (e) the allocation of investment experience.

1.2 **"ADMINISTRATOR"** shall mean the Plan Administrator appointed from time to time in accordance with the provisions of Section 7.1.

1.3 **"BENEFICIARY"** shall mean any person, trust, organization, or estate entitled to receive payment under the terms of the Plan upon the death of a Participant.

1.4 **"CODE"** shall mean the Internal Revenue Code of 1986, as amended from time to time.

1.5 **"COMPENSATION"** shall mean the compensation paid to a Participant by the Employer for the Plan Year. Compensation shall include elective contributions that are made by the Employer on behalf of a Participant that are not includible in gross income under Code Sections 125, 402(e)(3), 402(h)(1)(B), 403(b) and 132(f)(4).

1.6 **"EFFECTIVE DATE"** The Effective Date of this Plan is January 1, 2005.

1.7 **"EMPLOYEE"** shall mean a management or highly compensated employee of the Employer.

1.8 **"EMPLOYER"** shall mean the Employer named as party to the Plan, and shall include any successor(s) thereto which adopt this Plan.

1.9 **"NORMAL RETIREMENT DATE"** shall mean a Participant's sixty-fifth (65th) birthday.

1.10 **"PARTICIPANT"** shall mean any Employee who is participating in the Plan.

1.11 **"PLAN"** shall mean this Plan as set forth herein and as it may be amended from time to time.

1.12 **"PLAN YEAR"** shall mean the 12-consecutive-month period beginning January 1 and ending December 31.

1.13 **“TRUST”** shall mean the Trust Agreement entered into between the Employer and the Trustee forming part of this Plan, together with any amendments thereto. "Trust Fund" shall mean any and all property held by the Trustee pursuant to the Trust Agreement, together with income therefrom. The Trust shall be known as the Care New England Health System 457(b) Trust.

1.14 **“TRUSTEE”** shall mean the Trustee or Trustees appointed by the Employer and any successors thereto. The Trustee shall be an independent third party that may be granted corporate trust powers under state law.

1.15 **“VALUATION DATE”** shall mean each day of the Plan Year or such other date(s) as specified by the Administrator.

ARTICLE TWO--PLAN PARTICIPATION

2.1 **PARTICIPATION.** An Employee shall become a Participant under the Plan effective as of the first day of the month coincident with or next following his designation by the Employer to be a Participant in the Plan.

2.2 **TERMINATION OF PARTICIPATION.** The Employer, in its sole discretion, may terminate an Employee's active participation in the Plan. In the event that the Employer terminates an Employee's active participation, the Employee is no longer eligible to make elective deferrals or receive Employer contributions pursuant to Article Three.

ARTICLE THREE--ELECTIVE DEFERRALS, CONTRIBUTIONS, AND TRANSFERS FROM OTHER CODE SECTION 457 PLANS

3.1 ELECTIVE DEFERRALS.

(a) *Elections.* The Employer, in its sole discretion, may permit a Participant to elect in writing to defer a portion of his Compensation up to the maximum amount permitted under Section 457 of the Code (as set forth in Article Eight) for a Plan Year. The amount of a Participant's Compensation that is deferred in accordance with the Participant's election shall be withheld by the Employer from the Participant's Compensation on a ratable basis throughout the Plan Year and/or on a nonratable, single-sum basis. The amount deferred on behalf of each Participant shall be contributed by the Employer to the Plan and allocated to the Participant's Account. Notwithstanding the foregoing provisions of this Section 3.1, a Participant may defer a portion of his Compensation for any Plan Year only if the Participant has elected in writing to defer a portion of his Compensation prior to the first day of such Plan Year or, in the case of a Participant's initial participation in the Plan, the first day of the month coincident with or next following his designation by the Employer to be a Participant in the Plan pursuant to Section 2.1.

(b) *Changes in Election.* A Participant may, with the consent of the Employer in its sole discretion, prospectively elect to change or revoke the amount (or percentage) of his elective deferral during the Plan Year by filing a written election with the Employer. The Participant shall be entitled to change the amount (or percentage) of his elective deferral which change shall be effective as of January 1, provided that the change is made in writing prior to January 1. A Participant's revocation of his elective deferrals shall be effective as soon as possible following his written election to cease deferrals. A Participant who has revoked his elective deferral may reenter the Plan, with the consent of the Employer in its sole discretion, on the January 1 following his prior revocation of deferrals.

(c) *Administrative Rules.* All elections made under this Section 3.1, including the amount and frequency of deferrals, shall be subject to the rules of the Administrator which shall be consistently applied and which may be changed from time to time.

3.2 EMPLOYER CONTRIBUTIONS.

(a) *Employer Matching Contributions.* The Employer may, in its sole discretion, contribute to the Plan on behalf of any Participant a matching contribution equal to a percentage of the Participant's election deferrals that such Participant is making under Section 3.1. The Employer is not required to make a matching contribution pursuant to this Section 3.2(a) for any Plan Year. The Employer may, in its sole discretion, make a matching contribution on behalf of any one Participant, or on behalf of any number of Participants, for any Plan Year without making a matching contribution on behalf of other Participants.

(b) *Additional Employer Discretionary Contributions*. In addition to any Employer matching contributions under Section 3.2(a), the Employer, in its sole discretion, may make an Employer contribution to the Account of any Participant for any Plan Year. The Employer is not required to make an Employer contribution pursuant to this Section 3.2(b) for any Plan Year. The Employer may, in its sole discretion, make an Employer contribution to the Account of any one Participant, or to the Accounts of any number of Participants, for any Plan Year without making an Employer contribution to the Accounts of other Participants.

3.3 TRANSFERS OF FUNDS FROM OTHER CODE SECTION 457 PLANS. With the approval of the Administrator, there may be paid to the Plan amounts which have been held under another deferred compensation plan which is an eligible deferred compensation plan pursuant to Section 457(b) of the Code either (a) maintained by the Employer which has been discontinued or terminated with respect to any Employee, or (b) maintained by another employer with respect to which any Employee has ceased to participate. Any amounts so transferred on behalf of any Employee shall be nonforfeitable and shall be maintained under a separate Plan account, to be paid in addition to amounts otherwise payable under this Plan. The amount of any such account shall be equal to the fair market value of such account as adjusted for income, expenses, gains, losses, and withdrawals attributable thereto.

3.4 TIMING OF CONTRIBUTIONS. Employer contributions shall be made to the Plan at least annually as of the last day of the Plan Year for which the contributions are made. Elective deferrals under Section 3.1 shall be paid to the Plan as soon as administratively possible.

ARTICLE FOUR--ACCOUNTING RULES

4.1 INVESTMENT OF ACCOUNTS AND ACCOUNTING RULES.

(a) *Investment Funds.* All investments of Participants' Accounts, including all property and rights purchased with such amounts and all income attributable thereof, shall be subject to the claims of general creditors of the Employer, and no Participant or Beneficiary shall have any vested interest or secured or preferred position with respect to such property or have any claim against the Employer except as a general creditor. The Administrator, in its discretion, may allow the Plan to provide for separate funds for the directed investment of each Participant's Account. The investment of Participant's Accounts shall be made in a manner consistent with the provisions of the Trust.

(b) *Participant Direction of Investments.* If the Administrator chooses to provide more than one investment fund, then each Participant may direct, in writing, how his Account is to be invested among available investment funds in the percentage multiples established by the Administrator. A Participant may change his investment direction after advance notice in writing to the Administrator, in accordance with uniform rules established by the Administrator. An investment direction may apply to the investment of future contributions and/or amounts previously accumulated in the Account. In the event a Participant makes no investment election, his Account shall be invested in the investment fund selected by the Administrator for all such similarly situated Accounts. If the Plan's recordkeeper or investment manager is changed, the Administrator may suspend the Participant's investment direction of his Account. If Participant direction of investments is suspended, the Administrator shall invest the Participants' Accounts in an interest-bearing account(s) until such change has been completed.

(c) *Allocation of Investment Experience.* As of each Valuation Date, the investment fund(s) shall be valued at fair market value, and the income, loss, appreciation and depreciation (realized and unrealized), and any paid expenses of the Plan attributable to such fund shall be apportioned among Participants' Accounts within the fund based upon the value of each Account within the fund as of the preceding Valuation Date. The Administrator may elect, in its discretion, to cause each Account to be adjusted for interim investment experience related to any distribution from and/or payments to the Account since the last Valuation Date either on the basis of the average Account balance for the valuation period, or by some other reasonable and consistently-applied method. Adjustment of Accounts for investment experience shall be deemed to be made as of the Valuation Date to which the adjustment relates, even if actually made on a later date.

(d) *Allocation of Elective Deferrals and Employer Contributions.* Elective deferrals and Employer contributions shall be allocated to the Account of each eligible Participant as of the last day of the period for which the contributions are made.

(e) Manner and Time of Debiting Distributions. For any Participant who receives a distribution from his Account, distribution shall be made in accordance with the provisions dealing with the timing of commencement of benefit payments in Section 6.2. The distribution shall be equal to the fair market value of the Participant's vested Account as of the Valuation Date preceding the distribution.

ARTICLE FIVE--VESTING, RETIREMENT AND DISABILITY BENEFITS

5.1 VESTING. A Participant shall at all times have a nonforfeitable (vested) right to 100% of his Account under the Plan.

5.2 NORMAL RETIREMENT. A Participant who is in the employment of the Employer at his Normal Retirement Date shall have a nonforfeitable interest in 100% of his Account.

5.3 PERMANENT AND TOTAL DISABILITY. If a Participant incurs a permanent and total disability while in the employ of the Employer, the Participant shall have a nonforfeitable interest in 100% of his Account. Payment of his Account balance will be made at the time and in a manner specified in Article Six, following receipt by the Plan Administrator of the Participant's written distribution request. "Permanent and total disability" shall mean suffering from a physical or mental condition that, in the opinion of the Participant's physician and based upon appropriate medical advice and examination, can be expected to result in death or can be expected to last for a continuous period of no less than 12 months. The condition must have existed for a period of at least three months and, in accordance with uniform and consistent rules, must be determined by the Administrator to prevent a Participant from engaging in substantial gainful activity. Receipt of a Social Security disability award shall be deemed proof of disability.

ARTICLE SIX--MANNER AND TIME OF DISTRIBUTING BENEFITS

6.1 MANNER OF PAYMENT. The Participant's Account shall be distributed to the Participant (or to the Participant's Beneficiary in the event of the Participant's death) by either of the following methods, as elected by the Participant or, when applicable, the Participant's Beneficiary:

- (a) in a single lump-sum payment; or
- (b) in approximately equal installments (at least annually) not to exceed ten (10) years.

A Participant's or Beneficiary's election of a payment option must be made at least one hundred eighty (180) days before the payment of benefits is to commence. If a Participant or Beneficiary fails to make a timely election of a payment option, benefits shall be paid in annual installments under Subsection 6.1(b) above for a period of five (5) years.

6.2 TIME OF COMMENCEMENT OF BENEFIT PAYMENTS.

(a) *Normal Retirement.* Participants whose employment has terminated shall have distribution of their Account commence sixty (60) days following their Normal Retirement Date, unless the Participant irrevocably elects in writing to defer receipt of his Account, provided that the written election to defer payment is received by the Administrator at least one hundred eighty (180) days prior to the date the payment of benefits is to commence.

(b) *Disability Retirement.* Participants whose employment has terminated due to total and permanent disability shall have distribution of their Account commence sixty (60) days following their termination of employment, unless the Participant irrevocably elects in writing to defer receipt of his Account, provided that the written election to defer payment is received by the Administrator at least one hundred eighty (180) days prior to the date the payment of benefits is to commence.

(c) *Pre-retirement Termination of Employment.* If a Participant terminates employment for any reason other than Normal Retirement, disability or death, distribution of his Account balance shall commence upon the later of:

(1) The 60th day following the Participant's termination of employment; or

(2) The 60th day after the date specified in the Participant's irrevocable written election to defer payment, provided that such written election is received by the Administrator at least one hundred eighty (180) days prior to the date specified in Subsection (1) above.

(d) *Latest Commencement Date.* A Participant may elect to defer receipt of his retirement benefits; provided, however, in no event shall the distribution of benefits commence later than the April 1st of the calendar year following the later of: (1) the calendar year in which the Participant attains age 70½; or (2) the calendar year in which the Participant retires. In the case of a 5-percent owner (as defined in Section 416 of the Code), in no event shall the distribution of benefits commence later than the April 1st of the calendar year following the calendar year in which the Participant attains age 70½.

The provisions of this Section 6.2(d) (relating to required distributions) are intended to comply with Section 401(a)(9) of the Code, the regulations thereunder and any other applicable guidance, and shall be so interpreted.

6.3 FURNISHING INFORMATION. Prior to the payment of any benefit under the Plan, each Participant or Beneficiary may be required to complete such administrative forms and furnish such proof as is deemed necessary or appropriate by the Employer and/or Administrator.

6.4 MINIMUM DISTRIBUTION RULES FOR INSTALLMENT PAYMENTS. If a distribution is made in installments the following rules shall apply:

(a) *Payments to Participant and Beneficiary.* Payments shall commence no later than a date provided for in Section 6.2. The amount to be distributed each year shall be at least equal to the vested balance in the Participant's Account as of the last Valuation Date in the prior calendar year multiplied by the following fraction: the numerator shall be one and the denominator shall be the life expectancy of the Participant or the joint life expectancy of the Participant and the Participant's Beneficiary computed as of the aforementioned Valuation Date and reduced by one for each succeeding year. Payments shall be restricted under this option to insure compliance with the minimum distribution incidental death benefit and other minimum distribution requirements of Section 401(a)(9) of the Code and the regulations promulgated thereunder.

Accordingly, in the case of a non-spouse Beneficiary, the lesser of the "applicable divisor" from the appropriate Table appearing in Proposed Regulation 1.401(a)(9) - 2 Q. & A. 4 as modified by superseding regulation, and the joint life expectancy of the Participant and his Beneficiary shall be used in the denominator. All life expectancies will be determined by use of the expected return multiples in Tables V and VI of Section 1.72-9 of Income Tax Regulations.

(b) Beneficiaries for purposes of this Section shall be determined in accordance with regulations issued pursuant to Code Section 401(a)(9).

With respect to distributions under the Plan made for calendar years beginning on or after January 1, 2001, the Plan will apply the minimum distribution requirements of Section 401(a)(9) of the Code in accordance with the Regulations under Section 401(a)(9) that were proposed on January 17, 2001, notwithstanding any provision of the Plan to the contrary. This amendment shall continue in effect until the end of the last calendar year beginning before the effective date of final Regulations under Section 401(a)(9) or such other date as may be specified in guidance published by the Internal Revenue Service.

6.5 DEATH BENEFIT.

(a) *Death While an Employee.* In the event of the death of a Participant while in the employ of the Employer, vesting in the Participant's Account shall be 100%. The Account shall constitute the Participant's death benefit to be distributed under this Article to the Participant's Beneficiary.

(b) *Death After Termination of Employment.* In the event of the death of a former Participant after termination of employment but prior to the complete distribution of his Account balance, the undistributed balance of the Participant's Account shall be paid to the Participant's Beneficiary.

6.6 DESIGNATION OF BENEFICIARY. Each Participant shall file with the Administrator a designation of Beneficiary to receive payment of death benefits payable hereunder if such Beneficiary should survive the Participant.

Beneficiary designations may include primary and contingent Beneficiaries, and may be revoked or amended at any time in similar manner or form, and the most recent designation shall govern. In the absence of an effective designation of Beneficiary, or if the Beneficiary dies before complete distribution of the Participant's benefits, all amounts shall be paid to the surviving spouse of the Participant, if living, or otherwise equally to the Participant's then-surviving children, whether by marriage or adopted, and the surviving issue of any deceased children, per stirpes, or, if none, to the Participant's estate. Notification to Participants of the death benefits under the Plan and the method of designating a Beneficiary shall be given at the time and in the manner provided by regulations and rulings under the Code.

6.7 TIME AND MODE OF DISTRIBUTING DEATH BENEFITS. Subject to the provisions of this Section 6.7, the Beneficiary shall be allowed to designate both the time and the mode of receiving benefits in accordance with Section 6.1 unless the Participant had designated a method or time in writing and indicated that either was not to be revocable by the Beneficiary. The Beneficiary's election shall be in writing and delivered to the Administrator no later than the last day of the calendar year following the calendar year in which the Participant died. If such election is not made, payments shall commence at the "required time" specified in the next paragraph and shall be paid in a lump sum, subject to the special rules for surviving spouses.

The "required time" for commencement of distribution of any death benefit hereunder shall be within the period ending on the last day of the calendar year following the calendar year in which the Participant died, or in the case of a surviving spouse, within a reasonable time after the Participant's death or, if the surviving spouse so elects, no later than the last day of the calendar year in which the Participant would have attained age 70½. If a surviving spouse dies before distributions begin, this paragraph shall be applied as if the surviving spouse were the Participant.

If the Participant's surviving spouse is the Beneficiary, the following distribution modes shall be available:

(a) a lump sum; or

(b) payments of installments (in a like manner to that in Section 6.4) over a period not to exceed the life expectancy of the Beneficiary calculated as of the "required time" in accordance with Table V of Section 1.72-9 of Income Tax Regulations.

If the Participant's surviving spouse is not the Beneficiary, the following distribution modes shall be available:

(1) a lump sum payable at any time within five (5) years of the Participant's death; or

(2) payments of installments at such time and in such amount as determined by the Beneficiary, provided that all amounts be paid from the Trust within five (5) years of the Participant's death.

If a Participant dies after payments have commenced, any survivor's benefit must be paid no less rapidly than the method of payment in effect at the time of the Participant's death.

ARTICLE SEVEN--ADMINISTRATION OF THE PLAN

7.1 PLAN ADMINISTRATION. Care New England Health System shall be the Plan Administrator, hereinbefore and hereinafter called the Administrator, and named fiduciary of the Plan, unless the Employer shall designate a person or committee of persons to be the Administrator and named fiduciary. The administration of the Plan, as provided herein, including a determination of the payment of benefits to Participants and their Beneficiaries, shall be the responsibility of the Administrator. In the event more than one party shall act as Administrator, all actions shall be made by majority decisions. In the administration of the Plan, the Administrator may (a) employ agents to carry out nonfiduciary responsibilities and (b) consult with counsel, who may be counsel to the Employer.

The Administrator will administer the Plan in accordance with established policies, interpretations, practices, and procedures relating to the Plan and in accordance with the requirements of the Employee Retirement Income Security Act of 1974, as amended, and other applicable laws. The Administrator shall have discretion (a) to interpret the terms of the Plan, (b) to determine factual questions that arise in the course of administering the Plan, (c) to adopt rules and regulations regarding the administration of the Plan, (d) to determine the conditions under which benefits become payable under the Plan and (e) to make any other determinations that the Administrator believes are necessary and advisable for the administration of the Plan. Any determination made by the Administrator shall be final, conclusive and binding on all parties. The Administrator may delegate all or any portion of its authority to any person or entity.

The expenses of administering the Plan and the compensation of all employees, agents, or counsel of the Administrator, including the accounting fees, the recordkeeper's fees, and the fees of any benefit consulting firm, shall be paid by the Plan, or shall be paid by the Employer if the Employer so elects. No compensation may be paid by the Plan to full-time Employees of the Employer.

The Administrator shall obtain from the Trustee, not less often than annually, a report with respect to the value of the assets held in the Trust Fund, in such form as is required by the Administrator.

The Administrator shall administer the Plan and adopt such rules and regulations as, in the opinion of the Administrator, are necessary or advisable to implement and administer the Plan and to transact its business.

7.2 CLAIMS PROCEDURE. Pursuant to procedures established by the Administrator, adequate notice in writing shall be provided to any Participant or Beneficiary whose claim for benefits under the Plan has been denied within 90 days of receipt of such claim; provided, however, that an extension of time not exceeding 90 days will be available if special circumstances require an extension of time for processing the claim. If so, notice of such extension, indicating what special circumstances exist and

the date by which a final decision is expected to be rendered, will be furnished to the claimant before the initial 90-day period expires. The notice of denial shall set forth the specific reason for such denial, shall be written in a manner calculated to be understood by the claimant, and shall advise of the right to administrative review.

Within 90 days after receipt of such notice of denial, the claimant may request, by mailing or delivery of written notice to the Plan, a review by the Administrator of the decision denying the claim. Such petition for review shall state in clear and concise terms the reason or reasons for disputing the denial and shall be accompanied by any pertinent documentary material not already furnished. The review will take into account all comments, documents, records and other information submitted relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.

After such review, the Administrator will determine whether the denial of the claim was correct and will notify the claimant in writing of its determination within a reasonable period of time, but not later than 60 days after the receipt of your request for review by the Administrator; provided, however, that an extension of time not exceeding 60 days will be available if special circumstances require an extension of time for processing the appeal. If so, notice of such extension, indicating what special circumstances exist and the date by which a final decision is expected to be rendered, will be furnished to the claimant before the initial 60-day period expires.

The claimant will be advised of the Administrator's decision in writing. The notice of denial shall set forth the specific reason for such denial and shall be written in a manner calculated to be understood by the claimant.

If the claimant fails to request review within the 90-day period, it shall be conclusively determined for all purposes of this Plan that the denial of such claim by the Administrator is correct.

If the Administrator's determination is favorable to the claimant, it shall be binding and conclusive. If such determination is adverse to the claimant, it shall be binding and conclusive unless the claimant notifies the Administrator within 90 days after the mailing or delivery by the Administrator of its determination, that the claimant intends to institute legal proceedings challenging the determination of the Administrator, and the claimant actually institutes such legal proceeding within 180 days after such mailing or delivery.

The denial of an application or claim as to which the right of review has been waived or the decision of the Administrator with respect to a petition for review, shall be final and binding upon all parties, subject only to judicial review.

7.3 TRUST AGREEMENT AND DESIGNATION OF TRUSTEE. The Employer shall create and enter into a Trust Agreement with the Trustee as designated therein. The Trust, and any assets held by the Trust to assist the Employer in meeting its obligations under this Plan, shall conform to the terms of the model trust, as described in IRS Revenue Procedure 92-64.

ARTICLE EIGHT--LIMITATION ON ELECTIVE DEFERRALS AND EMPLOYER CONTRIBUTIONS

8.1 LIMITATION ON ELECTIVE DEFERRALS AND EMPLOYER CONTRIBUTIONS.

Except as provided in Section 8.2, and as set forth in Section 457(b) of the Code, the maximum amount of elective deferrals (under Section 3.1) and Employer contributions (under Section 3.2), in the aggregate, that can be credited to any Participant's Account for any Plan Year shall not exceed the lesser of: (a) \$14,000.00, as adjusted under Sections 457(e)(15) and 415(d) of the Code; or (b) one hundred percent (100%) of the Participant's compensation that is includible in the Participant's gross income for the Plan Year.

8.2 CATCH-UP LIMITATION. For each of the last three (3) Plan Years ending before the Participant's Normal Retirement Date, the maximum amount of elective deferrals (under Section 3.1) and Employer contributions (under Section 3.2), in the aggregate, shall be the lesser of: (a) twice the dollar amount set forth in Section 457(e)(15) of the Code for the Plan Year; or (b) the sum of (1) the limitation set forth in Section 8.1 for the Plan Year, and (2) the limitation set forth in Section 8.1 for each prior Plan Year less the amount of the Participant's elective deferrals and Employer contributions for such prior Plan Years. A prior Plan Year shall be taken into account under the preceding sentence only if (1) the Participant was eligible to participate in the Plan for such year (or in any other eligible deferred compensation plan established under Section 457 of the Code which is properly taken into account pursuant to regulations under Section 457), and (2) compensation (if any) deferred under the Plan (or such other plan) was subject to the limitation set forth in Section 8.1.

8.3 ADJUSTMENT FOR EXCEEDING LIMITATION. If the sum of the Participant's elective deferrals (under Section 3.1) and the Employer contribution allocated to the Participant's Account for any Plan Year cause the limitation set forth in Section 8.1 to be exceeded for any Participant, the Administrator shall first return elective deferrals to the affected Participant. In the event that the limitation is still exceeded after the return of the Participant's total elective deferrals for the Plan Year, Employer contributions allocated to the Participant for the Plan Year shall be forfeited as necessary to satisfy the applicable limitation. The Administrator shall distribute or forfeit the appropriate excess amount, and any income allocable to such amount, not later than the March 15th following the close of the applicable Plan Year. If there is a loss allocable to such excess amount, the distribution or forfeiture shall not be reduced by the amount of the loss.

ARTICLE NINE--AMENDMENT AND TERMINATION

9.1 **AMENDMENT.** The Employer shall have the right to amend, alter, or modify the Plan at any time, or from time to time, in whole or in part. Any such amendment shall become effective under its terms upon adoption by the Employer, unless otherwise set forth in the amendment. However, no amendment affecting the duties, powers or responsibilities of the Trustee may be made without the written consent of the Trustee. No amendment shall be made to the Plan which would deprive any Participant of any nonforfeitable portion of his Account.

9.2 **TERMINATION OF THE PLAN.** The Employer reserves the right at any time and in its sole discretion to terminate the Plan. The Employer shall direct the Trustee to distribute the Trust Fund in accordance with the Plan's distribution provisions to the Participants and their Beneficiaries, each Participant or Beneficiary receiving a portion of the Trust Fund equal to the value of his Account as of the date of distribution. These distributions may be implemented by the continuance of the Trust and the distribution of the Participants' Accounts shall be made in such time and such manner as though the Plan had not terminated, or by any other appropriate method. Upon distribution of the Trust Fund, no Participant or Beneficiary shall have any further right or claim therein.

ARTICLE TEN--UNFORESEEABLE EMERGENCIES

10.1 UNFORESEEABLE EMERGENCIES. The Administrator may distribute to any Participant or his Beneficiary in any one Plan Year up to 100% of his Account, valued as of the preceding Valuation Date, in the case of an unforeseeable emergency.

For purposes of this Section 10.1, an unforeseeable emergency is defined as severe financial hardship to the Participant resulting from a sudden and unexpected illness or accident of the Participant or of a dependent (as defined in Section 152(a) of the Code) of the Participant, loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. Distribution shall not be made to the extent that such hardship is or may be relieved through reimbursement or compensation by insurance or otherwise, by liquidation of the Participant's assets to the extent the liquidation of such assets would not itself cause severe financial hardship, or by cessation of salary deferrals under the Plan. Such distribution shall only be made to the extent reasonably needed to satisfy the emergency need.

The Administrator shall require that requests for hardship distributions be made under procedures which include the Participant's signed statement of the facts causing the unforeseeable emergency, the amount of the financial need and any other information required to ascertain the facts.

ARTICLE ELEVEN--MISCELLANEOUS PROVISIONS

11.1 BENEFITS UNFUNDED. It is the intention of the parties that this Plan is an unfunded deferred compensation plan and that the benefits payable hereunder are not to be included in the gross income of the Participant until the taxable year in which the benefits are actually received or otherwise made available, whichever occurs earlier. The Participant has the status of an unsecured general creditor of the Employer and the Plan, subject to the provisions of the Trust, constitutes a mere promise by the Employer to make benefit payments in the future. In the event there is an amendment to the Code or the Department of Treasury issues regulations which would require the Participant to include the benefits payable hereunder in gross income before they are actually received or otherwise made available, the Employer, with the consent of the Participant, shall revise and amend this Plan and/or adopt another method of retirement compensation for the Participant which is consistent with the deferral purposes contained in this Plan.

11.2 ERISA COMPLIANCE. This Plan is being established by the Employer with the express intention that the Plan constitutes an unfunded, eligible deferred compensation plan pursuant to Section 457(b) of the Code maintained by the Employer for the purpose of providing benefits for a select group of management or highly compensated employees ("unfunded top-hat plan") under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). Accordingly, this Plan is being treated as a plan exempt from the participation, vesting, funding and fiduciary requirements of Title I of ERISA, but subject to the reporting and disclosure requirements. The Employer intends to comply with the reporting and disclosure requirements by filing a notice with the United States Department of Labor, Office of Pension and Welfare Benefit Programs, pursuant to 29 C.F.R. Section 2520.104-23(b). This notice states that the Plan information will be available to the Secretary of Labor upon request.

In the event there is an amendment to ERISA or the Department of Labor issues revised regulations governing the application of Title I of ERISA to unfunded top-hat plans and such amendment or regulations require the Plan to comply with ERISA's participation, vesting, funding and/or fiduciary requirements, the Employer reserves the right to revise and amend this Plan or to adopt another method of retirement compensation consistent with the unfunded nature of this Plan.

11.3 PLAN DOES NOT AFFECT EMPLOYMENT. Neither the creation of this Plan nor any amendment thereto nor the creation of any fund nor the payment of benefits hereunder shall be construed as giving any legal or equitable right to any Employee or Participant against the Employer, its officers or Employees, or against the Trustee, and all liabilities under this Plan shall be satisfied, if at all, only out of the Trust Fund held by the Trustee. Participation in the Plan shall not give any Participant any right to be retained in the employ of the Employer, and the Employer hereby expressly retains the right to hire and discharge any Employee at any time with or without cause, as if the Plan had not been adopted, and any such discharged Participant shall have only such rights or interests in the Trust Fund as may be specified herein.

11.4 SUCCESSOR TO THE EMPLOYER. In the event of the merger, consolidation, reorganization or sale of assets of the Employer, under circumstances in which a successor person, firm, or corporation shall carry on all or a substantial part of the business of the Employer, and such successor shall employ a substantial number of Employees of the Employer and shall elect to carry on the provisions of the Plan, such successor shall be substituted for the Employer under the terms and provisions of the Plan upon the filing in writing with the Trustee of its election to do so.

11.5 BENEFITS NOT ASSIGNABLE. The benefits under this Plan are not subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishment by creditors of the Participant or the Participant's Beneficiary, or liable for the debts, contracts, liabilities, engagements or torts of the Participant or his Beneficiary.

11.6 SOURCE OF PAYMENTS. Any funds which may be contributed and invested under the provisions of this Plan and the Trust shall continue to be subject to the unsecured general creditors of the Employer. To the extent that any person acquires a right to receive payments from the Employer under this Plan, such right shall be no greater than the right of any unsecured general creditor of the Employer. Notwithstanding the foregoing, this Section 11.6 is subject to the provisions of the Trust.

11.7 DISTRIBUTION TO LEGALLY INCAPACITATED PERSON. In the event any benefit is payable to a minor or to a person deemed to be incompetent or to a person otherwise under legal disability, or who is by sole reason of advanced age, illness, or other physical or mental incapacity incapable of handling the disposition of his property, the Administrator may apply all or any portion of such benefit directly to the care, comfort, maintenance, support, education or use of such person or to pay or distribute the whole or any part of such benefit to (a) the spouse of such person, (b) the parent of such person, (c) the guardian, committee, or other legal representative, wherever appointed, of such person, (d) the person with whom such person shall reside, (e) any other person having the care and control of such person, or (f) such person. The receipt of any such payment or distribution is a complete discharge of liability for Plan obligations.

11.8 CONSTRUCTION. Wherever appropriate, the use of the masculine gender shall be extended to include the feminine and/or neuter or vice versa; and the singular form of words shall be extended to include the plural; and the plural shall be restricted to mean the singular.

11.9 GOVERNING DOCUMENTS. A Participant's rights shall be determined under the terms of the Plan as in effect at the Participant's date of separation from employment with the Employer.

11.10 GOVERNING LAW. The provisions of this Plan shall be construed under the laws of the state of the situs of the Plan, except to the extent such laws are preempted by Federal law.

11.11 HEADINGS. The Article headings and Section numbers are included solely for ease of reference. If there is any conflict between such headings or numbers and the text of the Plan, the text shall control.

11.12 COUNTERPARTS. This Plan may be executed in any number of counterparts, each of which shall be deemed an original; said counterparts shall constitute but one and the same instrument, which may be sufficiently evidenced by any one counterpart.

IN WITNESS WHEREOF, the Employer, by their duly authorized officers, has caused this Plan to be executed this _____ day of _____, 200_____.

CARE NEW ENGLAND HEALTH SYSTEM

BUTLER HOSPITAL

By: _____

By: _____

Authorized Officer

Authorized Officer

KENT COUNTY MEMORIAL HOSPITAL

**WOMEN & INFANTS HOSPITAL
OF RHODE ISLAND**

By: _____

By: _____

Authorized Officer

Authorized Officer

**KENT COUNTY VISITING
NURSE ASSOCIATION**

By: _____

Authorized Officer

Care New England

CNE Pension Account *Summary Plan Description*

TABLE OF CONTENTS

THE CNE PENSION ACCOUNT2

WHEN YOUR PARTICIPATION BEGINS.....3

 ELIGIBILITY3

 VESTING3

HOW YOUR PLAN BENEFIT IS DETERMINED4

 OPENING ACCOUNT BALANCE4

 ANNUAL CONTRIBUTION CREDITS.....4

 INTEREST CREDITS5

 EXAMPLE: HOW YOUR ACCOUNT GROWS.....5

 ANNUAL STATEMENTS.....5

HOW YOUR BENEFIT IS PAID6

 MANDATORY LUMP-SUM PAYMENTS.....6

 LUMP-SUM PAYMENT.....6

 MONTHLY ANNUITY OPTIONS.....7

 BENEFICIARY DESIGNATION.....7

 EXAMPLE: HOW YOUR BENEFIT IS PAID8

TAXES ON DISTRIBUTIONS10

WHEN PAYMENTS MAY BEGIN.....11

 NORMAL RETIREMENT.....11

 EARLY RETIREMENT.....11

 LATE RETIREMENT.....11

IF YOU LEAVE BEFORE AGE 55.....11

DEATH BENEFITS.....11

 IF YOU DIE BEFORE RETIREMENT.....11

 IF YOU DIE AFTER RETIREMENT.....12

WHEN BENEFITS ARE NOT PAID.....12

 BREAKS IN SERVICE.....12

 IF YOU RETURN TO WORK AFTER RETIREMENT.....12

IMPORTANT FACTS ABOUT THE PLAN.....13

 PLAN NAME.....13

 PLAN NUMBER.....13

 PLAN YEAR.....13

 PLAN SPONSOR.....13

 PLAN ADMINISTRATOR.....13

 PLAN FUNDING.....13

OTHER INFORMATION.....14

 ASSIGNMENT OF BENEFITS.....14

 MAXIMUM ANNUAL BENEFIT.....14

 TOP HEAVY PROVISIONS.....14

 CLAIM PROCEDURE.....14

 LEGAL PROCESS.....15

 CHANGE OF ADDRESS.....16

 SOCIAL SECURITY.....16

CONTINUANCE OF THE PLAN.....16

PENSION BENEFIT GUARANTY CORPORATION.....17

YOUR RIGHTS AS A PLAN PARTICIPANT.....17

THE CNE PENSION ACCOUNT

To help you build your retirement savings, Care New England offers the CNE Pension Account (the “Plan”). The CNE Pension Account provides you with a retirement benefit based on your pay and years of service with Care New England. It’s designed to add to your Social Security benefits as well as other personal savings and investments.

The Plan has many advantages:

- **Easy to understand.** Your benefit grows through annual credits made to an account set up in your name, and it’s expressed as an account balance, so it’s easy to understand.
- **Competitive design.** The Plan provides a competitive benefit that grows steadily and equitably over your entire career, and is designed for today’s more mobile workforce.
- **Guaranteed benefit.** Care New England assumes the investment risks of the Plan, so your benefit is secure, predictable, and guaranteed to be there when you need it.
- **Portability.** The benefit you earn under the Plan is portable, so if you leave Care New England before retirement, you can take it with you.
- **Choice of payment options.** You choose how you want to receive your benefit when you retire or leave Care New England – as a lump sum or as a monthly annuity – regardless of your age.

* * * * *

The CNE Pension Account replaces the Butler Hospital Retirement Plan, the Kent County Memorial Hospital Pension Plan, and the Women & Infants Hospital Retirement Plan (the “former pension plans”) effective April 1, 1999. If you were a participant in one of these plans as of December 31, 1998, the benefit you earned will be converted into a lump sum and will be your opening account balance under the CNE Pension Account (see *Opening Account Balance*, page 4, for more information).

