

EXHIBIT F

EXHIBIT F

- By agreement of the Parties, the composition of the WPAHS Board of Directors as of the Effective Time will not be finally determined until ten (10) days prior to the Closing Date and will be effected by notice from the Ultimate Parent Entity to WPAHS as to the Non-Perpetual WPAHS Representative Designees, and by notice from WPAHS to the Ultimate Parent Entity as to the Perpetual WPAHS Representative Designees. Prior to such date, the Ultimate Parent Entity will consult with WPAHS with regard to the Non-Perpetual WPAHS Representative Designees, as required by Section 2.4.3 of the Agreement.
- The structure of the WPAHS Board of Directors as of the Effective Time shall be as set forth in the Bylaws proposed for WPAHS which are attached as part of this Exhibit F.

EXHIBIT A

**AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
WEST PENN ALLEGHENY HEALTH SYSTEM, INC.**

In compliance with the requirements of the Pennsylvania Nonprofit Corporation Law of 1988, West Penn Allegheny Health System, Inc., a Pennsylvania nonprofit corporation (the "Corporation"), hereby amends and restates its Articles of Incorporation as follows, which Amended and Restated Articles supersede the original Articles of Incorporation and all amendments thereto:

1. Corporate Name. The name of the corporation is West Penn Allegheny Health System, Inc.
2. Registered Office. The location and post office address of the registered office of the Corporation in this Commonwealth is 4800 Friendship Avenue, Pittsburgh, PA 15224.
3. Organization and Purpose. The Corporation is organized under the Pennsylvania Nonprofit Corporation Law, (the "Nonprofit Corporation Law") for scientific, educational and charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and in this connection is organized:
 - (a) To provide, maintain, operate, and support, directly and through its controlled affiliates, the provision, maintenance, management, and operation of, on a not-for-profit basis, in-patient and out-patient hospital facilities and health care services for the benefit of persons who require medical care and services of the kind customarily furnished most effectively by hospitals, without regard to race, creed, color, sex, age, religion, national origin, sexual orientation, ability to pay, or any other criteria not related to medical indications for admission or treatment;
 - (b) To carry on educational and scientific activities related to the care of the sick and injured;
 - (c) To carry on scientific research related to the care of the sick and injured;
 - (d) To carry on activities designed to promote the general health of the communities in which it operates;
 - (e) To operate as part of the nonprofit regional health care system governed by [Ultimate Parent Entity] and support a health care provider network comprised of the Corporation and those corporations and other entities over which the Corporation exercises governance control (the "subsidiaries"), each of which (i) operates, raises funds for, or conducts activities otherwise ancillary to the operation of, health care facilities in order to extend health care to sick, injured

and disabled persons, without regard to age, sex, race, religion, national origin or sexual orientation, or (ii) carries on educational and/or scientific research activities related to the causes, diagnosis, treatment, prevention or control of physical or mental diseases and impairments of persons, and each of which is an organization exempt from taxation under Section 501(c)(3) of the Code and classified as other than private foundations under Section 509(a)(1), 509(a)(2) or 509(a)(3) of the Code;

- (f) To carry out such other acts and to undertake such other activities as may be necessary, appropriate or desirable in furtherance of or in connection with the conduct, promotion or attainment of the foregoing purposes, provided, that none of such activities shall be undertaken which would cause the Corporation to lose its status as an organization described in Section 501(c)(3) of the Code, or as an organization contributions to which are deductible under Section 170(c)(2) of the Code; and
 - (g) To otherwise operate exclusively for charitable, scientific or educational purposes within the meaning of Section 501(c)(3) of the Code.
4. Pecuniary Gain or Profit. The Corporation does not contemplate pecuniary gain or profit, incidental or otherwise.
 5. Non-Stock Basis. The Corporation is to be organized on a non-stock basis.
 6. Members. The Corporation shall have a single member, which shall be [Provider Subsidiary] a Pennsylvania nonprofit corporation (the "Member").
 7. Management. Except for those powers reserved to the Member and the [Ultimate Parent Entity] in the Bylaws of the Corporation, the business and affairs of the Corporation shall be managed by or under the direction of a Board of Directors of the Corporation. The number, term of office, method of selection and manner of removal of the Board of Directors shall be as set forth in the Bylaws of the Corporation.
 8. Exempt Organization. Notwithstanding any other provision of these Articles, the Corporation shall not engage directly or indirectly in any activity which would prevent it from qualifying, and continuing to qualify, as a corporation described in Section 501(c)(3) of the Code (hereinafter referred to in these Articles as an "exempt organization"), or as a corporation contributions to which are deductible under Section 170(c)(2) or the Code. No substantial part of the activities of the Corporation shall be devoted to carrying on propaganda, or otherwise attempting to influence legislation (except as otherwise provided in Section 501(h) of the Code), and the Corporation shall not participate in or intervene in (including the publishing or distributing of statements) any political campaign on behalf of or in opposition to any candidate for public office.
 9. Earnings. Notwithstanding any other provision of these Articles, no part of the net earnings or assets of the Corporation shall inure to the benefit of or be distributable to its members, directors, trustees, officers or any other private individual; provided, however, the Corporation shall be authorized and empowered to pay reasonable compensation for

services rendered to the extent such payments do not prevent it from qualifying, and continuing to qualify, as an exempt organization and to make such lawful payments and distributions in furtherance of the purposes set forth in Article 3 hereof as may from time to time be either required or permitted by Section 501(c)(3) of the Code.

10. Foundation Status. In the event that the Corporation fails to qualify as an organization described in Section 509(a)(1), (2) or (3) of the Code, then, notwithstanding any other provision of these Articles, the Corporation shall be prohibited from engaging in any act of self-dealing (as defined in Section 4941(d) of the Code); from retaining any excess business holdings (as defined in Section 4943(c) of the Code); from making any investments in such manner as to subject the Corporation to tax under Section 4944 of the Code; and from making any taxable expenditures (as defined in Section 4945(d) of the Code), to the extent any action therewith would subject the Corporation to tax under one or more of the cited sections of the Code. To the extent required, the Corporation shall make qualifying distributions at such time and in such manner as do not subject the Corporation to tax under Section 4942 of the Code.
11. Dissolution. Upon the dissolution or liquidation of the Corporation, after paying or making provision for payment of all of the known liabilities of the Corporation, any remaining assets of the Corporation shall be transferred to the Member, or its successor, provided that the Member or such successor is then in existence and then exempt from federal income taxes under Section 501(c)(3) of the Code. If upon the dissolution or liquidation of the Corporation, the Member, or its successor, is not in existence or no longer qualifies as an exempt organization under Section 501(c)(3) of the Code, any remaining assets of the Corporation shall be distributed to [Ultimate Parent Entity], or its successor, provided that [Ultimate Parent Entity] is then in existence and then exempt from federal income taxes under Section 501(c)(3) of the Code. If upon dissolution of the Corporation, both the Member and [Ultimate Parent Entity], or their successors, are not in existence or no longer qualify as exempt organizations under Section 501(c)(3) of the Code, any remaining assets of the Corporation may be distributed to (a) such one or more corporations, trusts, funds or other organizations which at the time are exempt from federal income tax as organizations described in Section 501(c)(3) of the Code and, in the sole judgment of the Corporation's Board of Directors, have purposes similar to those of the Corporation or (b) the federal government, or to a state or local government for such purposes. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction exclusively to one or more of such corporations, trusts, funds or other organizations as said court shall determine, which at the time are exempt from federal income tax as organizations described in Section 501(c)(3) of the Code, and which are organized and operated for such purposes, or to the federal government or to a state or local government for such purposes. No private individual shall share in the distribution of any Corporation assets upon dissolution or sale of the assets of the Corporation.
12. Personal Liability of Directors.
 - (a) Elimination of Liability. To the fullest extent that the laws of the Commonwealth of Pennsylvania, as now in effect or as hereafter amended, permit elimination or

limitation of the liability of directors, no director of the Corporation shall be personally liable for monetary damages as such for any action taken, or any failure to take any action, as a director.

- (b) Applicability. The provisions of this Article shall be deemed to be a contract with each director of the Corporation who serves as such at any time while this Section is in effect and each such director shall be deemed to be so serving in reliance on the provisions of this Section. Any amendment or repeal of this Section or adoption of any bylaw or provision of the Articles of the Corporation which has the effect of increasing director liability shall operate prospectively only and shall not affect any action taken, or any failure to act, prior to the adoption of such amendment, repeal, bylaw or provision.