This summary Plan description (SPD) highlights the provisions of the CNE Pension Account for all participating employees *except* for participating employees of Butler Hospital represented by the District 1199 Collective Bargaining Agreement. A separate booklet has been prepared for participating employees of Butler Hospital represented by the District 1199 Collective Bargaining Agreement who have service with the Hospital on or after January 1, 2003. Complete details of the Plan are described in the Plan document. If there is a discrepancy between this booklet and the Plan document, the Plan document will govern.

WHEN YOUR PARTICIPATION BEGINS

Eligibility

You are eligible to participate in the CNE Pension Account if:

- You were a participant in a former pension plan as of March 31, 1999 and actively employed at Care New England on April 1, 1999; or
- You earn 1,000 hours of service in the 12-month period following your date of hire, or 1,000 hours in any subsequent calendar year.

However, the following groups of employees are not eligible to participate in the Plan:

- Brown University faculty;
- Butler Hospital interns and physicians in residence;
- Effective 8/1/99, Butler Hospital physicians and outpatient therapists;
- Butler Hospital bargaining unit employees;
- Women & Infants Hospital bargaining unit employees;
- Women & Infants Hospital physicians and physicians in residence; and
- Visiting Nurse Association of Care New England.

Once you meet the eligibility requirements, (completed 1,000 hours and 12 months of service) you will begin participating in the Plan on January 1 of that calendar year. Your participation in the Plan is automatic.

Vesting

You become vested – or earn the right to your benefit – when you have completed three years of vesting service. You earn one year of vesting service for each calendar year during which you complete 1,000 hours of service.

You are credited with hours of service for each hour you are paid or are entitled to be paid by Care New England for time worked. You will also be credited with up to 501 hours each year for any paid time off (i.e., vacation, holidays and sick time) you elect to take, as well as any time off related to Workers' Compensation, jury duty, military duty, and leaves of absence for which you are paid.

Disability Benefit

If you become disabled and entitled to receive a Social Security disability, you will become fully vested in the CNE Pension Plan.

Note to Participants in One of the Former Pension Plans

If you were a participant in a former pension plan, the vesting service you earned under that plan will be counted towards your vesting service under the CNE Pension Account. So, all employees with three years of vesting service under their former pension plan will be immediately vested in the Plan.

HOW YOUR PLAN BENEFIT IS DETERMINED

With the CNE Pension Account, an account is automatically opened in your name when you become eligible to participate. At the end of each calendar year, Care New England will add annual contribution credits and interest credits to your account. Through these credits, your account balance will grow.

At retirement, you may choose to receive your account balance either as a monthly annuity or as a lump-sum payment.

Opening Account Balance

If you were an active participant in a former pension plan, your opening balance under the CNE Pension Account as of January 1, 1999 was the lump-sum value of the benefit you earned under the former plan. This benefit will be calculated based on your annual compensation and years of service as of December 31, 1998.

Annual Contribution Credits

Care New England provides an annual contribution credit to your CNE Pension Account each year as long as you earn at least 1,000 hours of service during that year. However, during the year in which you terminate employment, you will receive an annual contribution credit if you earned at least 1,000 hours either during that year or the previous year.

The amount Care New England allocates to your account in the form of annual contribution credits will be a percentage of your compensation. The percentage will vary depending on your age and years of vesting service, as shown in the table below:

Your Age Plus Years Of Vesting Service as of January 1	Annual Contribution Credit (% of Compensation)
Less than 40	3.0%
40-44	3.5%
45-49	4.0%
50-54	4.5%
55-59	5.0%
60-64	5.5%
65-69	6.0%
70-74	7.0%
75-79	8.0%
80 or more	9.0%

Definition of "Compensation"

For purposes of the Plan, your "compensation" generally means your W-2 earnings and contributions made on your behalf by Care New England according to the salary reduction agreement of the CNE Flex benefits program or a Tax-Sheltered Annuity/Account (TSA). Imputed income from group term life insurance, pay related to fee for service or health and dental plan buyouts, as well as on-call, and severance pay are not included.

By law your annual compensation recognized under the Plan is limited to a dollar amount (\$230,000 for 2008) that is adjusted for inflation under IRS rules.

Interest Credits

Your opening account balance will earn interest each year in the form of “interest credits”. The interest applied is based on the average monthly rate of the one-year U.S. Treasury securities for the preceding year, as published by the Federal Reserve Board. The rate will vary from year to year, however it will never be less than 4% or more than the rate of the 30-year U.S. Treasury bond in effect as of the first day of the year.

The Plan’s interest rate will be announced each year by Care New England. Interest will be credited at the end of the year, based on your beginning account balance before annual contribution credits are deposited to your account.

Coordination With Other Plans

Your Pension Account will be reduced by the value of any pension benefits earned in any other plan for the same period of employment with Care New England.

Example: How Your Account Grows

Here’s an example of how the CNE Pension Account can grow. Let’s assume Mary, age 35, is a new participant earning \$35,000 a year. Let’s also assume that the annual interest credit is 5%.

The table below shows how Mary’s account grows through annual contribution credits, and interest credits:

Age	35	40	45	55	65
Years of Service	0	5	10	20	30
Beginning Balance	\$ 0	\$ 10,029	\$ 24,763	\$74,262	\$167,837
Annual contribution credit	1,050	1,400	1,750	2,800	3,150
Interest credit (Assuming 5%)	0	501	1,238	3,713	8,392
Ending Balance	\$ 1,050	\$ 11,930	\$ 27,751	\$ 80,775	\$179,379

Annual Statements

Once each year, you will receive a statement showing the value of your CNE Pension Account – including annual contribution credits and interest credits made by Care New England to your account. The annual statement is designed so you can quickly and easily see your account grow from year to year – so you are better able to make investment decisions about your other retirement savings vehicles.

HOW YOUR BENEFIT IS PAID

You or your beneficiary can receive the vested value of your CNE Pension Account when you retire, leave Care New England, or die. You can elect to receive your Plan benefit in the form of a lump-sum cash payment or as a monthly annuity. If your total vested account balance is more than \$5,000, you may also elect to defer payment to a later date. However, if you are no longer actively employed at Care New England, you may defer payments no later than your normal retirement date (age 65).

You will make your payment option decision by completing an election form provided by Human Resources. You may change your payment election at any time before benefit payments actually begin. Once payments begin, however, you may not change your payment option.

Mandatory Lump Sum Payments

If the total vested value of your account is less than \$5,000, you will receive your benefit in the form of a lump-sum payment. At that time, you will be notified if you are eligible to elect a direct rollover (see the *Taxes On Distributions* section for an explanation of the direct rollover option). If you do not return your election in the time period specified, special rules require that your lump sum be distributed in one of two ways:

If you are receiving a lump sum attributable to a benefit other than a death benefit and your lump sum is greater than \$1,000, and you do not complete and return the rollover election form in the time period specified, your lump sum will automatically be distributed from the Plan and rolled over into an IRA established on your behalf. The IRA will be established with E*TRADE Securities LLC and will be invested in an FDIC insured E*TRADE FINANCIAL Sweep Deposit Account which protects your principal from loss, provides a reasonable rate of return, and ensures liquidity. A \$25 custodial fee will be charged annually to your account. This fee will be waived if you are an active E*TRADE Securities customer or become one and you elect to receive all account statements and confirmations electronically (or if you have combined assets of \$25,000 or more in E*TRADE Securities and E*TRADE bank accounts). By making this rollover, the Plan will satisfy all of its obligations to you and you will no longer be a Plan participant. In the event your lump sum is automatically rolled over by the Plan, you may at any time after the rollover transfer the balance of your IRA account to another IRA of your choice.

If your lump sum is \$1,000 or less or if you are receiving a lump sum attributable to a death benefit, and you do not complete and return the rollover election form in the time period specified, your lump sum will be distributed to you, less any required tax withholding.

Lump-Sum Payment

You may elect to receive the full value of your CNE Pension Account, including annual contribution credits, matching contribution credits made prior to January 1, 2009, and interest credits, in a single lump-sum payment. In this instance, no further benefits would be payable from the Plan. If you are married at the time you want your benefit to be paid, your spouse must consent in writing to the lump-sum form of payment.

Monthly Annuity Options

If you choose to receive a monthly benefit from the Plan, the lump-sum value of your account will be converted to an annuity based on the prevailing annuity rates in the year your benefit payments are scheduled to begin. To determine your monthly benefit, your account balance will be divided by an actuarial factor based on your age when benefits start.

You may elect to receive your Plan benefit in one of the following annuity options:

- *Single life annuity.* The single life annuity option provides a monthly payment to you for your lifetime. Upon your death, benefit payments will end.
- *Joint and survivor options.* A joint and survivor payment option provides a reduced monthly annuity to you, and continues a percentage of your reduced monthly payment (either 50%, 75% or 100%, depending on the option you select) to your beneficiary after you die.
- *Ten-year certain and continuous option.* A ten-year certain and continuous payment option also provides a reduced monthly annuity to you for life, but it guarantees you and your beneficiary will receive 120 monthly payments. If you die before the guaranteed payments have been completed, payments will be continued to your beneficiary for the remainder of the guarantee period.

If you are married and you want to choose an option other than one of the joint and survivor options with your spouse as the beneficiary, federal law requires that you must have your spouse's written and notarized consent.

Beneficiary Designation

As a participant in the Plan, you will be asked to name a beneficiary – the person or persons who will receive your vested Plan benefits if you die before receiving them. If you are married, your spouse will automatically be your beneficiary. If you are not married, you may name anyone as your beneficiary.

We will assume your beneficiary is the same as the beneficiary you listed when you enrolled in CNE Flex. If you wish to designate a different beneficiary for your pension benefit, please contact Human Resources.

Example: How Your Benefit Is Paid

Let's assume that Mary is retiring at age 65 with 30 years of service and an account balance of \$167,837. The table below shows the amounts that would be paid to Mary and her beneficiary under the payment options available.

Mary's Payment Options		
Lump-Sum Payment	\$167,837	
Monthly Annuity Options	To Mary During Her Life	To Her Beneficiary After Her Death*
Single Life Annuity Option	\$1,307	\$0
Joint and Survivor Options		
50%	\$1,223	\$611
75%	\$1,185	\$888
100%	\$1,150	\$1,150
10 Year Certain and Continuous Option	\$1,229	Same amount for balance of 120 payments

Making a Decision About Your CNE Pension Plan Distribution

Making a decision about how to receive your CNE Pension Plan benefit may be one of the most significant financial decisions you ever make. Before you make an election, it's important to understand your options so you can make the right decision for your financial situation.

There are two primary types of distributions that you can receive from the Plan – a lump sum or an annuity.

- **A lump sum** is a one-time payment of your entire benefit, less any applicable taxes. See your Tax Notice for more information.
- **An annuity** is a monthly payment that is guaranteed for your lifetime. You may choose from various annuity options that pay a benefit to you while you are alive and continue benefits to your spouse or beneficiary after your death. Your CNE Pension Plan Application shows the amount you would receive under each annuity option.

There are advantages and disadvantages of each type of distribution. The chart below highlights some of the key points you should consider before electing your CNE Pension Plan Benefit.

	Lump Sum	Annuity
Description	You will receive a one-time distribution of your entire account balance. No additional benefits will be payable from the Plan.	You will receive a monthly benefit that is guaranteed for your lifetime. Depending on the option you choose, a percentage of your benefit may continue to your beneficiary for his or her lifetime after your death.
Investment Opportunity/Risk	You have the opportunity to invest the money for your future; however, you assume all of the investment risk. If you don't invest successfully, you may not have the money you need for retirement.	CNE assumes all of the risks associated with investments and life expectancy – your benefit is guaranteed to be there for you (and your beneficiary, if applicable). You cannot outlive your pension.
Flexibility	You decide what portion of the lump-sum you need now, and what portion you want to save for the future. If your needs change, you can revise the amounts as you see fit.	Once you choose an annuity option, you must stay with that option permanently.
Penalty Taxes	If you take a distribution before age 59-1/2, you may be subject to a 10% excise tax in addition to income taxes. See your Tax Notice for more information.	Annuity payments are not subject to the 10% excise tax.
IRA Rollover	You may roll over your entire account balance to an IRA or another employer's eligible plan with no tax penalties. See your Tax Notice for more information.	You may not roll over annuity payments to an IRA or other eligible plan.

Remember, if you don't need your money now, you may postpone your distribution to a later date (but no later than age 65 if you are no longer employed). Your pension account will continue to earn interest credits until you start your benefit.

How Long Will Your Lump Sum Distribution Last?

The amount of money you will need at retirement depends on a number of factors including the type of life-style you plan to live, how long you live and the economic conditions during your retirement. The chart below illustrates how long you could expect your lump sum distribution to last, at different rates of investment return, under two different scenarios. Both scenarios assume you roll over your lump-sum distribution to an IRA or another employer's eligible plan.

Under the first scenario, it is assumed that you make monthly withdrawals from your lump-sum distribution equal to the amount you would receive if you chose the Life Annuity payment option. The second scenario assumes that you make monthly withdrawals equal to the amount you would receive if you chose the 100% Joint & Survivor Annuity option.

Example: Benefit Commencement Age = 65
 Lump Sum Distribution Amount = \$100,000
 Monthly Annuity = \$771.21
 100% Joint & Survivor = \$693.02

If your lump sum distribution earns:	Scenario 1: A monthly distribution of \$771.21 would last:	Scenario 2: A monthly distribution of \$693.02 would last:
2% per year	12 years and 1 months	13 years and 8 months
4% per year	14 years and 0 months	16 years and 2 months
6% per year	16 years and 11 months	20 years and 7 months
8% per year	22 years and 11 months	33 years and 2 months
10% per year	Indefinitely	Indefinitely

* Annuity conversion will vary based on your age and annuity conversion rates in the year you retire.

TAXES ON DISTRIBUTIONS

When you receive a payment from the Plan after leaving Care New England, the tax rules that apply will depend on the form of distribution you receive. When your Plan account is paid out to you, the benefit you receive is subject to ordinary income taxes. An additional 10% federal excise tax may also apply if you terminate before age 55 and elect to receive your benefit as a lump-sum distribution before age 59-1/2. The 10% federal excise tax will not apply if you terminate on or after age 55.

When you receive a payment from the Plan, you will want to consider the special tax rules which may enable you to delay payment of – or reduce the amount of – ordinary income taxes you have to pay. Some of the special tax rules are:

- Subject to certain legal restrictions, you can defer payment of income taxes by directly transferring or rolling over a lump-sum payment into an IRA or another employer’s eligible employer retirement plan within 60 days of receipt of the lump-sum payment.
- Care New England is required to withhold 20% of lump-sum distributions from the Plan for federal taxes unless the distribution is directly transferred to an IRA or another eligible employer plan.

These statements are general in nature due to the complexity of the laws that govern taxation of distributions from these plans. You should talk to a competent tax advisor about your distribution before you make any decisions.

WHEN PAYMENTS MAY BEGIN

If you have completed at least three years of vesting service, you will be entitled to the full value of your CNE Pension Account when you retire or otherwise leave Care New England. If you retire, you may begin receiving benefits on the first day of any month following an eligible retirement as described below.

Normal Retirement

Your normal retirement date is the first day of the month on or after your 65th birthday.

Early Retirement

You may retire before your normal retirement date and receive your Plan benefit once you reach age 55 and have earned three years of vesting service.

Late Retirement

If you work past age 65, your CNE Pension Account will continue to grow through annual contribution credits and interest credits. Your benefit payment will be postponed until you actually retire.

IF YOU LEAVE BEFORE AGE 55

If you leave Care New England after you are vested in the Plan but before age 55, the Care New England annual contribution credit will stop when you terminate employment. Your account will continue to earn interest credits (as described on page 4) each year until your normal retirement date or the date you begin receiving benefits, if earlier.

You may elect to receive your lump sum or monthly annuity on the first day of any month on or after you terminate employment (once six months have passed since your termination), or you may defer payments to a later date, but no later than your normal retirement date. The payment options available to you at normal retirement are also available if you choose to begin payments before your normal retirement date.

DEATH BENEFITS

If You Die Before Retirement

If you die before you receive your benefits from the Plan, your Pension Account will become 100% vested. Your spouse (or, if you are not married, your beneficiary) is entitled to the full value of your CNE Pension Account. Your spouse may elect to receive the benefit in the form of a lump-sum payment or as a monthly annuity.

The amount payable to your spouse or beneficiary as a lump sum will be the full value of your CNE Pension Account. If your spouse chooses a monthly annuity form of payment, this lump-sum amount will be converted to an annuity (see page 6).

Your spouse or beneficiary may elect to receive the benefit on the first of any month following your date of death, up until the date you would have attained age 65. If payments are deferred, the account will continue to earn interest credits until payments begin.

If You Die After Retirement

If you die after your monthly benefits have started, death benefits will be paid to your spouse or other beneficiary only if the form of the benefit you elected provides for such benefits. For example, if you elected the single life annuity option, no death benefits would be payable. If you die after you retire and you have received your Plan benefit as a lump-sum distribution, no additional benefits will be payable to your spouse or beneficiary.

WHEN BENEFITS ARE NOT PAID

Under certain circumstances, Plan benefits may be denied or reduced from those described in this summary. For instance:

- If you stop working at Care New England for any reason before you have completed three years of vesting service, you will not be entitled to a benefit from the CNE Pension Account.
- If you do not apply for benefits or fail to provide information requested by the Plan Administrator, benefits could be delayed.
- If required by a qualified domestic relations order (QDRO), your benefits may be assigned to someone other than you or your designated beneficiary to meet payments for child support, alimony or marital property rights.

Breaks in Service

A “one-year break in service” is a calendar year in which you do not earn more than 500 hours of service.

You will incur a “disqualifying break in service” if you have not earned three years of vesting service before your break in service began, and the duration of your break in service exceeds six years.

If you incur a disqualifying break in service, your participation in the Plan will end. If you return to work at Care New England following a disqualifying break in service, you will be treated as a new employee.

If You Return to Work After Retirement

If you retire and return to work at Care New England and you have not yet received a benefit from the Plan, your CNE Pension Account will continue to grow through annual contribution credits and interest credits.

If you retire and return to work at Care New England and you have begun receiving your benefits from the Plan in the form of a monthly annuity payment, your annuity payments will continue. Your new CNE Pension Account balance will be \$0. If you return to work after receiving a lump-sum distribution from the Plan, you join the Plan on your date of re-hire. Your new CNE Pension Account balance will be \$0.

IMPORTANT FACTS ABOUT THE PLAN

Plan Name

The official name of the Plan is the Care New England Pension Plan. The Plan is a *defined benefit* plan meaning that the level of benefits is determined by a formula.

Plan Number

The employer identification number, together with the Plan number, should be used in any formal correspondence about the Plan.

The Employer Identification Number is: 05-0490997

The Plan Number is: 001

Plan Year

The Plan Year is the same as the calendar year.

Plan Sponsor

The Plan Sponsor is:

Care New England
45 Willard Avenue
Providence, RI 02905

Plan Administrator

Care New England has appointed the CNE Pension Committee to administer the Plan.

The Committee's address is:

CNE Pension Committee
Care New England
45 Willard Avenue
Providence, RI 02905
(401) 453-7900

As Plan Administrator, the CNE Pension Committee has overall responsibility for the Plan. The CNE Pension Committee is responsible for the operation and administration of the Plan, including matters relating to interpretation of Plan provisions, implementation of Plan administration procedures, and compliance with IRS rules and regulations.

Plan Funding

The Plan's assets are held in a trust fund under the control and management of the trustee:

Bank of America
100 Westminster Street
Providence, RI 02903

Care New England makes periodic contributions to the trust fund based on the advice of an independent actuary who takes into account a number of factors, including the Plan's formula, expected investment returns on plan assets, life expectancies of participants, etc. Care New England makes all of the required contributions. These contributions are held, invested, and distributed strictly in accordance with the terms and provisions of the Plan and trust agreement.

Plan benefits are paid solely from the trust fund.

OTHER INFORMATION

Assignment of Benefits

Under federal law, you cannot assign your benefits under this Plan for any reason. In addition, your benefit(s) are not subject to assignment or attachment except in the case of a property settlement, child support, or alimony ordered by a court under a qualified domestic relations order (QDRO). If such an order is received, all or part of your benefits may be used to satisfy the obligation. You will be notified if circumstances should develop which could involve a potential assignment of any of your interest in the Plan. The Plan Administrator will process requests for qualified domestic relations order determinations in accordance with written procedures. You or your beneficiary may obtain a copy of this procedure free of charge by contacting Human Resources.

The Plan Administrator has procedures to follow in the event of a domestic relations order. You may request a copy of these procedures, which will be provided at no cost to you.

Maximum Annual Benefit

Federal regulations limit the maximum benefit that may be paid under the Plan. As a result of these limits, you may not be able to receive as large a benefit as the terms of the Plan would otherwise provide. In the unlikely event that these limits affect the calculation of your benefit, the Plan Administrator will notify you.

Top Heavy Provisions

The Internal Revenue Service (IRS) has issued special rules for plans that become "top heavy." In general, the Plan would become top heavy if the value of the benefits earned by certain highly compensated employees under the Plan is more than 60% of the value of benefits earned by all covered employees.

It is unlikely that this Plan will ever become top heavy. If this should occur, however, you will receive complete information on any required vesting or contribution adjustments.

Claim Procedure

If you feel that you are entitled to certain Plan benefits you are not receiving, you may make a written request to the Plan Administrator for such benefits.

If your request is denied, you will be notified in writing within 90 days after the Plan Administrator receives your request. In special circumstances the Plan may require up to 180 days to make a decision. In this event, you will receive a notice before the end of the

original 90-day period that explains the special circumstances involved and the date by which the Plan expects to make its decision. The notice will contain the following information:

- The specific reason or reasons for the denial;
- Specific reference to the Plan provisions on which the denial is based;
- A description of any additional material or information necessary in order to present a thorough appeal; and
- An explanation of the claim appeal procedure including the applicable deadlines and a statement of your right to bring civil action in court if the appeal of your denied claim is also denied after it has been reviewed.

If you disagree with the decision, you or your authorized representative may appeal the denial to the Plan Administrator.

You must submit your written appeal within 60 days of the date of denial. The Plan Administrator or other Plan fiduciary will conduct a full and fair review of your claim. This Plan fiduciary will have had no role in the initial claim denial and the review will be an independent one without giving the original denial any special consideration.

During this review, you may be given an opportunity to appear personally before the Plan Administrator's representative to present your case. You will be able to submit written comments, documents, records, and other information relevant to your benefit claim, and copies of this information will be provided free of charge upon your request.

You will be given a notice of the decision within 60 days after receipt of your written appeal, but this period may be extended for up to an additional 60 days in special circumstances, provided that written or electronic notice of the extension is furnished to you before the decision is made. The extension notice will indicate the special circumstances requiring an extension of time and the date by which the Plan expects to make its decision.

The notice of the decision on your appeal will be written or electronic and shall include the following information:

- the specific reasons for the decision,
- the Plan provisions on which the decision was made,
- an explanation of your right to request access to or copies of all information relevant to your claim, free of charge, without regard to whether such records were considered or relied upon in making the appeal decision, including any reports and the identities of any experts whose advice was obtained,
- a statement describing any voluntary appeal procedures offered by the plan and the claimant's right to obtain the information about such procedures, and
- your right to bring a civil action in court.

Legal Process

Any legal process related to the CNE Pension Account should be directed to the Plan Administrator at the address on page 14. Legal process may also be served on the Plan Trustee.

Change of Address

To make sure you receive your benefits and any communications pertaining to the Plan after you (or your beneficiary) change your address, it is critical that you send a written notice to your Human Resources Department.

The notice should include:

- Your name and new address;
- Your Social Security number; and
- Your beneficiary's name and address.

Keeping this information up-to-date will ensure that you (or your beneficiary) receive your benefit payment(s) without undue delay.

Social Security

You may receive benefits from Social Security in addition to the benefits you will receive from the CNE Pension Account. Care New England does not have any control over Social Security benefits, which are provided and administered by the federal government. This section is intended only as a brief introduction to Social Security.

Social Security benefits may be payable in the event of your death or disability as well as retirement. Your Social Security benefits are based on the amount of your earnings that are subject to Social Security taxes. You may contact your local Social Security office for a record of your past wages that were subject to Social Security taxes. You may also request from the Social Security a booklet that explains in detail how to calculate your Social Security benefits.

The Social Security Administration's toll-free phone number is 1-800-772-1213. This number is in operation from 7:00 a.m. to 7:00 p.m. (EST) on business days.

CONTINUANCE OF THE PLAN

Care New England expects to continue the CNE Pension Account indefinitely, but reserves the right to change or discontinue the Plan at any time. In the event that Care New England terminates the Plan, you will automatically become 100% vested in the benefits you earned as of the Plan's termination date, to the extent Plan benefits have been funded as of that date. This is true regardless of how much service you have in the Plan at that time.

Except under very limited circumstances, the Plan may be terminated only if there are Plan assets sufficient to satisfy all of the Plan's benefit commitments. If the Plan assets exceed the amount necessary to meet these commitments, Care New England may be entitled to a portion of these assets.

If Plan assets are not sufficient to satisfy all of the Plan's benefit commitments, the Plan may be terminated only in limited situations involving bankruptcy or preservation of Care New England's ability to stay in business. If the Plan is terminated under these conditions and Plan assets are not sufficient to satisfy all benefit commitments, the law establishes

priorities as to how the trust fund's assets will be used to provide Plan benefits after termination. For more information as to how assets will be used to pay benefits in case the Plan is terminated, contact the Plan Administrator.

PENSION BENEFIT GUARANTY CORPORATION

Benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (PBGC) if the Plan terminates. Generally, the PBGC guarantees most vested normal retirement age benefits, early retirement benefits, and certain disability and survivor pensions. However, the PBGC does not guarantee all types of benefits under the covered plans, and the amount of benefit protection is subject to certain limitations.

The PBGC guarantees most vested benefits at the level in effect on the date of plan termination. However, if a plan has been in effect for less than five years before it terminates, or if benefits have been increased within five years before plan termination, the whole amount of the plan's vested benefits or the benefit increase may not be guaranteed. Moreover, the PBGC does not guarantee benefits that became vested solely as a result of the plan termination. In addition, there is a ceiling on the amount of monthly benefit that the PBGC guarantees, which is adjusted periodically.

For more information on the PBGC insurance protection and its limitations, you can contact the Plan Administrator or the PBGC. Inquiries to the PBGC should be addressed to the PBGC, Administrative Review and Technical Assistance Branch, Suite 930, 1200 K Street, N.W., Washington, D.C. 20005-4026, or you can call (202) 326-4000.

YOUR RIGHTS AS A PLAN PARTICIPANT

As a participant in the CNE Pension Account, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan participants shall be entitled to:

- Examine, without charge, all of the Plan documents and copies of all documents filed by the Plan with the U.S. Department of Labor. These documents may be seen in the Human Resources department during normal working hours.
- Obtain copies of all Plan documents and other information upon written request to the Plan Administrator. A reasonable charge may be made for the copies.
- Receive free of charge a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary of the annual financial report.
- Obtain a written statement of your current status in the Plan. If you make this request, you will be told how much you have earned in the Plan to date, and whether or not you would have a right to receive all or part of this benefit upon reaching your normal retirement date if you stop working under the Plan now. If you are not vested, you will be told when you will become vested assuming you continue your employment with Care New England. If you request this statement, it will be given to you free of charge but not more than once a year.

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. These people, called fiduciaries of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries.

No one may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

If your claim for a retirement benefit is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the Plan review and reconsider your claim.

Under ERISA, there are steps you can take to enforce the above rights.

- If you request materials from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.
- If you have a claim for benefits which is denied or ignored in whole or in part, you may file suit in a state or federal court.
- If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees.

If you have any questions about this statement of your rights under ERISA, you should contact the nearest office of the Pension and Welfare Benefits Administration (PWBA), U.S. Department of Labor or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

A listing of current PWBA regional and district offices is printed below:

Atlanta Regional Office
61 Forsyth Street, Suite 7B54
Atlanta, GA 30303
Phone: 404/ 562-2156

Boston Regional Office
J.F.K. Federal Building, Room 575
Boston, MA 02203
Phone: 617/ 565-9600

Chicago Regional Office
200 West Adams Street, Suite 1600
Chicago, IL 60606
Phone: 312/ 353-0900

Cincinnati Regional Office
1885 Dixie Highway, Suite 210
Ft. Wright, KY 41011-2664
Phone: 606/ 578-4680

Dallas Regional Office
525 Griffin Street, Rm. 707
Dallas, TX 75202-5025
Phone: 214/ 767-6831

Philadelphia Regional Office
Gateway Bldg.
3535 Market Street, Room M300
Philadelphia, PA 19104
Phone: 215/ 596-1134

St. Louis District Office
815 Olive Street, Rm. 338
St. Louis, MO 63101-1559
Phone: 314/ 539-2691

Washington D.C. District Office
1730 K Street, N.W., Suite 556
Washington, DC 20006
Phone: 202/ 254-7013

Detroit District Office
211 West Fort Street, Suite 1310
Detroit, MI 48226-3211
Phone: 313/ 226-7450

Kansas City Regional Office
1100 Main, Suite 1200
Kansas City, MO 64105-2112
Phone: 816/ 426-5131

Los Angeles Regional Office
790 E. Colorado Boulevard, Suite 514
Pasadena, CA 91101
Phone: 626/ 583-7862

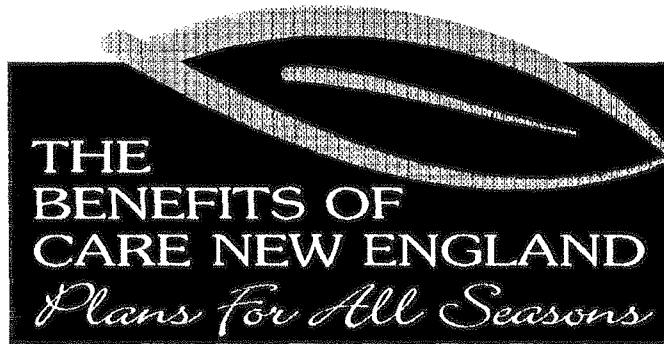
Fort Lauderdale District Office
8040 Peters Road, Bldg. H-104
Plantation, FL 33324
Phone: 954/ 424-4022

New York Regional Office
1633 Broadway, Rm. 226
New York, NY 10019
Phone: 212/ 399-5191

San Francisco Regional Office
71 Stevenson St., Suite 915
P.O. Box 190250
San Francisco, CA 94119-0250
Phone: 415/ 975-4600

Seattle District Office
1111 Third Avenue, Suite 860
Seattle, WA 98101-3212
Phone: 206/ 553-4244

Nothing contained in this booklet creates an express or implied contract with employees regarding employment or any benefits associated with employment. Care New England reserves the right, as to employees and their beneficiaries, former employees and their beneficiaries and retirees and their beneficiaries covered under the CNE Pension Account, to change or discontinue the Plan at any time.



CARE NEW ENGLAND
403(b) MATCH AND SAVINGS PLAN

2012

TABLE OF CONTENTS

- A. **General Information About the Plan**
- B. **Participation in the Plan**
Q & A 1 How do I become eligible to become a member of the Plan?
Q & A 2 When do I become a member of the Plan?
- C. **Contributions to the Plan**
Q & A 3 What types of contributions may I make to the Plan
Q & A 4 How much may I contribute to the Plan?
Q & A 5 How often can I change my contribution?
Q & A 6 What effect will my contribution have on my other benefits?
Q & A 7 How much does the Company contribute to the Plan?
Q & A 8 How are the Company's contributions to the Plan allocated among the Plan members?
- D. **Vesting of Contributions**
Q & A 9 How much of my account am I entitled to when I leave the Company?
Q & A 10 What are the rules if my employment terminates prior to retirement?
- E. **Distribution of Benefits**
Q & A 11 What happens if I become disabled?
Q & A 12 Is there a death benefit?
Q & A 13 What happens when I retire?
Q & A 14 What happens if my employment terminates for other reasons?
Q & A 15 How will my account be paid?
- F. **Investment of Your Accounts**
Q & A 16 How do I know the total amount of my benefit?
Q & A 17 How is the Plan's money invested?
- G. **Your ERISA Rights and Other Important Information**
Q & A 18 What are my rights under the Employee Retirement Income Security Act of 1974 (ERISA)?
Q & A 19 How do I make a claim for benefits?
Q & A 20 What happens if the Plan is amended or terminated?
Q & A 21 Is there ever a time when benefits can be lost or denied?
- H. **Income Tax Considerations**
Q & A 22 What are the tax consequences when I am paid Plan benefits?
- I. **Auxiliary Features**
Q & A 23 Can I make rollover contributions to the Plan?
Q & A 24 Am I allowed to borrow from the Plan?
Q & A 25 Can I make withdrawals from the Plan while I am employed?
- J. **Administrative Fees and Expenses**

INTRODUCTION

This booklet is called a Summary Plan Description ("SPD") and is intended to be a brief description of the provisions of our **Plan**. Inside, you will find an explanation of your rights, obligations and benefits under our **Plan**.

Please read the description carefully to answer any questions you may have concerning our **Plan**. If you have questions after reading this booklet, please ask the **Plan Administrator**. You also have the right to read a copy of our **Plan** documents which are on file in the **Company's** office.

NOTE: *WE HAVE TRIED OUR BEST TO MAKE THIS A CLEAR AND UNDERSTANDABLE BOOKLET. HOWEVER, IF THERE IS ANY CONFLICT BETWEEN THIS BOOKLET AND THE ACTUAL PLAN DOCUMENT, OR BETWEEN THIS BOOKLET AND FEDERAL LAW, THE PLAN DOCUMENT OR FEDERAL LAW, AS APPROPRIATE, WILL CONTROL. THIS BOOKLET IS NOT INTENDED TO CHANGE OR EXTEND THE PROVISIONS OF THE PLAN.*

A. GENERAL INFORMATION ABOUT THE PLAN

As you read this booklet, you will find that some words are in **Bold Type**. These words have the special meanings that appear below:

COMPANY: The term **Company** refers collectively to Care New England, Care New England Health System, Butler Hospital, Kent County Memorial Hospital and Women & Infants Hospital of Rhode Island. However, for recordkeeping purposes, Care New England is the **Plan** sponsor. The **Plan** sponsor's name, address, telephone number, and federal identification number are:

Care New England
360 Duncan Drive
Providence, RI 02906
Telephone: (401) 680-4400
EIN: 05-0490997

COMPENSATION: This is your pay from the **Company** for the **Plan Year** as reported to the Internal Revenue Service on Form W-2, excluding imputed income from life insurance, pay related to fee for service or health and dental plan buyouts, and on-call and severance pay, and including any amount you defer as a pre-tax savings and/or Roth contribution to the **Plan** or under certain other salary deferral arrangements.

HOUR OF SERVICE: An **Hour of Service** is any hour for which you receive pay or are entitled to receive pay from the **Company** or any related company, including hours you are paid for vacation, holiday, illness, disability, layoff, jury or military duty, or leave of absence. However, no more than 501 **Hours of Service** are credited to an employee on account of any single continuous period during which the employee is not actually working.

NORMAL RETIREMENT DATE: This is the date on which you reach age 65. You are not required to retire on this date, of course. This is just a definition in the **Plan** which establishes when your full account is payable to you.

PLAN: The name of the **Plan** is the "Care New England 403(b) Match and Savings Plan." Its identification number is 002. The **Plan** is legally classified as a Code Section 403(b) retirement plan. The initial effective date of the **Plan** was January 1, 2009. The **Plan** was most recently revised in 2011. The **Plan's** agent for service of legal process is the **Plan Administrator**.

PLAN ADMINISTRATOR: Care New England serves as the **Plan's Administrator**.

PLAN YEAR: This is the 12-month period from January 1 to December 31.

B. PARTICIPATION IN THE PLAN

Q1 *HOW DO I BECOME ELIGIBLE TO BECOME A MEMBER OF THE PLAN?*

A1 You will become eligible for purposes of making pre-tax savings and Roth contributions on your date of hire by the **Company**.

You will become eligible for membership in the **Plan** for purposes of receiving **Company** matching contributions and nonelective contributions when you complete one Year of Eligibility Service.