13. Indemnification.

- (a) Right to Indemnification - General. Any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (whether brought by or in the name of the Corporation or otherwise), by reason of the fact that he or she is or was a representative of the Corporation, or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Corporation to the fullest extent now or hereafter permitted by applicable law in connection with such action, suit or proceeding arising out of such person's service to the Corporation or to such other corporation, partnership, joint venture, trust or other enterprise at the Corporation's request. The term "representative," as used in this Article 13, shall mean any director, officer or employee, including any employee who is a medical doctor, lawyer or other licensed professional or any committee created by or pursuant to the Bylaws of the Corporation, and any other person who may be determined by the Board of Directors to be a representative entitled to the benefits of this Article 13.
- (b) Right to Indemnification - Third Party Actions. Without limiting the generality of Section 13(a), any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation), by reason of the fact that he or she is or was a representative of the Corporation, or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Corporation against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon

a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

- (c) Right to Indemnification - Derivative Actions. Without limiting the generality of Section 13(a), any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he or she is or was a representative of the Corporation, or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Corporation against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the defense or settlement of such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation; except, however, that indemnification shall not be made under this Section 13(c) in respect of any claim, issue or matter as to which such person has been adjudged to be liable to the Corporation unless and only to the extent that the Court of Common Pleas of the county in which the registered office of the Corporation is located or the court in which such action, suit or proceeding was brought determines upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses that the Court of Common Pleas or such other court shall deem proper.
- (d) Advance of Expenses. Unless in a particular case advancement of expenses would jeopardize the Corporation's tax exempt status under Section 501(a) of the Code or result in the Corporation's failure to be described in Section 501(c)(3) of the Code, expenses (including attorneys' fees) incurred by any representative of the Corporation in defending any action, suit or proceeding referred to in this Article 13 shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the representative to repay such amount if it is ultimately determined that he or she is not entitled to be indemnified by the Corporation as authorized in this Article 13 or otherwise.
- (e) Procedure for Effecting Indemnification. Unless ordered by a court, any indemnification under Section 13(a), Section 13(b) or Section 13(c) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the representative is proper in the circumstances because he or she has met the applicable standard of conduct set forth in such subsections. Such determination shall be made: (i) by the Board of Directors by a majority of a quorum consisting of directors who were not parties to such action, suit or proceeding; or, (ii) if such a quorum is not obtainable, or if obtainable and a

majority vote of a quorum of disinterested directors so directs, by independent legal counsel in a written opinion.

- (f) Indemnification Not Exclusive. The indemnification and advancement of expenses provided by or granted pursuant to this Article 13 shall not be deemed exclusive of any other rights to which a person seeking indemnification or advancement of expenses may be entitled under any other provision of the Bylaws of the Corporation, agreement, vote of disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office shall continue as to a person who has ceased to be a representative of the Corporation and shall inure to the benefit of the heirs and personal representatives of such person.
- (g) When Indemnification Not Made. Indemnification pursuant to this Article 13 shall not be made in any case where (a) the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness or (b) indemnification would jeopardize the Corporation's tax exempt status under Section 501(a) of the Code or result in the Corporation's failure to be described in Section 501(c)(3) of the Code.
- (h) Grounds for Indemnification. Indemnification pursuant to this Article 13, under any other provision of the Bylaws of the Corporation, agreement, vote of directors or otherwise may be granted for any action taken or any failure to take any action and may be made whether or not the Corporation would have the power to indemnify the person under any provision of law except as otherwise provided in this Article 13 and whether or not the indemnified liability arises or arose from any threatened, pending or completed action by or in the right of the Corporation. The provisions of this Article 13 shall be applicable to all actions, suits or proceedings within the scope of Section 13(a), Section 13(b) or Section 13(c), whether commenced before or after the adoption hereof, whether arising from acts or omissions occurring before or after the adoption hereof.
- (i) Power to Purchase Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a representative of the Corporation or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of this Article 13.
- (j) Creation of a Fund to Secure or Insure Indemnification. The Corporation may create a fund of any nature, which may, but need not be, under the control of a trustee, or otherwise secure or insure in any manner its indemnification obligations, whether arising under or pursuant to this Article 13 or otherwise.

- (k) Status of Rights of Indemnities. The rights to indemnification and advancement of expenses provided by or granted pursuant to this Article 13 shall (a) be deemed to create contractual rights in favor of each person who serves as a representative of the Corporation at any time while this Article is in effect (and each such person shall be deemed to be so serving in reliance on the provisions of this Article), and (b) continue as to a person who has ceased to be a representative of the Corporation.
- (l) Applicability to Predecessor Companies. For purposes of this Article 13, references to the "Corporation" includes all constituent corporations or other entities which shall have become a part of the Corporation by consolidation or merger or other similar transaction and their respective current and former affiliates, and references to "representatives" shall include members of any such corporation, entity or affiliate, so that any person who was a member, director, officer, employee, agent or other representative of such a corporation, entity or affiliate or served as a member, director, officer, employee, agent or other representative of another corporation, partnership, joint venture, trust or other enterprise at the request of any such corporation, entity or affiliate shall stand in the same position under the provisions of this Article 13 with respect to the Corporation as he or she would if he or she had served the Corporation in the same capacity. Without limitation of the foregoing, each member, director, officer and employee of each predecessor to the Corporation shall have the same contract rights as are afforded to members, directors, officers and employees of the Corporation pursuant to Section 13(a).
14. Code. References in these Articles to a section of the Internal Revenue Code of 1986 shall be construed to refer both to the section and to the regulations promulgated thereunder, as they now exist or may hereafter be adopted or amended in this or in subsequent internal revenue laws.

EXHIBIT F

**AMENDED AND RESTATED
BYLAWS
OF
WEST PENN ALLEGHENY HEALTH SYSTEM, INC.**

Effective Date: _____, 20__

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AMENDED AND RESTATED BYLAWS

OF

WEST PENN ALLEGHENY HEALTH SYSTEM, INC.

ARTICLE I

NAME AND PURPOSES

1.1 Name.

The name of the Corporation is West Penn Allegheny Health System, Inc. The Corporation may do business under such other names as may be determined by the Board of Directors.

1.2 Purposes.

The Corporation is organized under the Pennsylvania Nonprofit Corporation Law, (the "Nonprofit Corporation Law") for scientific, educational and charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and in this connection is organized:

(a) To provide, maintain, operate, and support, directly and through its controlled affiliates, the provision, maintenance, management, and operation of, on a nonprofit basis, in-patient and out-patient hospital facilities and health care services for the benefit of persons who require medical care and services of the kind customarily furnished most effectively by hospitals, without regard to race, creed, color, sex, age, religion, national origin, sexual orientation, ability to pay, or any other criteria not related to medical indications for admission or treatment;

(b) To carry on educational and scientific activities related to the care of the sick and injured;

(c) To carry on scientific research related to the care of the sick and injured;

(d) To carry on activities designed to promote the general health of the communities in which it operates;

(e) To operate as part of the nonprofit regional health care system governed by [*name of Ultimate Parent Entity*], a Pennsylvania nonprofit corporation ("Ultimate Parent"), and support a health care provider network comprised of the Corporation and those corporations and other entities over which the Corporation exercises governance control (the "subsidiaries"), each of which (i) operates, raises funds for, or conducts activities otherwise ancillary to the operation of, health care facilities in order to extend health care to sick, injured and disabled persons, without regard to age, sex, race, religion, national origin or sexual orientation, or (ii) carries on educational and/or scientific research activities related to the causes, diagnosis,

treatment, prevention or control of physical or mental diseases and impairments of persons, and each of which is an organization exempt from taxation under Section 501(c)(3) of the Code and classified as other than private foundations under Section 509(a)(1), 509(a)(2) or 509(a)(3) of the Code;

(f) To carry out such other acts and to undertake such other activities as may be necessary, appropriate or desirable in furtherance of or in connection with the conduct, promotion or attainment of the foregoing purposes, provided, that none of such activities shall be undertaken which would cause the Corporation to lose its status as an organization described in Section 501(c)(3) of the Code, or as an organization contributions to which are deductible under Section 170(c)(2) of the Code; and

(g) To otherwise operate exclusively for charitable, scientific or educational purposes within the meaning of Section 501(c)(3) of the Code.

ARTICLE II

OFFICES

2.1 Registered Office.

The registered office of the Corporation shall at all times be within the Commonwealth of Pennsylvania at such address as may be established by the Board of Directors.

2.2 Business Offices.

The Corporation may have business offices at such places permitted by law as the business of the Corporation may require.

ARTICLE III

MEMBERS

3.1 Membership.

The Corporation shall have one (1) member, which shall be [*name of Provider Subsidiary*] (the "Member"). There shall be no other members or classes of membership. The Chief Executive Officer or the President of the Member shall be entitled to vote on behalf of the Member in accordance with the authority granted to the Chief Executive Officer or the President of the Member unless the Member notifies the Corporation in writing that another officer is authorized to vote on behalf of the Member.

3.2 Meetings.

(a) Annual Meeting. The annual meeting of the Member of the Corporation shall be held immediately following the annual meeting of the Board of Directors of the Member, or at such other time as the Member may determine, to elect members of the Board of

Directors and officers of the Corporation, and to transact such other business as may come before the meeting.

(b) Special Meetings. Special meetings of the Member may be called by the Chairperson of the Board of the Corporation, one-third (1/3) of the members of the Board of Directors of the Corporation or by one-third (1/3) of the members of the Board of Directors of the Member.

(c) Notice of Meetings. Notice of any meeting of the Member shall be given by, or at the direction of, the Secretary of the Corporation at least then (10) days prior to the day named for a meeting that will consider a fundamental change under Chapter 59 of the Nonprofit Corporation Law or five days prior to the day named for the meeting in any other case.

(d) Written Consent. Any action which may be taken at a meeting of the Member may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by the Member and filed with the Secretary.

3.3 Powers.

(a) Reserved Powers of Member. For so long as such rights and powers do not result in the revocation of the Corporation's status as an organization described in Section 501(c)(3) of the Code, the Member shall have the right and power to make recommendations to Ultimate Parent with respect to actions by Ultimate Parent on the matters reserved to Ultimate Parent under Section 3.3(b) of these Bylaws. Ultimate Parent shall have no obligation to approve any such recommendations, and Ultimate Parent may take actions that have not been recommended by, or that are contrary to recommendations of, the Member.

(b) Reserved Powers of Ultimate Parent. For so long as such rights and powers do not result in the revocation of the Corporation's status as an organization described in Section 501(c)(3) of the Code, the following rights and powers are reserved to Ultimate Parent:

(i) Subject to the provisions of Section [4.3] of these Bylaws, to determine the number of directors that will comprise the Board of Directors of the Corporation and the subsidiaries;

(ii) Subject to the provisions of Section [4.2, 4.3, 4.4 and 4.5] of these Bylaws, to elect the directors of the Corporation and the subsidiaries;

(iii) Subject to Sections [4.2 and 4.7(b)] of these Bylaws, to remove or any of the directors of the Corporation and subsidiaries and to replace any such director for the unexpired portion of his or her term;

(iv) To approve the election, re-election and removal of all officers, including the Chief Executive Officer, of the Corporation and the subsidiaries in accordance with Article V;

(v) Subject to Section [7.1(a)] of the Affiliation Agreement, dated as of [], 2011, among Ultimate Parent, the Corporation, Highmark Inc., Member, Canonsburg

General Hospital, Alle-Kiski Medical Center and the other WPAHS Subsidiaries as defined therein (the "Affiliation Agreement"), to amend, revise or restate the Corporation's and the subsidiaries' Articles of Incorporation and Bylaws;

(vi) Subject to Section [7.5(i)] of the Affiliation Agreement, to adopt or change the mission, purpose, philosophy or objectives of the Corporation or the subsidiaries;

(vii) Subject to Sections [7.5(i) and 7.6] of the Affiliation Agreement, to change the general structure of the Corporation or any of the subsidiaries as a voluntary, nonprofit corporation;

(viii) Subject to Sections [7.5(i) and 7.6] of the Affiliation Agreement, to (1) dissolve, divide, convert or liquidate the Corporation or the subsidiaries, (2) consolidate or merge the Corporation or the subsidiaries with another corporation or entity, (3) sell or acquire assets, whether in a single transaction or series of transactions, where the consideration exceeds 1% of the Corporation's consolidated total assets;

(ix) To approve the annual consolidated capital and operating plan and budget of the Corporation and the subsidiaries, and any amendments thereto or significant variances therefrom;

(x) Subject to Section [7.6] of the Affiliation Agreement, to approve the incurrence of debt by the Corporation and the subsidiaries or the making of capital expenditures by the Corporation and the subsidiaries during any fiscal year of the Corporation, in either case in excess of one quarter of 1% of the consolidated annual operating budget of the Corporation for such fiscal year, if such debt or capital expenditures are not included in the Corporation's or subsidiaries' approved budgets, whether in a single transaction or a series of related transactions;

(xi) Subject to Section [7.6] of the Affiliation Agreement, to approve any donation or any other transfer of the Corporation's or the subsidiaries' assets, other than to the Member or to the Corporation by the subsidiaries, in excess of \$10,000.00, unless specifically authorized in the Corporation's or the subsidiaries' approved budgets;

(xii) Subject to Section [7.5(i)] of the Affiliation Agreement, to approve strategic plans and mission statements of the Corporation and the subsidiaries;

(xiii) To approve investment policies of the Corporation and the subsidiaries;

(xiv) To approve the closure or relocation of a licensed healthcare facility of the Corporation and the subsidiaries;

(xv) Subject to Section [7.5(i) and 7.6] of the Affiliation Agreement, to approve the formation of subsidiary corporations, partnerships and joint ventures or to make investments in existing subsidiary corporations, partnerships and joint ventures, if the new investments of the Corporation and the subsidiaries in such subsidiary corporations, partnerships and joint ventures during any fiscal year would, in the

aggregate, exceed 1% of the Corporation's consolidated total assets at the end of the prior fiscal year of the Corporation;

(xvi) Subject to Section [7.5(i) and 7.6] of the Affiliation Agreement, to approve the dissolution of subsidiary corporations, partnerships and joint ventures of the Corporation and the subsidiaries, if the aggregate value of the ownership interests of the Corporation and the subsidiaries in such subsidiary corporations, partnerships and joint ventures so dissolved in any fiscal year would exceed 1% of the Corporation's consolidated total assets at the end of the prior fiscal year;

(xvii) To establish and manage the Corporation's program for compliance with all legal requirements applicable to the Corporation and the hospitals operated by the Corporation (the "Corporation Hospitals"), all accreditation and licensing requirements and the conditions of participation in all governmental payor programs applicable to the Corporation or the Corporation Hospitals;

(xviii) To select and appoint auditors and to designate the fiscal year of the Corporation and the subsidiaries; and

(xix) To give such other approvals and take such other actions as are specifically reserved to members of Pennsylvania nonprofit corporations under the Nonprofit Corporation Law.

Except as may otherwise be provided by the Nonprofit Corporation Law, Ultimate Parent, shall have the right to both initiate and approve action in furtherance of such reserved powers, as well as the authority to directly bind the Corporation and the subsidiaries on such matters. Any action taken in this regard by Ultimate Parent shall be sufficient to finally approve and adopt such actions and no action of the Board of Directors or other governing body or officer with respect to such action shall be necessary with respect thereto.

ARTICLE IV

BOARD OF DIRECTORS

4.1 **Powers and Duties.**

Subject to Section 3.3 of these Bylaws, all powers of the Corporation shall be vested in the Board of Directors, which shall have charge, control and management of the property, business, affairs and funds of the Corporation and shall have the power and authority to perform all necessary and appropriate functions not otherwise inconsistent with these Bylaws, the Articles of Incorporation or applicable law.

Subject to Section 3.3 of these Bylaws, and without limiting the generality of the foregoing and except as otherwise may be provided in these Bylaws, the Board of Directors shall have full power and the duty:

(a) To set policies and provide for carrying out the purposes of the Corporation;

- (b) To make rules and regulations for its own governance and for the governance of the committees appointed by the Board of Directors as provided herein;
- (c) To adopt and amend from time to time such rules and regulations for the conduct of the business of the Corporation as may be appropriate or desirable.
- (d) To manage the Medical Staffs as contemplated in Article VIII hereof;
- (e) To adopt, amend, repeal and restate the Medical Staff Bylaws, as proposed by the Medical Staff pursuant to these Bylaws;
- (f) To maintain the quality of patient care; and
- (g) To periodically reexamine the relationship of the Board of Directors to the communities of the Corporation Hospitals.

4.2 Election of Directors.

(a) General. Subject to the limitations set forth in this Section 4.2 of these Bylaws, Ultimate Parent shall elect all directors.