Important Definition -- Year of Eligibility Service: A Year of Eligibility Service is a 12-month period measured from your date of hire in which you are credited with at least 1,000 **Hours of Service**. If you were paid for less than 1,000 hours in that period, you will be credited with a Year of Eligibility Service whenever you complete 1,000 hours or more in any **Plan Year** following your date of hire.

Any employees who are included in a unit of employees covered by a collective bargaining agreement are not eligible to participate in the **Plan** for purposes of receiving **Company** contributions. In addition, Women and Infants Brown University Academic Faculty hired prior to October 1, 2011, Butler Hospital interns and physicians in residence, and Women & Infants Hospital interns and physicians in residence are not eligible to participate in the **Plan** for purposes of receiving **Company** contributions.

Q2 *WHEN DO I BECOME A MEMBER OF THE PLAN?*

A2 You become a member of the **Plan** for purposes of making pre-tax savings and Roth contributions on your date of hire by the **Company**.

For purposes of receiving **Company** matching contributions and nonelective contributions, you become a member of the **Plan** as of the first day of the **Plan Year** in which you complete the above service requirement (i.e., completion of one Year of Eligibility Service).

Example: Marie is hired on February 20, 2012. She completes one Year of Eligibility Service on February 19, 2013. For pre-tax savings and/or Roth contribution purposes, Marie will become a member of our **Plan** as of February 20, 2012. For **Company** contribution purposes, Marie will become a member of our **Plan** as of January 1, 2013.

Once you become a member of the **Plan**, you must enroll and specify that you wish to make a pre-tax savings contribution and/or Roth contribution to the **Plan** and the amount of your contribution.

Reemployed Members: If you leave the **Company** while a member of the **Plan**, and then come back to work, you will become a member again on your return, and you can begin making pre-tax savings contributions and/or Roth contributions to the **Plan** immediately. You must specify the amount of your contribution.

C. CONTRIBUTIONS TO THE PLAN

Q3 WHAT TYPES OF CONTRIBUTIONS MAY I MAKE TO THE PLAN?

A3 Each **Plan Year** you have the option of making pre-tax savings contributions and after-tax Roth contributions to the **Plan** through payroll deduction. These contributions are explained in greater detail below. The tax rules affecting each type of contribution are complex. You may wish to discuss the tax rules with your tax advisor.

A. Pre-Tax Savings Contributions

Pre-tax savings contributions are traditional 403(b) salary deferral contributions that you may make to the **Plan**. You do not have to pay current federal income tax on the amount of your pre-tax savings contributions at the time your pre-tax savings contribution is made. When you receive a distribution of your pre-tax savings contributions, the contributions, including investment earnings, will be subject to income taxes.

B. Roth Contributions

Roth contributions are after-tax contributions that you may elect to make to the **Plan**. If you elect to make Roth contributions, the contributions you make to the **Plan** are subject to income taxes in the year of contribution. However, the contributions and, in most cases, the earnings on the contributions are not subject to income taxes when distributed to you. In order for the earnings to be distributed tax-free, there must be a *qualified* distribution of your Roth contributions.

In order to be a *qualified* distribution, the distribution must occur after one of the following: (1) your attainment of age 59 1/2; (2) your disability; or (3) your death. *In addition*, the distribution must occur after the expiration of a 5-year participation period. The 5-year participation period is the 5-year period beginning in the calendar year in which you first make a Roth contribution to the **Plan** (or to another 403(b) plan or 401(k) plan if such amount was rolled over into the **Plan**) and ending on the last day of the calendar year that is five years later. For example, if you make your first Roth contribution under this **Plan** on January 1, 2012, your 5-year participation period will end on December 31, 2016. It is not necessary that you make a Roth contribution in each of the five years.

If a distribution of your Roth contributions is *not* a qualified distribution, the earnings distributed with the Roth contributions will be taxable to you at the time of distribution (unless you roll over the distribution to a Roth IRA or other 403(b) plan or 401(k) plan that will accept the rollover). In addition, in some cases, there may be a 10% excise tax on the earnings that are distributed.

Q4 **HOW MUCH MAY I CONTRIBUTE TO THE PLAN?**

A4 Each **Plan Year** you may make pre-tax savings contributions and Roth contributions to the **Plan** through payroll deduction up to the maximum amount allowed by law, but in no event more than \$17,000 for 2012. (The limit for later years will be announced by the IRS.) Certain limits may reduce the amounts which may be contributed. You will be notified if those limits affect you.

If you are age 50 before the end of the **Plan Year**, you will be able to make additional pre-tax savings contributions in the amount of \$5,500 for 2012.

Q5 **HOW OFTEN CAN I CHANGE MY CONTRIBUTION?**

A5 You may stop making your pre-tax savings and/or Roth contributions at any time. You may not resume making contributions until the next payroll period following your election to resume contributions.

You may elect to increase or decrease the amount of your pre-tax savings and/or Roth contributions throughout each **Plan Year** effective on the next payroll period by making an election prior to the effective date of such change.

Q6 **WHAT EFFECT WILL MY CONTRIBUTION HAVE ON MY OTHER BENEFITS?**

A6 If you make a contribution to the **Plan**, we will not reduce any of your **Compensation**-related benefits.

You and the **Company** will continue to pay Social Security taxes on amounts you contribute to the **Plan** so that you will not lose your rights to any Social Security benefits.

If you make a contribution to the **Plan** or a **Company** contribution is made to your **Plan** account, you are an "active participant" and the amount of your deductible contribution to an individual retirement account (IRA) may be limited, depending on your income. However, the amount of your contribution or **Company** contribution will not be counted against the deductible limit for IRA contributions.

Q7 **HOW MUCH DOES THE COMPANY CONTRIBUTE TO THE PLAN?**

A7 Under the terms of the **Plan**, the **Company** will make matching contributions (that match your pre-tax savings and/or Roth contributions) and nonelective contributions. These contributions are explained in greater detail below.

A. Matching Contributions

Each **Plan Year**, the **Company** will make a matching contribution equal to 100% of the first \$500.00 of your pre-tax savings and/or Roth contributions, and 50% of your pre-tax savings and/or Roth contributions that exceed \$500.00. In no event will your total matching contribution for any **Plan Year** exceed the greater of \$500.00 or 2% of your **Compensation** for the **Plan Year**.

Example: Assume your **Compensation** is \$30,000.00. If you were to contribute \$700.00 to the **Plan**, the **Company** would contribute \$600.00.

B. Nonelective Contributions

Each **Plan Year** beginning on and after January 1, 2011, the **Company** will make a nonelective contribution to the **Plan** on your behalf.

The amount of your **Company** nonelective contribution will be equal to a percentage of your **Compensation** determined based on the number of points you have accumulated as of the first day of the **Plan Year** (January 1) for which the contribution is made. You are credited with one point for each completed year of your age and one point for each completed Year of Vesting Service (as defined in Q & A 9). No partial points are recognized. The amount of the **Company's** nonelective contribution is based on the following table:

<u>Points</u>	<u>Nonelective Contribution as a Percentage of Compensation</u>
Less than 40	3.00%
40 - 44	3.50%
45 - 49	4.00%
50 - 54	4.50%
55 - 59	5.00%
60 - 64	5.50%
65 - 69	6.00%
70 - 74	7.00%
75 - 79	8.00%
80 or more	9.00%

Example: Richard, age 45, is an eligible member whose **Compensation** is \$35,000 and he is credited with 10 Years of Vesting Service. As of January 1, 2012, Richard is credited with 55 points (age 45 plus 10 Years of Vesting Service) for purposes of determining his **Company** nonelective contribution. Based on the total number of his points, Richard would be entitled to a contribution equal to \$1,750 (i.e., 5% of \$35,000) for the **Plan Year**.

Q8 **HOW ARE THE COMPANY'S CONTRIBUTIONS TO THE PLAN ALLOCATED AMONG THE PLAN MEMBERS?**

A8 An account will be established for you under the **Plan** to which will be credited your yearly share of the **Company's** matching contributions and nonelective contributions.

A. Matching Contributions

In order for your account to receive a share of the **Company's** matching contribution for a **Plan Year**, you must have made a pre-tax savings contribution and/or Roth contribution for the **Plan Year** and you must have completed at least 1,000 **Hours of Service** during the **Plan Year**.

B. Nonelective Contributions

In order for your account to receive a share of the **Company's** nonelective contribution for a **Plan Year**, you must have completed at least 1,000 **Hours of Service** during the **Plan Year**.

You are not required to make pre-tax savings contributions or Roth contributions to be eligible for the **Company's** nonelective contribution.

D. VESTING OF CONTRIBUTIONS

Q9 **HOW MUCH OF MY ACCOUNT AM I ENTITLED TO WHEN I LEAVE THE COMPANY?**

A9 You are always 100% vested in your pre-tax savings contributions, Roth contributions and any amounts rolled over into the **Plan**. A "vested" benefit can never be taken away from you or forfeited.

If your employment with the **Company** terminates on or after your **Normal Retirement Date**, you will be 100% vested in your entire account.

If your employment with the **Company** terminates prior to your **Normal Retirement Date**, the **Plan's** vesting schedule gives you a right to a part or all of your account derived from **Company** matching contributions and nonelective contributions depending on how long you have worked for us, as follows:

<u>Years of Vesting Service</u>	<u>Vested Percentage</u>
Less than 3 years	0%
3 years or more	100%

Any part of your account to which you are not entitled will be forfeited. Forfeited matching contributions will be used to reduce any **Company** contributions for the **Plan Year** or may be used to pay **Plan** expenses.

Important Definition -- Year of Vesting Service: A Year of Vesting Service is a **Plan Year** in which you have been credited with at least 1,000 **Hours of Service**, including years prior to January 1, 2009, the original effective date of the **Plan**.

Q10 **WHAT ARE THE RULES IF MY EMPLOYMENT TERMINATES PRIOR TO RETIREMENT?**

A10 For purposes of the **Plan**, your participation in the **Plan** is terminated when you have a 1-year Break in Service.

A 1-year Break in Service is a **Plan Year** in which you are credited with less than 501 **Hours of Service** and are not on an approved **Company** leave of absence granted in writing.

If you take a leave of absence on account of pregnancy, birth, or adoption of your child, the **Plan Administrator** will credit you with up to 501 **Hours of Service** in order to prevent you from incurring a 1-year Break in Service.

If you stop working for the **Company** either because you quit or are discharged before your retirement date, your account may be forfeited according to the following rules:

If you terminate employment, any portion of your **Company** contribution account in which you are not vested will be forfeited unless you return to employment with the **Company** prior to the occurrence of five consecutive 1-year Breaks in Service. Also, you must repay any amounts previously distributed to you. Repayment must be made within 5 years of your return to employment.

If you return to work from military leave in the uniformed services on or after December 12, 1994, you will be treated as not having incurred a 1-year Break in Service for purposes of the **Plan**.

E. DISTRIBUTION OF BENEFITS

Q11 *WHAT HAPPENS IF I BECOME DISABLED?*

A11 If your employment with the **Company** terminates as a result of a "permanent and total disability," you will become 100% vested and may request that payment of your account begin after the **Plan Administrator** has determined that you are permanently and totally disabled. Payments will commence approximately 60 days after your request is received by the **Plan Administrator**. You may choose to delay payment of your benefits, but not beyond the date specified under Q & A 13.

"Permanent and total disability" means a physical or mental condition that can be expected to last for at least 12 months or result in death. It must be serious enough to prevent you, in the opinion of the **Plan Administrator** and based upon appropriate medical advice and examination, from engaging in any substantial or gainful economic activity. Receipt of a Social Security disability pension will be proof of permanent and total disability.

Q12 *IS THERE A DEATH BENEFIT?*

A12 If you die while employed by the **Company**, your account will become 100% vested and your beneficiary will be entitled to receive your entire account under the **Plan** as a death benefit.

If you die following termination of employment with the **Company**, the vested value of your account will be paid to your beneficiary.

If you are married at the time of your death, your spouse will be the beneficiary of the death benefit, unless you designate another beneficiary on a form to be furnished to you by the **Plan Administrator**. IF YOU WISH TO DESIGNATE A BENEFICIARY OTHER THAN YOUR SPOUSE, YOUR SPOUSE MUST CONSENT TO WAIVE ANY RIGHT TO THE DEATH BENEFIT. YOUR SPOUSE'S CONSENT MUST BE IN WRITING AND WITNESSED BY A NOTARY PUBLIC OR A PLAN REPRESENTATIVE.

Benefits will be paid to your beneficiary as he/she chooses, unless you have elected in writing the method that benefits will be paid to your beneficiary. The method that is available for distribution is a single sum payment.

However, if no valid waiver signed by your spouse is in effect, the death benefit payable to your spouse will be in the form of a survivor annuity. This survivor annuity will provide monthly payments to your spouse for his/her lifetime. The amount of monthly payments will depend upon the value of your account at the time the payments begin. The

Plan Administrator may, however, distribute the benefit in an alternative method, such as a single sum or in installments, provided your spouse agrees in writing to an alternative form.

The period during which you and your spouse may waive this survivor annuity begins as of the first day of the **Plan Year** in which you reach age 35 (or the date you terminate employment with the **Company**, if earlier) and ends when you die. The **Plan Administrator** must provide you with a detailed explanation of the survivor annuity. This explanation must be given to you, generally, by the first day of the **Plan Year** in which you reach age 35, or within a reasonable period of time following either your attainment of age 35 or your termination of employment if you have not attained age 35.

It is, therefore, important that you inform the **Plan Administrator** before you turn age 35 so that you may receive this information.

If, however,

- (a) your spouse has validly waived any right to the death benefit in the manner outlined above,
- (b) your spouse cannot be located, or
- (c) you are not married at the time of your death,

then your death benefit will be paid to the beneficiary of your choosing. You may designate such beneficiary on a form to be supplied to you by the **Plan Administrator**. If you do not designate a beneficiary and you are not married, the **Plan** provides that your beneficiary will be your children, including adopted children, your surviving parents in equal shares or, if none, your estate.

Because your spouse would have certain rights in the death benefit, you should immediately report any change in your marital status to the **Plan Administrator**.

Q13 *WHAT HAPPENS WHEN I RETIRE?*

A13 If you retire on or after your **Normal Retirement Date**, payments will commence approximately 60 days after you retire, unless you otherwise elect in writing to defer receipt of your benefits.

If you choose, you may delay payment of your benefits. However, distribution of your **Plan** benefits must begin no later than the April 1st following the later of (1) the calendar year in which you attain age 70½ or (2) the calendar year in which you retire.

Q14 **WHAT HAPPENS IF MY EMPLOYMENT TERMINATES FOR OTHER REASONS?**

A14 If you terminate employment with the **Company** before your **Normal Retirement Date**, for reasons other than death or disability, and elect to receive payment of your vested account, payment to you will be made as soon as administratively feasible following your date of termination.

If at the time of such termination of employment, the amount of your vested account is \$1,000 or less, the **Plan Administrator** may distribute your vested account to you without your consent.

If at the time of your termination of employment the amount of your vested account is more than \$1,000, but does not exceed \$5,000, then a lump sum distribution will be made to you following your termination of employment. However, you may elect whether to receive the distribution or to roll over the distribution to an individual retirement account ("IRA") or other qualified retirement plan. At the time of your termination of employment, the **Plan Administrator** will provide you with further information regarding your distribution rights. If the amount of the distribution is more than \$1,000 and you do not elect either to receive or to roll over the distribution, then your distribution must be rolled over to an IRA established by the **Plan Administrator**. The IRA provider will invest the rollover funds in a type of investment designed to preserve principal and provide a reasonable rate of return and liquidity (for example, an interest-bearing account, certificate of deposit, money market account or mutual fund). The IRA provider will charge your account for any expenses associated with the establishment and maintenance of the IRA and with the IRA investments. You may transfer the IRA funds to any other IRA that agrees to accept the transfer. You may contact the **Plan Administrator** for more information regarding the **Plan's** automatic rollover provisions, the IRA provider, and the fees and expenses associated with the IRA.

Q15 **HOW WILL MY ACCOUNT BE PAID?**

A15 Subject to the terms of the applicable investment vehicle, your account will be paid in a single sum payment or in any form permitted under the annuity contract or custodial account agreement, as you elect in writing.

However, if you are married on the date your benefits are to begin, your account will automatically be paid to you in a 50% joint and survivor annuity, unless you and your spouse otherwise elect. This means that if you die and are survived by a spouse, your spouse will receive a monthly benefit for the remainder of his/her life equal to 50% of the benefit you were receiving at the time of your death.

If you wish to waive the joint and survivor form of payment, you may do so during the 180-day period ending on the date the annuity is to begin. However, YOUR SPOUSE MUST CONSENT IN WRITING TO THE WAIVER IN THE PRESENCE OF A PLAN OFFICIAL OR A

NOTARY PUBLIC. You may revoke any waiver. The **Plan Administrator** will provide you with forms to make these elections. Because your spouse participates in these elections, you must immediately inform the **Plan Administrator** of any change in your marital status.

If you and your spouse elect not to take a joint and survivor annuity or if you are not married when your benefits are scheduled to begin, you may choose an alternative form of payment.

Regardless of the form of payment you receive, its value to you will be the same value as each alternative form of payment.

F. INVESTMENT OF YOUR ACCOUNTS

Q16 *HOW DO I KNOW THE TOTAL AMOUNT OF MY BENEFIT?*

A16 The **Company** contributions are not paid to you directly. If they were, you would be taxed on the money right now. Instead, they are contributed to separate individual accounts in accordance with the terms of the applicable annuity contract or custodial account. A separate bookkeeping account is maintained by the **Plan Administrator** to keep track of your share of the contributions over the years. Also, each account will be charged with its share of the **Plan's** investment gains and losses. You will receive periodic statements showing:

- (1) your share of the **Plan's** assets at the beginning of the period;
- (2) changes due to investment results during the period;
- (3) your share of **Company** contributions for the period;
- (4) your pre-tax savings and Roth contributions, if any, during the period;
- (5) your rollover contributions, if any, during the period; and
- (6) the ending balance.

Q17 *HOW IS THE PLAN'S MONEY INVESTED?*

A17 The **Company** offers you a choice of investment funds for your account. The **Plan** is intended to constitute a plan as described in Section 404(c) of ERISA and Title 29 of the Code of Federal Regulations Section 2550.404c-1, which relieves the **Plan** fiduciaries of any liability for any losses that are the direct and necessary result of investment instruction given by any member of the **Plan**.

In deciding which fund to choose, there are important factors to keep in mind. The investment objectives of each fund vary and so do the risks involved. Before selecting how you want your account to be invested, you should consider how much risk you want to take.

The **Plan Administrator** will provide you with detailed information about the available investments and the manner of making and changing your investment elections.

The **Company** reserves the right to change the number and types of funds available for investment options. You will be informed of any changes.

The **Plan's** investment company may impose restrictions on your ability to change your investment elections under the **Plan**. The restrictions, if imposed by the investment company, concern the timing and frequency of changes to your investment elections under the **Plan**. If you have any questions concerning possible restrictions on your ability to change your investment elections, please contact the investment company.

G. YOUR ERISA RIGHTS AND OTHER IMPORTANT INFORMATION

Q18 WHAT ARE MY RIGHTS UNDER THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974 (ERISA)?

A18 As a member in the **Plan**, you are entitled to certain rights and protection under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all **Plan** members shall be entitled to:

- (1) Examine, without charge, at the **Plan Administrator's** office and at other specified locations, all documents governing the **Plan** and a copy of the latest annual report (Form 5500 Series) filed by the **Plan** with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration;
- (2) Obtain, upon written request to the **Plan Administrator**, copies of documents governing the operation of the **Plan** and copies of the latest annual report (Form 5500 Series) and updated Summary Plan Description. The **Plan Administrator** may make a reasonable charge for the copies;
- (3) Receive a summary of the **Plan's** annual financial report. The **Plan Administrator** is required by law to furnish each member with a copy of this summary annual report;
- (4) Obtain a statement telling you (a) the amounts credited to your account under the **Plan** and (b) what your benefits would be if you stop working under the **Plan** now. This statement is not required to be given more than once a year. The **Plan** must provide the statement free of charge.

In addition to creating rights for **Plan** members, ERISA imposes duties upon the people who are responsible for the operation of the **Plan**. The people who operate your **Plan**, called "fiduciaries," have a duty to do so prudently and in the interest of you and other **Plan** members and beneficiaries. No one, including the **Company**, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

If your claim for a pension benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the **Plan** and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the **Plan Administrator** to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons

beyond the control of the **Plan Administrator**. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the **Plan's** decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in Federal court. If it should happen that **Plan** fiduciaries misuse the **Plan's** money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in Federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim frivolous.

If you have any questions about your **Plan**, you should contact the **Plan Administrator**. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the **Plan Administrator**, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

Q19 **HOW DO I MAKE A CLAIM FOR BENEFITS?**

A19 Be sure that any request is in writing and delivered to the **Plan Administrator**. You will be required to complete and submit a number of forms.

We hope there will never be a disagreement as to the amount owed to you under the **Plan**. However, if there is a disagreement, you must follow the **Plan's** claims procedure or you may forfeit certain legal rights to contest the decision. You must file any request for benefits in writing. You may appoint an authorized representative to act on your behalf for the purposes of filing a claim and seeking a review of a denied claim, provided that you notify the **Plan** in advance of the name, address and telephone number of the authorized representative. Before filing your request, you or your authorized representative may wish to examine any **Plan** records regarding your claim. This examination may take place only during the **Plan's** regular working hours.

If your request for benefits is denied, in whole or in part, the **Plan Administrator** will provide you a written response so notifying you, within 90 days of receipt of your request; provided, however, that an extension of time not exceeding 90 days will be available if special circumstances require an extension of time for processing your request. If so, notice of such extension, indicating what special circumstances exist and the date by which a final decision is expected to be rendered, will be furnished to you before the initial 90-day period expires.

The notice of denial will set forth in a manner reasonably expected to be understood by you: (i) the specific reason or reasons for the denial; (ii) specific reference to pertinent **Plan** provisions on which the denial is based; (iii) a description of any additional material or information necessary for you to perfect the claim and an explanation of why such material or information is necessary; (iv) appropriate information as to the steps to be taken if you wish to submit your claim for review; and (v) a statement explaining your rights to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination after the review (as discussed below).

Upon request and free of charge, you or your duly authorized representative will be permitted to review relevant documents and submit issues and comments in writing. A document, record or other information is "relevant" if it: (i) was relied upon in making the benefit determination; (ii) was submitted, considered or generated in the course of making the benefit determination, without regard to whether it was relied upon in making the benefit determination; or (iii) demonstrates compliance with the administrative processes and safeguards required under federal law.

Within 90 days after receipt of such notice of denial, you or your authorized representative may request, by mailing or delivery of written notice to the **Plan**, a review by the **Plan Administrator** of the decision denying your claim. Such petition for review shall state in clear and concise terms the reason or reasons for disputing the denial and shall be accompanied by any pertinent documentary material not already furnished. The review will take into account all comments, documents, records and other information submitted by you relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.

After such review, the **Plan Administrator** will determine whether the denial of your claim was correct and will notify you in writing of its determination within a reasonable period of time, but not later than 60 days after the receipt of your request for review by the **Plan Administrator**, provided, however, that an extension of time not exceeding 60 days will be available if special circumstances require an extension of time for processing the appeal. If so, notice of such extension, indicating what special circumstances exist and the date by which a final decision is expected to be rendered, will be furnished to you before the initial 60-day period expires.

You will be advised of the **Plan Administrator's** decision in writing. The notice of denial will be set forth in a manner reasonably expected to be understood by you: (a) specific reasons for the decision and specific references to the pertinent **Plan** provisions on which the decision is based; (b) a statement that you are entitled to receive, upon request and free of charge, reasonable access to and copies of all documents, records and other information "relevant" to your claim for benefits; and (c) a statement of your right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review.

If you fail to request review within the 90-day period, it shall be conclusively determined for all purposes of this **Plan** that the denial of such claim by the **Plan Administrator** is correct.

If the **Plan Administrator's** determination is favorable to you, it shall be binding and conclusive. If such determination is adverse to you, it shall be binding and conclusive unless you or your authorized representative notifies the **Plan Administrator** within 90 days after the mailing or delivery to you by the **Plan Administrator** of its determination, that you intend to institute legal proceedings challenging the determination of the **Plan Administrator**, and you or your authorized representative actually institutes such legal proceeding within 180 days after such mailing or delivery.

The denial of an application or claim as to which the right of review has been waived or the decision of the **Plan Administrator** with respect to a petition for review, shall be final and binding upon all parties and any person claiming under you, subject only to judicial review.

However, the best way to avoid this type of problem is to make sure you understand the **Plan** and the way it works at this time. Remember, if you have questions, the **Plan Administrator** will assist you, and will refer any questions it is unable to answer to the professional benefit consultants who assist in administering the **Plan**.

Q20 **WHAT HAPPENS IF THE PLAN IS AMENDED OR TERMINATED?**

A20 The **Company** reserves the right, of course, to amend the **Plan**, to discontinue contributions or, when permitted by law, to terminate the **Plan**. No amendment can reduce the amount in your account or eliminate any of the benefit form options offered in the **Plan**.

If the **Plan** terminates, you are 100% vested in your account. The **Plan** is exclusively for the benefit of its members and, therefore, money cannot go back to the **Company** because of the **Plan's** termination.

Upon termination of the **Plan**, we will either distribute your benefits to you as soon as administratively possible (with the approval of the Internal Revenue Service) or transfer your benefits to another plan sponsored by the **Company**.

Q21 **IS THERE EVER A TIME WHEN BENEFITS CAN BE LOST OR DENIED?**

- A21**
- (1) The value of your account depends on the value of **Plan** investments. This is why your account must be invested carefully.
 - (2) Money will not be paid to you from the **Plan** while you are employed by the **Company**, unless there is a loan to you, you take a hardship withdrawal, or you have attained age 59½.
 - (3) Generally, your account balance cannot be assigned or alienated. This means that your account balance cannot be sold, given away or otherwise transferred. In addition, your creditors may not attach or garnish or otherwise demand payment from your account. However, there is an exception to this general

rule. This exception applies to "qualified domestic relations orders." The **Plan Administrator** is required by law to recognize these orders which are defined as a decree or order issued by a court that obligates you to pay child support or alimony. In addition, a qualified domestic relations order may allocate a portion of your account balance to your spouse, former spouse, child or other dependent. If a qualified domestic relations order is received by the **Plan Administrator**, all or a portion of your account balance may be used to satisfy the obligation. The **Plan Administrator**, in accordance with procedures set forth in the law, shall determine the validity of any domestic relations order it receives and shall inform you if it has received one affecting you.

H. INCOME TAX CONSIDERATIONS

Q22 *WHAT ARE THE TAX CONSEQUENCES WHEN I AM PAID PLAN BENEFITS?*

A22 The **Company's** contributions to your account and all investment earnings are tax deferred until actually paid to you from the **Plan**.

Whenever you receive a distribution from your **Plan**, it will normally be subject to income taxes. You may, however, be able to reduce or defer the tax due on your distribution.

Special Tax Rules: Federal law requires that the **Plan Administrator** provide anyone who receives a distribution from a retirement plan with a written explanation of the rules regarding the taxation of those distributions. The **Plan Administrator** will provide you with a written explanation of those rules when you receive benefit payments from the **Plan**.

The Internal Revenue Code provides several complex rules relating to the taxation of the amounts you may receive in a distribution. YOU SHOULD PROMPTLY CONSULT A TAX ADVISOR IN DECIDING WHAT YOU SHOULD DO WITH RESPECT TO ANY DISTRIBUTION.

I. AUXILIARY FEATURES

Q23 CAN I MAKE ROLLOVER CONTRIBUTIONS TO THE PLAN?

A23 The **Plan Administrator** may allow you to roll over to this **Plan** all or a portion of a distribution you have received from another qualified employer plan. However, the rollover of these amounts is subject to a complex set of rules and, therefore, you should consult with the **Plan Administrator** prior to making a rollover contribution to this **Plan**.

If you do make a rollover, the transferred money will be credited to a separate account established for you by the **Plan Administrator**. You will always be 100% vested in your "rollover account," but this amount will be affected by any gains or losses attributable to investment performance. Any amounts in your "rollover account" will be distributed to you when you would otherwise receive payment of your **Plan** benefits.

Q24 AM I ALLOWED TO BORROW FROM THE PLAN?

A24 Yes, subject to the terms of the applicable annuity contract or custodial account agreement, the **Plan Administrator** will allow members to borrow money from their accounts. The Loan Program which follows is a general overview of the **Plan's** rules regarding loans.

Eligibility: Loans are available only to **Plan** members who are active employees of the **Plan** sponsor.

Authorized Position/Person to administer loan program: **Plan Administrator**

Application Procedure: The member completes a loan application. If the application is approved, the member must sign a promissory note and obtain his/her spouse's written consent if applicable. The member must agree to bear the administrative expense of processing the loan.

Loan Approval Basis: All loan applications that meet all the following requirements shall be approved. Only one outstanding loan is permitted at any one time. Loans will be permitted for financial necessity only, which is defined as the following: (1) purchase of your primary residence; (2) payment of unreimbursed medical expenses for you or your dependent; (3) payment of educational expenses for you or an immediate member of your family; (4) prevention of eviction from your primary residence or from foreclosure on your primary residence; (5) payment for burial or funeral expenses for your deceased parent, spouse, child or other dependent; or (6) payment for the repair of damage to your primary residence that would qualify for a casualty deduction under the Internal Revenue Code. However, the administrator shall refuse to grant loans to members who indicate intent to not repay the obligation in accordance with its proposed terms and/or to members

who have other loans from the **Plan** which are in default, unless the administrator determines that renegotiation of defaulted loans is the best method for securing repayment.

Types of Loans Available: Fixed rate loans for a maximum term of 5 years. The interest rate shall be equal to regional bank rates for similar loans or such other reasonable rate as may be required under the applicable annuity contract or custodial account. The collateral will be 50% of the member's vested interest in the **Plan**.

Minimum/Maximum Loan Amount: The minimum loan is \$1,000. A member's loan cannot exceed the lesser of: (1) \$50,000, which amount is reduced by the highest outstanding balance of loans, if any, during the preceding 12-month period over the current outstanding balance of loans; or (2) 50% of the member's vested interest.

Loans from all plans of the sponsoring **Employer** are combined to determine the maximum available loan.

Loan Repayment: At least quarterly payments of principal and interest with level periodic payments. Loans will be repaid by payroll deduction from the borrower's wages. In the case of termination of employment, the entire outstanding loan balance shall be payable within 30 days of termination of employment.

If you take an unpaid leave of absence due to military service, your loan repayments may be suspended for a period of up to the lesser of five years or your period of military service. Please consult the **Plan Administrator** for further information.

If you take an authorized, unpaid leave of absence for other reasons, your loan repayments may be suspended for a period of up to the lesser of twelve months or the period of your authorized leave. Please consult the **Plan Administrator** for further information.

Loan Default Procedure: A loan to an actively employed member shall be considered in default at such time as the required payments are delinquent. A loan payment shall be deemed delinquent, and the loan will be in default, if the loan payment is not made by the end of the calendar quarter following the calendar quarter in which the payment was due. Upon default, the loan will be treated as a taxable distribution to the member and a Form 1099-R will be distributed reflecting the entire amount of the outstanding loan as a taxable distribution. A member who has terminated employment and who fails to repay the entire outstanding loan balance within 30 days of termination shall have his/her **Plan** interest reduced by the amount of the outstanding loan.

Q25 CAN I MAKE WITHDRAWALS FROM THE PLAN WHILE I AM EMPLOYED?

A25 Hardship Withdrawals: Subject to the terms of the applicable annuity contract or custodial account agreement, if you experience severe hardship for which other personal funds are not available, the **Plan** will allow you to withdraw the amount which you need for that emergency, provided that you obtain the consent of your spouse, if applicable.

The maximum hardship withdrawal is limited to the amount in your 100% vested account consisting of pre-tax savings and Roth contributions, exclusive of earnings on such contributions, and rollover contributions. Matching funds are not available for hardship withdrawals.

Hardship withdrawals will be allowed for:

- (1) Costs directly related to the purchase of your primary residence (excluding mortgage payments).
- (2) Unreimbursed medical expenses for you, your spouse or your dependent or unreimbursed expenses that are necessary so that you, your spouse or your dependent could obtain medical care.
- (3) Tuition, educational fees, and room and board expenses for the next twelve months of post-secondary education for you, your spouse or your dependent.
- (4) Amounts necessary to prevent your eviction from your primary residence or to prevent foreclosure on your primary residence.
- (5) Payments for burial or funeral expenses for your deceased parent, spouse, child or other dependent.
- (6) Expenses for the repair of damage to your primary residence that would qualify for a casualty deduction under the Internal Revenue Code.

Hardship withdrawals may not be paid back to the **Plan**. You will have to pay current income taxes on amounts you withdraw, and possibly a 10% penalty tax for withdrawals prior to age 59½. To qualify for a hardship withdrawal, you will be required to:

- (a) provide documented proof of the hardship on an application form provided by the **Plan Administrator**;
- (b) suspend your right to make contributions for 6 months and possibly limit, according to IRS rules, the amount which you may contribute in the future; and
- (c) borrow the maximum amount available to you under the **Plan's** loan provisions.

In-Service Distributions

Subject to the terms of the applicable annuity contract or custodial account agreement, upon attaining age 59½, you may withdraw all or a portion of your 100% vested account if you are still employed by the **Company**. To do so, you must make a written request with the **Plan Administrator** at least 30 days before you wish to withdraw the funds and receive the consent of your spouse, if applicable.

J. ADMINISTRATIVE FEES AND EXPENSES

The **Company's** administrative procedures under the **Plan** permit the payment of **Plan** expenses to be made from **Plan** assets. If the **Company** does not pay these expenses, then expenses paid from **Plan** assets will generally be allocated among the accounts of all members of the **Plan**.

However, there are certain expenses that may be paid just from your account. These are expenses that are specifically incurred by, or attributable to, you. The expenses may be paid directly from your account (and not the accounts of other **Plan** members) because they are directly related to your benefit under the **Plan**.

The expenses that are paid directly from an individual **Plan** member's account will be those expenses that are set forth on the specific investment company forms. In addition, your account may be charged for expenses to process court orders that require payment to your ex-spouse or a dependent in divorce proceedings.

The **Company** or investment company, from time to time, may change the manner in which expenses are allocated.

The following individuals have resigned from their positions with MHRI or its affiliates within the previous year. No written resignations were prepared or delivered in connection with the resignations.

- 1. James H. Hahn resigned from his positions as a trustee and Secretary of SHS and MHRI in June, 2012.**
- 2. Martin Tursky resigned from his positions as President and CEO of SHS and MHRI, including his ex officio seats on the Board of those organizations, in June, 2012.**
- 3. Marie Kessel resigned her positions as Vice President of SHS and MHRI in December, 2012.**

For the period March 2012 – March 2013 there have been no CNE Board members who have resigned from the Board. There have, however, been a few Board members who have rotated off the Board given the fact that their appointments to the Board were due to their roles as Presidents of one of the Medical Staffs at one of CNE's operating units. Those individuals are listed below. There are no letters of resignation required in this case.

- 1. D. Golomb, M.D.; Kent Memorial Hospital Medical Staff President**
- 2. J. Spinale, D.O.; Kent Memorial Hospital Medical Staff President**
- 3. S. Siena, M.D.; Women & Infants Hospital Medical Staff President**

EXHIBIT 12 Table of Contents

<u>Tab</u>	<u>Description</u>	<u>Bates Number</u>
12-A	CNE – Officers, Directors, Executives and Senior Managers past 2 years	RIAG0250
12-B	MHRI – Officers, Directors Executives and Senior Managers past 2 years	RIAG0313

2012: Officers, Directors, Executives and Senior Managers of Butler Hospital Foundation

Name	Occupation	Tenure
2012 DIRECTORS of Butler Hospital Foundation		
William J. Allen	Business Executive	2012 to present
Stanley M. Aronson, M.D.	Physician	2012 to present
Bonnie Baker	Health Care Finance Executive	2012 to present
Michele R. Berard	Health Care Executive	2012 to present
Earl D. Chambers	Retired Business Executive	2012 to present
Allen H. Cicchitelli	Real Estate Executive	2012 to present
Robert E. DeBlois	Retired Business Executive	2012 to present
Margaret D. Farrell	Attorney	2012 to present
Roberta B. Feather, Ed.D, J.D.	Attorney	2012 to present
Phyllis C. Field	Education and Community Affairs Rep.	2012 to present
Lisa B. Shea, M.D.	Physician	2012 to present
Dean T. Holt	Banking Executive	2012 to present
Michael Follick, Ph.D.	Physician	2012 to present
John F. Handfield	Business Executive	2012 to present
Dennis D. Keefe	Health Care Executive	2012 to present
Lewis P. Lipsitt	Physician	2012 to present
Michael Matone	Business Executive	2012 to present

Butler Hospital Foundation (cont.)

Name	Occupation	Tenure
Patricia Melaragno	Health Care Executive	2012 to present
Mary B. Olenn	Consultant	2012 to present
Arthur S. Robbins	Business Executive	2012 to present
Robert G. Padula	Insurance Executive	2012 to present
David A. Rogers	Business Executive	2012 to present
Lawrence H. Price, M.D.	Physician	2012 to present
Kekin A. Shah	Physician	2012 to present
Steven Rasmussen, M.D.	Physician	2012 to present
Jeffrey M. Sparr	Business Owner	2012 to present
Patricia R. Recuperio, J.D., M.D.	Attorney, Physician	2012 to present
Gary St. Peter	Attorney	2012 to present
Charles R. Reppucci	Business Executive	2012 to present
Patricia S. Thompson	Business Executive	2012 to present

Butler Hospital Foundation (cont.)

2012 OFFICERS of Butler Hospital Foundation		
Allen H. Cicchitelli, President	Real Estate Executive	2012 to present
Michael Matone, Vice President	Business Executive	2012 to present
John F. Handfield, Secretary	Business Executive	2012 to present
Michele R. Berard, MBA, CFRE, Assistant Secretary	Health Care Executive	2012 to present
Patricia S. Thompson, Treasurer	Business Executive	2012 to present
Bonnie Baker, CPA, FHFMA, Assistant Treasurer	Health Care Finance Executive	2012 to present
2012 Executives and Senior Management of Butler Hospital Foundation		
N/A		

2011: Officers, Directors, Executives and Senior Managers of Butler Hospital Foundation

Name	Occupation	Tenure
2011 DIRECTORS of Butler Hospital Foundation		
N/A (Butler Hospital Foundation was incorporated on December 5, 2011)		
2011 OFFICERS of Butler Hospital Foundation		
N/A (Butler Hospital Foundation was incorporated on December 5, 2011)		
2011 Executives and Senior Management of Butler Hospital Foundation		
N/A		

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2012: Officers, Members, Executives and Senior Managers of Harbor Group Home, LLC

Name	Occupation	Tenure
2012 MEMBERS of Harbor Group Home, LLC		
Alan Doyle, Managing Member	Principal	2001 to 2012
2012 OFFICERS of Harbor Group Home, LLC		
N/A		
2012 Executives and Senior Management of Harbor Group Home, LLC		
N/A		

2011: Officers, Members, Executives and Senior Managers of Harbor Group Home, LLC

Name	Occupation	Tenure
2011 MEMBERS of Harbor Group Home, LLC		
Alan Doyle, Managing Member	Principal	2001 to 2012
2011 OFFICERS of Harbor Group Home, LLC		
N/A		
2011 Executives and Senior Management of Harbor Group Home, LLC		
N/A		

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2011 AND 2012: Officers, Managers, Executives and Senior Managers of Quality Care Company, LLC

Name	Occupation	Tenure
2011 and 2012 MANAGERS of Quality Care Company, LLC		
Raymond A. Arsenault	Business Executive	Prior to 2011 to present
David S. Lauterbach	Business Executive	Prior to 2011 to present
Margaret Holland McDuff	Business Executive	Prior to 2011 to present
J. Clement Cicilline	Business Executive	Prior to 2011 to present
Walter Dias	Health Care Executive	Prior to 2011 to present
Carlene Casciano-McMann	Business Executive	Prior to 2011 to present
Eric James	Business Executive	Prior to 2011 to present
2011 and 2012 OFFICERS of Quality Care Company, LLC		
Margaret Holland McDuff	Treasurer	Prior to 2011 to present
2012 Executives and Senior Management of Quality Care Company, LLC		
N/A		

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2012: Officers, Directors, Executives and Senior Managers of Women & Infants Corporation

Name	Occupation	Tenure
2012 DIRECTORS of Women & Infants Corporation		
Herbert Brennan, DO	Physician	2012 to present
David Carcieri, MD	Physician	2012 to present
Allen Cicchitelli	Real Estate Executive	2011 to present
Esther Emard	Health Care Executive	2011 to present
Justice Robert Flanders, Jr., (Ret.)	Attorney	2011 to present
John Galvin	Business Executive	2011 to present
Kent Gladding	Banking Executive	2011 to present
Douglas Jacobs	Retired Banking Executive	2011 to present
Dennis Keefe	Health Care Executive	2011 to present
Diane Lipscombe, Ph.D.	Professor and Researcher	2012 to present
Joseph McGair, Esq.	Attorney	2011 to present
Robert Padula	Insurance Executive	2011 to present
Cynthia Patterson	Retired, Community Rep.	2011 to present
Charles Reppucci	Business Executive	2011 to present
Lisa Shea, M.D.	Physician and Health Care Executive	2011 to present
George Shuster	Business Executive	2011 to present

Women & Infants Corporation (cont.)

Name	Occupation	Tenure
Santina Siena, M.D.	Physician	2011 to present
Joseph Spinale, DO	Physician	2011 to 9.2012
Maribeth Williamson	Business Executive	2011 to present
2012 OFFICERS of Women & Infants Corporation		
George Shuster, Chairman	Business Executive	2011 to present
Charles Reppucci, Vice Chairman	Business Executive	2011 to present
Douglas Jacobs, Treasurer	Retired Banking Executive	2011 to present
Cynthia Patterson, Secretary	Retired, Community Rep.	2011 to present
Alyssa Boss, Assistant Secretary	Attorney	2012 to present
Constance Howes, President and CEO	Attorney and Health Care Executive	2002 to present
2012 Executives and Senior Management of Women & Infants Corporation		
Mark Marcantano	Business Executive	2010 to present

2011: Officers, Directors, Executives and Senior Managers of Women & Infants Corporation

Name	Occupation	Tenure
2011 DIRECTORS of Women & Infants Corporation		
Roger Begin	Banking Executive	2007-9.2011

Women & Infants Corporation (cont.)

Name	Occupation	Tenure
Kathleen Cote Bowling, M.D.	Physician	Prior to formation of CNE to 2011
Lisa Churchville	Business Executive	1997 to 9.2011
Sharon Conard-Wells	Business Executive	2008-9.2011
Margaret Farrell	Attorney	Prior to formation of CNE to 9.2011
Justice Robert Flanders, Jr. (Ret.)	Attorney	1997 to 9.2011
John Galvin	Business Executive	2009 to 9.2011
William Hatfield	Banking Executive	2000 to 9.2011
Constance Howes	Attorney and Health Care Executive	Prior to formation of CNE to present
2011 OFFICERS of Women & Infants Corporation		
Constance Howes, President	Attorney and Health Care Executive	2002 to present
Douglas Jacobs, Vice Chair	Retired Banking Executive	2009 to 2011
Justice Robert Flanders, Jr. (Ret.), Vice Chair	Attorney	2003 to 2011
Katherine McKenzie, Vice Chair	Retired HR Executive	2006 to 2011
John Galvin, Treasurer	Business Executive	2010 to 2011
Roger Begin, Secretary	Banking Executive	2009 to 2011
2011 Executives and Senior Management of Women & Infants Corporation		
Mark Marcantano	Business Executive	2010 to present

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2012: Officers, Directors, Executives and Senior Managers of Women & Infants Development Foundation

Name	Occupation	Tenure
2012 DIRECTORS of Women & Infants Development Foundation		
Joan Abrams	Higher Education Professor	2006 to present
Alden Anderson, Jr.	Real Estate Executive	2004 to present
Keith Bilezerian	Attorney	2010 to present
Heather Campbell	Property Management Executive	2009 to present
Richard McAuliffe, Jr.	Lobbyist	2006 to present
Linda McGoldrick	Health Care Executive	2009 to present
Judith Remondi	Marketing Executive	2006 to present
Michelle Renaud	Business Manager	2004 to present
Kathleen Ryan	Attorney	2009 to present
Therese Stafford	Public Administrator	2008 to present
Geraldine Verrecchia	Community Volunteer	2009 to present
2012 OFFICERS of Women & Infants Development Foundation		
Karen Davie, President	Health Care/Philanthropy Executive	2004 to present
John M. Sutherland, III	Health Care Finance Executive	2011 to present

Women & Infants Development Foundation (cont.)

Name	Occupation	Tenure
Constance Howes	Attorney, Health Care Executive, President/CEO Women & Infants Hospital	2002 to present
2012 Executives and Senior Management of Women & Infants Development Foundation		
Karen Davie, President	Health Care/Philanthropy Executive	2004 to present
John M. Sutherland, III	Health Care Finance Executive	2011 to present
Constance Howes	Attorney, Health Care Executive, President/CEO Women & Infants Hospital	2002 to present

2011: Officers, Directors, Executives and Senior Managers of Women & Infants Development Foundation

Name	Occupation	Tenure
2011 DIRECTORS of Women & Infants Development Foundation		
Joan Abrams	Higher Education Professor	2006 to present
Alden Anderson, Jr.	Real Estate Executive	2004 to present
Roger Begin	Financial Executive	2006 to present
Keith Bilezerian	Attorney	2010 to present

Women & Infants Development Foundation (cont.)

Name	Occupation	Tenure
Heather Campbell	Property Management Executive	2009 to present
Richard McAuliffe, Jr.	Lobbyist	2006 to present
Linda McGoldrick	Health Care Executive	2009 to present
Judith Remondi	Marketing Executive	2006 to present
Michelle Renaud	Business Manager	2004 to present
Kathleen Ryan	Attorney	2009 to present
Therese Stafford	Public Administrator	2008 to present
Geraldine Verrecchia	Community Volunteer	2009 to present
Maureen Phipps, M.D.	Physician	2011 to present
John M. Sutherland, III	Financial Health Care Executive	2011 to present
2011 OFFICERS of Women & Infants Development Foundation		
Karen Davie, President	Health Care/Philanthropy Executive	2004 to present
John M. Sutherland, III	Health Care Finance Executive	2011 to present
Constance Howes	Attorney, Health Care Executive, President/CEO Women & Infants Hospital	2002 to present

2011 Executive Compensation Report - Women & Infants Development Foundation (cont.)

Name	Occupation	Tenure
2011 Executives and Senior Management of Women & Infants Development Foundation		
Karen Davie, President	Health Care/Philanthropy Executive	2004 to present
John M. Sutherland, III	Health Care Finance Executive	2011 to present
Constance Howes	Attorney, Health Care Executive, President/CEO Women & Infants Hospital	2002 to present

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2012: Officers, Directors, Executives and Senior Managers of W&I Indemnity, Ltd.

Name	Occupation	Tenure
2012 DIRECTORS of W&I Indemnity, Ltd.		
Lisa Boyle, M.D.	Physician	2011 to 2013
David Carcieri, M.D.	Physician	2010 to 2013
Jane Dennison, M.D.	Physician	2007 to 2013
Stephen Falkenberry, M.D.	Physician	2012 to 2013
Elizabeth Gamble	Physician	2010 to 2013
Hanna, Cynthia	Physician	2012 to 2013
Constance Howes	Attorney, Health Care Executive	2001 to 2013
Dennis Keefe	Health Care Executive	2011 to present
Lawrence, Dwayne, M.D.	Physician	2006 to 2013
Mark Marcantano	Health Care Executive	2010 to 2013
John Nisbet, II, M.D.	Physician	2012 to 2016
James Padbury, M.D.	Physician	2001 to 2013
Angelleen Peters-Lewis	Health Care Executive	2012 to 2013
Maureen Phipps, M.D.	Physician	2012 to 2013
Raymond Powrie, M.D.	Physician	2012 to 2013
John M. Sutherland, III	Health Care Finance Executive	2007 to present
2012 OFFICERS of W&I Indemnity, Ltd.		
Raymond Powrie, M.D., President	Physician	2012 to 2013

W&I Indemnity, Ltd. (cont.)

Name	Occupation	Tenure
2012 Executives and Senior Management of W&I Indemnity, Ltd.		
Constance Howes	Attorney, Health Care Executive	2001 to 2013
Dennis Keefe	Health Care Executive	2011 to present
John M. Sutherland, III	Health Care Finance Executive	2007 to present
Mark Marcantano	Health Care Executive	2010 to 2013

2011: Officers, Directors, Executives and Senior Managers of W&I Indemnity, Ltd.

Name	Occupation	Tenure
2011 DIRECTORS of W&I Indemnity, Ltd.		
Lisa Boyle, M.D.	Physician	2011 to 2013
Kathleen Cote-Bowling, M.D.	Physician	2009 to present
Jane Dennison, M.D.	Physician	2007 to 2014
Stephen Falkenberry, M.D.	Physician	2011 to 2013
Elizabeth Gamble	Physician	2009 to 2013
Hanna, Cynthia	Physician	2011 to 2013
Constance Howes	Attorney, Health Care Executive	2001 to 2013
Dennis Keefe	Health Care Executive	2011 to present
Lawrence, Dwayne, M.D.	Physician	2006 to 2013
Mark Marcantano	Health Care Executive	2010 to 2013

W&I Indemnity, Ltd. (cont.)

Name	Occupation	Tenure
James Padbury, M.D.	Physician	2001 to 2013
Raymond Powrie, M.D.	Physician	2010 to 2013
2011 OFFICERS of W&I Indemnity, Ltd.		
Raymond Powrie, M.D., President	Physician	2010 to 2013
2011 Executives and Senior Management of W&I Indemnity, Ltd.		
Mark Marcantano	Health Care Executive	2010 to 2013
Constance Howes	Attorney, Health Care Executive	2001 to 2013
Dennis Keefe	Health Care Executive	2011 to present

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2012: Officers, Managers, Executives and Senior Managers of Women & Infants Health Care Alliance, LLC

Name	Occupation	Tenure
2012 MANAGERS of Women & Infants Health Care Alliance, LLC		
Kathleen Bowling, M.D.	Physician	2012 to present
Mauro Colavita, M.D.	Physician	2011 to present
Harris Galkin, M.D.	Physician	2011 to present
Debra Goldman, M.D.	Physician	2011 to present
Mark Marcantano	Health Care Executive	2011 to present
Carroll Medeiros, M.D.	Physician	2011 to present
Marilyn Powers D.O.	Physician	2011 to present
Pablo Rodriguez, M.D.	Physician	2011 to present
Robert Salk, D.O.	Physician	2011 to present
Santina Siena, M.D.	Physician	2011 to present
John M. Sutherland, III	Finance Health Care Executive	2011 to present
Gary Wharton, M.D.	Physician	2012 to present
2012 OFFICERS of Women & Infants Health Care Alliance, LLC		
John M. Sutherland, III, Treasurer	Finance Health Care Executive	2011 to present
Harris Galkin, M.D., Secretary	Physician	2011 to present
Pablo Rodriguez, M.D., Chairman	Physician	2011 to present
Robert Salk, D.O., Vice Chair	Physician	2011 to present

Women & Infants Health Care Alliance, LLC (cont.)

Name	Occupation	Tenure
2012 Executives and Senior Management of Women & Infants Health Care Alliance, LLC		
N/A		

2011: Officers, Managers, Executives and Senior Managers of Women & Infants Health Care Alliance, LLC

Name	Occupation	Tenure
2011 MANAGERS of Women & Infants Health Care Alliance, LLC		
Mauro Colavita, M.D.	Physician	2011 to present
Harris Galkin, M.D.	Physician	2011 to present
Debra Goldman, M.D.	Physician	2011 to present
Mark Marcantano	Health Care Executive	2011 to present
Carroll Medeiros, M.D.	Physician	2011 to present
Marilyn Powers D.O.	Physician	2011 to present
Pablo Rodriguez, M.D.	Physician	2011 to present
Robert Salk, D.O.	Physician	2011 to present
Santina Siena, M.D.	Physician	2011 to present
John M. Sutherland, III	Finance Health Care Executive	2011 to present
2011 OFFICERS of Women & Infants Health Care Alliance, LLC		
John M. Sutherland, III, Treasurer	Finance Health Care Executive	2011 to present
Harris Galkin, M.D., Secretary	Physician	2011 to present

Women & Infants Health Care Alliance, LLC (cont.)

Name	Occupation	Tenure
Pablo Rodriguez, M.D., Chairman	Physician	2011 to present
Robert Salk, D.O., Vice Chair	Physician	2011 to present
2011 Executives and Senior Management of Women & Infants Health Care Alliance, LLC		
N/A		

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2012: Officers, Directors, Executives and Senior Managers of W&I Physician Hospital Organization

Name	Occupation	Tenure
2012 DIRECTORS of W&I Physician Hospital Organization		
Constance Howes, Esq.	Attorney, Health Care Executive	2002 to present
Richard Ohnmacht, M.D.	Physician	2002 to present
Jane Sharpe, M.D.	Physician	2010 to present
Jane Dennison, M.D.	Physician	2002 to present
Domenic Delmonico	Health Care Executive	2002 to present
Marc Jaffe, M.D.	Physician	2002 to present
Tolga Kokturk, M.D.	Physician	2008 to present
Carol Manning, M.D.	Physician	2002 to present
Peter Yasigian, M.D.	Physician	2002 to present
Mark Marcantano	Health Care Executive	2010 to present
James Padbury, M.D.	Physician	2002 to present
2012 OFFICERS of W&I Physician Hospital Organization		
Constance Howes, Esq., President	Attorney, Health Care Executive	2002 to present
Richard Ohnmacht, M.D., Chairman	Physician	2002 to present
Jane Sharpe, M.D., Vice President	Physician	2010 to present
Jane Dennison, M.D., Secretary	Physician	2002 to present

W&I Physician Hospital Organization (cont.)

Name	Occupation	Tenure
Domenic Delmonico, Treasurer	Health Care Executive	2002 to present
2012 Executives and Senior Management of W&I Physician Hospital Organization		
N/A		

2011: Officers, Directors, Executives and Senior Managers of W&I Physician Hospital Organization

Name	Occupation	Tenure
2011 DIRECTORS of W&I Physician Hospital Organization		
Constance Howes, Esq.	Attorney, Health Care Executive	2002 to present
Richard Ohnmacht, M.D.	Physician	2002 to present
Jane Sharpe, M.D.	Physician	2010 to present
Jane Dennison, M.D.	Physician	2002 to present
Domenic Delmonico	Health Care Executive	2002 to present
Marc Jaffe, M.D.	Physician	2002 to present
Tolga Kokturk, M.D.	Physician	2008 to present
Carol Manning, M.D.	Physician	2002 to present
Peter Yasigian, M.D.	Physician	2002 to present
Mark Marcantano	Health Care Executive	2010 to present
James Padbury, M.D.	Physician	2002 to present

W&I Physician Hospital Organization (cont.)

Name	Occupation	Tenure
2011 OFFICERS of W&I Physician Hospital Organization		
Constance Howes, Esq., President	Attorney, Health Care Executive	2002 to present
Richard Ohnmacht, M.D., Chairman	Physician	2002 to present
Jane Sharpe, M.D., Vice President	Physician	2010 to present
Jane Dennison, M.D., Secretary	Physician	2002 to present
Domenic Delmonico, Treasurer	Health Care Executive	2002 to present
2011 Executives and Senior Management of W&I Physician Hospital Organization		
N/A		

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2012: Officers, Directors, Executives and Senior Managers of W&I Ancillary Services, Inc.

Name	Occupation	Tenure
2012 DIRECTORS of W&I Ancillary Services, Inc.		
Constance A. Howes, Manager	Attorney, Health Care Executive	2006 to present
2012 OFFICERS of W&I Ancillary Services, Inc.		
Constance A. Howes, Manager	Attorney, Health Care Executive	2006 to present
2012 Executives and Senior Management of W&I Ancillary Services, Inc.		
Constance A. Howes, Manager	Attorney, Health Care Executive	2006 to present

2011: Officers, Directors, Executives and Senior Managers of W&I Ancillary Services, Inc.

Name	Occupation	Tenure
2011 DIRECTORS of W&I Ancillary Services, Inc.		
Constance A. Howes, Manager	Attorney, Health Care Executive	2006 to present
2011 OFFICERS of W&I Ancillary Services, Inc.		
Constance A. Howes, Manager	Attorney, Health Care Executive	2006 to present
2011 Executives and Senior Management of W&I Ancillary Services, Inc.		
Constance A. Howes, Manager	Attorney, Health Care Executive	2006 to present

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**2012: Officers, Directors, Executives and Senior Managers of Kent County Visiting Nurses Association
d/b/a VNA of Care New England**

Name	Occupation	Tenure
2012 DIRECTORS of Kent County Visiting Nurses Association d/b/a VNA of Care New England		
Herbert Brennan, DO	Physician	2012 to present
David Carcieri, MD	Physician	2012 to present
Allen Cicchitelli	Real Estate Executive	2011 to present
Esther Emard	Health Care Executive	2011 to present
Justice Robert G. Flanders, Jr. (Ret.)	Attorney	2011 to present
John Galvin	Business Executive	2011 to present
Kent Gladding	Banking Executive	2011 to present
Douglas Jacobs	Retired Banking Executive	2011 to present
Dennis Keefe	Health Care Executive	2011 to present
Diane Lipscombe, Ph.D.	Professor and Researcher	2011 to present
Joseph McGair, Esq.	Attorney	2011 to present
Robert Padula	Insurance Executive	2011 to present
Cynthia Patterson	Retired, Community Rep.	2011 to present
Lisa Shea, M.D.	Physician and Health Care Executive	2011 to present
Charles Reppucci	Business Executive	2011 to present

Kent County Visiting Nurses Association d/b/a VNA of Care New England (cont.)

Name	Occupation	Tenure
George Shuster	Business Executive	2011 to present
Santina Siena, M.D.	Physician	2011 to 12.2012
Joseph Spinale, D.O	Physician	2011 to 9.2012
Maribeth Williamson	Business Executive	2011 to present
2012 OFFICERS of Kent County Visiting Nurses Association d/b/a VNA of Care New England		
Dennis Keefe	Health Care Executive	2011 to present
George Shuster, Chairman	Business Executive	2011 to present
Charles Reppucci, Vice Chairman	Business Executive	2011 to present
Douglas Jacobs, Treasurer	Retired Banking Executive	2011 to present
Jack Sutherland, III, Assistant Treasurer	Health Care Executive	2006 to present
Cynthia Patterson, Secretary	Retired, Community Rep.	2011 to present
Alyssa Boss, Assistant Secretary	Attorney	2012 to present
Patricia Recupero, J.D., M.D., CEO Butler Hospital	Physician, Attorney and Health Care Executive	1999 to present
Sandra Coletta, CEO Kent Hospital	Health Care Executive	2009 to present
Constance Howes, CEO Women & Infants	Attorney and Health Care Executive	2002 to present
Nancy Roberts, President VNA	Health Care Executive	1999 to present

Kent County Visiting Nurses Association d/b/a VNA of Care New England (cont.)

Name	Occupation	Tenure
2012 Executives and Senior Management of Kent County Visiting Nurses Association d/b/a VNA of Care New England		
Nancy Roberts, President	Health Care Executive	1999 to present

2011: Officers, Directors, Executives and Senior Managers of Kent County Visiting Nurses Association d/b/a VNA of Care New England

Name	Occupation	Tenure
2011 DIRECTORS of Kent County Visiting Nurses Association d/b/a VNA of Care New England		
Paul Alexander, CPA	Financial Executive	2010 to 9.2011
Robert E. Baute, M.D.	Physician	2011 to 9.2011
Joan Caine	Banking Executive	2011 to 9.2011
Frank Delmonico	Retired Health Care Executive	2011 to 9.2011
Austin Donnelly	Retired	2011 to 9.2011
Esther Emard	Health Care Executive	2011 to 9.2011
Andrew Gilstein	Attorney	2011 to 9.2011
Susan Gilstein	Retired Nurse	2011 to 9.2011
Kent Gladding	Banking Executive	2011 to 9.2011
Michael R. Goldenberg, Esq.	Attorney	2011 to 9.2011
Gary Grande	CPA	2011 to 9.2011
Kevin Hackman	Attorney	2011 to 9.2011
Sherry Howard	CPA	2011 to 9.2011

Kent County Visiting Nurses Association d/b/a VNA of Care New England (cont.)

Name	Occupation	Tenure
Margaret McGillivray	Business Owner, Nurse	2011 to 9.2011
William Murphy	Business Executive	2011 to 9.2011
Howard Ostrowsky CPA	CPA	2011 to 9.2011
Jack Sutherland, III	Health Care Executive	2011 to 9.2011
2011 OFFICERS of Kent County Visiting Nurses Association d/b/a VNA of Care New England		
Nancy Roberts, President	Health Care Executive	1999 to present
Nancy Roberts, President (VNA)	Health Care Executive	1999 to present
2011 Executives and Senior Management of Kent County Visiting Nurses Association d/b/a VNA of Care New England		
Nancy Roberts, President	Health Care Executive	1999 to present

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2012: Officers, Directors, Executives and Senior Managers of VNA Foundation

Name	Occupation	Tenure
2012 DIRECTORS of VNA Foundation		
Paul Alexander	Financial Executive	2011 to present
Joan Caine	Banking Executive	2011 to present
Frank Delmonico	Retired Health Care Executive	2011 to present
Esther Emar	Health Care Executive	2011 to present
Andrew Gilstein	Attorney	2011 to present
Suzane Gilstein	Retired Nurse	2011 to present
Kent Gladding	Banking Executive	2011 to present
Michael R. Goldenbert	Attorney	2011 to present
Kevin Hackman	Attorney	2011 to present
Sherry Howard	CPA	2011 to present
Margaret McGillivray	Business Owner, Nurse	2011 to present
Howard Ostrowsky	CPA	2011 to present
Nancy Roberts	Health Care Executive President CEO of VNA of Care New England	2011 to present
Kathy Topor	Health Care Executive	2011 to present
2012 Officers of VNA Foundation		
Kent Gladding, Chair	Banking Executive	2011 to present
Frank Delmonico	Retired Health Care Executive	2011 to present

VNA Foundation (cont.)

Name	Occupation	Tenure
Howard Ostrowsky	CPA	2011 to present
2012 Executives and Senior Management of VNA Foundation		
N/A		

2011: Officers, Directors, Executives and Senior Managers of VNA Foundation

Name	Occupation	Tenure
2011 DIRECTORS of VNA Foundation		
Paul Alexander	Financial Executive	2011 to present
Joan Caine	Banking Executive	2011 to present
Frank Delmonico	Retired Health Care Executive	2011 to present
Esther Emarid	Health Care Executive	2011 to present
Andrew Gilstein	Attorney	2011 to present
Suzane Gilstein	Retired Nurse	2011 to present
Kent Gladding	Banking Executive	2011 to present
Michael R. Goldenbert	Attorney	2011 to present
Kevin Hackman	Attorney	2011 to present
Sherry Howard	CPA	2011 to present
Margaret McGillivray	Business Owner, Nurse	2011 to present
Howard Ostrowsky	CPA	2011 to present

VNA Foundation (cont.)

Name	Occupation	Tenure
Nancy Roberts	Health Care Executive President CEO of VNA of Care New England	2011 to present
Kathy Topor	Health Care Executive	2011 to present
2011 OFFICERS of VNA Foundation		
Kent Gladding, Chair	Banking Executive	2011 to present
Frank Delmonico	Retired Health Care Executive	2011 to present
Howard Ostrowsky	CPA	2011 to present
2011 Executives and Senior Management of VNA Foundation		
N/A		

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2012: Officers, Directors, Executives and Senior Managers of Health Touch, Inc.

Name	Occupation	Tenure
2012 DIRECTORS of Health Touch, Inc.		
Herbert Brennan, DO	Physician	2012 to present
David Carcieri, MD	Physician	2012 to present
Allen Cicchitelli	Real Estate Executive	2012 to present
Esther Emard	Health Care Executive	2012 to present
Justice Robert G. Flanders, Jr. (Ret.)	Attorney	2012 to present
John Galvin	Business Executive	2012 to present
Kent Gladding	Banking Executive	2012 to present
Douglas Jacobs	Retired Banking Executive	2012 to present
Dennis Keefe	Health Care Executive	2012 to present
Diane Lipscombe, Ph.D.	Professor and Researcher	2012 to present
Joseph McGair, Esq.	Attorney	2012 to present
Robert Padula	Insurance Executive	2012 to present
Cynthia Patterson	Retired, Community Rep.	2012 to present
Lisa Shea, M.D.	Physician and Health Care Executive	2012 to present
Charles Reppucci	Business Executive	2012 to present
George Shuster	Business Executive	2012 to present

Health Touch, Inc. (cont.)

Name	Occupation	Tenure
Santina Siena, M.D.	Physician	until 12.2012
Joseph Spinale, D.O.	Physician	until 9.2012
Maribeth Williamson	Business Executive	2012 to present
2012 OFFICERS of Health Touch, Inc.		
Dennis Keefe, President of CNE	Health Care Executive	2012 to present
George Shuster, Chairman	Business Executive	2012 to present
Charles Reppucci, Vice Chairman	Business Executive	2012 to present
Douglas Jacobs, Treasurer	Retired Banking Executive	2012 to present
Jack Sutherland, III	Health Care Executive	2012 to present
Cynthia Patterson	Retired, Community Rep.	2012 to present
Nancy Roberts, President (VNA)	Health Care Executive	1999 to present
2012 Executives and Senior Management of Health Touch, Inc.		
Nancy Roberts, President	Health Care Executive	1999 to present

2011: Officers, Directors, Executives and Senior Managers of Health Touch, Inc.

Name	Occupation	Tenure
2011 DIRECTORS of Health Touch, Inc.		
Paul Alexander, CPA	Financial Executive	2010 to 9.2011
Robert E. Baute, M.D.	Physician	2011 to 9.2011
Joan Caine	Banking Executive	2011 to 9.2011
Frank Delmonico	Retired Health Care Executive	2011 to 9.2011
Austin Donnelly	Retired	2011 to 9.2011
Esther Emard	Health Care Executive	2011 to 9.2011
Andrew Gilstein	Attorney	2011 to 9.2011
Susan Gilstein	Retired Nurse	2011 to 9.2011
Kent Gladding	Banking Executive	2011 to 9.2011
Michael R. Goldenberg, Esq.	Attorney	2011 to 9.2011
Gary Grande	CPA	2011 to 9.2011
Kevin Hackman	Attorney	2011 to 9.2011
Sherry Howard	CPA	2011 to 9.2011
Margaret McGillivray	Business Owner, Nurse	2011 to 9.2011
William Murphy	Business Executive	2011 to 9.2011
Howard Ostrowsky CPA	CPA	2011 to 9.2011
Jack Sutherland, III	Health Care Executive	2011 to 9.2011

Health Touch, Inc. (cont.)

2011 OFFICERS of Health Touch, Inc.		
Nancy Roberts, President	Health Care Executive	1999 to present
2011 Executives and Senior Management of Health Touch, Inc.		
Nancy Roberts, President	Health Care Executive	1999 to present

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2012: Officers, Directors, Executives and Senior Managers of Kent Hospital Foundation

Name	Occupation	Tenure
2012 DIRECTORS of Kent Hospital Foundation		
Reid S. Appleby, Jr., M.D.	Retired Physician	2012 to 2014
Robert E. Baute, M.D.	Physician	2012 to 2014
Raymond J. Bolster, III	Banking Executive	2011 to 2014
Thomas J. Celona	Retired Business Executive	2011 to 2014
Edward J. Cooney	Business Executive	2009 to 2012
Sandra L. Coletta	Health Care Executive	2008 to present
Michael J. Dacey, Jr., M.D.	Physician	2011 to 2014
Candace L. Dyer, M.D.	Physician	2011 to 2014
Andrew M. Erickson	Retired	2011 to 2014
Jonathan K. Farnum	Retired	2010 to 2013
Gerard R. Goulet	Attorney	2011 to 2014
Andrea M. Hopkins	Retired	2011 to 2014
James A. Hopkins, Chair	Retired	2011 to 2014
John J.	Retired	2011 to 2014
Kenneth L. MacNaught	Retired	2011 to 2014
Gerald G. McClure	Retired	2010 to 2013
Stephen A. Rooks	Business Executive	2011 to 2013
George W. Shuster	Business Executive	2011 to 2014
Joseph W. Spinale, D.O.	Physician	2011 to 2014

Kent Hospital Foundation (cont.)

Name	Occupation	Tenure
James M. Vesey	Retired	2011 to 2014
Maribeth Q. Williamson	Business Executive	2010 to 2013
Vincent Yakavonis, M.D.	Physician	2009 to 2012
Janice M. Caianiello, RN	Retired	2010 to present
2012 OFFICERS of Kent Hospital Foundation		
Raymond J. Bolster, III, Treasurer	Banking Executive	2011 to 2014
Jonathan K. Farnum, Vice Chair	Retired	2010 to 2013
Gerard R. Goulet, Secretary	Attorney	2011 to 2014
James A. Hopkins, Chair	Retired	2011 to 2014
2012 Executives and Senior Management of Kent Hospital Foundation		
N/A		

2011: Officers, Directors, Executives and Senior Managers of Kent Hospital Foundation

Name	Occupation	Tenure
2011 DIRECTORS of Kent Hospital Foundation		
Raymond J. Bolster, III	Banking Executive	2011 to 2014
Thomas J. Celona	Retired Business Executive	2011 to 2014
Edward J. Cooney	Business Executive	2009 to 2012
Sandra L. Coletta	Health Care Executive	2008 to present

Kent Hospital Foundation (cont.)

Name	Occupation	Tenure
Michael J. Dacey, Jr., M.D.	Physician	2011 to 2014
Candace L. Dyer, M.D.	Physician	2011 to 2014
Andrew M. Erickson	Retired	2011 to 2014
Jonathan K. Farnum	Retired	2010 to 2013
Gerard R. Goulet	Attorney	2011 to 2014
Andrea M. Hopkins	Retired	2011 to 2014
James A. Hopkins, Chair	Retired	2011 to 2014
John J. Hynes	Retired	2011 to 2014
Kenneth L. MacNaught	Retired	2011 to 2014
Gerald G. McClure	Retired	2010 to 2013
Stephen A. Rooks	Business Executive	2011 to 2013
George W. Shuster	Business Executive	2011 to 2014
Joseph W. Spinale, D.O.	Physician	2011 to 2014
James M. Veseey	Retired	2011 to 2014
Maribeth Q. Williamson	Business Executive	2010 to 2013
Vincent Yakavonis, M.D.	Physician	2009 to 2012
Janice M. Caianiello, RN	Retired	2010 to present

Kent Hospital Foundation (cont.)

2011 OFFICERS of Kent Hospital Foundation		
Raymond J. Bolster, III, Treasurer	Banking Executive	2011 to 2014
Jonathan K. Farnum, Vice Chair	Retired	2010 to 2013
Gerard R. Goulet, Secretary	Attorney	2011 to 2014
James A. Hopkins, Chair	Retired	2011 to 2014
2011 Executives and Senior Management of Kent Hospital Foundation		
N/A		

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2012: Officers, Directors, Executives and Senior Managers of Toll Gate Indemnity, Ltd.