(b) Self-Perpetuating Directors. Not less than 25% of the Board of Directors shall consist of directors ("Self Perpetuating Directors") who are elected in accordance with this Section 4.2(b). The initial Self Perpetuating Directors shall be designated by the Board of Directors of this Corporation immediately prior to [*Closing Date*] and shall be community representatives and physicians affiliated with the Corporation . Any vacancy in the Board of Directors caused by the death, resignation or removal of a Self-Perpetuating Director or by the expiration of the term of a Self-Perpetuating Director shall be filled by a person designated by a majority of the remaining Self-Perpetuating Directors. If the number of directors is increased or decreased, additional Self-Perpetuating Directors shall be elected or existing Self-Perpetuating Directors may be removed, as the case may be, by a majority of the existing Self-Perpetuating Directors, such that the number of Self-Perpetuating Directors is as close as possible to, but not less than, 25% of all directors on the Board of Directors after such increase or decrease. Until [*date that is four years after the Closing Date*], any new Self-Perpetuating Director must be a community representative or a physician affiliated with the Corporation.

(c) Non-Self Perpetuating Representatives. On [*Closing Date*], Ultimate Parent, after consultation with WPAHS, shall elect such number of community representatives and physicians affiliated with the Corporation to the Board of Directors ("Non-Self Perpetuating Representatives") such that the Non-Self Perpetuating Representatives and the Self-Perpetuating Directors together constitute at least forty percent (40%) of all the directors serving on the Board of Directors. Until [*date that is four years after the Closing Date*], any vacancy in the Board of Directors caused by the death, resignation or removal of a Non-Self Perpetuating Representative or by the expiration of the term of a Non-Self Perpetuating Representative shall be filled by Ultimate Parent from nominee(s) identified by a majority of the remaining Non-Self Perpetuating Representatives and the Self-Perpetuating Directors. All Non-Self Perpetuating Representatives must be community representatives or physicians affiliated with the Corporation.

4.3 **Number/Qualifications.**

(a) Composition. Subject to Section 4.2 of these Bylaws, the Board of Directors shall consist of such number of persons as the Member may determine, but in no case less than three (3).

(b) Certain Qualifications. No individual may be elected to the Board of Directors unless the individual is eligible to serve on the Board of Directors pursuant to applicable law, the Articles of Incorporation and these Bylaws. Each director shall be a natural person of at least 18 years of age.

(c) Independence. At least a majority of the directors shall be persons whom the Board of Directors has determined are "independent directors" within the meaning of such term as defined by the Internal Revenue Service for exempt organizations under Section 501(c)(3) of the Code, and as such, are broadly representative of the community.

(d) Common Directors With Member and Ultimate Parent. The members of the Board of Directors must include at least one person who is also serving as a member of the board of directors of Member and Ultimate Parent. The same member of the Board of Directors need not be serving on both such boards.

(e) SEC Actions. Any person who is, or ever has been, subject to an order of a court or the Securities and Exchange Commission prohibiting such person from acting as an officer or director of a public company shall not be eligible to serve as a director.

(f) Age Limitations. No person who is seventy-five (75) years of age or older may be nominated or re-nominated for election or re-election as a director. Any director who reaches the age of seventy-five (75) shall no longer be qualified to serve as a director after the next annual meeting of the Board of Directors.

4.4 **Election and Term.**

(a) Term of Directors. The Board of Directors shall be divided, as evenly as practicable, into three classes and shall serve staggered terms. Except as otherwise indicated in this Section 4.4(a), at the end of their respective initial terms, all directors shall serve for terms of three (3) years or until their successors are elected and have qualified. If the term of any of the Non-Self Perpetuating Representatives expires prior to [*date that is four years after the Closing Date*], the remaining Non-Self Perpetuating Representatives shall re-elect the Non-Self Perpetuating Representative for such additional term that may be necessary to assure that such Non-Self Perpetuating Representative serves on the Board until at least [*date that is four years after Closing*].

(b) Chairperson. The Board of Directors shall elect from among the directors an individual to serve as Chairperson of the Board. The Chairperson shall not be an employee of the Corporation. The Chairperson shall preside at all meetings of the Board of Directors and shall perform all duties incident to the office of Chairperson of the Board and such other duties as may be prescribed by the Board of Directors.

(c) Vice Chairperson. The Board of Directors may elect from among the directors a Vice Chairperson of the Board. The Vice Chairperson shall not be an employee of the Corporation. The Vice Chairperson shall perform the duties of the office of Chairperson of the Board in the absence of the Chairperson of the Board and such other duties as may be prescribed by the Board of Directors.

4.5 **Vacancies.**

Any vacancy in the Board of Directors caused by the death, resignation or removal of a director or a director ceasing to qualify to serve as a director prior to the expiration of that director's term between annual meetings of Ultimate Parent shall be filled by an individual elected by Ultimate Parent, except as otherwise provided in Section 4.2(b) or 4.2(c) of these Bylaws with respect to Self-Perpetuating Directors and Non-Self Perpetuating Representatives.

4.6 **Meetings.**

(a) Annual Meetings. The annual organizational meeting of the Board of Directors shall be held on such other date as the Board of Directors may determine, at such time and place as shall be determined by the Board of Directors, without further notice than the resolution setting such date, time and place.

(b) Regular Meetings. Regular meetings of the Board of Directors shall be held not less than four (4) times a year, each at such date, time and place as shall be determined by the Board of Directors, without further notice than the resolution setting such date, time and place.

(c) Special Meetings. Special meetings of the Board of Directors may be called at any time by the Chairperson of the Board, the Chief Executive Officer or one-third (1/3) of the members of the Board of Directors, the date, time and place of each such meeting to be designated in the notice calling the meeting. Notice of any special meeting of the Board of Directors shall be given at least forty-eight (48) hours prior thereto and shall state the general nature of the business to be transacted.

(d) Adjournment. When a meeting of the Board of Directors is adjourned, it shall not be necessary to give any notice of the adjourned meeting or the business to be transacted at the adjourned meeting other than by announcement at the meeting at which such adjournment is taken.

(e) Quorum. Directors constituting a majority of the directors in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

(f) Voting and Action. Each director shall be entitled to one vote on any matter submitted to a vote of the Board of Directors, and action by the Board of Directors on any matter shall require the affirmative vote of a majority of the directors in office unless a greater proportion of affirmative votes is required by applicable law, the Articles of Incorporation or these Bylaws.

(g) Use of Conference Telephone. Except as the Board of Directors otherwise may determine, one or more persons may participate in a meeting of the Board of Directors or of any committee thereof by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear and be heard by each other. Participation in a meeting in such manner shall constitute presence in person at the meeting.

(h) Action by Unanimous Written Consent. Any action which may be taken at a meeting of the Board of Directors may be taken without a meeting if a consent or consents in writing setting forth the action so taken shall be signed by all of the directors in office and filed with the Secretary.

4.7 **Resignation/Removal.**

(a) Resignation. Any director may resign his or her office at any time, such resignation to be made in writing and to take effect immediately or at such subsequent time stated in such writing. Any director who ceases to meet the eligibility requirements contained in applicable law or in these Bylaws to serve as a director forthwith shall resign his or her office, such resignation to be made in writing and to take effect immediately.

(b) Removal. Any director may be removed, with or without cause, by Ultimate Parent; provided, that (i) only a majority of the other Self-Perpetuating Directors may remove a Self-Perpetuating Director, whether with or without “cause”, and (ii) prior to [*date that is four years after the Closing Date*], Ultimate Parent may remove Non-Self Perpetuating Representatives only for “cause” unless a majority of the other Non-Self Perpetuating Representatives has consented to the removal. For this purpose “cause” shall mean:

- (i) the director is declared of unsound mind by an order of court;
- (ii) the director is indicted for, or convicted of, or enters a plea of guilty or nolo contendere to, a felony;
- (iii) the director engages in fraudulent or dishonest acts or in any act of moral turpitude;
- (iv) the director engages in gross abuse of authority or discretion with respect to the Corporation;
- (v) the director violates the Corporation’s [Code of Conduct Policy];
- (vi) the director fails to attend [four] consecutive meetings of the Board of Directors;
- (vii) the director engages in other conduct that is detrimental to the best interests of the Corporation or its reputation; or
- (viii) the director has breached such director’s duties under Section 5712 of the Nonprofit Corporation Law.

4.8 **Limitation of Liability.**

(a) Limitation of Liability. To the fullest extent that the laws of the Commonwealth of Pennsylvania, as now in effect or as hereafter amended, permit elimination or limitation of the liability of directors, no director of the Corporation shall be personally liable for monetary damages as such for any action taken, or any failure to take any action, as a director.

(b) Nature and Extent of Rights. The provisions of this Section 4.8 shall be deemed to be a contract with each director of the Corporation who serves as such at any time while this Section is in effect and each such director shall be deemed to be so serving in reliance on the provisions of this Section. Any amendment or repeal of this Section or adoption of any Bylaw or provision of the Articles of the Corporation which has the effect of increasing director liability shall operate prospectively only and shall not affect any action taken, or any failure to act, prior to the adoption of such amendment, repeal, Bylaw or provision.

4.9 **Compensation.**

The Board of Directors may determine the compensation of directors for their services as directors, members of committees of the Board of Directors or otherwise, and also may determine the compensation of persons who are not directors who serve on any committees established by the Board of Directors; provided that such compensation is reasonable compensation within the meaning of Section 4958 of the Code.

ARTICLE V

OFFICERS

5.1 **Officers; Election.**

The principal officers of the Corporation shall be a Chief Executive Officer, a Chief Financial Officer, a Treasurer and a Secretary, each of whom shall be elected by the Board of Directors, subject to the approval of Ultimate Parent, and such other officers as the Board of Directors, subject to the approval of Ultimate Parent, may elect, which may include one or more Presidents, one or more Executive, Senior or Corporate Vice Presidents, and one or more Assistant Treasurers or Assistant Secretaries. Each such officer shall hold office for a term of one year (or such other term as the Board of Directors shall determine for any office from time to time) and until his or her successor has been selected and qualified or until his or her earlier death, resignation or removal. Any number of offices may be held by the same person.

5.2 **Responsibilities of Officers.**

(a) Chief Executive Officer. The Chief Executive Officer shall be responsible for the general and active management of the business and affairs of the Corporation and shall exercise general supervision and authority over all of its agents and employees and shall perform all duties incident to the office of Chief Executive Officer and such other duties as may be assigned by the Member or the Board of Directors. The Chief Executive Officer shall supervise the implementation of all policies, orders and resolutions of the Board of Directors and shall execute all contracts and agreements authorized by the Board of Directors, except that he or she

may delegate to other officers of the Corporation the power to execute contracts in the ordinary course of business or as otherwise may be authorized by the Board of Directors.

(b) President(s). The President(s) shall be responsible for the direct administration, supervision and control of such activities in the management of the Corporation as may be assigned by the Chief Executive Officer or the Board of Directors.

(c) Chief Financial Officer. The Chief Financial Officer shall be responsible for financial accounting and reporting for the Corporation and such other duties as may be assigned by the Chief Executive Officer or the Board of Directors.

(d) Vice Presidents. Each Vice President shall perform such duties as may be assigned by the Chief Executive Officer or the Board of Directors.

(e) Treasurer. The Treasurer shall, in accordance with the policies of the Board of Directors and under the direction of the Chief Executive Officer or the Chief Financial Officer, have general charge and custody of and be responsible for all funds and securities of the Corporation, and shall make such reports in such form and manner as the Chief Executive Officer, the Chief Financial Officer or the Board of Directors may direct. The Treasurer shall receive and give receipts for monies due and payable to the Corporation and deposit such monies in the name of the Corporation in such banks, trust companies or other depositories as may be selected in accordance with the provisions of these Bylaws. The Treasurer shall keep account of such receipts and deposits and approve expenditures of the Corporation and shall perform all duties incident to the office of Treasurer and such other duties as may be assigned by the Chief Executive Officer, the Chief Financial Officer or the Board of Directors.

(f) Secretary. The Secretary shall keep the minutes of the meetings of the Board of Directors and its committees in one or more books provided for that purpose, shall notify members of the Board of Directors of their election, shall see that all notices are duly given in accordance with the provisions of these Bylaws, shall be custodian of the corporate records and of the seal of the Corporation, and shall see that the seal of the Corporation is affixed, when necessary, to all instruments and documents the execution of which has been authorized by the Board of Directors or a committee thereof, shall keep a record of the address of each director, and shall perform all duties incident to the office of Secretary and such other duties as may be assigned by the Chief Executive Officer or the Board of Directors. In the absence of the Secretary or in the event of his or her inability to act, the Chairperson of the Board of Directors shall appoint an individual to discharge the duties of the Secretary.

(g) Assistant Secretaries and Assistant Treasurers. The Assistant Secretaries and Assistant Treasurers shall perform such duties as may be assigned by the Secretary or the Treasurer, respectively, or by the Chief Executive Officer or the Chief Financial Officer, as appropriate, or the Board of Directors.

5.3 **Removal of Officers.**

Any officer of the Corporation (including the Chief Executive Officer) may be removed, with or without cause, by the Board of Directors, subject to the approval of Ultimate Parent, without prejudice to such officer's contractual rights, if any.

5.4 Bonds.

The Board of Directors may require any officer to give bond and security in such sum and with such surety or sureties as the Board of Directors may determine.

ARTICLE VI COMMITTEES

6.1 Committees.

(a) Standing Board Committees. The Board of Directors shall have a Corporate Governance and Nominating Committee, an Audit Committee and a Personnel and Compensation Committee and the Board of Directors may establish such other standing committees as it deems to be necessary or desirable (the "Standing Board Committees"). All Standing Board Committees shall be comprised solely of directors and shall have charters governing their powers and duties, which charters shall be approved by the Board of Directors. The Board of Directors shall appoint the members and a chairperson and a vice chairperson of each Standing Board Committee.

(b) Special Committees and Program Committees. The Board of Directors may establish one or more special committees of directors ("Special Committees") to advise the Board of Directors and to perform such other functions as the Board of Directors determines, including without limitation a Medical Education and Research Committee and a Quality and Satisfaction Committee. The Board of Directors may establish one or more committees, which may include directors and persons who are not directors, to assist it with aspects of the Corporation's operations ("Program Committees"). Subject to the provisions of these Bylaws, the Board of Directors may delegate such authority to a Special Committee or a Program Committee as it deems to be appropriate and desirable and as is not prohibited by applicable law. The Board of Directors shall establish the manner of selecting members, chairpersons and vice chairpersons, if any, and the terms of office of the members of each Special Committee and Program Committee.

6.2 Term.

Except as otherwise provided in these Bylaws, each member of a Standing Board Committee shall continue as such until the next annual meeting of the Board of Directors or until a successor has been appointed as provided herein, unless such person resigns, is removed or otherwise ceases to serve on such Standing Board Committee for any reason.

6.3 Quorum and Action.

Except as otherwise provided in these Bylaws or the charter of a committee approved by the Board of Directors, a majority of the members comprising any committee appointed by the Board of Directors pursuant to these Bylaws shall constitute a quorum for the transaction of business, and the acts of a majority of committee members present at a meeting at which a quorum is present shall constitute the acts of the committee, unless a greater proportion is required by applicable law, the Articles of Incorporation or these Bylaws.

6.4 Action by Unanimous Written Consent.

Except as otherwise provided in these Bylaws or a charter of a committee approved by the Board of Directors, any action which may be taken at a meeting of any committee appointed by the Board of Directors pursuant to these Bylaws may be taken without a meeting if a consent or consents in writing setting forth the action so taken shall be signed by all of the members of such committee and filed with the Secretary.

6.5 Removal.

Any member of a Standing Board Committee, Special Committee or Program Committee may be removed at any time, with or without cause, by the Board of Directors at any regular or special meeting.

6.6 Vacancies.

Any vacancy in any Standing Board Committee, Special Committee or Program Committee caused by the death, resignation or removal of a member of such committee prior to the expiration of that member's term shall be filled by another person appointed by the Board of Directors. The member so appointed shall serve the remaining unexpired term of the member so replaced.

6.7 Exclusions from Committee Membership.

Physicians who receive compensation from the Corporation, whether directly or indirectly or as employees or independent contractors, are precluded from membership on any committee whose jurisdiction includes compensation matters. No physician, either individually or collectively, is prohibited from providing information to any committee regarding physician compensation.

6.8 Corporate Governance and Nominating Committee.

(a) Composition. The Corporate Governance and Nominating Committee shall consist of such number of directors, but in no case less than three (3), as may be determined by the Board of Directors. None of the members of the Corporate Governance and Nominating Committee shall be employees of the Corporation or of any entity controlled by the Corporation.