Name	Occupation	Tenure
2012 DIRECTORS of Toll Gate Indemnity, Ltd.		
Jared Barlow, M.D.	Physician	2005 to 2013
Robert Binek, M.D.	Physician	2010 to 2013
Jason Boudjouk, M.D.	Physician	2008 to 2016
Alexander Calenda, M.D.	Physician	2008 to 2016
Sandra Coletta	Health Care Executive	2009 to present
Robert Dinwoodie, D.O.	Physician	2005 to present
Joseph DiPietro	Health Care Executive	2005 to present
Vincent Yakavonis, M.D.	Physician	2005 to 2014
Michael Dacey, M.D.	Physician	2010 to present
Rene Fischer	Health Care Executive	2010 to present
Candace Dyer, M.D.	Physician	2012 to present
John Gelzhiser, M.D.	Physician	2012 to present
Dennis Keefe	Health Care Executive	2012 to present
Anthony Mechrefe, M.D.	Physician	2012 to present
George Shuster	Business Executive	2005 to present
Edward Thomas, M.D.	Physician	2005 to present
Sunil Verma, M.D.	Physician	2012 to present
Michael Dacey, M.D.	Physician	2010 to present

Toll Gate Indemnity, Ltd. (cont.)

Name	Occupation	Tenure
2012 OFFICERS of Toll Gate Indemnity, Ltd.		
Jared Barlow, M.D., Vice Chairman	Physician	2005 to present
Joseph DiPietro, President and CEO	Health Care Executive	2005 to present
Vincent Yakavonis, M.D., Chairman	Physician	2005 to present
Paul Beaudoin, V.P. and Treasurer	Health Care Finance Executive	2005 to present
John M. Sutherland, Assistant Treasurer	Health Care Finance Executive	2005 to present
Edward Thomas, M.D., Secretary	Physician	2005 to present
2012 Executives and Senior Management of Toll Gate Indemnity, Ltd.		
N/A		

2011: Officers, Directors, Executives and Senior Managers of Toll Gate Indemnity, Ltd.

Name	Occupation	Tenure
2011 DIRECTORS of Toll Gate Indemnity, Ltd.		
Jared Barlow, M.D.	Physician	2005 to 2013
Robert Binek, M.D.	Physician	2010 to 2013
Jason Boudjouk, M.D.	Physician	2008 to 2016
Alexander Calenda, M.D.	Physician	2008 to 2016

Toll Gate Indemnity, Ltd. (cont.)

Name	Occupation	Tenure
Sandra Coletta	Health Care Executive	2009 to present
Michael Dacey, M.D.	Physician	2010 to present
Robert Dinwoodie, D.O.	Physician	2005 to present
Joseph DiPietro	Health Care Executive	2005 to present
Rene Fischer	Health Care Executive	2010 to present
John J. Hynes	Retired	2011 to 2012
Peter Graves, M.D.	Physician	2009 to present
Omprakash Kothari	Physician	2005 to present
George Shuster	Business Executive	2005 to present
Edward Thomas, M.D.	Physician	2005 to present
Christopher Zabbo, M.D.	Physician	2011 to present
2011 OFFICERS of Toll Gate Indemnity, Ltd.		
Jared Barlow, M.D., Vice Chairman	Physician	2005 to present
Joseph DiPietro, President and CEO	Health Care Executive	2005 to present
Vincent Yakavonis, M.D., Chairman	Physician	2005 to present
Paul Beaudoin, V.P. and Treasurer	Health Care Finance Executive	2005 to present
John M. Sutherland, Assistant Treasurer	Health Care Finance Executive	2005 to present
Edward Thomas, M.D., Secretary	Physician	2005 to present

Toll Gate Indemnity, Ltd. (cont.)

Name	Occupation	Tenure
2011 Executives and Senior Management of Toll Gate Indemnity, Ltd.		
N/A		

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2012: Officers, Directors, Executives and Senior Managers of Affinity Physicians, LLC

Name	Occupation	Tenure
2012 DIRECTORS of Affinity Physicians, LLC		
John Isaac, M.D.	Physician	2010 to present
Sebastian Trombatore, M.D.	Physician	2010 to present
Michael Dacey, M.D.	Physician	2010 to present
Paul Beaudoin	Finance Health Care Executive	2010 to present
Sandra Coletta	Health Care Executive	2010 to present
Paari Gopalakrishnan, M.D.	Physician	2010 to present
Michael Quas, M.D.	Physician	2011 to present
Joseph Spinale D.O.	Physician	2012 to present
Duane Golomb, M.D.	Physician	2012 to present
Chester Hedgepeth, M.D.	Physician	2012 to present
Bernard St. Jean, M.D.	Physician	2010 to 2012
2012 OFFICERS of Affinity Physicians, LLC		
Sebastian Trombatore, M.D.	Physician	2010 to present
Paul Beaudoin	Finance Health Care Executive	2010 to present
Paari Gopalakrishnan, M.D.	Physician	2010 to present
Duane Golomb, M.D.	Physician	2012 to present
Bernard St. Jean, M.D.	Physician	2010 to 2012

Affinity Physicians, LLC (cont.)

Name	Occupation	Tenure
2012 Executives and Senior Management of Affinity Physicians, LLC		
Richard Renehan	Health Care Executive	2010 to present
Paul Beaudoin	Finance Health Care Executive	2010 to present

2011: Officers, Directors, Executives and Senior Managers of Affinity Physicians, LLC

Name	Occupation	Tenure
2011 DIRECTORS of Affinity Physicians, LLC		
John Isaac, M.D.	Physician	2010 to present
Sebastian Trombatore, M.D.	Physician	2010 to present
Michael Dacey, M.D.	Physician	2010 to present
Paul Beaudoin	Finance Health Care Executive	2010 to present
Sandra Coletta	Health Care Executive	2010 to present
Paari Gopalakrishnan, M.D.	Physician	2010 to present
Duane Golomb, M.D.	Physician	2012 to present
Bernard St. Jean, M.D.	Physician	2010 to 2012
2011 OFFICERS of Affinity Physicians, LLC		
Sebastian Trombatore, M.D.	Physician	2010 to present
Paul Beaudoin	Finance Health Care Executive	2010 to present
Paari Gopalakrishnan, M.D.	Physician	2010 to present

Affinity Physicians, LLC (cont.)

Name	Occupation	Tenure
Duane Golomb, M.D.	Physician	2012 to present
Bernard St. Jean, M.D.	Physician	2010 to 2012
2011 Executives and Senior Management of Affinity Physicians, LLC		
Richard Renehan	Health Care Executive	2010 to present
Paul Beaudoin	Finance Health Care Executive	2010 to present

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2012: Officers, Directors, Executives and Senior Managers of Kent County Health Services

Name	Occupation	Tenure
2012 DIRECTORS of Kent County Health Services		
Denise Arcand, MD	Physician	2012 to present
Keith Callahan, MD	Physician	2012 to present
George N. Cooper, MD	Physician	2012 to present
Ellen H. Frankel, MD	Physician	2012 to present
Anthony Lombardi, MD	Physician	2012 to present
2012 OFFICERS of Kent County Health Services		
Joseph Spinale, DO, President	Physician	2012 to present
Sandra L. Coletta, Vice-President	Health Care Executive	2012 to present
Stephen Rooks, Secretary	Business Executive	2012 to present
Jason Boudjouk, MD, Treasurer	Physician	2012 to present
2012 Executives and Senior Management of Kent County Health Services		
N/A		

2011: Officers, Directors, Executives and Senior Managers of Kent County Health Services

Name	Occupation	Tenure
2011 DIRECTORS of Kent County Health Services		
Denise Arcand, MD	Physician	2011 to present
George N. Cooper, MD	Physician	2011 to present
Ellen H. Frankel, MD	Physician	2011 to present
John J. Hynes	Retired	2011 to 2012
Norman Kornwitz, MD	Physician	2011 to 2012
Anthony Lombardi, MD	Physician	2011 to present
2011 OFFICERS of Kent County Health Services		
Joseph Spinale, DO, President	Physician	2011 to present
Sandra L. Coletta, Vice-President	Health Care Executive	2011 to present
Stephen Rooks, Secretary	Business Executive	2011 to present
Jason Boudjouk, MD, Treasurer	Physician	2011 to present
2011 Executives and Senior Management of Kent County Health Services		
N/A		

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2012: Officers, Managers, Executives and Senior Managers of Kent Ancillary Services, LLC

Name	Occupation	Tenure
2012 MANAGERS of Kent Ancillary Services, LLC		
Kent Hospital, Managing Member	Hospital	2012 to present
2012 OFFICERS of Kent Ancillary Services, LLC		
Joseph DiPietro, Senior Vice President & Chief Administrative Officer	Health Care Executive	2012 to present
2012 Executives and Senior Management of Kent Ancillary Services, LLC		
N/A		

2011: Officers, Manager, Executives and Senior Managers of Kent Ancillary Services, LLC

Name	Occupation	Tenure
2011 MANAGERS of Kent Ancillary Services, LLC		
Kent Hospital, Managing Member	Hospital	2011 to 2012
2011 OFFICERS of Kent Ancillary Services, LLC		
Joseph DiPietro, Senior Vice President & Chief Administrative Officer	Health Care Executive	2012 to present
2011 Executives and Senior Management of Kent Ancillary Services, LLC		
N/A		

NAME
SOUTHEASTERN HEALTHCARE SYSTEMS, INC.

OCCUPATION POSITION SHS, INC. TENURE

Ackerman, Robert	Information Technology	Vice President	Aug 2010 - Present
Andrade, Robert P.	Bank COO	Chairman of the Board	Jan 1998 - Present
Cylke, Deborah	Superintendent of Schools	Trustee	Jan 2012 - Present
DeBlois, Arthur J. III	Healthcare Administration	Interim President/CEO	May 2012 - Present
Degen, Alfred P.	Retired	Trustee	Jan 1996 - Present
Dietz, Francis R.	Retired	Consultant/Former President/CEO	Jan 1964 - Sep 2011
Furtado, Gary	Bank CEO	Trustee	Jan 1992 - Present
Girard, Elizabeth	Retired	Former Senior Vice President	Mar 1970 - Nov 2011
Gough, Thomas	Healthcare Administration	Senior Vice President	Oct 2001 - Present
Hahn, James H.	Attorney	Former Trustee	Jan 2010 - Jun 2012
Hunt, William J.	Insurance Agency President	Trustee	Jan 1986 - Present
Kapos, William M.	Coffee Company	Treasurer	Jan 1999 - Present
Kessel, Marie	Healthcare Administration	Former Vice President	Aug 1999 - Dec 2012
MacDonald-Gallagher, Michelle	Healthcare Administration	Senior Vice President	Nov 1989 - Present
Mooney, F. Paul Jr.	Manufacturing Company VP	Trustee	Jan 2002 - Present

<u>NAME</u>	<u>OCCUPATION</u>	<u>POSITION SHS, INC.</u>	<u>TENURE</u>
Murray, Patrick J. Jr.	Bank CEO	Assistant Treasurer	Jan 2008 - Present
Partridge, John J.	Attorney	Trustee	Jan 1985 - Present
Poulin, Edna S.	Retired	Trustee	Jan 1985 - Present
Pratt, Lisa	Human Resources	Vice President	Jan 2006 - Present
Roberts, Virginia C.	Bank Sr. Vice President	Vice Chair of the Board	Jan 1995 - Present
Rojas, Augusto Jr.	Sales Manager	Trustee	Jan 2012 - Present
Ross, Thomas	Healthcare Administration	Vice President	Apr 1973 - Present
Ryan, Michael	Financial Management	Senior Vice President	Jun 1989 - Present
Schmitt, Irene	Real Estate Firm	Trustee	Jan 2012 - Present
Scown, Gregory	Retired	Secretary	Jan 2009 - Present
Sherry, Karl F.	Real Estate Firm Partner	Assistant Secretary; Chairman, BHI	Jan 2006 - Present
Tursky, Martin E.	Healthcare Administration	Former President/CEO	Jan 2010 - Jun 2012
Van Tilburg, Judith	Healthcare Administration	Vice President	Jun 2008 - Present

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NAMEOCCUPATIONPOSITION MHRITENURE**MEMORIAL HOSPITAL OF RHODE ISLAND**

Ackerman, Robert	Information Technology	Vice President	Aug 2010 - Present
Andrade, Robert P.	Bank COO	Chairman of the Board	Jan 1998 - Present
Cylke, Deborah	Superintendent of Schools	Trustee	Jan 2012 - Present
DeBlois, Arthur J. III	Healthcare Administration	Interim President/CEO	May 2012 - Present
Degen, Alfred P.	Retired	Trustee	Jan 1996 - Present
Dietz, Francis R.	Retired	Consultant/Former President/CEO	Jan 1964 - Sep 2011
Furtado, Gary	Bank CEO	Trustee	Jan 1992 - Present
Girard, Elizabeth	Retired	Former Senior Vice President	Mar 1970 - Nov 2011
Gough, Thomas	Healthcare Administration	Senior Vice President	Oct 2001 - Present
Hahn, James H.	Attorney	Former Trustee	Jan 2010 - Jun 2012
Hunt, William J.	Insurance Agency President	Trustee	Jan 1986 - Present
Kapos, William M.	Coffee Company President	Treasurer	Jan 1999 - Present
Kessel, Marie	Healthcare Administration	Former Vice President	Aug 1999 - Dec 2012
MacDonald-Gallagher, Michelle	Healthcare Administration	Senior Vice President	Nov 1989 - Present
Mooney, F. Paul Jr.	Manufacturing Company VP	Trustee	Jan 2002 - Present

<u>NAME</u>	<u>OCCUPATION</u>	<u>POSITION MHRI</u>	<u>TENURE</u>
Murray, Patrick J. Jr.	Bank CEO	Assistant Treasurer	Jan 2008 - Present
Partridge, John J.	Attorney	Trustee	Jan 1985 - Present
Poulin, Edna S.	Retired	Trustee	Jan 1985 - Present
Pratt, Lisa	Human Resources	Vice President	Jan 2006 - Present
Roberts, Virginia C.	Bank Sr. Vice President	Vice Chair of the Board	Jan 1995 - Present
Rojas, Augusto Jr.	Sales Manager Healthcare	Trustee	Jan 2012 - Present
Ross, Thomas	Administration	Vice President	Apr 1973 - Present
Ryan, Michael	Financial Management Real Estate Firm	Senior Vice President	Jun 1989 - Present
Schmitt, Irene	Managing Partner	Trustee	Jan 2012 - Present
Scown, Gregory	Retired	Secretary	Jan 2009 - Present
Sherry, Karl F.	Real Estate Firm Partner	Assistant Secretary; Chairman, BHI	Jan 2006 - Present
Tursky, Martin E.	Healthcare Administration	Former President/CEO	Jan 2010 - Jun 2012
Van Tilburg, Judith	Healthcare Administration	Vice President	Jun 2008 - Present

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NAME

OCCUPATION

POSITION PCCNE

TENURE

PRIMARY CARE CENTER OF NEW ENGLAND

Andrade, Robert P.	Bank COO Healthcare Administration	Chairman of the Board	Jan 1998 - Present
DeBlois, Arthur J. III	Retired	Interim President/CEO	May 2012 - Present
Degen, Alfred P.	Bank CEO Insurance Agency President Coffee Company President	Trustee	Jan 1996 - Present
Furtado, Gary	Bank CEO	Trustee	Jan 1992 - Present
Hunt, William J.	Bank CEO	Trustee	Jan 1986 - Present
Kapos, William M.	Bank CEO	Treasurer	Jan 1999 - Present
Murray, Patrick J. Jr.	Bank CEO	Assistant Treasurer	Jan 2008 - Present
Roberts, Virginia C.	Bank Sr. Vice President	Vice Chair of the Board	Jan 1995 - Present
Scown, Gregory	Retired Real Estate Firm Partner	Secretary Assistant Secretary; Chairman, BHI	Jan 2009 - Present
Sherry, Karl F.			Jan 2006 - Present

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<u>NAME</u>	<u>OCCUPATION</u>	<u>POSITION BHI</u>	<u>TENURE</u>
BLACKSTONE HEALTH, INC.			
Barzykowski, Kamila	Non-Profit Administration	Vice Chair	Dec 2004 - Present
Briden, James, Esq.	Attorney Healthcare Administration	Secretary Interim President/CEO	Dec 2004 - Present May 2012 - Present
DeBlois, Arthur J. III			Dec 2004 - Present
Girard, Elizabeth MacDonald-Gallagher, Michelle	Retired Healthcare Administration	Assistant Secretary Senior Vice President	Dec 2004 - Present Dec 2004 - Present Feb 2010 - Present
Meiklejohn, Malcolm	Retired Manufacturing Company VP Real Estate Firm Partner	Trustee Trustee Chairman of the Board	Oct 2009 - Present Jan 2012 - Present
Mooney, F. Paul Jr.			
Sherry, Karl F.			

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<u>NAME</u>	<u>OCCUPATION</u>	<u>POSITION SHS VENTURES</u>	<u>TENURE</u>
SHS Ventures, Inc.			
Andrade, Robert P.	Bank COO	Chairman of the Board	Jan 1998 - Present
DeBlois, Arthur J. III	Healthcare Administration	Interim President/CEO	May 2012 - Present
Degen, Alfred P.	Retired	Trustee	Jan 1996 - Present
Furtado, Gary	Bank CEO	Trustee	Jan 1992 - Present
Hunt, William J.	Insurance Agency President	Trustee	Jan 1986 - Present
Kapos, William M.	Coffee Company President	Treasurer	Jan 1999 - Present
Murray, Patrick J. Jr.	Bank CEO	Assistant Treasurer	Jan 2008 - Present
Roberts, Virginia C.	Bank Sr. Vice President	Vice Chair of the Board	Jan 1995 - Present
Scown, Gregory	Retired	Secretary	Jan 2009 - Present
Sherry, Karl F.	Real Estate Firm Partner	Assistant Secretary; Chairman, BHI	Jan 2006 - Present

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MHRI Ancillary Services, LLC has no officers, directors, executives or managers but rather is a member-managed limited liability company under Rhode Island law, the sole member of which is MHRI.

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<u>NAME</u>	<u>OCCUPATION</u>	<u>POSITION MHRIP INC</u>	<u>TENURE</u>
Memorial Hospital of Rhode Island Physicians, Inc.			
Al-Raqqad, Ahmad	Physician	Board Member	2011 - Present
Burroughs, Robert	Physician Healthcare Administration (Interim CEO)	Medical Director Board Member	1995 - Present
DeBlois, Arthur J., III	Physician	Board Member	2012 - Present
Glod, Douglas	Healthcare Administration (Sr. VP)	Board Member	2010 - Present
Gough, Thomas	Physician	Secretary	2001 - Present
Ladetto, John	Physician	Board Member	2003 - Present
Mansourati, Fadi	Physician	President	2010 - Present
Papazian, Martin	Physician Financial Management (SVP)	Board Member Treasurer	1996 - Present
Rubeor, Amity	Physician	Board Member	2011 - Present
Ryan, Michael	Physician	Board Member	1991 - Present
Schiff, Stephen	Physician	Board Member	2007 - Present
Wiley, Brian	Physician	Board Member	2009 - Present

EXHIBIT 14 Table of Contents

<u>Tab</u>	<u>Description</u>	<u>Bates Number</u>
14-A	MHRI Parent – Draft Revised Bylaws	RIAG0329
14-B	MHRI Parent – Draft Revised Articles	RIAG0345
14-C	MHRI – Draft Revised Bylaws	RIAG0347
14-D	MHRI – Draft Revised Articles	RIAG0367
14-E	CNE – Draft Revised Bylaws	RIAG0369

BYLAWS
FOR
SOUTHEASTERN HEALTHCARE SYSTEM, INC.

Article I

OFFICES

Section 1.01. The name of the corporation shall be Southeastern Healthcare System, Inc. (the "Corporation").

Section 1.02. The Corporation is organized exclusively for the purposes stated in its articles of incorporation: (the "Articles of Incorporation").

Section 1.03. Principal Office. The principal office of the Corporation shall be located at 111 Brewster Street, Pawtucket, Rhode Island, 02860. The Corporation may have such other offices or places of business, within the State of Rhode Island, as the Board of Directors of the Corporation (the "Board" or the "Board of Directors") may from time to time establish or the business of the Corporation may require.

Section 1.04. Registered Office and Registered Agent. The registered office of the Corporation need not be identical with the principal office of the Corporation and shall initially be located in Providence, Rhode Island. The registered agent and registered office may be changed from time to time by the Board of Directors in accordance with the provisions of the Rhode Island Non-Profit Corporation Act, as amended (the "Act").

Article II

Section 2.01. Members. ~~The Corporation shall not have members.~~

MEMBER

Section 2.01. Member. Care New England Health System (or any successor to Care New England Health System by reason of merger, consolidation, sale of all or substantially all of the assets of Care New England Health System or otherwise) is the sole member of the Corporation (the "Member").

Section 2.02. Member Meetings. An annual meeting of the Member shall be held during December in each year on such date and at such time and place as may be determined by the Member; which annual meeting may occur simultaneous with, or directly following the annual meeting of the board of directors of the Member held in December. A special meeting of the Member shall be called by the Secretary of the Corporation (the "Secretary") (or other person as directed by the Board of Directors) upon the request of the Chairperson of the Corporation (the "Chairperson") or the Member and the business transacted at any special meeting of the

Members shall be limited to the purpose or purposes stated in the written notice of such special meeting.

Section 2.03. Place of Meetings – Member. All annual and special meetings of the Member shall be held at such place, either within or outside the State of Rhode Island as shall be determined by the Board of Directors and stated in the written notice for such annual or special meeting.

Section 2.04. Notice for Meetings – Member. Except as otherwise expressly required by law, the Articles of Incorporation or these Bylaws, the Secretary (or other person as directed by the Board of Directors) shall deliver written notice of the annual meeting and any special meeting to the Member, which written notice shall state the place, day and hour of the meeting (and the purpose or purposes if a special meeting) and shall be delivered by mailing, overnight delivery, electronically mailing or telephoning the same to Member’s last address, electronic mail address or telephone number appearing on the records of the Corporation not less than (a) ten (10) nor more than sixty (60) days prior to the date of the annual meeting; or (b) forty-eight (48) hours prior to the date of the special meeting. Notice will be deemed delivered at the time when same is deposited in the United States mail, delivered to the delivery service, sent via electronic mail or a message is left by telephone.

Section 2.05. Action at Meetings – Member. Except as otherwise expressly required by law, the Articles of Incorporation or these Bylaws, the affirmative vote of the Member (through its authorized designee) shall be required to take action on any question brought at a meeting of the Member.

Section 2.06. Written Consents – Member. Except as otherwise expressly required by law, the Articles of Incorporation or these Bylaws, the Member may take action without a meeting in a written consent setting forth the action and signed by the Member; which written consent(s) shall be placed in the records of the Corporation.

Article III

BOARD OF DIRECTORS

Section 3.01. General Powers. The business and affairs of the Corporation shall be managed by its Board of Directors. Without limitation as to the foregoing, the Board of Directors shall prepare and establish policies for the delivery of quality health services, research and education by the Corporation and its affiliates and subsidiaries, including but not limited to The Memorial Hospital (the “Affiliated Hospitals and Medical Service Providers”); develop a medical health care delivery system with entities owned or controlled by the Corporation and the Affiliated Hospitals and Medical Service Providers; contract with third party providers, managed care providers and insurers for and on behalf of itself and its Affiliated Hospital and Medical Service Providers; affiliate with the Brown University School of Medicine in the field of family care medicine, primary care medicine and other medical disciplines and specialties for the education of medical students and for medically related research and development; develop and implement compensation and retirement plans for the officers and employees of the Corporation or its Affiliated Hospitals and Medical Service Providers; provide for the future of the Corporation and the Affiliated Hospitals and Medical Service Providers by developing an

~~endowment fund and to receive from the Affiliated Hospitals and Medical Service Providers funds to establish such endowment; and to generally provide leadership and coordination in the delivery of health services to the communities which the Corporation, its Affiliated Hospitals and Medical Service Providers serve in an integrated manner consistent with applicable law.~~

~~Section 3.02. Number, Tenure and Qualifications. The directors shall be the then existing Trustees of The Memorial Hospital. The directors shall serve a term of one (1) year which expires at the annual meeting. The directors shall be nominated from a list or lists of nominees received from the Nominating Committee, and each director elected shall serve until the expiration of such director's term or until such director's successor shall have been elected and qualified or until such director's death or resignation or removal in the manner provided herein. The number of directors of the Corporation may from time to time be changed by resolution of the directors. The Chairman of the Board of Trustees and the President of The Memorial Hospital shall be members of the Board of Directors of the Corporation.~~

~~Section 3.01. General Powers. Except as otherwise expressly required by law, the Articles of Incorporation or these Bylaws, the affairs of the Corporation shall be managed by the Board of Directors and the Board of Directors shall have, and may exercise, all of the powers of the Corporation.~~

~~Section 3.02. Number. The directors of the Board (each a "Director") shall be those individuals then-serving as directors of the board of directors of the Member.~~

~~Section 3.03. Vacancies. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board of Directors. A director elected to fill a vacancy shall be elected for the unexpired term of such director's predecessor in office. Any directorship to be filled by reason of an increase in the number of directors may be filled by the Board of Directors for a term of office continuing only until the next election of directors.~~

~~Section 3.04. Removal. The directors may, at any meeting called for the purpose, remove any director with or without cause by vote of a majority of the directors.~~

~~Section 3.05. Resignations. Any director may resign at any time by giving written notice to the Board of Directors or to the Chairman. The resignation shall take effect at the time specified in the notice, and, unless otherwise specified in such notice, acceptance of the resignation shall not be necessary to make it effective.~~

~~Section 3.06. Annual Meetings. The An annual meeting of the Board of Directors shall be held within the State of Rhode Island at a place determined by the Board of Directors, on the last Wednesday in the month of November during December in each year for the purpose of electing directors and officers and for the transaction of on such other business date and at such time and place as may come before the meeting without notice other than be determined by this Section 3.06. The the Board of Directors may provide by resolution; which annual meeting may occur simultaneous with, or following, the annual meeting of the board of directors of the time and place for Member held in December. Unless the holding of additional~~

~~Board otherwise determines, there shall be regular monthly meetings without notice other than such resolution.~~

~~of the Board; which regular~~~~Section 3.07—Special Meetings.~~ Special meetings of shall be held at such time and such place as may be determined by the Board of Directors may be . A special meeting of the Board of Directors shall be called by the Secretary (or another person as directed by the Board of Directors) upon the request of the President or any one director. The person or persons authorized to call any two (2) Directors, the Chairperson, a Vice-Chairperson or the President and Chief Executive Officer. All annual, regular and special meetings of the Board of Directors may fix the manner and the shall be held at such place for holding any special , either within or outside the State of Rhode Island as shall be determined by the Board of Directors and stated in the notice for such meeting of the Board of Directors called by them.

~~Section- 3.0804. Joint Meetings.~~ Except for the annual meeting, allAll meetings of the Board of Directors of the Corporation or any committee thereof are deemed to be joint meetings of the Corporation Board or such committee and the Boardboard of Trusteesdirectors of The Memorial Hospitalthe Member or its comparable ecommitteecommittees, unless otherwise specified in the notice.

~~Section 3.05. Section 3.09—Notice.~~ Notice of any special meeting shall be given at least three (3) days prior thereto by written notice delivered personally or mailed to each director at the director's business address (or, if no business address, then at the director's residence), by facsimile or by electronic transmission. If mailed, such notice shall be deemed delivered when deposited in the United States mail, so addressed, with postage prepaid thereon. If notice is given personally, by facsimile or by electronic transmission, notice shall be deemed delivered when received by a director.

~~Section 3.10. Quorum.~~ A majority of the number of directors of the Corporation from time to time shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than such a majority is present at a meeting, a majority of the directors then present may adjourn the meeting from time to time without further notice. A majority of the members of any committee from time to time shall constitute a quorum for the transaction of business at any meeting of such committee, but if less than such a majority is present at a meeting, a majority of the members then present may adjourn the meeting from time to time without further notice.

~~Section 3.11.—Notice.~~ The schedule (including dates, place and hour) of the regular monthly meetings of the Board for each year shall be delivered to each Director in advance of the first regular meeting for such year; provided, however, that for the 2013 calendar year, those (3) individuals appointed to the board of directors of the Member who are nominated by The Memorial Hospital d/b/a Memorial Hospital of Rhode Island ("MHRI"), the sole member of which is the Corporation, and reviewed and approved by the Member and that individual serving as an *ex-officio* voting member of the board of directors of the Member by virtue of his or her position as the President of the MHRI Medical Staff shall be provided a schedule (including dates, place and hour) of the regular monthly meetings in advance of the first regular monthly meeting after the closing date as defined in the Affiliation Agreement among the Member, the Corporation and MHRI dated as of January 2, 2013. Except as otherwise expressly

required by law, the articles of incorporation or these Bylaws, the Secretary (or other person as directed by the Board of Directors) shall deliver written notice of any annual or special meeting to each Director, which written notice shall state the place, day and hour of the meeting and shall be delivered in person or by mailing, overnight delivery, electronically mailing or telephoning the same to each Director's last address, electronic mail address or telephone number appearing on the records of the Corporation not less than seven (7) days prior to the date of the special meeting; provided, however, that a special meeting may be called upon forty-eight (48) hours notice if such notice is given personally or by telephone to each Director. Notice of any meeting of the Board does not need to state the business to be transacted at, nor the purpose of, such meeting. Notice will be deemed delivered at the time when same is deposited in the United states mail, delivered to the delivery service, sent via electronic mail or a message is left by telephone.

Section 3.06. Quorum. A quorum shall exist at a meeting of the Board of Directors if a majority of the then-current Directors are present in person. In the absence of a quorum at any ~~Manner of Acting.~~ The act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be the act of the Board of Directors, unless a greater number is required by the Act or by the articles of incorporation. Meetings of directors may be held by means of a telephone conference circuit, and connection to such circuit shall constitute presence at such meeting.

~~Section 3.12. Presence Through Communications Equipment.~~ Unless otherwise provided by law, directors may participate in a meeting of the Board of Directors, the Directors present in person at such meeting, shall have the power to adjourn the meeting to another place, day and hour with notice given to the Directors in the same manner as a special meeting.

Section 3.07. Manner of Acting. ~~or any committee by means of a conference telephone.~~ Except as otherwise expressly required by law, the Articles of Incorporation or these Bylaws, the affirmative vote of a majority of the Directors present in person at a meeting at which a quorum is present shall be required to take action on any question brought at such meeting. Notwithstanding the foregoing or anything to the contrary herein, the following actions shall require the affirmative vote of three-quarters (3/4) of the total number of then-current Directors:

(a) sale, mortgage or discontinuation of use of all or substantially all of the real property or assets of the Corporation or any controlled affiliate of the Corporation;

(b) merger with or acquisition of the Corporation by another entity, or material acquisition by the Corporation or any controlled affiliate of the Corporation of another provider or system of providers;

(c) any material change in the mission of the Corporation or any controlled affiliate of the Corporation; or

(d) any change in the provisions of this Section 3.07 or similar provision in the bylaws of any controlled affiliate of the Corporation.

The actions set forth above that involve the Corporation are also subject to the approval of the board of directors of the Member.

Section 3.08. Presence Through Communications Equipment. To the extent a Director is unable to attend an annual, regular or special meeting in person and such Director has provided notice to the office of the President and Chief Executive Officer of the Member of his or her circumstances, then such Director may participate in such annual, regular or special meeting by means of a conference telephone or other similar communications equipment, including video conference, by means of pursuant to which all persons Directors participating in the such meeting can communicate with may simultaneously hear each other at the same time and such participation by such means shall constitute presence be deemed participation "in person at the meeting."

~~Section 3.13.~~ Section 3.09. Action by Written Consent. Any Except as otherwise expressly required by law, the Articles of Incorporation or these Bylaws, any action that may be taken by the Board of Directors at a meeting may be taken without a meeting if a consent or consents in writing, setting forth the action so to be taken, shall be signed before or after such action by all of the directors are requested from and signed by all of the Directors, which written consents may be signed in one or more counterparts, each of which shall be an original, but all of which together shall comprise one and the same written consent. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors.

Section 3.10. Compensation. ~~14. Presumption of Assent.~~ A director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be deemed to have assented to such action unless his or her dissent shall be entered in the minutes of the meeting or unless the director shall file a written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Corporation immediately after adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action. The Board of Directors may resolve to pay the reasonable out-of-pocket expenses incurred by a Director in the performance of his or her duties as a Director. This section shall not preclude any Director from serving the Corporation in any other capacity and receiving compensation therefor.

~~Section 3.15. Compensation.~~ The Board of Directors shall not receive any compensation for attendance at meetings. This section shall not preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

~~Section 3.16. Executive Committee.~~ There shall be an Executive Committee which shall consist of the Chairman, the Vice Chairman, the President, the Treasurer, the Secretary and not less than five (5) other Directors of the Corporation. The Executive Committee shall meet monthly and shall exercise all the powers and authority of the Board of Directors when the Board of Directors is not meeting. A quorum for the meetings of the Executive Committee shall be at least five (5) members of the committee.

~~Section 3.17. Nominating Committee.~~ There shall be a Nominating Committee composed of the members of the Governance Committee and not less than two (2) nor more than

~~four (4) members of the Board of Directors chosen by the Chairman. Said committee shall be formed annually to the date of the annual meeting of the Board of Directors and shall take all actions deemed necessary or desirable to cause the nomination of eligible individuals to the office of director and to the offices of the Corporation and elected offices of The Memorial Hospital.~~

~~Section 3.18. Audit Committee. There shall be an Audit Committee which shall make recommendations on the appointment of independent auditors for the Corporation and its Affiliated Hospitals and Medical Service Providers, shall review the scope and cost for the annual audit, shall review the result of such audit, and shall monitor the response of management as to such audit and the implementation of internal audit procedures. The Audit Committee shall be a joint committee of the Corporation and The Memorial Hospital.~~

~~Section 3.19. Corporate Governance Committee. The Corporate Governance Committee shall develop, recommend and annually review corporate governance guidelines of the Corporation and oversee corporate governance matters, shall coordinate an annual review of the Board's performance in corporate governance, supervise adherence to the Corporation's conflict of interest policy, and review from time to time the Bylaws of the Corporation, conflict of interest questionnaires and policies, requests for waivers of such policies, and review the effectiveness of the Corporation's conflict of interest policy. The Corporate Governance Committee shall be a joint committee of the Corporation and The Memorial Hospital.~~

~~Section 3.20. Other Committees. The Board of Directors, by resolution adopted by a majority of the full Board of Directors, may designate from its members other committees including committees referred to as a joint committee in the Bylaws of The Memorial Hospital, which, to the extent provided in such resolution, shall have and may exercise any or all of the authority of the Board of Directors, provided that no such committee shall have the authority of the Board of Directors in reference to amending the articles of incorporation, adopting a plan of merger or consolidation, recommending the sale, lease, exchange or other disposition of all or substantially all the property and assets of the Corporation otherwise than in the regular course of its business, recommending a voluntary dissolution of the Corporation or a revocation thereof, or amending the Bylaws of the Corporation. The designation of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility imposed by law. The Chairman and President shall be ex officio members of each committee except the Nominating Committee.~~

Article IV

COMMITTEES

Section 4.01. Committees. The Board of Directors may designate committees to serve at its pleasure and to have such powers and perform such functions as the Board of Directors may assign to them. The resolution designating such committees shall set forth the composition of each such committee and the functions to be performed by it. All committee members (along with the Directors and officers of the Corporation), shall be subject to the Member's Conflicts of Interest and Confidentiality Policy, as may be amended from time to time by the board of directors of the Member. Unless otherwise determined by the Board, all

committees shall adopt a committee charter which shall include the purposes, duties and responsibilities and membership of such committee; provided, that such committee charter (and any amendments thereto) shall be subject to review by the Governance and Nominating Committee of the Member (the "Governance and Nominating Committee") and approval by the Board.

Article V

OFFICERS

Section 45.01. Number Officers. The officers of the Corporation shall be a Chairman, not less than one (1) Vice Chairman, a President, a Secretary, a Treasurer and such other those individuals then-serving as officers and agents as may be deemed necessary by of the Board of Directors. Any two or more offices may be held by the same person, except the offices of the President and Secretary. No officer need be a director of the Corporation. The Chairman and the President of the Corporation Member and such individuals shall be the Chairman of the Board of Trustees and the President of The Memorial Hospital, respectively.

Section 4.02. Election and Term of Office. The officers of the Corporation specifically designated serve in Section 4.01 of this Article IV shall be elected annually by the Board of Directors at its annual meeting upon nominations from the Nominating Committee. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as is practicable. Each officer shall hold office until his or her successor the same officer position for, and shall have been duly elected and shall have qualified or until such officer's death, resignation or removal in the manner hereinafter provided.

Section 4.03. Other Officers. The Board of Directors may elect or appoint such other officers and agents, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem necessary, each of whom shall hold office for such period and shall exercise such powers and perform such the same duties as are provided in these Bylaws or as the Board of Directors may from time to time determine. The Board of Directors may delegate to any officer the power to appoint any such officers and agents and to prescribe their respective powers, duties and salaries.

Section 4.04. Removal. Any officer or agent may be removed by the Board of Directors whenever, in its judgment, the best interests of the Corporation will be served thereby. Nothing herein, however, shall affect any contractual rights of any officer or agent so removed.

Section 4.05. Resignations. Any officer or agent may resign at any time by giving written notice to the Board of Directors or to the President or Secretary. The resignation shall take effect at the time specified in the notice and, unless otherwise specified in such notice, the acceptance of the resignation shall not be necessary to make it effective.

Section 4.06. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled in the manner prescribed in these Bylaws for election or appointment to such office. In the case of a vacancy in any of the offices specifically designated in Section 4.01 of this Article IV, such vacancy shall be filled for the unexpired portion of the term of such office.

~~Section 4.07. Chairman.~~ The Chairman shall preside at all meetings of the Board of Directors. No person shall be elected Chairman for more than three (3) successive one (1) year terms. In the absence of the President or in the event of the President's death, inability or refusal to act, the Chairman shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Chairman shall have such other powers and perform such other duties on the Board of Directors may prescribe from time to time.

~~Section 4.08. Vice Chairman.~~ In the absence of the Chairman, the Vice-Chairman shall have the powers and duties of the Chairman and such other powers and duties as the Board of Directors may prescribe from time to time.

~~Section 4.09. President.~~ The President shall be the principal executive officer of the Corporation and, subject to the direction and under the supervision of the Board of Directors, shall have general charge of the business, affairs and property of the Corporation, and control over its officers, agents and employees. The President shall execute, on behalf of the Corporation, any deeds, mortgages, bonds, contracts or other instruments which the Board of Directors have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed. The President shall do and perform all duties incident to the office of President and such other duties as may be assigned to the President by these Bylaws or by the Board of Directors. The President shall execute written consents of the Corporation as the sole member of the Affiliated Hospitals and Medical Service Providers in lieu of taking actions required or desirable at annual, regular or special meetings of such entities as the President may deem necessary or desirable, subject to the direction of the Board of Directors of the Corporation.

~~Section 4.10. Secretary.~~ The Secretary shall: (a) keep the minutes of the proceedings of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance ~~and authorities~~ with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the Corporation and see that the seal of the Corporation is affixed to all documents the execution of which on behalf of the Corporation under its seal is duly authorized; and (d) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the President or by the Board of Directors.

~~Section 4.11. Treasurer.~~ The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the Corporation; (b) receive and give receipts for monies due and payable to the Corporation from any source whatsoever, and deposit all such monies in the name of the Corporation in such banks, trust companies or other depositories as shall be selected in accordance ~~respect to, the Corporation as he or she serves for, or has~~ with the provisions of ~~respect to, the Member Article V~~ of these Bylaws; and (c) in general, perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by the President or by the Board of Directors. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the directors shall determine.

~~Section 4.12. Salaries.~~ Except as provided in Section 4.03 of this Article IV, the salaries of the officers shall be fixed from time to time by the Board of Directors and no officer shall be prevented from receiving such salary by reason of the fact that such officer is also a director of the Corporation.

~~Article V~~

Article VI

CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 56.01. Contracts. The Board of Directors may authorize any officer or officers, ~~or any agent or agents,~~ to enter into contracts and agreements in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 56.02. Loans. No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a general or specific resolution of the Board of Directors.

Section 56.03. Checks, Drafts or Other Similar Orders. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, ~~or such agent or agents,~~ of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 56.04. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.

~~Article VII~~

INDEMNIFICATION

Section 67.01. ~~Each person who was, is, or is threatened~~ Agreement of the Corporation. In order to be made a named defendant or respondent in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is, or was, a director or an officer induce the individual members (if any), Directors, officers and committee members of the Corporation, or who, while a director or an officer of the Corporation, is or was to serve as such (each an "Indemnified Person"), the Corporation agrees, subject to the exclusions hereinafter set forth, to indemnify an Indemnified Person against, and hold the Indemnified Person harmless from, any Loss or Expense (each as defined in Section 7.02).

Section 7.02. Definitions. Capitalized terms used in this Article VII shall have the meanings set forth below:

(a) "Covered Act" means any act or omission by an Indemnified Person in the Indemnified Person's official capacity with the Corporation and while serving as such or

~~while serving at the request of the Corporation as a director~~member of the governing body, officer, employee or agent of another foreign or domestic corporation, joint venture, trust, other enterprise or employee benefit plan, shall be indemnified against judgments, penalties, fines, settlements and reasonable expenses (including attorneys' fees) actually incurred by such person in connection with any such action, suit or proceeding to the full extent permitted under the Act. The indemnification provided by this Article VI shall not be deemed exclusive of any other rights to which those persons seeking indemnification may be entitled under any bylaw, agreement, or otherwise, and shall continue as to any person who has ceased to be a director or an officer and shall inure to the benefit of the heirs, executors and administrators of such person. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or who, while a director, officer, employee or agent of the Corporation, is or was serving at the request of the Corporation as a director, officer, partner, employee or agent of another foreign or domestic corporation~~limited liability company, partnership, joint venture, trust, or other enterprise or employee benefit plan.~~

(b) "Excluded Claim" has the meaning set forth in Section 7.04.

(c) "Expenses" means any reasonable expenses incurred by an Indemnified Person in connection with the defense of any claim made against any the Indemnified Person for Covered Acts including, without limitation, legal, accounting or investigative fees and expenses (including the expense of bonds necessary to pursue an appeal of an adverse judgment).

(d) "Loss" means any amount which an Indemnified Person is legally obligated to pay as a result of any claim made against such Indemnified Person for Covered Acts including, without limitation, judgments for, and awards of, damages, amounts paid in settlement of any claim, any fine or penalty or, with respect to an employee benefit plan, any excise tax or penalty.

(e) "Proceeding" means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative.

Section 7.03. Advance Payment of Expenses. The Corporation will pay the Expenses of an Indemnified Person in advance of the final disposition of any Proceeding except to the extent that the defense of a claim against such Indemnified Party is undertaken pursuant to any directors' and officers' liability insurance (or equivalent insurance or other protection known by another term) maintained by the Corporation. The advance payment of Expenses will be subject to such Indemnified Person's first agreeing in writing with the Corporation to repay the sums paid by it hereunder if it is thereafter determined that the Proceeding involved an Excluded Claim or that such Indemnified Person was otherwise not entitled to indemnification under these Bylaws.

Section 7.04. Exclusions. The following shall be considered "Excluded Claims" and the Corporation will not be liable to pay any Loss or Expense related to any Excluded Claim:

(a) With respect to a Proceeding in which a final non-appealable judgment or other adjudication by a court of competent jurisdiction determines that the Indemnified Person is liable to the Corporation (as distinguished from being liable to a third party) for:

(i) any breach of the Indemnified Person's duty of loyalty to the Corporation;

(ii) acts or omissions not in good faith or which involve any malicious, willful or wanton misconduct or knowing violation of law; or

(iii) any transaction from which the Indemnified Person derived an improper personal benefit.

(b) If a final, non-appealable judgment or other adjudication by a court of competent jurisdiction determines that such payment is unlawful.

Section 7.05. Notice to the Corporation; Insurance. Promptly after receipt by an Indemnified Person of notice of the commencement of or the threat of commencement of any Proceeding, such Indemnified Person will, if indemnification with respect thereto may be sought from the Corporation under these Bylaws, notify the Corporation of the commencement or threat thereof. If, at the time of the receipt of such notice, the Corporation has any directors' and officers' liability insurance (or equivalent insurance or other protection known by another term) in effect, the Corporation will give prompt notice of the commencement or threat of such Proceeding to the insurer in accordance with the procedures set forth in the policy or policies in favor of such Indemnified Person. The Corporation will thereafter take all the necessary or desirable action to cause such insurer to pay, on behalf of such Indemnified Person, all Loss and Expenses payable as a result of such Proceeding in accordance with the terms of such policies. Failure to promptly notify the Corporation will not adversely affect the Indemnified Person's right to indemnification hereunder unless and only to the extent that (a) the Corporation is materially prejudiced in its ability to defend against the Proceeding by reason of such failure; or (b) failure to promptly notify the Corporation causes a delay in notifying any applicable insurer (as described in this Section 7.05) resulting in a denial of coverage.

Section 7.06. Indemnification.

(a) Payments on account of the Corporation's indemnity against Loss will be made by the Treasurer of the Corporation except if, in the specific case, a determination is made that the indemnification of the Indemnified Person is not proper in the circumstances because such Loss results from an Excluded Claim. If the Corporation so determines that the Loss results from an Excluded Claim (although no such determination is required by the Corporation prior to payment of a Loss by the Treasurer of the Corporation), the determination shall be made:

(i) by the Board by a majority vote of a quorum consisting of Directors not at the time parties to the Proceeding; or

(ii) if a quorum cannot be obtained for purposes of Section 7.06(a)(i), then by a majority vote of a committee of the Board duly designated to act in the matter by a majority vote of the full Board (in which designated Directors who are parties to the Proceeding may participate) consisting solely of three (3) or more Directors not at the time parties to the Proceeding; or

(iii) by independent legal counsel designated (A) by the Board in a manner described in Section 7.06(a)(i) or by a committee of the Board established in a manner described in Section 7.06(a)(ii), or (B) if the requisite quorum of the full Board cannot be obtained therefor and a committee cannot be so established, by a majority vote of the full Board (in which vote Directors who are parties to the Proceeding may participate). If made, any such determination permitted to be made by this Section 7.06(a) will be made within sixty (60) days of an Indemnified Person's written request for payment of a Loss.

(b) Payment of an Indemnified Person's Expenses in advance of the final disposition of any Proceeding will be made by the Treasurer of the Corporation except if, in the specific case, a determination is made pursuant to Section 7.06(a) that indemnification of such Indemnified Person is not proper in the circumstances because the Proceeding involved an Excluded Claim.

(c) The Corporation will have the power to purchase and maintain insurance on behalf of any Indemnified Person against liability asserted against such person and incurred by such person in any such capacity or arising out of such person's status as such him or her with respect to any Covered Act, whether or not the Corporation would have the power or obligation to indemnify such person Indemnified Person against such liability under the provisions of these Bylaws. The Corporation will be subrogated to the rights of such Indemnified Person to the extent that the Corporation has made any payments to such Indemnified Person in request to any insured Loss or Expense as provided herein.

Section 7.07. Settlement. The Corporation will have no obligation to indemnify any Indemnified Person for any amounts paid in settlement of any Proceeding affected without the Corporation's prior written consent. The Corporation will not unreasonably withhold or delay its consent to any proposed settlement. If the Corporation so consents to the settlement of any Proceeding, or unreasonably withholds or delays such consent, it will be conclusively and irrefutably presumed for all purposes that the Loss or Expense does not constitute an Excluded Claim. If the Corporation reasonably withholds its consent solely on the grounds that the Proceeding constitutes an Excluded Claim, the Indemnified Person may accept the settlement without the consent of the Corporation, without prejudice to such Indemnified Person's rights to indemnification in the event the Corporation does not ultimately prevail on the issue of whether the Proceeding constitutes an Excluded Claim.

Section 7.08. Rights Not Exclusive. The rights provided in this Article VI or VII will not be deemed exclusive of any other rights to which an Indemnified Person may be entitled under the Act, any agreement, vote of disinterested Directors or otherwise, both as to action in the Indemnified Person's official capacity and as to action in any other capacity while serving in such position, and will continue after such Indemnified Person ceases to serve the Corporation as an Indemnified Person.

Section 7.09. Enforcement.

(a) An Indemnified Person's right to indemnification hereunder will be enforceable by such Indemnified Person in any court of competent jurisdiction and will be

enforceable notwithstanding that an adverse determination has been made as provided in Section 7.06.

(b) In the event that any action is instituted by an Indemnified Person under these Bylaws, such Indemnified Person will be entitled to be paid all court costs and expenses, including reasonable attorneys' fees, incurred by such Indemnified Person with respect to such action, unless the court determines that each of the material assertions made by such Indemnified Person as a basis for such action was not made in good faith or was frivolous.

Section 7.10. Severability. If any provision in this Article VII is determined by a court to require the Corporation to perform or fail to perform an act which is in violation of any applicable law, this Article VII shall be limited or modified in its application to the minimum extent necessary to avoid a violation of law, and, as so limited and modified, this Article VII shall be enforceable in accordance with its terms.

Section 7.11. Successors and Assigns. The provisions of this Article VII will be (a) binding upon all successors and assigns of the Corporation (including any transferee of all or substantially all of its assets); and (b) binding on and inure to the benefit of the heirs, executors, administrators and other personal representatives of an Indemnified Person.

Section 7.12. Amendment of Article VII. No amendment or termination of this Article VII will be effective as to an Indemnified Person without prior written consent of that Indemnified Person and, in any event, will not be effective as to any Covered Act of an Indemnified Person occurring prior to the amendment or termination.

Article VIII

Article VII

GENERAL PROVISIONS

Section 78.01. Fiscal Year. The fiscal year of the Corporation shall be determined by the Board and in the absence of such determination will begin on the first day of October and end on the last day of September each year.

Section 78.02. Corporate Seal. The Corporation shall have a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Corporation, the state of incorporation and the year of incorporation.

Section 78.03. Waiver of Notice. Whenever any notice is required to be given to any person under the provisions of these Bylaws or under the provisions of the ~~articles~~Articles of incorporation or under the provisions of the Act, a waiver thereof in writing signed by the person or persons entitled to such notice and provided to the Secretary, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. The attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when a person attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be

transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in any written waiver of notice of such meeting.

Section 8.04. Limitation of Liability. Pursuant to Section 7-6-9 of the Act, no individual serving without compensation as a Director, officer or committee member shall be personally liable to the Corporation or its members based solely on his or her conduct in the execution of the office or duties; provided, however that this Section 8.04 shall not eliminate the liability of a Director, officer or committee member to the extent such liability is imposed by applicable law for (a) malicious, willful or wanton misconduct; (b) breach of such Director's, officer's or committee member's duty of loyalty to the Corporation; and (c) any transaction from which there is an improper personal benefit. This Section 8.04 shall not eliminate the liability of a Director, officer or committee member for any act or omission occurring prior to the date upon which this provision becomes effective. No amendment to or repeal of this Section 8.04 shall apply to or have any effect on the liability or alleged liability, or any acts or omissions, of any Director, officer or committee member occurring prior to such amendment or repeal.

Article IX

~~Article VIII~~

CONFLICT OF INTEREST

~~Section 8.01. Statement of General Policy on Conflict of Interest.~~ No transaction involving remuneration or benefit to a director or officer, or to an organization in which such director or officer has a material financial interest or of which the director or officer is a member, officer, director, general partner, principal or controlling stockholder, shall be entered into by the Corporation without (a) full disclosure to the Board of Directors or the members entitled to vote by the interested director or officer of the material facts of the transaction and the director or officer's interest or relationship; (b) the authorization, approval or ratification of the affirmative vote of a majority of disinterested directors or the members entitled to vote; and (c) a determination by the Board of Directors that the transaction is fair to the Corporation at the time it is authorized, approved or ratified. No director so involved may vote on such authorization, approval or ratification by the Board of Directors.

~~Section 8.02. Adoption of Policy.~~ The Board of Directors shall from time to time, adopt a policy for the directors or officers and such other personnel as they shall deem appropriate, providing for the periodic disclosure to the Corporation of any and all interests which may give rise to a possible conflict of interest, either pecuniary or otherwise.

Section 9.01. Statement of General Policy on Conflict of Interest. All Directors and officers of the Corporation and all committee members shall be subject to the Member's Conflicts of Interest and Confidentiality Policy, as may be amended from time to time by the board of directors of the Member.

Article X

~~Article IX~~

DRAFT

AMENDMENTS

Section 910.01. Except as provided herein, these Amendments. These Bylaws may be altered, amended or repealed amended and new bylaws may be adopted restated by majority vote of written consent or approval by the Board of Directors at any annual or special meeting of in accordance with Section 3.07 or Section 3.09, as applicable and the Board of Directors called for such purpose approval of the Member.

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STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Office of the Secretary of State
Corporations Division
148 W. River Street
Providence, Rhode Island 02904-2615

NON-PROFIT CORPORATION

**ARTICLES OF AMENDMENT TO
ARTICLES OF INCORPORATION**

Pursuant to the provisions of Section 7-6-40 of the General Laws of Rhode Island, 1956, as amended, the undersigned corporation adopts the following Articles of Amendment to its Articles of Incorporation:

1. The name of the corporation is Southeastern Healthcare System, Inc.

2. The following amendment to the Articles of Incorporation was adopted by the corporation:

[Insert Amendment]

Article FOURTH: Item 2: Intentionally deleted.

Multiple horizontal lines provided for additional text or amendments.

3. The amendment was adopted in the following manner:

(check one box only)

- The amendment was adopted at a meeting of the members held on _____, at which meeting a quorum was present, and the amendment received at least a majority of the votes which members present or represented by proxy at such meeting were entitled to cast.
- The amendment was adopted by a consent in writing on _____, signed by all members entitled to vote with respect thereto.
- The amendment was adopted at a meeting of the Board of Directors held on _____ and received the vote of a majority of the directors in office, there being no members entitled to vote with respect thereto.

4. Date when amendment is to become effective _____
(not prior to, nor more than 30 days after, the filing of these Articles of Amendment)

Under penalty of perjury, we declare and affirm that we have examined these Articles of Amendment to the Articles of Incorporation, including any accompanying attachments, and that all statements contained herein are true and correct.

Date: _____

Print Corporate Name

By _____

President or Vice President (check one)

AND

By _____

Secretary or Assistant Secretary (check one)

14-C

THE MEMORIAL HOSPITAL

BYLAWS

ARTICLE I

BYLAWS AND PURPOSE OF THE HOSPITAL

Section 1.01. Incorporation. The name of the corporation shall be The Memorial Hospital with its main facilities located in the City of Pawtucket, County of Providence and State of Rhode Island (the "Hospital"). Pursuant to the Rhode Island Nonprofit Corporation Act, as same may be amended from time to time (or the provisions of any succeeding law) (the "Act"); provided, however, that the Hospital shall exercise its powers only in furtherance of its legislative charter and these Bylaws, and subject to the powers of the Member set forth in Article II, Section 2.02. As further described in these Bylaws, all authority and governing force of the Hospital is vested in the Board of Trustees Directors (the "Board") who in turn are appointed by the sole member" or "Board of the Hospital (hereinafter referred to as the "MemberDirectors").

Section 1.02. Purpose. The overall purpose of the Hospital is to be a university medical school affiliated institution and to serve as the community health center for the Blackstone Valley community and other communities. The Hospital shall have programs of community outreach and shall develop training programs with primary care as its focal point. In addition, the Hospital shall continue to provide the highest quality care in its traditional in-patient activities and develop tertiary care capabilities in various areas of medical and surgical specialties. The Hospital shall in all respects undertake management decisions and activities regardless of race, color, gender, creed, age, national origin, or availability of insurance.

ARTICLE II

MEMBERSHIP OF THE HOSPITAL

Section 2.01. Member. ~~The Member of the Hospital shall be Southeastern Healthcare System, Inc., a non-profit corporation organized and existing under the laws of the State of Rhode Island.~~ Southeastern Healthcare System, Inc. (or any successor to Southeastern Healthcare System, Inc. by reason of merger, consolidation, sale of all or substantially all of the assets of Southeastern Healthcare System, Inc. or otherwise) is the sole member of the Hospital (the "Member").

Section 2.02. Powers. ~~The Member shall exercise all of the rights and powers conferred upon the member of a non-profit corporation under the laws of the State of Rhode Island. The Member shall have such other powers as are specified in its charter and in these Bylaws. Without limitation as to the foregoing, the Member shall have the following powers:~~

~~(1) The sole power to amend these Bylaws; (2) The sole power to elect Trustees; (3) The sole power to elect officers of the Hospital; (4) The sole power to approve the Hospital's budget and any non-budgeted, material expenditures; (5) The sole power to approve the investments by the Hospital in any subsidiary or affiliate of the Hospital; (6) The sole power to vote the capital stock in any subsidiary or affiliate of the Hospital; and (7) The sole power to authorize the incurrance of indebtedness or guarantee indebtedness and any mortgage, pledge or grant of security interest, provided however that the Member may delegate its authority to the Board of the Hospital.~~

ARTICLE III

MEETINGS OF THE HOSPITAL MEMBER

~~Section 3.01. The Annual Meeting of the Hospital. The Member. An annual meeting of the Hospital ("the Annual Meeting of the Hospital") Member shall be held within the State of Rhode Island at a place determined by the Member, during December in each year on the last Wednesday in the month of November for the purpose of electing Trustees for a term commencing at the close of business of the meeting and for the transaction of such other business as may come before the meeting without notice other than by this Section 3.01. The Member may provide by resolution the date and at such time and place for the holding of additional regular meetings without notice other than such resolutions as may be determined by the Board; which annual meeting may occur simultaneous with, or following the annual meeting of the board of directors of the Member held in December.~~

~~Section 3.02. Special Meetings. Special meetings A special meeting of the Hospital may Member shall be called at any time by the Chairman, President, any three (3) or more Trustees by the Secretary of the Corporation ("Secretary") (or other person as directed by the Board) upon the request of the Chairperson or the Member. The call of a special meeting shall state the time and place of the meeting and the specific business to be considered at said meeting. No other business may be transacted other than that specified in the call of the meeting.~~

~~Section 3.03. Notice of Special Meetings. Notice of any special meeting of the Hospital shall be given at least three (3) days prior thereto by written notice delivered personally or mailed to the Member and each Officer and Trustee at their business addresses (or, if no business address, then at their residences) or by facsimile. If mailed, such notice shall be deemed delivered when deposited in the United States mail, so addressed, with postage prepaid thereon. If notice is given personally or by facsimile, notice shall be deemed delivered when received. Except as otherwise expressly required by law, the Hospital's legislative charter or these Bylaws, the Secretary (or other person as directed by the Board of Directors) shall deliver written notice of any annual and any special meeting to the Member, which written notice shall state the place, day and hour of the meeting (and the purpose or purposes if a special meeting) and shall be delivered in person or by mailing, overnight delivery, electronically mailing or telephoning the same to Member's last address, electronic mail address or telephone number appearing on the records of the Corporation not less than (a) ten (10) nor more than sixty (60) days prior to the date of the annual meeting; or (b) forty-eight (48) hours prior to the date of the special meeting. Notice will be deemed delivered at the time when same is deposited in the United States mail, delivered to the delivery service, sent via electronic mail or a message is left by telephone.~~

Section 3.04. Action Without a Meeting. ~~Any action that may be taken~~ Except as otherwise expressly required by law, the Hospital's legislative charter or these Bylaws, the Member ~~at~~ may take action with a special meeting of the Hospital ~~may be taken without a meeting if a consent or consents in writing, a written consent setting forth the action so to be taken, shall be and signed before or after such action by the Member. Such; which written consent or consents(s) shall be filed with placed in the minutes records of the proceedings~~ Hospital.

Section 3.05. Action at Meeting. Except as otherwise expressly required by law, the Hospital's legislative charter or these Bylaws, the affirmative vote of the Member (through its authorized designee) shall be required to take action on any question brought at a meeting of the Member.

Section 3.06. Place of Meetings. All annual and special meetings of the Member shall be held at such place, either within or outside the State of Rhode Island as shall be determined by the Board of Directors and stated in the written notice for such annual or special meeting.

ARTICLE IV

CORPORATORS

Section 4.01. Composition. The Corporators shall be a diverse group of individuals who have evidenced their interest in the purposes and programs of the Hospital and the communities served by the Hospital. The number of Corporators shall be established and may be changed from time to time by resolution of the Member. At the 2003 ~~Annual Meeting~~ annual meeting of the ~~Hospital~~ Member, the Corporators were divided into two (2) classes of approximately equal size. The term of office of the Corporators in the first class ~~shall expire~~ expired at the 2004 Annual Meeting of the Corporators, and the term of office of the second class of Corporators ~~shall expire~~ expired at the 2005 Annual Meeting of the Corporators. The Member may elect a Corporator at any time. Each Corporator elected shall serve until the expiration of such Corporator's term or until his or her successor shall have been duly elected and qualified or until such Corporator's death or resignation or removal in the manner provided herein. A Corporator elected during the ~~Annual Meeting~~ annual meeting of the ~~Hospital~~ Member shall serve for a term of two (2) years commencing at the next Annual Meeting of the Corporators. A Corporator elected at any other time shall serve for a term ending at the second Annual Meeting of the Corporators occurring after that Corporator's election. All members of the Board shall be Corporators. The Member shall have the authority to remove any Corporator with or without cause. In the event of the death, resignation or removal of a Corporator during the Corporator's term, the Member may fill the vacancy for the duration of the unexpired term. Any Corporator (i) attaining age seventy-two (72) as of December 2, 2003, or after the Annual Meeting of the Corporators of any year or (ii) whose principal residence has changed from the service area of the Hospital and who, in either case, no longer desires to serve as an active Corporator shall, upon the designation of the Member, be eligible to be elected as a Corporator Emeritus following expiration of such Corporator's term of office. A Corporator Emeritus shall be a person who served as a Corporator in good standing and, in the sole discretion of the

Member, is worthy of being appointed a Corporator Emeritus. A Corporator Emeritus shall have all of the rights and privileges of a Corporator.

Section 4.02. Purpose, Powers and Authority. The Corporators shall receive reports from the officers and committees of the Hospital, shall be asked to provide advice and counsel to the Hospital on matters of importance to the Hospital, and shall be eligible to serve the Hospital in various capacities. Notwithstanding the foregoing, the Corporators shall not have any vote on any matter.

Section 4.03. Meetings of the Corporators. The annual meeting of the Corporators (“the Annual Meeting of the Corporators”) shall be held within the State of Rhode Island at a place determined by the Member, on the first Tuesday in the month of December in each year. In addition, there may be such other meetings of the Corporators as may be called ~~by upon the Chairman request of the Chairperson,~~ for the purpose of receiving the reports of the ~~Chairman~~Chairperson, President, and Chief Executive Officer, the Treasurer, the President of the Medical Staff, the President of the Auxiliary, ~~(if any),~~ and the President of the Nurses’ Alumni Organization, ~~(if any),~~ and to receive such other committee reports and transact such other business as is appropriate. ~~The Chairman of the Board of Directors of the Member~~The Chairperson shall chair such meetings.

Section 4.04. Notice of Meetings of Corporators. Notice of the Annual Meeting of the Corporators or other meeting of the Corporators shall be given by the Secretary by publication thereof at least three (3) times in a newspaper of general circulation in the city of Pawtucket or by written notice to each Corporator and Corporator Emeritus.

ARTICLE V

BOARD OF TRUSTEESDIRECTORS

~~Section 5.01. Selection. Any person who has demonstrated or is apt to demonstrate an interest in the Hospital and the fulfillment of its role as a hospital seeking to deliver the best medical treatment possible and is otherwise interested in the purpose of the Hospital is eligible for election as a Trustee. The Trustees shall be elected by the Member at the Annual Meeting of the Hospital. Additional or replacement Trustees may be elected by the Member at any time.~~

~~Section 5.01. Selection. The directors of the Board (each a “Director”) shall be those individuals then-serving as directors of the board of directors of Care New England Health System, the sole member of the Member (“Care New England”).~~

~~Section 5.02. Powers. Subject to the powers of the Member set forth in Article II, Section 2.02, the Board shall have the control and management of the affairs, property, and interests. Except as otherwise expressly required by law, the legislative charter of the Hospital or these Bylaws, the affairs of the Hospital shall be managed by the Board of Directors and the Board of Directors shall have, and may exercise, all powers of the Hospital. The Chairman of the Board of the Member (the “Chairman”) and the President of the Member shall be the Chairman and the President powers of the Hospital, respectively.~~

~~Section 5.03. Membership. The Board shall consist of not less than ten (10) nor more than forty (40) Trustees. The Chairman of the Member and the President of the Member shall be members of the Board.~~

~~Section 5.04. Term of Office and Vacancy. The Trustees shall serve a term of one (1) year, and until a successor shall have been duly elected and qualified, or until the death, resignation or removal of such Trustee. In the event of the death, resignation or removal of any Trustee during the Trustee's term in office, the vacancy may be filled by the Member.~~

~~Section 5.05. Removal. The Member shall have the authority to remove any Trustee with or without cause.~~

~~Section 5.06. Regular Meetings. The Board shall meet not less than once per calendar quarter and as the Board may otherwise prescribe by resolution. The time and place for the holding of additional regular meetings may be provided by resolution without notice other than such resolution. A majority of the Board shall constitute a quorum for the transaction of business. The Board shall invite two (2) physicians from the Executive Committee of the Medical Staff to attend the regular meetings of the Executive Committee of the Board and the regular meetings of the Board.~~

~~Section 5.07. Special Meetings. Special meetings of the Board shall be called by the Secretary at the request of the Chairman, President, any three (3) Trustees, or the Member.~~

~~Section 5.08. Notice of Special Meetings. Notice of each special meeting specifying its purpose shall be given by the Secretary at least three (3) days prior thereto by written notice delivered personally or mailed to the Trustees at their business addresses (or, if no business address, then at their residences) or by facsimile or electronic transmission. If mailed, such notice shall be deemed delivered when deposited in the United States mail, so addressed, with postage prepaid thereon. If notice is given personally, by facsimile or by electronic transmission, notice shall be deemed delivered when received by the Trustee.~~

~~Section 5.09. Section 5.03. Meetings. An annual meeting of the Board of Directors shall be held during December in each year on such date and at such time and place as may be determined by the Board of Directors; which annual meeting may occur simultaneous with, or following, the annual meeting of the board of directors of Care New England held in December. Unless the Board otherwise determines, there shall be regular monthly meetings of the Board; which regular meetings shall be held at such time and such place as may be determined by the Board of Directors. A special meeting of the Board of Directors may be called by any two (2) Directors, by the Chairperson, by a Vice-Chairperson or by the President and Chief Executive Officer. All annual, regular and special meetings of the Board shall be held at such place, either within or outside the State of Rhode Island as shall be determined by the Board of Directors and stated in the notice for such meeting.~~

~~Section 5.04. Notice. The schedule (including dates, place and hour) of the regular monthly meetings of the Board for each year shall be delivered to each Director in advance of the first regular meeting for such year; provided, however, that for the 2013 calendar year, those (3) individuals appointed to the board of directors of Care New England who are~~

nominated by the Hospital, and reviewed and approved by Care New England and that individual serving as an *ex-officio* voting member of the board of directors of Care New England by virtue of his or her position as the President of the Hospital's Medical Staff shall be provided a schedule (including dates, place and hour) of the regular monthly meetings in advance of the first regular monthly meeting after the closing date as defined in the Affiliation Agreement among Care New England, the Member and the Hospital dated as of January 2, 2013. Except as otherwise expressly required by law, the Hospital's legislative charter or these Bylaws, the Secretary (or other person as directed by the Board of Directors) shall deliver written notice of any annual or special meeting to each Director, which written notice shall state the place, day and hour of the meeting and shall be delivered in person or by mailing, overnight delivery, electronically mailing or telephoning the same to each Director's last address, electronic mail address or telephone number appearing on the records of the Hospital not less than seven (7) days prior to the date of the special meeting; provided, however, that a special meeting may be called upon forty-eight (48) hours notice if such notice is given personally or by telephone to each Director. Notice of any meeting of the Board does not need to state the business to be transacted at, nor the purpose of, such meeting. Notice will be deemed delivered at the time when same is deposited in the United States mail, delivered to the delivery service, sent via electronic mail or a message is left by telephone.

Section 5.05. Joint Meetings. Any meeting of the Board or any committee thereof shall be deemed to be a joint meeting of the Board or such committee and the ~~Board~~board of directors of the Member or its comparable committee, unless otherwise specified in the notice.

~~Section 5.40-06. Presence Through Communications Equipment.~~ Section 5.40-06. Presence Through Communications Equipment. ~~Unless otherwise~~Unless ~~To the extent a Director is unable to attend an annual, regular or special meeting in person and such Director has provided by law, Trustees~~To the extent a Director is unable to attend an annual, regular or special meeting in person and such Director has provided by law, Trustees notice to the office of the President and Chief Executive Officer of Care New England of his or her circumstances, then such Director may participate in ~~asuch annual, regular or special meeting of the Board by means of a conference telephone or other similar communications equipment, including video conferencing, by means of~~ asuch annual, regular or special meeting of the Board by means of a conference telephone or other similar communications equipment, including video conferencing, by means of ~~pursuant to which all persons~~pursuant to which all persons ~~Directors participating in the~~Directors participating in the ~~such meeting can communicate with~~such meeting can communicate with ~~may simultaneously hear each other at the same time and such participation by such means shall constitute presence be deemed participation "in person at the meeting."~~may simultaneously hear each other at the same time and such participation by such means shall constitute presence be deemed participation "in person at the meeting."

~~Section 5.41-07. Action Without a Meeting.~~ Section 5.41-07. Action Without a Meeting. ~~Any~~Except as otherwise expressly ~~required by law, the Hospital's legislative charter or these Bylaws, any action that may be taken by the Board at a meeting may be taken without a meeting if a consent or consents in writing, setting forth the action so to be taken, shall be signed before or after such action by all of the Trustees~~required by law, the Hospital's legislative charter or these Bylaws, any action that may be taken by the Board at a meeting may be taken without a meeting if a consent or consents in writing, setting forth the action so to be taken, shall be signed before or after such action by all of the Trustees ~~are requested from and signed by all of the Directors, which written consents may be signed in one or more counterparts, each of which shall be an original, but all of which together shall comprise one and the same written consent. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.~~are requested from and signed by all of the Directors, which written consents may be signed in one or more counterparts, each of which shall be an original, but all of which together shall comprise one and the same written consent. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

Section 5.08. Quorum. A quorum shall exist at a meeting of the Board of Directors if a majority of the then-current Directors are present in person. In the absence of a quorum at any meeting of the Board of Directors, the Directors present in person at such

meeting, shall have the power to adjourn the meeting to another place, day and hour with notice given to the Directors in the same manner as a special meeting.

Section 5.09. Manner of Acting. Except as otherwise expressly required by law, the Hospital's legislative charter or these Bylaws, the affirmative vote of a majority of the Directors present in person at a meeting at which a quorum is present shall be required to take action on any question brought at such meeting. Notwithstanding the foregoing or anything to the contrary herein, the following actions shall require the affirmative vote of three-quarters (3/4) of the total number of then-current Directors:

(a) sale, mortgage or discontinuation of use of all or substantially all of the real property or assets of the Hospital or any controlled affiliate of the Hospital;

(b) merger with or acquisition of the Hospital by another entity, or material acquisition by the Hospital or any controlled affiliate of the Hospital of another provider or system of providers;

(c) any material change in the mission of the Hospital or any controlled affiliate of the Hospital; or

(d) any change in the provisions of this Section 5.09 or similar provision in the bylaws of any controlled affiliate of the Hospital.

The actions set forth above that involve the Hospital are also subject to the approval of the board of directors of Care New England.

ARTICLE VI

COMMITTEES

~~Section 5.12.~~ Section 6.01. Committees. The Board of Directors shall have a Quality Committee. The Board of Directors may designate such other committees to serve at its pleasure and to have such powers and perform such functions as the Board of Directors may assign to them. The resolution designating such other committees shall set forth the composition of each such committee and the functions to be performed by it. All committee members (along with the Directors and officers of the Hospital), shall be subject to the Care New England's Conflicts of Interest and Confidentiality Policy, as may be amended from time to time by the board of directors of Care New England. Unless otherwise determined by the Board, all committees shall adopt a committee charter which shall include the purposes, duties and responsibilities and membership of such committee; provided, that such committee charter (and any amendments thereto) shall be subject to review by the Governance and Nominating Committee of Care New England (the "Governance and Nominating Committee") and approval by the Board.