(b) Responsibilities. In addition to any responsibilities delegated to it by the Board of Directors, the Corporate Governance and Nominating Committee shall be responsible for:

(i) Recommending candidates for election as directors at each annual meeting of [Ultimate Parent Entity];

(ii) Recommending to [Ultimate Parent Entity] candidates for election as directors to fill any vacancies occurring on the Board of Directors; and

(iii) Recommending candidates for election or reelection as Chairperson of the Board and Vice Chairperson of the Board.

(c) Timing. At least fifteen (15) days before each annual, regular or special meeting of the Member, the Corporate Governance and Nominating Committee shall recommend the requisite number of individuals who satisfy the qualifications established in these Bylaws for election as directors of the Corporation.

6.9 **Audit Committee.**

(a) Composition. The Audit Committee shall consist of such number of directors, but in no case less than three (3), as the Board of Directors shall determine. None of the members of the Audit Committee shall be employees of the Corporation or of any entity controlled by the Corporation.

(b) Responsibilities. In addition to any responsibilities delegated to it by the Board of Directors, the Audit Committee shall be responsible for accepting the annual independent audit report of the Corporation's financial statements, as prepared by the external auditors, and render or cause to be rendered an audit report to the Board of Directors at its annual meeting.

6.10 **Personnel and Compensation Committee.**

(a) Composition. The Personnel and Compensation Committee shall consist of such number of directors, in no case less than three (3), as the Board of Directors shall determine. None of the members of the Personnel and Compensation Committee shall be employees of the Corporation or of any entity controlled by the Corporation or of any entity controlled by the Corporation and none may have a conflict of interest as defined in Section 4958 of the Code and applicable regulations.

(b) Responsibilities. In addition to any responsibilities delegated to it by the Board of Directors, the Personnel and Compensation Committee shall be responsible for:

(i) Evaluating the performance of the principal officers of the Corporation;
and

(ii) Recommending to the Board of Directors for recommendation to Ultimate Parent the selection and compensation of the principal officers of the Corporation.

ARTICLE VII

INDEMNIFICATION OF DIRECTORS, OFFICERS AND OTHERS

7.1 Right to Indemnification - General.

Any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (whether brought by or in the name of the Corporation or

otherwise), by reason of the fact that he or she is or was a representative of the Corporation, or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Corporation to the fullest extent now or hereafter permitted by applicable law in connection with such action, suit or proceeding arising out of such person's service to the Corporation or to such other corporation, partnership, joint venture, trust or other enterprise at the Corporation's request. The term "representative," as used in this Article VII, shall mean any director, officer or employee, including any employee who is a medical doctor, lawyer or other licensed professional or any committee created by or pursuant to these Bylaws, and any other person who may be determined by the Board of Directors to be a representative entitled to the benefits of this Article VII.

7.2 Right to Indemnification - Third Party Actions.

Without limiting the generality of Section 7.1 of these Bylaws, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation), by reason of the fact that he or she is or was a representative of the Corporation, or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Corporation against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

7.3 Right to Indemnification - Derivative Actions.

Without limiting the generality of Section 7.1 of these Bylaws, any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he or she is or was a representative of the Corporation, or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Corporation against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the defense or settlement of such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation; except, however, that indemnification shall not be made under this Section 7.3 in respect of any claim, issue or matter as to which such person has been adjudged to be liable to the Corporation unless and only to the extent that the Court of Common Pleas of the county in which the registered office of the Corporation is located or the court in which such action, suit or proceeding was brought determines upon application that, despite the adjudication of liability but

in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses that the Court of Common Pleas or such other court shall deem proper.

7.4 Advance of Expenses.

Unless in a particular case advancement of expenses would jeopardize the Corporation's tax exempt status under Section 501(a) of the Code or result in the Corporation's failure to be described in Section 501(c)(3) of the Code, expenses (including attorneys' fees) incurred by any representative of the Corporation in defending any action, suit or proceeding referred to in this Article VII shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the representative to repay such amount if it is ultimately determined that he or she is not entitled to be indemnified by the Corporation as authorized in this Article VII or otherwise.

7.5 Procedure for Effecting Indemnification.

Unless ordered by a court, any indemnification under Section 7.1, Section 7.2 or Section 7.3 of these Bylaws shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the representative is proper in the circumstances because he or she has met the applicable standard of conduct set forth in such subsections. Such determination shall be made:

- (a) By the Board of Directors by a majority of a quorum consisting of directors who were not parties to such action, suit or proceeding; or
- (b) If such a quorum is not obtainable, or if obtainable and a majority vote of a quorum of disinterested directors so directs, by independent legal counsel in a written opinion.

7.6 Indemnification Not Exclusive.

The indemnification and advancement of expenses provided by or granted pursuant to this Article VII shall not be deemed exclusive of any other rights to which a person seeking indemnification or advancement of expenses may be entitled under any other provision of these Bylaws, agreement, vote of disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office shall continue as to a person who has ceased to be a representative of the Corporation and shall inure to the benefit of the heirs and personal representatives of such person.

7.7 When Indemnification Not Made.

Indemnification pursuant to this Article VII shall not be made in any case where (a) the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness or (b) indemnification would jeopardize the Corporation's tax exempt status under Section 501(a) of the Code or result in the Corporation's failure to be described in Section 501(c)(3) of the Code.

7.8 Grounds for Indemnification.

Indemnification pursuant to this Article VII, under any other provision of these Bylaws, agreement, vote of directors or otherwise may be granted for any action taken or any failure to take any action and may be made whether or not the Corporation would have the power to indemnify the person under any provision of law except as otherwise provided in this Article VII and whether or not the indemnified liability arises or arose from any threatened, pending or completed action by or in the right of the Corporation. The provisions of this Article VII shall be applicable to all actions, suits or proceedings within the scope of Section 7.1, Section 7.2 or Section 7.3 of these Bylaws, whether commenced before or after the adoption hereof, whether arising from acts or omissions occurring before or after the adoption hereof.

7.9 Power to Purchase Insurance.

The Corporation may purchase and maintain insurance on behalf of any person who is or was a representative of the Corporation or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of this Article VII.

7.10 Creation of a Fund to Secure or Insure Indemnification.

The Corporation may create a fund of any nature, which may, but need not be, under the control of a trustee, or otherwise secure or insure in any manner its indemnification obligations, whether arising under or pursuant to this Article VII or otherwise.

7.11 Status of Rights of Indemnities.

The rights to indemnification and advancement of expenses provided by or granted pursuant to this Article VII shall (a) be deemed to create contractual rights in favor of each person who serves as a representative of the Corporation at any time while this Article is in effect (and each such person shall be deemed to be so serving in reliance on the provisions of this Article), and (b) continue as to a person who has ceased to be a representative of the Corporation.

7.12 Applicability to Predecessor Companies.

For purposes of this Article VII, references to the "Corporation" includes all constituent corporations or other entities which shall have become a part of the Corporation by consolidation or merger or other similar transaction and their respective current and former affiliates, and references to "representatives" shall include members of any such corporation, entity or affiliate, so that any person who was a member, director, officer, employee, agent or other representative of such a corporation, entity or affiliate or served as a member, director, officer, employee, agent or other representative of another corporation, partnership, joint venture, trust or other enterprise at the request of any such corporation, entity or affiliate shall stand in the same position under the provisions of this Article VII with respect to the Corporation as he or she would if he or she had served the Corporation in the same capacity. Without limitation of

the foregoing, each member, director, officer and employee of each predecessor to the Corporation shall have the same contract rights as are afforded to directors, officers and employees of the Corporation pursuant to Section 7.11 of these Bylaws.

ARTICLE VIII
MEDICAL STAFFS

8.1 Medical Staffs Generally.

The Board of Directors shall create one functional unit within Allegheny General Hospital (“AGH Medical Staff”) and one functional unit covering both The Western Pennsylvania Hospital - West Penn Campus, and The Western Pennsylvania Hospital - Forbes Regional Campus (“WPH Medical Staff”; the AGH Medical Staff and the WPH Medical Staff are sometimes hereinafter referred to collectively as the “Medical Staffs”; each a “Medical Staff”). The AGH Medical Staff and the WPH Medical Staff shall each be composed of physicians, dentists, and such other health care practitioners as determined by the Board of Directors. Each Medical Staff shall be delegated the responsibility for making recommendations at their respective Corporation Hospital(s) concerning clinical privileges, the medical staff appointment of practitioners, the quality of medical care delivered in the respective Corporation Hospital(s), and the rules and regulations governing the practice of practitioners within such Corporation Hospital(s). The AGH Medical Staff shall be an internal component of Allegheny General Hospital and the WPH Medical Staff shall be an internal component of The Western Pennsylvania Hospital - West Penn Campus and The Western Pennsylvania Hospital - Forbes Regional Campus. Each Medical Staff shall have bylaws outlining its structure and function so that it may fulfill its delegated responsibilities in an effective fashion. Only such Medical Staff Bylaws as are adopted by the Board of Directors shall be effective. The Board of Directors retains the right to rescind any authority or procedures delegated to either or both of the AGH Medical Staff or the WPH Medical Staff by bylaws or otherwise and to amend the bylaws as necessary for the good operation of the relevant Corporation Hospital. The power of the Board of Directors to adopt or amend Medical Staff bylaws, rules, and regulations, shall not be dependent upon ratification by the respective Medical Staff.

8.2 Organization of Medical Staff.

The AGH Medical Staff and the WPH Medical Staff shall be divided into clinical departments. The appointment of clinical department chairs and of all Medical Staff standing committee chairs for each Medical Staff shall be approved by the Board of Directors.

8.3 Appointment to Medical Staff.

All appointments to the AGH Medical Staff and to the WPH Medical Staff shall be made by the Board of Directors for a period not to exceed two years. Appointments, reappointments, and the delineation of privileges shall be made in accordance with such Corporation Hospital’s policy and/or its or their Medical Staff bylaws; provided, however, that nothing therein contained shall limit the legal rights and obligations of the Board of Directors with respect to such matters.

8.4 Denial of Privileges.

In the circumstances delineated in, as appropriate, the AGH Medical Staff bylaws or the WPH Medical Staff Bylaws and to the extent provided therein, an applicant to the Medical Staff or a Medical Staff member affected by an action relating to Medical Staff privileges shall be afforded the opportunity of a full hearing before an appropriately constituted body (which body may be a joint conference of other hospitals comprising part of the System), conducted in such manner as to assure due process and to afford full opportunity for the presentation of all pertinent information, pursuant to the specific Corporation Hospital policy or the respective Medical Staff bylaws. No recommendation or action other than as set forth in the relevant Medical Staff bylaws shall constitute grounds for a hearing.

ARTICLE IX

PATIENT'S BILL OF RIGHTS

The Chief Executive Officer shall designate one or more management individuals with the responsibility of ensuring that a Patient's Bill of Rights for each of the Corporation Hospitals not less in substance and coverage than required by the Pennsylvania Department of Health regulations is disseminated to all patients of the Hospital.

ARTICLE X

CONTRACTS, LOANS, CHECKS AND DEPOSITS

10.1 Contracts.

Subject to Section 3.3 of these Bylaws, the Board of Directors may authorize any officer or officers or agent or agents to enter into any contract or execute or deliver any agreement or instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

10.2 Loans.

Subject to Section 3.3 of these Bylaws and Section 7.6 of the Affiliation Agreement, the Board of Directors may authorize the borrowing by the Corporation of such sum or sums of money as the Board of Directors may deem advisable, and to mortgage or pledge any or all of the real or personal property and any or all of the other available assets of the Corporation in order to secure the payment of the principal amount of any such borrowing and the interest thereon and any and all such other amounts as may become due on account thereof.

10.3 Checks.

All checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness shall be issued in the name of the Corporation and shall be signed by such officer or officers or agent or agents of the Corporation and in such manner as from time to time shall be determined by the Board of Directors.

10.4 Deposits.

All funds of the Corporation shall be deposited to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may approve.

ARTICLE XI

NOTICE AND CONDUCT OF MEETINGS

11.1 Written Notice.

Except as otherwise provided in these Bylaws, whenever written notice is required to be given by any person under the provisions of any statute or these Bylaws, it may be given by sending a copy thereof through the mail or overnight delivery or by hand delivery, in each case with charges prepaid, or by facsimile transmission confirmed by one of the foregoing methods, to the individual's address appearing on the books of the Corporation or supplied by the individual to the Corporation for the purpose of notice.

11.2 Written Waiver of Notice.

Whenever any written notice is required as set forth in these Bylaws, 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.

11.3 Waiver of Notice by Attendance.

Attendance of a person in person at any meeting shall constitute a waiver of notice of such meeting except when a person attends the meeting for the express purpose of objecting to the transaction of any business because the meeting has not been lawfully called or convened.

11.4 Procedure.

All meetings of the Board of Directors and the committees thereof shall be conducted in an orderly manner with a view to affording full and fair discussion of the matters properly before such meetings.

ARTICLE XII

MISCELLANEOUS

12.1 No Contract Rights.

Except as specifically set forth in Sections 4.2, 4.4(b), 4.5, 4.7(b), 4.8 and 7.11 of these Bylaws, no provision of these Bylaws shall vest any property or contract right in any person.

12.2 Corporate Seal.

The Board of Directors shall prescribe the form of a suitable corporate seal, which shall contain the full name of the Corporation and the year and state of incorporation.

12.3 Fiscal Year.

The fiscal year of the Corporation shall end on such day as shall be fixed by Ultimate Parent.

12.4 Auxiliary Organizations.

The Board may provide for the establishment of auxiliary organizations. the bylaws of any such organizations shall be subject to approval by the Board of Directors.

ARTICLE XIII

AMENDMENTS

13.1 Amendments.

Subject to Section 7.1(a) of the Affiliation Agreement, these Bylaws may be altered, amended or repealed, or new Bylaws may be adopted, only by Ultimate Parent.

ARTICLE XIV

CONFLICTS OF INTEREST

14.1 Disclosure.

In connection with any actual or possible conflict of interest, an interested person must disclose the existence and nature of his or her financial interest to the Board of Directors and any relevant committee members. For this purpose, an interested person shall include any director, officer, or member of a committee of the Corporation or an entity affiliated with the Corporation who has a direct or indirect financial interest in a proposed transaction. A financial interest shall include: (a) an ownership or investment interest in any entity with which the Corporation has a proposed transaction or arrangement; (b) a compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a proposed transaction or arrangement; and (c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement. If a person is an interested person with respect to any entity in the health care system of which the Corporation is a part, he or she is an interested person with respect to all entities in the health care system.

14.2 Recusal and Investigation.

After disclosure of the financial interest, the interested person shall leave the Board of Directors or committee meeting while the financial interest is discussed and voted upon. The remaining directors or committee members shall decide if a conflict of interest exists. If a conflict of interest exists, the following procedures shall be followed: (a) the Chief Executive Officer shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement; (b) after exercising due diligence, the Board of Directors or committee shall determine whether the Corporation could obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest; and (c) if a more advantageous transaction or arrangement is not reasonably attainable, the Board of Directors or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interests and for its own benefit and whether the transaction is fair and reasonable to the Corporation and shall decide as to whether to enter into the transaction or arrangement in conformity with such determination.

14.3 Failure to Disclose.

If a director or committee member has reasonable cause to believe that an interested person has failed to disclose actual or possible conflicts of interest, he shall inform the interested person of the basis of such belief and afford the interested person an opportunity to explain the alleged failure to disclose. If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the Board of Directors or committee determines that the interested person has in fact failed to disclose an actual or possible conflict of interest, the Board of Directors shall take appropriate steps to protect the Corporation.

14.4 Record of Actions.

The minutes of the Board of Directors and all relevant committees shall contain the following: (a) the names of persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board of Directors' or committee's decision as to whether a conflict of interest in fact existed; and (b) the names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

14.5 Compensation.

Special procedures shall be in effect with respect to compensation issues. A voting member of the Board of Directors or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation. Physicians who receive compensation from the Corporation, whether directly or indirectly or as employees or independent contractors, are precluded from membership on any committee whose jurisdiction includes compensation matters. No physician, either individually

or collectively, is prohibited from providing information to any committee regarding physician compensation.

14.6 Annual Statements.

Each interested person shall annually sign a statement that affirms that such person (a) has received a copy of the conflicts of interest policy, (b) has read and understands the policy, (c) has agreed to comply with the policy, and (d) understands that the Corporation is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes. This policy shall be reviewed annually for the information and guidance of members of the Board of Directors, and any new member shall be advised of the policy upon entering on the duties of his office. In addition, the Corporation shall conduct periodic reviews of its activities, including any transactions or arrangements with interested persons, to ensure that its activities in the aggregate promote and further the Corporation's exempt charitable, scientific, and educational purposes.