~~Quorum.~~ A majority of the number of Trustees of the Hospital from time to time shall constitute a quorum for the transaction of business at any meeting of the Board, but if less than such a majority is present at a meeting, a majority of the Trustees then present may adjourn the meeting from time to time without further notice. A majority of the members of any

committee from time to time shall constitute a quorum for the transaction of business at any meeting of such committee, but if less than such a majority is present at a meeting, a majority of the members then present may adjourn the meeting from time to time without further notice.

~~Section 5.13. Manner of Acting.~~ The act or decision done or made by a majority of the Trustees present at a meeting duly held at which a quorum is present shall be the act of the Board, unless a greater number is required by the Rhode Island Non-Profit Corporation Act, as amended (the "Act") or by the articles of incorporation.

~~Section 5.14. Presumption of Assent.~~ A Trustee who is present at a meeting of the Board at which action on any corporate matter is taken shall be deemed to have assented to such action unless his or her dissent shall be entered in the minutes of the meeting or unless the Trustee shall file a written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Hospital immediately after adjournment of the meeting. Such right to dissent shall not apply to a Trustee who voted in favor of such action.

~~Section 5.15. Specific Duties and Responsibilities of the Board.~~ In addition to the foregoing, the Board shall have the following duties and responsibilities:

(1) Orientation—All new members of the Board will attend an orientation session within the first two months of appointment.

(2) The Board, through reports from the Administration and the Medical Staff, shall endorse the Plan for Patient Care, and ensure that assessment and improvement mechanisms are in place to review and appraise the quality of care and patient safety rendered at the Hospital. The Board in conjunction with the Member shall establish policy, review and approve the organizational structure, strategic planning strategy, annual operating budget and capital budget for the Hospital and the program planning activities of the Hospital, enforce the mission, vision and goals of the institution, and promote financial stability. The Board will receive and review reports to ensure corporate compliance and Health Insurance Portability and Accountability Act of 1996 ("HIPAA") regulations are maintained.

(3) All designated employees of the Hospital shall be regularly reviewed regarding performance in their positions according to their job description. A detailed report from the Vice President of Human Resources shall be compiled in order to ensure competence of employees who are performing patient care services. The Board shall promote performance improvement by encouraging continuing education for employees and promote resolution of conflicts among hospital employees. The President of the Hospital shall provide the Board with a summary of such report for annual review.

(4) The Board will promote education for its members—administration, financial and clinical through numerous means including Board retreats.

(5) The Board shall evaluate the performance of its functions on an annual basis.

~~Section 5.16. Attendance.~~ In order to effectively discharge their responsibilities as Trustees, each Trustee is required to attend at least fifty percent (50%) of all regular Board

~~meetings within a twelve month period, unless a Trustee requests in writing that his or her absences be excused by the Chairman. The Chairman shall have discretion to excuse such absences, regardless of whether the request is made prior to or after the absences. Failure to attend the requisite number of meetings without being excused by the Chairman shall, at the discretion of the Chairman, result in removal from the Board.~~

~~Section 5.17. Honorary Trustees. Any member of the Board attaining age seventy two (72) after the Annual Meeting of the Hospital shall be ineligible for a re-election as a Trustee but shall be eligible to be elected as an Honorary Trustee. An Honorary Trustee shall be a person, who served as a Trustee in good standing and who regardless of age, in the opinion of the Member worthy of being appointed an Honorary Trustee. Honorary Trustees are not obligated to meet the attendance requirements of the Board and are ineligible to vote.~~

~~Section 5.18. Executive Committee of the Board. The Executive Committee of the Board shall be composed of the Chairman, the Vice Chairman, the President, the Treasurer, the Secretary and not less than five (5) other Trustees, which Trustees shall be appointed by the Chairman with approval of the Board. Such Trustees shall serve until the next Annual Meeting or at the pleasure of the Board. The Executive Committee of the Board shall exercise all the powers and authority of the Board when the Board is not meeting. A quorum for the meetings of the Executive Committee of the Board shall be at least five (5) members of the committee.~~

~~Section 5.19. Other Committees of the Board and the Hospital. The standing committees of the Board and the Hospital are the committees specified in Article VII of these Bylaws. In addition to the standing committees specified in Article VII hereof, the Board shall have the power to create, from time to time, other standing committees with such powers and responsibilities as the Board shall deem necessary and advisable. The Chairman, with the approval of the Board, shall also have the power, from time to time, to create special committees whose members may include individuals who are not Trustees. All committees, whether standing committees or special committees, shall be subject at all times to the supervision and control of the Board. All committees, whether standing committees or special committees, shall report at periodic intervals to the Board and in addition, to the Executive Committee of the Board upon request.~~

Section 5.20. ARTICLE VII

APPOINTMENTS, CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 7.01. Appointments. The Board shall make all appointments and reappointments to any category of membership on the Medical Staff on the recommendation of the Executive Committee of the Board and the Executive Committee of the Medical Staff. All appointments shall be initially for a provisional period of one (1) year and thereafter reappointments shall be conferred as specified in the Bylaws Governing the Medical Staff as the same may be amended from time to time. The procedures for processing and evaluating Medical Staff applications and all clinical privileges shall be developed by the Executive Committee of the Medical Staff in accordance with the Bylaws Governing the Medical Staff as the same may be amended from time to time. All members of the Medical Staff shall be required to maintain and carry professional liability insurance as shall be determined by the Board from time to time.

Section 5.21-7.02. Contracts. The Board may authorize any officer or officers, ~~or any agent or agents,~~ to enter into contracts and agreements in the name of and on behalf of the Hospital, and such authority may be general or confined to specific instances.

Section 5.22-7.03. Checks, Drafts or Other Similar Orders. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Hospital, shall be signed by such officer or officers, ~~or such agent or agents,~~ of the Hospital and in such manner as shall from time to time be determined by resolution of the Board.

Section 5.23-7.04. Deposits. All funds of the Hospital not otherwise employed shall be deposited from time to time to the credit of the Hospital in such banks, trust companies or other depositories or financial institutions as the Board may select.

ARTICLE VIVIII

OFFICERS OF THE HOSPITAL

Section 68.01. The Officers. ~~The officers of the Hospital (the "Officers") shall be the Chairman, not less than a Chairperson, one (1) or more Vice Chairman, the Chairpersons, a President, the Treasurer, the Assistant Treasurer, the and Chief Executive Officer, one (1) or more Vice Presidents, a Secretary, the Assistant Secretaries a Treasurer, and such other Officers officers or assistant officers as may be deemed desirable appointed from time to time by the Board. Any two (2) or more offices may be held by the same person, with the exception of the offices of President and Chief Executive Officer and Secretary. The officers designated herein of the Hospital shall be elected annually by the Board at its the annual meeting upon nomination from the Member. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as is practicable. Each officer shall hold office until his or her successor shall have been duly elected and shall have qualified or until such officer's death, resignation or removal in the manner hereinafter from those nominees recommended by the Governance and Nominating Committee and shall, unless otherwise determined by the Board serve for a term of one (1) year. Except with respect to the Chairperson, there is no limit on the number of terms an officer may serve. The Chairperson may not serve in that position for more than three (3) consecutive one (1) year terms; provided that the Board may waive such limitation in circumstances in which continuity in leadership would serve the best interests of the Hospital.~~

Section 6.02. Chairman. ~~The Chairman, who shall be the Chairman of the Board of the Member, shall preside at all meetings of the Hospital, the Board, and of the Executive Committee of the Board. The Chairman shall appoint the chair and members of all committees and submit appointments to the Board for approval, unless otherwise specified by these Bylaws. The Chairman shall be a member ex officio of all committees. In the absence of the President or in the event of the President's death, inability or refusal to act, the Chairman shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President.~~

Section 6.03. Vice Chairman. ~~In the absence of the Chairman, the Vice Chairman shall have the powers and duties of the Chairman and~~ Section 8.02. Authority and Duties.

(a) The Chairperson shall preside at all meetings of the Member and of the Board and shall have such other powers, authorities and duties as the Board may prescribe are delegated from time to time by the Board.

Section 6.04. President. (b) The President, who and Chief Executive Officer shall be the President of the Member, shall be the principal chief executive officer of the Hospital and, subject to the direction and under the supervision and judgment of the Board, shall have general charge of the business, affairs and property of the Hospital, supervision and control over its of all officers, agents, and employees of the Hospital and the management of its business interests, including the appointment of the senior management group of the Hospital. The President shall execute, on behalf of the Hospital, any deeds, mortgages, bonds, contracts or other instruments which the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws to some other officer or agent of the Hospital, or shall be required by law to be otherwise signed or executed. The President shall do and perform all duties incident to the office of President and such other duties as may be assigned to the President by these Bylaws or by the Board. The President shall execute written consents of the Hospital in lieu of taking actions required or desirable at annual, regular or special meetings of such subsidiary entities as the President may deem necessary or desirable. Chief Executive Officer shall have the necessary authority and shall be held responsible for the administration of the Hospital in all of its activities and departments, subject to the direction of the Board. The President's performance shall be evaluated by the Executive Committee, which shall report to the Board annually. The President shall direct an in-department orientation for the Trustees as to the goals and objectives of the Hospital and the role of the Trustees in the development of such goals. Hospital's legislative charter, these Bylaws and such policies as may be adopted and objectives.

Section 6.05. Treasurer. The Treasurer shall perform such duties orders as may be from time issued by the Board or any of its committees to time assigned which it has delegated power for such action. Notwithstanding any provision to the Treasurer by the Chairman or contrary, the Board. The Treasurer President and Chief Executive Officer shall serve ex officio on the Finance Committee and shall undertake such other duties as from time to time may be assigned to the Treasurer by the President or by the Board. If required by the Board, the Treasurer shall give a bond for the faithful discharge of his or her duties in such sum at the pleasure of the President and Chief Executive Officer of the Care New England, and any action with such surety or sureties as the Trustees shall determine.

Section 6.06. Assistant Treasurer. The Assistant Treasurer shall assume all the duties of the Treasurer whenever the latter is not readily available. The Assistant Treasurer shall, if required by the Board, give bond for the faithful performance of the Assistant Treasurer's duties.

Section 6.07. Secretary. The Secretary shall: (a) keep the minutes of the proceedings of the Board in one or more books provided for that purpose; (b) see that all notices are duly given in accordance respect thereto shall be taken after consultation with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the Hospital and see that the seal of the Hospital is affixed to all documents the execution of which on behalf of the Hospital under its seal is duly authorized; and (d) in general perform all

~~duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the President or by the Board~~board of directors of Care New England.

~~Section 6.08. Assistant Secretaries. In(c) Each officer (other than the event of Chairperson and the absence or disability of the Secretary, the Assistant Secretaries, in order of seniority, President and Chief Executive Officer) shall have the powers authority and shall perform the duties of the Secretary and customarily appurtenant to their respective offices, and shall have such other powers authorities and duties as the Board may prescribe~~are delegated from time to time by the Board.

~~Section 6.09~~8.03. Removal. The ~~Member~~Board shall have the authority to remove any officer, with or without cause. Nothing herein, however, shall affect or interfere with any existing contractual rights of an officer who is a full-time or part-time employee of the Hospital.

~~Section 6.10~~8.04. Resignations. Any officer ~~or agent~~ may resign at any time by giving written notice to the Board of Directors ~~or to, the Chairperson, a Vice-Chairperson, the President and Chief Executive Officer or Secretary.~~ The resignation shall take effect at the time specified in the notice and, unless otherwise specified in such notice, the acceptance of the resignation shall not be necessary to make it effective.

~~Section 6.11~~8.05. Vacancies. ~~A~~Subject to any term limit set forth in Section 8.01, any vacancy in any office because of death, resignation, removal, disqualification or otherwise mayan officer position shall be filled inby the manner prescribed in these BylawsBoard. An individual elected to fill a vacancy will serve for ~~election or appointment to such office~~the unexpired term of his or her predecessor.

ARTICLE IX

ARTICLE VII

STANDING COMMITTEES

~~Section 7.01. Standing Committees.~~ The Joint Conference Committee, Finance Committee, Corporate Governance Committee, Community Relations & Fund Development Committee, Departmental Visiting Committee, and Audit Committee shall be the standing committees of the Board. Where indicated, individuals who are not Trustees may serve on such committees:

~~Section 7.02. Joint Conference Committee.~~ The Joint Conference Committee shall serve as the communication liaison between the Medical Staff, Administration and the Board. It shall consider matters relating to medical care generally, including medical programs, education and staff, quality assurance assessment and development, patient care audit reports and evaluation and staff reports, and it shall make periodic recommendations thereon to the Board. The Joint Conference Committee shall recommend to the Board all required action designed to ensure that the Hospital is in compliance with the Standards of the Joint Commission on Accreditation of Healthcare Organizations and other accrediting agencies. ~~Members of the Joint~~

Conference Committee shall be comprised of the Executive Committee of the Board and the Executive Committee of the Medical Staff, and Senior Vice President Operations/Chief of Nursing. The Joint Conference Committee shall meet regularly each calendar quarter and at such other times as may be necessary or desirable.

~~Section 7.03. Finance Committee.~~ The Finance Committee shall be charged with the supervision of the investments of the endowment funds of the Hospital, subject, however, to the authority of the Board and the Member. The Finance Committee shall have the power to authorize the purchase or sale of particular securities; invest and reinvest Hospital funds; contract with independent investment advisors, investment counsel or managers, or trust companies or other professionals to act; and authorize the payment of compensation for investment management services. The Finance Committee shall also have the power to deposit the securities and other investments of the Hospital with such financial institution or brokerage as it may select and to execute with the depositories such contracts respecting the terms of the deposits and the duties of the depository as it may deem proper. The Finance Committee shall keep records of all its proceedings and it shall present its report to the next meeting of the Board for approval. The Finance Committee shall meet monthly and consist of at least five (5) Trustees, including the Treasurer *ex officio* and the President *ex officio*. The Finance Committee shall be a joint committee of the Hospital and the Member. A majority in number of the members of the Finance Committee shall constitute a quorum.

~~Section 7.04. Corporate Governance Committee.~~ The Corporate Governance Committee shall develop, recommend and annually review corporate governance guidelines of the Hospital and oversee corporate governance matters, shall coordinate an annual review of the Board's performance in corporate governance, supervise adherence to the Hospital's conflict of interest policy, and review from time to time the Bylaws of the Hospital, conflict of interest questionnaires and policies, requests for waivers of such policies, and review the effectiveness of the Hospital's conflict of interest policy. The Corporate Governance Committee shall be a joint committee of the Hospital and the Member.

~~Section 7.05. Community Relations & Fund Development Committee.~~ The Community Relations & Fund Development Committee shall keep the community informed of the aims, activities, and needs of the Hospital through the promotion of ethical publicity and proper interpretation of the objectives and performance of the Hospital, and shall meet when needed. The Community Relations & Fund Development Committee shall endeavor to increase the income of the Hospital by way of gifts, legacies and other similar donations, either for the general or for the specific purposes of the Hospital. The President or the President's delegate shall serve on the Committee. The Community Relations & Fund Development Committee shall be charged with the duty of recommending for nomination new Corporators to the Member. The Committee shall be a joint committee of the Hospital and the Member.

~~Section 7.06. Departmental Visiting Committee.~~ The Departmental Visiting Committee is a committee of the whole Board which shall have the duty of visiting specific departments of the Hospital from time to time in groups of two (2) or more Trustees as designated by the Chairman. The Departmental Visiting Committee shall ascertain the effectiveness, efficiency, and patient safety of such departments and shall report its findings to the Board.

~~Section 7.07. Audit Committee. The Audit Committee shall be charged with the duty of recommending the appointment of independent auditors of the Hospital, of reviewing the scope and cost for the annual audit, of reviewing the result of such audit, and of monitoring the response of management to such audit and the implementation of internal audit procedures. The members of the Audit Committee must meet any educational and professional requirements established by the Board as prerequisites for membership on the Audit Committee. The Audit Committee shall be a joint committee of the Hospital and the Member.~~

ARTICLE VIII

THE MEDICAL STAFF

Section 89.01. Organization. For the purpose of these Bylaws, the designation "Medical Staff" shall mean the organization of physicians, dentists, and podiatrists who are or may be privileged to attend patients in the Hospital. The members of the Medical Staff shall adopt bylaws and rules and regulations, from time to time, for the conduct of its affairs, but such bylaws, rules and regulations shall not become effective until first approved by the Board after due notice of proposed action thereon, at a meeting of the Board.

Section 89.02. Responsibilities. The Medical Staff shall be responsible for, among other things, establishing policies, subject to Board approval and consistent with its bylaws and rules and regulations, as well as the Bylaws of the Hospital and applicable law, relating to: (a) participation in the Hospital's quality review and utilization management program, which includes assessing, maintaining, and improving the quality and efficiency of medical care; evaluating practitioner and institutional performance; monitoring critical patient care practices; evaluating practitioner's credentials for appointments and reappointments to the Medical Staff; delineating clinical privileges; and promoting appropriate use of medical and health care resources; (b) recommendation of appointments and reappointments to the Medical Staff; (c) development and monitoring of medical education and training programs; (d) development and maintenance of bylaws and related manuals and policies; (e) participation in the Hospital's long range planning activities; and (f) the exercise of all required responsibilities in a timely and proper manner.

The Medical Staff shall also evaluate the professional competence of the Medical Staff. Notwithstanding the foregoing, the ~~Trustees~~ Directors shall have ultimate authority as to staff appointments, reappointments, assignment and curtailment of privileges which authority shall be exercised in accordance with the Bylaws Governing the Medical Staff, as the same may be amended from time to time in conformity herewith. The Medical Staff shall establish a system of controls that is designed to ensure the achievement and maintenance of high standards of professional ethical practices. The Medical Staff shall have the responsibility of reporting to the Board, ~~through the Joint Conference Committee,~~ as to its evaluation of the achievement and maintenance of such standards.

ARTICLE X

ARTICLE IX

THE AUXILIARY

Section 910.01. There shall be an Auxiliary which shall adopt bylaws from time to time for the conduct of its own affairs. ~~These~~The Auxiliary bylaws shall not become effective until first approved by the Board after due notice of proposed action thereon, at a meeting of the Board at which a quorum is present.

ARTICLE XI

ARTICLE X

CONFLICT OF INTEREST

~~Section 10.01. Statement of General Policy on Conflict of Interest. No transaction involving remuneration or benefit to a Trustee or officer, or to an organization in which such Trustee or officer has a material financial interest or of which the Trustee or officer is a member, officer, director, general partner, principal or controlling stockholder, shall be entered into by the Hospital without (a) full disclosure to the Board or the Member by the interested Trustee or officer of the material facts of the transaction and the Trustee or officer's interest or relationship; (b) the authorization, approval or ratification of the affirmative vote of a majority of disinterested Trustees or the Member; and (c) a determination by the Board or the Member that the transaction is fair to the Hospital at the time it is authorized, approved or ratified. No Trustee so involved may vote on such authorization, approval or ratification by the Board or the Member.~~

~~Section 10.02. Adoption of Policy. The Board shall, from time to time, adopt a policy for the Trustees or officers and such other personnel as they shall deem appropriate, providing for the periodic disclosure to the Hospital of any and all interests which may give rise to a possible conflict of interest, either pecuniary or otherwise.~~

Section 11.01. Statement of General Policy on Conflict of Interest. All Directors and officers of the Hospital and all committee members shall be subject to Care New England's Conflicts of Interest and Confidentiality Policy, as may be amended from time to time by the board of directors of Care New England.

ARTICLE XII

ARTICLE XI

INDEMNIFICATION

~~Section 11.12.01. Each person who was, is, or is threatened~~Agreement of the Hospital. In order to be induce the Corporators (if any), Directors, officers and committee members of the Hospital to serve as such (each an "Indemnified Person"), the Hospital agrees, subject to the exclusions hereinafter set forth, to indemnify an Indemnified Person against, and hold the Indemnified Person harmless from, any Loss or Expense (each as defined in Section 12.02).

Section 12.02. Definitions. Capitalized terms used in this Article XII shall have the meanings set forth below:

(a) “Covered Act” means any act or omission by an Indemnified Person in the Indemnified Person’s official capacity with the Hospital and while serving as such or while serving at the request of the Hospital as a member of the governing body, officer, employee or agent of another corporation, limited liability company, partnership, joint venture, trust or other enterprise.

(b) “Excluded Claim” has the meaning set forth in Section 12.04.

(c) “Expenses” means any reasonable expenses incurred by an Indemnified Person in connection with the defense of any claim made ~~a named defendant or respondent~~ against the Indemnified Person for Covered Acts including, without limitation, legal, accounting or investigative fees and expenses (including the expense of bonds necessary to pursue an appeal of an adverse judgment).

(d) “Loss” means any amount which an Indemnified Person is legally obligated to pay as a result of any claim made against such Indemnified Person for Covered Acts including, without limitation, judgments for, and awards of, damages, amounts paid in settlement of any claim, any fine or penalty or, with respect to an employee benefit plan, any excise tax or penalty.

(e) “Proceeding” means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative.

Section 12.03. Advance Payment of Expenses. The Hospital will pay the Expenses of an Indemnified Person in advance of the final disposition of any Proceeding except to the extent that the defense of a claim against such Indemnified Party is undertaken pursuant to any directors’ and officers’ liability insurance (or equivalent insurance or other protection known by another term) maintained by the Hospital. The advance payment of Expenses will be subject to such Indemnified Person’s first agreeing in writing with the Hospital to repay the sums paid by it hereunder if it is thereafter determined that the Proceeding involved an Excluded Claim or that such Indemnified Person was otherwise not entitled to indemnification under these Bylaws.

Section 12.04. Exclusions. The following shall be considered “Excluded Claims” and the Hospital will not be liable to pay any Loss or Expense related to any Excluded Claim:

(a) With respect to a Proceeding in which a final non-appealable judgment or other adjudication by a court of competent jurisdiction determines that the Indemnified Person is liable to the Hospital (as distinguished from being liable to a third party) for:

(i) any breach of the Indemnified Person’s duty of loyalty to the Hospital;

(ii) acts or omissions not in good faith or which involve any malicious, willful or wanton misconduct or knowing violation of law; or

(iii) any transaction from which the Indemnified Person derived an improper personal benefit.

(b) If a final, non-appealable judgment or other adjudication by a court of competent jurisdiction determines that such payment is unlawful.

Section 12.05. Notice to the Hospital; Insurance. Promptly after receipt by an Indemnified Person of notice of the commencement of or the threat of commencement of any Proceeding, such Indemnified Person will, if indemnification with respect thereto may be sought from the Hospital under these Bylaws, notify the Hospital of the commencement or threat thereof. If, at the time of the receipt of such notice, the Hospital has any directors' and officers' liability insurance (or equivalent insurance or other protection known by another term) in effect, the Hospital will give prompt notice of the commencement or threat of such Proceeding to the insurer in accordance with the procedures set forth in the policy or policies in favor of such Indemnified Person. The Hospital will thereafter take all the necessary or desirable action to cause such insurer to pay, on behalf of such Indemnified Person, all Loss and Expenses payable as a result of such Proceeding in accordance with the terms of such policies. Failure to promptly notify the Hospital will not adversely affect the Indemnified Person's right to indemnification hereunder unless and only to the extent that (a) the Hospital is materially prejudiced in its ability to defend against the Proceeding by reason of the fact that such person is, or was, a Trustee or an officer of the Hospital, or who, while a Trustee or an officer of the Hospital, is or was serving at the request of the Hospital as a Trustee, officer, employee or agent of another foreign or domestic corporation, joint venture, trust, other enterprise or employee benefit plan, shall be indemnified against judgments, penalties, fines, settlements and reasonable expenses (including attorneys' fees) actually incurred by such person in connection with any such action, suit or proceeding to such failure; or (b) failure to promptly notify the Hospital causes a delay in notifying any applicable insurer (as described in this Section 12.05) resulting in a denial of coverage.

Section 12.06. Indemnification.

(a) Payments on account of the Hospital's indemnity against Loss will be made by the Treasurer of the Hospital except if, in the specific case, a determination is made that the indemnification of the Indemnified Person is not proper in the circumstances because such Loss results from an Excluded Claim. If the Hospital so determines that the Loss results from an Excluded Claim (although no such determination is required by the Hospital prior to payment of a Loss by the Treasurer of the Hospital), the determination shall be made:

(i) by the Board by a majority vote of a quorum consisting of Directors not at the time parties to the Proceeding; or

(ii) if a quorum cannot be obtained for purposes of Section 12.06(a)(i), then by a majority vote of a committee of the Board duly designated to act in the matter by a majority vote of the full extent Board (in which designated Directors who are parties to the Proceeding may participate) consisting solely of three (3) or more Directors not at the time parties to the Proceeding; or

(iii) by independent legal counsel designated (A) by the Board in a manner described in Section 12.06(a)(i) or by a committee of the Board established in a manner described in Section 12.06(a)(ii), or (B) if the requisite quorum of the full Board cannot be

obtained therefor and a committee cannot be so established, by a majority vote of the full Board (in which vote Directors who are parties to the Proceeding may participate). If made, any such determination permitted under the Act. The indemnification to be made by this Section 12.06(a) will be made within sixty (60) days of an Indemnified Person's written request for payment of a Loss.

(b) Payment of an Indemnified Person's Expenses in advance of the final disposition of any Proceeding will be made by the Treasurer of the Hospital except if, in the specific case, a determination is made pursuant to Section 12.06(a) that indemnification of such Indemnified Person is not proper in the circumstances because the Proceeding involved an Excluded Claim.

(c) The Hospital will have the power to purchase and maintain insurance on behalf of any Indemnified Person against liability asserted against him or her with respect to any Covered Act, whether or not the Hospital would have the power to indemnify such Indemnified Person against such liability under the provisions of these Bylaws. The Hospital will be subrogated to the rights of such Indemnified Person to the extent that the Hospital has made any payments to such Indemnified Person in request to any insured Loss or Expense as provided by herein.

Section 12.07. Settlement. The Hospital will have no obligation to indemnify any Indemnified Person for any amounts paid in settlement of any Proceeding affected without the Hospital's prior written consent. The Hospital will not unreasonably withhold or delay its consent to any proposed settlement. If the Hospital so consents to the settlement of any Proceeding, or unreasonably withholds or delays such consent, it will be conclusively and irrefutably presumed for all purposes that the Loss or Expense does not constitute an Excluded Claim. If the Hospital reasonably withholds its consent solely on the grounds that the Proceeding constitutes an Excluded Claim, the Indemnified Person may accept the settlement without the consent of the Hospital, without prejudice to such Indemnified Person's rights to indemnification in the event the Hospital does not ultimately prevail on the issue of whether the Proceeding constitutes an Excluded Claim.

Section 12.08. Rights Not Exclusive. The rights provided in this ~~Article XI~~ ~~shall~~ ~~XII~~ will not be deemed exclusive of any other rights to which ~~those persons seeking indemnification~~ an Indemnified Person may be entitled under any ~~bylaw, agreement, vote of disinterested Directors or otherwise, and shall continue both as to action in the Indemnified Person's official capacity and as to action in any person who~~ other capacity while serving in such position, and will continue after such Indemnified Person ceases to serve the Hospital as an Indemnified Person.

Section 12.09. Enforcement.

(a) An Indemnified Person's right to indemnification hereunder will be enforceable by such Indemnified Person in any court of competent jurisdiction and will be enforceable notwithstanding that an adverse determination has ~~ceased to be a Trustee~~ been made as provided in Section 12.06.

(b) In the event that any action is instituted by an Indemnified Person under these Bylaws, such Indemnified Person will be entitled to be paid all court costs and expenses, including reasonable attorneys' fees, incurred by such Indemnified Person with respect to such action, unless the court determines that each of the material assertions made by such Indemnified Person as a basis for such action was not made in good faith or an officer and was frivolous.

Section 12.10. Severability. If any provision in this Article XII is determined by a court to require the Hospital to perform or fail to perform an act which is in violation of any applicable law, this Article XII shall be limited or modified in its applicable to the minimum extent necessary to avoid a violation of law, and, as so limited and modified, this Article XII shall be enforceable in accordance with its terms.

Section 12.11. Successors and Assigns. The provisions of this Article XII will be (a) binding upon all successors and assigns of the Hospital (including any transferee of all or substantially all of its assets); and (b) binding on and inure to the benefit of the heirs, executors and administrators of such person. The Hospital may purchase and maintain insurance on behalf of any person who is or was a Trustee, officer, employee or agent of the Hospital, or who, while a Trustee, officer, employee or agent of the Hospital, is or was serving at the request of the Hospital as a Trustee, officer, partner, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust, other enterprise or employee benefit plan, against any liability asserted against such person and incurred by such person in any such capacity or arising out of such person's status as such, whether or not the Hospital would have the power or obligation to indemnify such person against such liability under the provisions of this Article XI or under the Act and other personal representatives of an Indemnified Person.

Section 12.12. Amendment of Article XII. No amendment or termination of this Article XII will be effective as to an Indemnified Person without prior written consent of that Indemnified Person and, in any event, will not be effective as to any Covered Act of an Indemnified Person occurring prior to the amendment or termination.

ARTICLE XIII

ARTICLE XII

GENERAL PROVISIONS

Section 1213.01. Fiscal Year. The fiscal year of the Hospital shall be determined by the Board and in the absence of such determination will begin on October 1 of each year and end on September 30 of the succeeding year.

Section 1213.02. Registered Office and Registered Agent. The registered office of the Hospital shall be located within the State of Rhode Island and need not be identical with the principal office of the Hospital. The registered agent and registered office may be changed from time to time by the Board in accordance with the provisions of the Act.

Section 1213.03. Waiver of Notice. Whenever any notice is required to be given to any person under the provisions of these Bylaws or under the provisions of the articles of incorporation Hospital's legislative charter or under the provisions of the Act, a waiver thereof in

writing signed by the person or persons entitled to such notice and provided to the Secretary, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. The attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when a person attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in any written waiver of notice of such meeting.

Section 13.04. Limitation of Liability. Pursuant to Section 7-6-9 of the Act, no individual serving without compensation as a Director, officer or committee member shall be personally liable to the Hospital or its members based solely on his or her conduct in the execution of the office or duties; provided, however that this Section 13.04 shall not eliminate the liability of a Director, officer or committee member to the extent such liability is imposed by applicable law for (a) malicious, willful or wanton misconduct; (b) breach of such Director's, officer's or committee member's duty of loyalty to the Hospital; and (c) any transaction from which there is an improper personal benefit. This Section 13.04 shall not eliminate the liability of a Director, officer or committee member for any act or omission occurring prior to the date upon which this provision becomes effective. No amendment to or repeal of this Section 13.04 shall apply to or have any effect on the liability or alleged liability, or any acts or omissions, of any Director, officer or committee member occurring prior to such amendment or repeal.

ARTICLE XXXIV

AMENDMENTS

Section 1314.01. These Bylaws may be amended from time to time or amended and restated by vote of the Member. Notice of any amendment proposed written consent or approval by the Board shall be given to the Member in such form accordance with Section 5.07 or Section 5.09, as the Board shall deem appropriate applicable, and the approval of Care New England.

Filing Fee: \$10.00

ID Number: 00028357



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Office of the Secretary of State
Corporations Division
148 W. River Street
Providence, Rhode Island 02904-2615

NON-PROFIT CORPORATION

**ARTICLES OF AMENDMENT TO
ARTICLES OF INCORPORATION**

Pursuant to the provisions of Section 7-6-40 of the General Laws of Rhode Island, 1956, as amended, the undersigned corporation adopts the following Articles of Amendment to its Articles of Incorporation:

1. The name of the corporation is The Memorial Hospital

2. The following amendment to the Articles of Incorporation was adopted by the corporation:

[Insert Amendment]

Article FOURTH: Item 2: Intentionally deleted.

Article SIXTH: Southeastern Healthcare System, Inc. (or any successor to Southeastern Healthcare System, Inc. by reason of merger, consolidation, sale of all or substantially all of the assets of Southeastern Healthcare System, Inc. or otherwise) is the sole member of the Hospital (the "Member").

3. The amendment was adopted in the following manner:

(check one box only)

- The amendment was adopted at a meeting of the members held on _____, at which meeting a quorum was present, and the amendment received at least a majority of the votes which members present or represented by proxy at such meeting were entitled to cast.
- The amendment was adopted by a consent in writing on _____, signed by all members entitled to vote with respect thereto.
- The amendment was adopted at a meeting of the Board of Directors held on _____ and received the vote of a majority of the directors in office, there being no members entitled to vote with respect thereto.

4. Date when amendment is to become effective _____
(not prior to, nor more than 30 days after, the filing of these Articles of Amendment)

Under penalty of perjury, we declare and affirm that we have examined these Articles of Amendment to the Articles of Incorporation, including any accompanying attachments, and that all statements contained herein are true and correct.

Date: _____

Print Corporate Name

By _____

President or Vice President (check one)

AND

By _____

Secretary or Assistant Secretary (check one)

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**AMENDED AND RESTATED
BYLAWS
OF
CARE NEW ENGLAND HEALTH SYSTEM**

TABLE OF CONTENTS

Purposes, Powers and Offices.....	1
Purposes	1
Powers.....	2
Offices.....	3
Members	3
Members.....	3
Board of Directors.....	3
Authority of the Board	3
Number of Directors.....	3
Directors Emeritus	4
Election and Term of Directors.....	4
Resignation of Elected Directors.....	5
Removal of Elected Directors	6
Vacancy-Elected Directors.....	6
Meetings of the Board.....	6
Places of Meeting-Board.....	6
Notice for Meetings-Board.....	6
Waiver of Notice-Board	7
Quorum-Board	7
Action at Meetings-Board	7
Participation by Telephone-Board.....	8
Written Consent-Board	8
Reimbursement of Expenses-Board	8
Committees	8
Committees	8
Term and Election-Committee Members	9
Resignation, Removal and Vacancy-Committee Members.....	9
Meetings-Committees	10
Waiver of Notice-Committees.....	10
Quorum-Committees.....	11
Action at Meetings; Written Consents-Committees.....	11
Participation by Telephone-Committees	11
Executive Committee	11

DRAFT

Finance Committee	12
Planning Committee.....	12
Governance and Nominating Committee	12
Audit & Compliance Committee.....	12
Compensation Committee.....	13
Investment Committee	13
Quality Committee	13
Reimbursement of Expenses-Committee Members	13
Officers	14
Officers.....	14
Election and Term-Officers.....	14
Resignation-Officers	14
Removal-Officers.....	14
Vacancy-Officers	14
Authority and Duties-Officers.....	14
Seal.....	15
Seal.....	15
Fiscal Year; Annual Reports.....	15
Fiscal Year	15
Annual Reports.....	15
Execution of Documents.....	16
Execution of Documents	16
Limitation of Liability.....	16
Limitation of Liability.....	16
Indemnification	16
Agreement of the Corporation.....	16
Definitions.....	17
Advance Payment of Expenses	17
Exclusions	18
Notice to the Corporation; Insurance	18
Indemnification	19
Settlement.....	20
Rights Not Exclusive.....	20
Enforcement	20
Severability	21

DRAFT

Successors and Assigns	21
Amendment of this Article 10	21
Amendments	21
Amendments	21

**AMENDED AND RESTATED
BYLAWS
of
CARE NEW ENGLAND HEALTH SYSTEM**

Article 1

Purposes, Powers and Offices

Section 1.1 **Purposes.** Care New England Health System (the “**Corporation**”) is organized, and at all times shall be operated, for the exclusive purpose of engaging in charitable, educational and scientific activities within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as the same may be amended from time to time (or the provisions of any succeeding law), and to the extent applicable, the regulations promulgated thereunder by the U.S. Department of Treasury (the “**Code**”), including, without limitation (a) to plan and coordinate a system for the delivery of high quality health services; (b) to operate for the benefit of and to support Women & Infants Hospital of Rhode Island (“**WIH**”), Kent County Memorial Hospital (“**KCMH**”), Butler Hospital (“**Butler**”), Kent County Visiting Nurse Association d/b/a VNA of Care New England (“**VNA**”), The Memorial Hospital d/b/a Memorial Hospital of Rhode Island (“**MHRI**”), and such other charitable, scientific or educational, public charities, described in Section 501(c)(3) and 509(a) of the Code, as may be affiliated with the Corporation from time to time; (c) to carry out the purposes set forth in the Articles of Incorporation of the Corporation (the “**Articles of Incorporation**”); and (d) to do whatever is deemed necessary, useful, advisable or conducive, directly or indirectly, to carry out the purposes of the Corporation described in this Section 1.1, including to carry on any other activity that may be lawfully carried on by a corporation formed under the Rhode Island Nonprofit Corporation Act, as the same may be amended from time to time (or the provisions of any succeeding law) (the “**Nonprofit Corporation Act**”). For purposes of these Amended and Restated Bylaws of Care New England Health System (the “**Bylaws**”), an “**Affiliate**” means WIH, KCMH, Butler, VNA, Women & Infants Corporation (“**WIC**”), Southeastern Healthcare System, Inc. (“**SHS**”), MHRI and any other entity in which the Corporation directly controls (through power to elect through membership, ownership, contract or otherwise fifty percent (50%) or more of the governing body of such entity).

Section 1.2 **Powers.** The Corporation shall have all the powers enumerated in the Nonprofit Corporation Act; provided, however, that the Corporation shall exercise its powers only in the furtherance of the purposes set forth in the Articles of Incorporation and these Bylaws. Without limiting the foregoing, the Corporation shall undertake the following:

(a) Planning, directing and establishing policies to assure the development and delivery of quality health and behavioral health services, professional education and biomedical research on an integrated cost-effective basis;

(b) Establishing and maintaining uniform accounting policies;

(c) Negotiating, developing and approving all third party reimbursement, indemnity and managed care agreements and the like;

(d) Negotiating, developing and approving affiliation agreements for education and research between the Corporation and any appropriate school of medicine or other academic institution;

(e) Approving human resource policies;

(f) Amending or amending and restating the Articles of Incorporation, these Bylaws and other organizational and/or governing instruments and approving amendments to the charter, articles of incorporation or other organizational and/or governing instruments of any Affiliate;

(g) Approving a strategic plan and changes to any mission statement of the Corporation and any Affiliate;

(h) Approving capital budgets, operating budgets, and non-budgeted expenditures for the Corporation and any Affiliate in excess of \$500,000 or such other amount as may be determined by the Board of Directors of the Corporation (the “**Board**” or “**Board of Directors**”) from time to time;

(i) Approving the establishment, termination, or relocation (other than to a different location on the same campus) of any major clinical services of any Affiliate;

(j) Authorizing participation in joint ventures, consolidations, network associations and the like;

(k) Authorizing the formation of any new subsidiary or joint venture involving any Affiliate;

(l) Considering and authorizing incurrence of material indebtedness;

(m) Monitoring investment policy, including consideration of placing investments under common management to achieve economic efficiencies; and

(n) Planning, developing and implementing an integrated information system.

Section 1.3 **Offices**. The Corporation shall have its principal office and other offices at such places within and outside the State of Rhode Island as may from time to time be determined by the Board.

Article 2

Members

Section 2.1 **Members**. The members of the Corporation shall be those individuals then-serving as members of the Board of Directors. Any action required by law to be taken by the members of the Corporation shall be taken by the Board, acting as the members of the Corporation, pursuant to the procedures set forth in Section 3.8 through Section 3.15.

Article 3

Board of Directors

Section 3.1 **Authority of the Board**. Except as otherwise expressly required by law, the Articles of Incorporation or these Bylaws, the affairs of the Corporation shall be managed by the Board of Directors and the Board of Directors shall have, and may exercise, all of the powers of the Corporation.

Section 3.2 **Number of Directors**.

(a) Unless the Board otherwise determines, the Board of Directors shall consist of (a) between ten (10) and ~~fourteen (14) directors~~seventeen (17) elected directors (the “**Elected Directors**”); and (b) the President and Chief Executive Officer of the Corporation (the “**President and Chief Executive Officer**”), and the President of the Medical Staff of each of WIH, KCMH ~~and~~, Butler and MHRI, each of whom shall serve as *ex officio* directors of the Board with vote (the “**Ex Officio Directors**,” and collectively with the Elected Directors, the “**Directors**”). Each Director shall have one (1) vote.

(a)(b) In accordance with the Affiliation Agreement dated January 2, 2013, among the Corporation, SHS and MHRI (the “Affiliation Agreement”) three Elected Directors

were nominated by MHRI and appointed by CNE effective on the closing date (the “Closing Date”) of the transactions contemplated by the Affiliation Agreement (the “MHRI-Nominated Directors”).

~~(b)(c)~~ Unless the Board otherwise determines, a majority of the Elected Directors shall be “**independent**” under standards established from time to time by resolution adopted by the Board. Additionally, the Board of Directors shall include individuals with such skill and experience as are necessary or helpful in the governance of the Corporation. Knowledge of and experience in medical education and research shall be a required competency, and if at any time such competency is lacking, an individual with such competency shall be identified and elected as soon as practicable. Knowledge of and experience in the quality of health care shall be considered a desirable competency but not a required competency. Notwithstanding the foregoing, the absence of any particular competency, skill or experience at any given time shall not affect whether the Board of Directors is legally constituted.

Section 3.3 **Directors Emeritus.** The Board of Directors may, at any time, elect to the position of “**Director Emeritus,**” a former director of the Board who, in the judgment of the Board, has served with special distinction on the Board. A Director Emeritus may be appointed for life or such other term as the Board may designate and shall be invited to attend public functions from time to time, as appropriate. A Director Emeritus shall not have any duties or authority of any then-current Director.

Section 3.4 **Election and Term of Directors.**

(a) Those individuals elected as Elected Directors in 2011 shall serve until the 2014 annual meeting of the Board of the Corporation. The MHRI-Nominated Directors shall serve on the Board from the Closing Date until the first annual meeting of the Board of Directors occurring after the third anniversary of the Closing Date.

(b) At the 2014 annual meeting of the Board, ~~the~~those individuals elected as Elected Directors in 2011 shall be classified into three (3) classes, Class I, Class II and Class III of approximately the same size for the purpose of the terms for which they severally hold office. ~~The then-current Elected Directors~~Those classified as Class I shall serve for a one (1) year term (until the 2015 annual meeting of the Board); ~~the then-current Elected Directors classified as~~

Class II shall serve for a two (2) year term (until the 2016 annual meeting of the Board); and ~~the then current Elected Directors classified as~~ Class III shall serve for a three (3) year term (until the 2017 annual meeting of the Board).

(c) Commencing at the 2015 annual meeting of the Board and each annual meeting of the Board thereafter, the Board shall elect, from those nominees recommended by the Governance and Nominating Committee of the Corporation, that number of nominees to fill the Class I, Class II or Class III, as applicable, Elected Director positions and such elected directors shall serve for a three (3) year term.

(d) Following the expiration of the initial terms of the MHRI-Nominated Directors, any Directors elected to fill such vacancies shall have their terms staggered in the same manner as provided in Section 3.4(b) and (c).

~~(e)~~(e) Elected Directors may serve for up to three (3) consecutive three (3) year terms; provided, however that the Board may waive this limit for Elected Directors who are then-serving as a chairperson of a Board committee. Terms served prior to being elected in 2011 and terms of less than three (3) years shall not be counted for purposes of determining the number of terms served.

~~(d)~~(f) The Ex Officio Directors shall serve on the Board by virtue of his or her position as the President and Chief Executive Officer or President of the Medical Staff of WIH, KCMH ~~or~~, Butler or MHRI, as applicable, and as such, shall be deemed to have resigned as an Ex Officio Director at any time that he or she ceases to serve in his or her respective position with his or her replacement as the President and Chief Executive Officer or President of the Medical Staff of WIH, KCMH ~~or~~, Butler or MHRI filling his or her vacancy as an Ex Officio Director.

Section 3.5 **Resignation of Elected Directors**. Any Elected Director may resign at any time by giving written notice to the Board, the Chairperson of the Board (the “Chairperson”), a Vice Chairperson, the President and Chief Executive Officer, or the Secretary. The resignation of an Elected Director shall take effect upon the receipt of written notice or at such time as specified in the written notice. Unless otherwise specified in the written notice, acceptance of the resignation shall not be necessary to make it effective.

Section 3.6 **Removal of Elected Directors**. Any Elected Director may be removed with or without cause by a majority vote of the Board. An Elected Director shall receive ten (10) days prior written notice by registered or certified mail of a meeting concerning the removal of such Elected Director and shall be entitled to appear and be heard, but not vote, at such meeting.

Section 3.7 **Vacancy – Elected Directors**. Subject to the term limits set forth in ~~Section 3.4,~~ and subject to the limitations in this Section 3.7 any vacancy in an Elected Director position shall be filled by the Board at the next annual meeting or any special meeting of the Board called for that purpose. In the event that a MHRI-Nominated Director dies, resigns or is removed (in accordance with Section 3.5 or Section 3.6, respectively) during their initial term, such vacancy shall be filled by an individual who served on the MHRI Board of Trustees prior to the Closing Date. An individual elected to fill a vacancy will serve for the unexpired term of his or her predecessor.

Section 3.8 **Meetings of the Board**. An annual meeting of the Board of Directors shall be held during December in each year on such date and at such time and place as may be determined by the Board of Directors; which annual meeting may occur simultaneous with, or directly prior to or directly following, the regular meeting of the Board held during December. Unless the Board otherwise determines, there shall be regular monthly meetings of the Board; which regular meetings shall be held at such time and such place as may be determined by the Board of Directors. A special meeting of the Board of Directors shall be called by the Secretary (or other person as directed by the Board of Directors) upon the request of any two (2) Directors, the Chairperson, a Vice-Chairperson or the President and Chief Executive Officer.

Section 3.9 **Place of Meetings – Board**. All annual, regular and special meetings of the Board shall be held at such place, either within or outside the State of Rhode Island as shall be determined by the Board of Directors and stated in the notice for such meeting.

Section 3.10 **Notice for Meetings – Board**. The schedule (including dates, place and hour) of the regular monthly meetings of the Board for a year shall be delivered to each Director in advance of the first regular meeting for such year. Except as otherwise expressly required by law, the Articles of Incorporation or these Bylaws, the Secretary (or other person as directed by the Board of Directors) shall deliver written notice of any annual or special meeting to each

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Director, which written notice shall state the place, day and hour of the meeting and shall be delivered in person or by mailing, overnight delivery, electronically mailing or telephoning the same to each Director's last address, electronic mail address or telephone number appearing on the records of the Corporation not less than seven (7) days prior to the date of the special meeting; provided, however, that a special meeting may be called upon forty-eight (48) hours notice if such notice is given personally or by telephone to each Director. Notice of any meeting of the Board does not need to state the business to be transacted at, nor the purpose of, such meeting. Notice will be deemed delivered at the time when same is deposited in the United States mail, delivered to the delivery service, electronic mail sent or message left by telephone.

Section 3.11 **Waiver of Notice – Board**. A Director may waive notice of any meeting either before or after a meeting by providing to the Secretary a written waiver which shall be placed in the Corporation's records. Attendance by a Director at a meeting shall constitute waiver of notice of that meeting, except where such attending Director objects at the beginning of such meeting to the transaction of business because the meeting is not lawfully called or convened.

Section 3.12 **Quorum – Board**. A quorum shall exist at a meeting of the Board of Directors if a majority of the then-current Directors are present in person. In the absence of a quorum at any meeting of the Board of Directors, the Directors present in person at such meeting, shall have the power to adjourn the meeting to another place, day and hour with notice given to the Directors in the same manner as a special meeting.

Section 3.13 **Action at Meetings – Board**. Except as otherwise expressly required by law, the Articles of Incorporation or these Bylaws, the affirmative vote of a majority of the Directors present in person at a meeting at which a quorum is present shall be required to take action on any question brought at such meeting. Notwithstanding the foregoing or anything to the contrary herein, the following actions shall require the affirmative vote of three-quarters (3/4) of the total number of then-current Directors:

(a) sale, mortgage or discontinuation of use of all or substantially all of the real property or assets of the Corporation or any Affiliate;

(b) merger with or acquisition of the Corporation by another entity, or material acquisition by the Corporation or any Affiliate of another provider or system of providers;

(c) any material change in the mission of the Corporation or any Affiliate; or

(d) any change in the provisions of this Section 3.13 or similar provision in the bylaws of any Affiliate.

Section 3.14 **Participation by Telephone – Board**. To the extent a Director is unable to attend an annual, regular or special meeting in person and such Director has provided notice to the office of the President and Chief Executive Officer of his or her circumstances, then such Director may participate in such annual, regular or special meeting by means of a conference telephone or other similar communications equipment pursuant to which all Directors participating in such meeting may simultaneously hear each other and such participation shall be deemed participation “in person.”

Section 3.15 **Written Consents – Board**. Except as otherwise expressly required by law, the Articles of Incorporation or these Bylaws, the Board may take action without a meeting if written consents setting forth the action are requested from and signed by all the Directors, which written consents may be signed in one or more counterparts, each of which shall be an original, but all of which together shall comprise one and the same written consent and which written consent(s) shall be placed in the records of the Corporation.

Section 3.16 **Reimbursement of Expenses – Board**. The Board of Directors may resolve to pay the reasonable out-of-pocket expenses incurred by a Director in the performance of his or her duties as a Director. This Section 3.16 shall not preclude any Director from serving the Corporation in any other capacity and receiving compensation therefor.

Article 4

Committees

Section 4.1 **Committees**. The Board of Directors shall have the following standing committees: an Executive Committee, a Finance Committee, a Planning Committee, a Governance and Nominating Committee, an Audit & Compliance Committee, a Compensation

Committee, an Investment Committee, and a Quality Committee. The chairperson of each standing committee of the Board shall be a member of the Board. The Board of Directors may designate such other committees by resolution to serve at its pleasure and to have such powers and perform such functions as the Board of Directors may assign to them. All committee members (along with the Directors and officers of the Corporation and the Affiliates), shall be subject to the Corporation's Conflicts of Interest and Confidentiality Policy, as may be amended from time to time by the Board of Directors. Unless otherwise determined by the Board, all committees shall adopt a committee charter which shall include the purposes, duties and responsibilities and membership of such committee; provided, that such committee charter (and any amendments thereto) shall be subject to review by the Governance and Nominating Committee and approval by the Board.

Section 4.2 **Term and Election – Committee Members.**

(a) Except for those individuals serving as a committee member by virtue of his or her position with the Corporation or an Affiliate and unless otherwise provided herein, the committee members shall be elected to serve on a committee by the Board from those nominees recommended by the Governance and Nominating Committee.

(b) Except for those individuals serving as a committee member by virtue of his or her position with the Corporation or an Affiliate (the term of which shall be concurrent with such individual's service in his or her position with the Corporation or Affiliate, as applicable, and expire at any time he or she ceases to serve in his or her respective position with his or her replacement filling his or her vacancy on the applicable committee), and unless otherwise determined by the Board, the term of each committee member will be one (1) year and there shall be no limit on the number of terms a committee member may serve.

Section 4.3 **Resignation, Removal and Vacancy – Committee Members.** Except for those individuals serving as a committee member by virtue of his or her position with the Corporation or an Affiliate, a committee member may resign at any time by giving written notice to the Board, the Chairperson, a Vice-Chairperson, the President and Chief Executive Officer, or the Secretary or may be removed with or without cause by the Board. The resignation of a committee member shall take effect upon the receipt of written notice or at such time as specified in the written notice. Unless otherwise specified in the written notice, acceptance of the

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resignation shall not be necessary to make it effective. Subject to any term limit determined by the Board for such committee member position, any vacancy in a committee member position shall be filled by the Board. An individual elected to fill a vacancy will serve for the unexpired term of his or her predecessor

Section 4.4 **Meetings – Committees.** Committees may hold meetings (regular and/or special) either within or outside the State of Rhode Island as shall be determined by such committee or the Board of Directors and stated in the notice for such meeting. A special meeting of a committee shall be called by the applicable chairperson upon the request of two (2) members of the applicable committee or the Board of Directors. Regular meetings of a committee shall be held at such intervals as set forth in the applicable committee's charter. The applicable chairperson (or other person as directed by the applicable chairperson) shall deliver written notice of any special meeting to each member of such committee, which written notice shall state the place, day and hour of the meeting and shall be delivered in person or by mailing, overnight delivery, electronically mailing or telephoning the same to the committee member's last address, electronic mail address or telephone number appearing on the records of the Corporation not less than seven (7) days prior to the date of the special meeting; provided, however, that in the event of an emergency, a special meeting may be called upon forty-eight (48) hours notice if such notice is given personally or by telephone to each member of such committee. Notice of any committee meeting does not need to state the business to be transacted at, nor the purpose of, such committee meeting. Notice will be deemed delivered at the time when same is deposited in the United States mail, delivered to the delivery service, electronic mail sent or message left by telephone. If a committee charter addresses some or all of the provisions in this Section 4.4, the provisions in the committee charter shall prevail.

Section 4.5 **Waiver of Notice – Committees.** A committee member may waive notice of any meeting either before or after a meeting by providing to the Secretary a written waiver which shall be placed in the Corporation's records. Attendance by a committee member at a meeting shall constitute waiver of notice of that meeting, except where such attending committee member objects at the beginning of such meeting to the transaction of business because the meeting is not lawfully called or convened.

Section 4.6 **Quorum – Committees.** A quorum shall exist at a meeting of a committee if at least one-third (1/3) of the then-current members of such committee are present in person. Notwithstanding the foregoing, a quorum shall exist at a meeting of the Executive Committee, the Governance and Nominating Committee or the Compensation Committee if one-half (1/2) of the then-current members of such committee are present in person.

Section 4.7 **Action at Meetings; Written Consents – Committees.** The affirmative vote of a majority of the members of a committee present in person at a meeting at which a quorum is present shall be required to take action on any question brought at such meeting. Any action which may be taken at a meeting of a committee may be taken without a meeting if written consents setting forth the action are requested from and signed by all the members of such committee, which written consents may be signed in one or more counterparts, each of which shall be an original, but all of which together shall comprise one and the same written consent and which written consent(s) shall be placed in the records of the Corporation. If a committee charter addresses some or all of the provisions in this Section 4.7, the provisions in the committee charter shall prevail.

Section 4.8 **Participation by Telephone – Committees.** To the extent a committee member is unable to attend a regular or special meeting in person and such committee member has provided notice to the applicable chairperson of his or her circumstances, then such committee member may participate in such regular or special meeting by means of a conference telephone or other similar communications equipment pursuant to which all committee members participating in such meeting may simultaneously hear each other and such participation shall be deemed participation “in person.”

Section 4.9 **Executive Committee.** Unless otherwise determined by the Board, the Executive Committee shall consist of the Chairperson, each Vice-Chairperson of the Corporation, the President and Chief Executive Officer and the chairperson of the Finance Committee. Except as otherwise expressly required by law, the Articles of Incorporation or these Bylaws, during the intervals between meetings of the Board, the Executive Committee shall have and may exercise all the authority of the Board which is not inconsistent with any prior action of the Board.

Section 4.10 **Finance Committee**. The Board of Directors shall have a Finance Committee which shall consist of (unless otherwise determined by the Board) the Treasurer of the Corporation (who shall serve as the chairperson of the Finance Committee), the President and Chief Executive Officer, the Chief Financial Officer of the Corporation, at least three (3) members of the Board, and such other members as the Chairperson shall nominate and the Board of Directors shall elect. The specific duties and responsibilities of the Finance Committee shall be set forth in the Finance Committee charter.

Section 4.11 **Planning Committee**. The Board of Directors shall have a Planning Committee which shall consist of (unless otherwise determined by the Board) not fewer than six (6) members, at least three of whom shall be members of the Board and at least one (1) of whom shall be an individual having detailed familiarity with the operations of each of WIC/WIH, KCMH, Butler, VNA and VNASHS/MHRI and such committee members shall be nominated by the Chairperson and elected by the Board of Directors. The specific duties and responsibilities of the Planning Committee shall be set forth in the Planning Committee charter.

Section 4.12 **Governance and Nominating Committee**. The Board of Directors shall have a Governance and Nominating Committee which shall consist of (unless otherwise determined by the Board) not fewer than three (3) members of the Board and such other members as the Chairperson shall nominate and the Board of Directors shall elect. Each member of the Governance and Nominating Committee shall be “**independent**” under standards established from time to time by resolution adopted by the Board. The specific duties and responsibilities of the Governance and Nominating Committee shall be set forth in the Governance and Nominating Committee charter.

Section 4.13 **Audit & Compliance Committee**. The Board of Directors shall have an Audit & Compliance Committee which shall consist of (unless otherwise determined by the Board) not fewer than three (3) members of the Board and such other members as the Chairperson shall nominate and the Board of Directors shall elect. Each member of the Audit & Compliance Committee shall be “**independent**” under standards established from time to time by resolution adopted by the Board. The specific duties and responsibilities of the Audit & Compliance Committee shall be set forth in the Audit & Compliance Committee charter.

Section 4.14 **Compensation Committee**. The Board of Directors shall have a Compensation Committee which shall consist of (unless otherwise determined by the Board) not fewer five (5) members, three (3) of whom shall be members of the Board and such other members as the Chairperson shall nominate and the Board of Directors shall elect. Each member of the Compensation Committee shall be “**independent**” under standards established from time to time by resolution adopted by the Board. The specific duties and responsibilities of the Compensation Committee shall be set forth in the Compensation Committee charter.

Section 4.15 **Investment Committee**. The Board of Directors shall have an Investment Committee which shall consist of (unless otherwise determined by the Board) not fewer than three (3) members of the Board and such other members as the Chairperson shall nominate and the Board of Directors shall elect and of which shall include individuals whose knowledge of investments are of value to the Investment Committee. The specific duties and responsibilities of the Investment Committee shall be set forth in the Investment Committee charter.

Section 4.16 **Quality Committee**. The Board of Directors shall have a Quality Committee which shall consist of (unless otherwise determined by the Board) not fewer than three (3) members of the Board and such other members as the Chairperson shall nominate and the Board of Directors shall elect and of which shall include physician and nursing leaders who have demonstrated knowledge regarding quality of hospital and health services. The specific duties and responsibilities of the Quality Committee shall be set forth in the Quality Committee charter.

Section 4.17 **Reimbursement of Expenses – Committee Members**. The Board of Directors may resolve to pay the reasonable out-of-pocket expenses incurred by a committee member in the performance of his or her duties as a committee member. This Section 4.17 shall not preclude any committee member from serving the Corporation in any other capacity and receiving compensation therefor.

Article 5

Officers

Section 5.1 **Officers**. The officers of the Corporation shall be a Chairperson, one (1) or more Vice-Chairpersons, a President and Chief Executive Officer, one (1) or more Vice Presidents, a Secretary, a Treasurer, an Assistant Treasurer, and such other officers or assistant officers as may be appointed from time to time by the Board. Any two (2) or more offices may be held by the same person, with the exception of the offices of President and Chief Executive Officer and Secretary.

Section 5.2 **Election and Term – Officers**. The officers of the Corporation shall be elected by the Board at the annual meeting and shall, unless otherwise determined by the Board serve for a term of one (1) year. Except with respect to the Chairperson, there is no limit on the number of terms an officer may serve. The Chairperson may not serve in that position for more than three (3) consecutive one (1) year terms; provided that the Board may waive such limitation in circumstances in which continuity in leadership would serve the best interests of the Corporation.

Section 5.3 **Resignation – Officers**. Any officer may resign at any time by giving written notice to the Board, the Chairperson, a Vice-Chairperson, the President and Chief Executive Officer, or the Secretary. The resignation of an officer shall take effect upon the receipt of written notice or at such time as specified in the written notice. Unless otherwise specified in the written notice, acceptance of the resignation shall not be necessary to make it effective.

Section 5.4 **Removal – Officers**. Any officer may be removed with or without cause by the Board. Any such removal will be without prejudice to the contract rights, if any, of the officer removed. Election or appointment as an officer will not of itself create contract rights.

Section 5.5 **Vacancy – Officers**. Subject to any term limit set forth in Section 5.2, any vacancy in an officer position shall be filled by the Board. An individual elected to fill a vacancy will serve for the unexpired term of his or her predecessor.

Section 5.6 **Authority and Duties – Officers**.

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(a) The Chairperson shall preside at all meetings of the Board and shall have such other authorities and duties as are delegated from time to time by the Board.

(b) The President and Chief Executive Officer shall be the chief executive officer of the Corporation and, subject to the direction and judgment of the Board, shall have general supervision and control of all officers, agents, and employees of the Corporation and the management of its business interests, including the appointment of the senior management group of the Corporation.

(c) The Assistant Treasurer shall be the Chief Financial Officer of the Corporation and shall have such authorities and duties as are delegated from time to time by the Board.

(d) Each officer (other than the Chairperson, the President and Chief Executive Officer and the Assistant Treasurer) shall have the authority and shall perform the duties customarily appurtenant to their respective offices, and shall have such other authorities and duties as are delegated from time to time by the Board.

Article 6

Seal

Section 6.1 **Seal.** The corporate seal shall consist of a flat-faced circular die, with the name of the Corporation, the year and state of its incorporation and such additional material as may be prescribed from time to time by the Board, cut or engraved thereon.

Article 7

Fiscal Year; Annual Reports

Section 7.1 **Fiscal Year.** The fiscal year of the Corporation will be determined by the Board and in the absence of such determination will commence on October 1 and end on September 30 of each year.

Section 7.2 **Annual Reports.** Annually, at the close of the fiscal year, the Treasurer of the Corporation shall cause to be prepared a report showing the status of all operating revenues and expenses, and of all endowment funds, the income received therefrom during the preceding fiscal year, and the purposes for which said income was used. The annual report and

the endowment report shall, at all times, be kept available for inspection by any person during ordinary business hours at the office of the President and Chief Executive Officer.

Article 8

Execution of Documents

Section 8.1 Execution of Documents. All checks, drafts, bills of exchange or other orders for the payment of money, obligations, notes, or other evidences of indebtedness, bills of lading, warehouse receipts, insurance certificates, contracts and other instruments of the Corporation, shall be signed or endorsed by such officer or officers, employee or employees, of the Corporation as shall from time to time be determined by resolution of the Board.

Article 9

Limitation of Liability

Section 9.1 Limitation of Liability. Pursuant to Section 7-6-9 of the Nonprofit Corporation Act, no individual serving without compensation as a Director, officer or committee member shall be personally liable to the Corporation or its members based solely on his or her conduct in the execution of the office or duties; provided, however that this Section 9.1 shall not eliminate the liability of a Director, officer or committee member to the extent such liability is imposed by applicable law for (a) malicious, willful or wanton misconduct; (b) breach of such Director's, officer's or committee member's duty of loyalty to the Corporation; and (c) any transaction from which there is an improper personal benefit. This Section 9.1 shall not eliminate the liability of a Director, officer or committee member for any act or omission occurring prior to the date upon which this provision becomes effective. No amendment to or repeal of this Section 9.1 shall apply to or have any effect on the liability or alleged liability, or any acts or omissions, of any Director, officer or committee member occurring prior to such amendment or repeal.

Article 10

Indemnification

Section 10.1 Agreement of the Corporation. In order to induce the individual members (if any), Directors, officers and committee members of the Corporation to serve as such

(each an “**Indemnified Person**”), the Corporation agrees, subject to the exclusions hereinafter set forth, to indemnify an Indemnified Person against, and hold the Indemnified Person harmless from, any Loss or Expense (each as defined in Section 10.2).

Section 10.2 **Definitions**. Capitalized terms used in this Article 10, shall have the meanings set forth below:

(a) “**Covered Act**” means any act or omission by an Indemnified Person in the Indemnified Person’s official capacity with the Corporation and while serving as such or while serving at the request of the Corporation as a member of the governing body, officer, employee or agent of another corporation, limited liability company, partnership, joint venture, trust or other enterprise.

(b) “**Excluded Claim**” has the meaning set forth in Section 10.4.

(c) “**Expenses**” means any reasonable expenses incurred by an Indemnified Person in connection with the defense of any claim made against the Indemnified Person for Covered Acts including, without limitation, legal, accounting or investigative fees and expenses (including the expense of bonds necessary to pursue an appeal of an adverse judgment).

(d) “**Loss**” means any amount which an Indemnified Person is legally obligated to pay as a result of any claim made against such Indemnified Person for Covered Acts including, without limitation, judgments for, and awards of, damages, amounts paid in settlement of any claim, any fine or penalty or, with respect to an employee benefit plan, any excise tax or penalty.

(e) “**Proceeding**” means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative.

Section 10.3 **Advance Payment of Expenses**. The Corporation will pay the Expenses of an Indemnified Person in advance of the final disposition of any Proceeding except to the extent that the defense of a claim against such Indemnified Party is undertaken pursuant to any directors’ and officers’ liability insurance (or equivalent insurance or other protection known by another term) maintained by the Corporation. The advance payment of Expenses will be subject to such Indemnified Person’s first agreeing in writing with the Corporation to repay the sums paid by it hereunder if it is thereafter determined that the Proceeding involved an Excluded

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Claim or that such Indemnified Person was otherwise not entitled to indemnification under these Bylaws.

Section 10.4 **Exclusions**. The following shall be considered “**Excluded Claims**” and the Corporation will not be liable to pay any Loss or Expense related to any Excluded Claim:

(a) With respect to a Proceeding in which a final non-appealable judgment or other adjudication by a court of competent jurisdiction determines that the Indemnified Person is liable to the Corporation (as distinguished from being liable to a third party) for:

(i) any breach of the Indemnified Person’s duty of loyalty to the Corporation;

(ii) acts or omissions not in good faith or which involve any malicious, willful or wanton misconduct or knowing violation of law; or

(iii) any transaction from which the Indemnified Person derived an improper personal benefit; or

(b) If a final, non-appealable judgment or other adjudication by a court of competent jurisdiction determines that such payment is unlawful.

Section 10.5 **Notice to the Corporation; Insurance**. Promptly after receipt by an Indemnified Person of notice of the commencement of or the treat of commencement of any Proceeding, such Indemnified Person will, if indemnification with respect thereto may be sought from the Corporation under these Bylaws, notify the Corporation of the commencement thereof. If, at the time of the receipt of such notice, the Corporation has any directors’ and officers’ liability insurance (or equivalent insurance or other protection known by another term) in effect, the Corporation will give prompt notice of the commencement of such Proceeding to the insurer in accordance with the procedures set forth in the policy or policies in favor of such Indemnified Person. The Corporation will thereafter take all the necessary or desirable action to cause such insurer to pay, on behalf of such Indemnified Person, all Loss and Expenses payable as a result of such Proceeding in accordance with the terms of such policies. Failure to promptly notify the Corporation will not adversely affect the Indemnified Person’s right to indemnification hereunder unless and only to the extent that (a) the Corporation is materially prejudiced in its ability to defend against the Proceeding by reason of such failure; or (b) failure to promptly

notify the Corporation causes a delay in notifying any applicable insurer (as described in this Section 10.5) resulting in a denial of coverage.

Section 10.6 **Indemnification.**

(a) Payments on account of the Corporation's indemnity against Loss will be made by the Treasurer of the Corporation except if, in the specific case, a determination is made that the indemnification of the Indemnified Person is not proper in the circumstances because such Loss results from an Excluded Claim. If the Corporation so determines that the Loss results from an Excluded Claim (although no such determination is required by the Corporation prior to payment of a Loss by the Treasurer of the Corporation), the determination shall be made:

(i) by the Board by a majority vote of a quorum consisting of Directors not at the time parties to the Proceeding; or

(ii) if a quorum cannot be obtained for purposes of Section 10.6(a)(i), then by a majority vote of a committee of the Board duly designated to act in the matter by a majority vote of the full Board (in which designated Directors who are parties to the Proceeding may participate) consisting solely of three (3) or more Directors not at the time parties to the Proceeding; or

(iii) by independent legal counsel designated (A) by the Board in a manner described in Section 10.6(a)(i) or by a committee of the Board established in a manner described in Section 10.6(a)(ii), or (B) if the requisite quorum of the full Board cannot be obtained therefor and a committee cannot be so established, by a majority vote of the full Board (in which vote Directors who are parties to the Proceeding may participate). If made, any such determination permitted to be made by this Section 10.6(a) will be made within sixty (60) days of an Indemnified Person's written request for payment of a Loss.

(b) Payment of an Indemnified Person's Expenses in advance of the final disposition of any Proceeding will be made by the Treasurer of the Corporation except if, in the specific case, a determination is made pursuant to Section 10.6(a) that indemnification of such Indemnified Person is not proper in the circumstances because the Proceeding involved an Excluded Claim.

(c) The Corporation will have the power to purchase and maintain insurance on behalf of any Indemnified Person against liability asserted against him or her with respect to any Covered Act, whether or not the Corporation would have the power to indemnify such

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Indemnified Person against such liability under the provisions of these Bylaws. The Corporation will be subrogated to the rights of such Indemnified Person to the extent that the Corporation has made any payments to such Indemnified Person in request to any insured Loss or Expense as provided herein.

Section 10.7 **Settlement**. The Corporation will have no obligation to indemnify any Indemnified Person for any amounts paid in settlement of any Proceeding affected without the Corporation's prior written consent. The Corporation will not unreasonably withhold or delay its consent to any proposed settlement. If the Corporation so consents to the settlement of any Proceeding, or unreasonably withholds or delays such consent, it will be conclusively and irrefutably presumed for all purposes that the Loss or Expense does not constitute an Excluded Claim. If the Corporation reasonably withholds its consent solely on the grounds that the Proceeding constitutes an Excluded Claim, the Indemnified Person may accept the settlement without the consent of the Corporation, without prejudice to such Indemnified Person's rights to indemnification in the event the Corporation does not ultimately prevail on the issue of whether the Proceeding constitutes an Excluded Claim.

Section 10.8 **Rights Not Exclusive**. The rights provided in this Article 10 will not be deemed exclusive of any other rights to which an Indemnified Person may be entitled under any agreement, vote of disinterested Directors or otherwise, both as to action in the Indemnified Person's official capacity and as to action in any other capacity while serving in such position, and will continue after such Indemnified Person ceases to serve the Corporation as an Indemnified Person.

Section 10.9 **Enforcement**.

(a) An Indemnified Person's right to indemnification hereunder will be enforceable by such Indemnified Person in any court of competent jurisdiction and will be enforceable notwithstanding that an adverse determination has been made as provided in Section 10.6.

(b) In the event that any action is institute by an Indemnified Person under these Bylaws, such Indemnified Person will be entitled to be paid all court costs and expenses, including reasonable attorneys' fees, incurred by such Indemnified Person with respect to such

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action, unless the court determines that each of the material assertions made by such Indemnified Person as a basis for such action was not made in good faith or was frivolous.

Section 10.10 **Severability**. If any provision in this Article 10 is determined by a court to require the Corporation to perform or fail to perform an act which is in violation of any applicable law, this Article 10 shall be limited or modified in its application to the minimum extent necessary to avoid a violation of law, and, as so limited and modified, this Article 10 shall be enforceable in accordance with its terms.

Section 10.11 **Successors and Assigns**. The provisions of this Article 10 will be (a) binding upon all successors and assigns of the Corporation (including any transferee of all or substantially all of its assets); and (b) binding on and inure to the benefit of the heirs, executors, administrators and other personal representatives of an Indemnified Person.

Section 10.12 **Amendment of this Article 10** No amendment or termination of this Article 10 will be effective as to an Indemnified Person without prior written consent of that Indemnified Person and, in any event, will not be effective as to any Covered Act of an Indemnified Person occurring prior to the amendment or termination.

Article 11

Amendments

Section 11.1 **Amendments**. These Bylaws may be amended or amended and restated by written consent or approval by the Board in accordance with Section 3.13 or Section 3.15, as applicable; provided, however that prior to the third anniversary of the Closing Date, the affirmative vote of two-thirds (2/3rds) of the MHRI-Nominated Directors shall be required to approve any proposed amendment to Section 3.2, Section 3.4, Section 3.7 and/or Section 4.11 that relate to the amendments made to these Bylaws in accordance with the Affiliation Agreement.

Adopted on June 28, 2012 _____, 2013