EXHIBIT F

EXCERPT OF PROTOTYPE GOVERNANCE DOCUMENT PROVISIONS

Inserts to Articles of Incorporation (or Other Comparable Organizational Document)

To the extent such provisions are not already set forth in the Articles of Incorporation of the qualifying WPAHS Subsidiaries (as such term is defined in the Affiliation Agreement), the following provisions (or other provisions with substantially similar import) shall be among those inserted in the Articles of Incorporation of each of the WPAHS Subsidiaries, in certain instances replacing existing provisions:

Pecuniary Gain or Profit

The Corporation does not contemplate pecuniary gain or profit, incidental or otherwise.

Exempt Organization

The Corporation is organized exclusively for scientific, charitable and educational purposes within the meaning of Section 501(c)(3) of the Code. Notwithstanding any other provision of these Articles, the Corporation shall not engage directly or indirectly in any activity which would prevent it from qualifying, and continuing to qualify, as a corporation described in Section 501(c)(3) of the Code (hereinafter referred to in these Articles as an "exempt organization"), or as a corporation contributions to which are deductible under Section 170(c)(2) or the Code. No substantial part of the activities of the Corporation shall be devoted to carrying on propaganda, or otherwise attempting to influence legislation (except as otherwise provided in Section 501(h) of the Code), and the Corporation shall not participate in or intervene in (including the publishing or distributing of statements) any political campaign on behalf of or in opposition to any candidate for public office.

Foundation Status

If and so long as the Corporation is a private foundation (as that term is defined in Section 509 of the Code), then notwithstanding any other provisions of these Articles, the Corporation shall be prohibited from engaging in any act of self-dealing (as defined in Section 4941(d) of the Code); from retaining any excess business holdings (as defined in Section 4943(c) of the Code); from making any investments in such manner as to subject the Corporation to tax under Section 4944 of the Code; and from making any taxable expenditures (as defined in Section 4945(d) of the Code), to the extent any action therewith would subject the Corporation to tax under one or more of the cited sections of the Code. To the extent required, the Corporation shall make qualifying distributions at such time and in such manner as do not subject the Corporation to tax under Section 4942 of the Code.

Earnings

Notwithstanding any other provision of these Articles, no part of the net earnings or assets of the Corporation shall inure to the benefit of or be distributable to its members, directors, trustees,

officers or any other private individual; provided, however, the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered to the extent such payments do not prevent it from qualifying, and continuing to qualify, as an exempt organization and to make such lawful payments and distributions in furtherance of the purposes set forth in Article ___ hereof as may from time to time be either required or permitted by Section 501(c)(3) of the Code.

Dissolution

Upon the dissolution or liquidation of the Corporation, after paying or making provision for payment of all of the known liabilities of the Corporation, any remaining assets of the Corporation shall be transferred to the Member, or its successor, provided that the Member or such successor is then in existence and then exempt from federal income taxes under Section 501(c)(3) of the Code. If upon the dissolution or liquidation of the Corporation, the Member, or its successor, is not in existence or no longer qualifies as an exempt organization under Section 501(c)(3) of the Code, any remaining assets of the Corporation shall be distributed to [Provider Subsidiary], or its successor, provided that [Provider Subsidiary] is then in existence and then exempt from federal income taxes under Section 501(c)(3) of the Code. If upon dissolution of the Corporation, both the Member and [Provider Subsidiary], or their successors, are not in existence or no longer qualify as exempt organizations under Section 501(c)(3) of the Code, any remaining assets of the Corporation shall be distributed to [Ultimate Parent Entity], or its successor, provided that [Ultimate Parent Entity] is then in existence and then exempt from federal income taxes under Section 501(c)(3) of the Code. If upon dissolution of the Corporation, each of the Member, [Provider Subsidiary] and [Ultimate Parent Entity], or their successors, are not in existence or no longer qualify as exempt organizations under Section 501(c)(3) of the Code, any remaining assets of the Corporation may be distributed to (a) such one or more corporations, trusts, funds or other organizations which at the time are exempt from federal income tax as organizations described in Section 501(c)(3) of the Code and, in the sole judgment of the Corporation's Board of Directors, have purposes similar to those of the Corporation or (b) the federal government, or to a state or local government for such purposes. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction exclusively to one or more of such corporations, trusts, funds or other organizations as said court shall determine, which at the time are exempt from federal income tax as organizations described in Section 501(c)(3) of the Code, and which are organized and operated for such purposes, or to the federal government or to a state or local government for such purposes. No private individual shall share in the distribution of any Corporation assets upon dissolution or sale of the assets of the Corporation.

Inserts to Bylaws (or Other Comparable Organizational Document)

To the extent such provisions are not already set forth in the Bylaws of the WPAHS Subsidiaries (as such term is defined in the Affiliation Agreement), the following provisions (or other provisions with substantially similar import) shall be among these inserted in the Bylaws of each of the qualifying WPAHS Subsidiaries, in certain instances replacing existing provisions:

Purposes

The Corporation is organized under the Pennsylvania Nonprofit Corporation Law, (the "Nonprofit Corporation Law") for scientific, educational and charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and in this connection is organized: [Insert From Existing Bylaws]

Membership

The Corporation shall have one (1) member, which shall be [*insert relevant WPAHS entity*] (the "Member"). There shall be no other members or classes of membership. The Chief Executive Officer or the President of the Member shall be entitled to vote on behalf of the Member in accordance with the authority granted to the Chief Executive Officer or the President of the Member unless the Member notifies the Corporation in writing that another officer is authorized to vote on behalf of the Member. The Member may voluntarily transfer its membership, subject to the reserved powers of the [Ultimate Parent Entity] as set forth in these Bylaws.

Reserved Powers

(a) Reserved Powers of Member:

The Member shall have the right and power to make recommendations to [Provider Subsidiary] and [Ultimate Parent Entity] with respect to actions by [Provider Subsidiary] and [Ultimate Parent Entity] on the matters reserved to [Provider Subsidiary] and [Ultimate Parent Entity] under Section ___ of these Bylaws. [Provider Subsidiary] and [Ultimate Parent Entity] shall have no obligation to approve any such recommendations, and may take actions that have not been recommended by, or that are contrary to recommendations of, the Member.

(b) Reserved Powers of [Provider Subsidiary]:

The [Provider Subsidiary] shall have the right and power to make recommendations to [Ultimate Parent Entity] with respect to actions by [Ultimate Parent Entity] on the matters reserved to [Ultimate Parent Entity] under Section ___ of these Bylaws. [Ultimate Parent Entity] shall have no obligations to approve any such recommendations, and [Ultimate Parent Entity] may take actions that have not been recommended by, or that are contrary to recommendations of, [Provider Subsidiary].

(c) Reserved Powers of [Ultimate Parent Entity]:

(i) To determine the number of directors that will comprise the Board of Directors of the Corporation and its subsidiaries;

(ii) To approve the election of directors of the Corporation and the directors of its subsidiaries;

(iii) To approve the removal of any of the directors of the Corporation and the directors of its subsidiaries;

(iv) To approve the election, re-election and removal of all officers, including the Chief Executive Officer, of the Corporation and its subsidiaries;

(v) To amend, revise or restate the Corporation's and its subsidiaries' Articles of Incorporation and Bylaws and approve all amendments or revisions to the Corporation's or its subsidiaries' Articles of Incorporation and Bylaws that may be proposed or approved by [Provider Subsidiary], the Member or Board of Directors of the Corporation;

(vi) Subject to Section [7.5(i)] of the Affiliation Agreement dated as of [____], 2011, among [Ultimate Parent Entity], [Provider Subsidiary], Highmark Inc., West Penn Allegheny Health System, Inc., Canonsburg General Hospital, Alle-Kiski Medical Center and the other WPAHS Subsidiaries as defined therein (the "Affiliation Agreement"), to adopt or change the mission, purpose, philosophy or objectives of the Corporation or its subsidiaries;

(vii) Subject to Sections [7.5(i) and 7.6] of the Affiliation Agreement, to change the general structure of the Corporation or any of its subsidiaries as a voluntary, nonprofit corporation;

(viii) Subject to Sections [7.5(i) and 7.6] of the Affiliation Agreement, to (a) dissolve, divide, convert or liquidate the Corporation or its subsidiaries, (b) consolidate or merge the Corporation or its subsidiaries with another corporation or entity, (c) sell or acquire assets, whether in a single transaction or series of transactions, where the consideration exceeds 1% of the Corporation's or the relevant subsidiary's total assets, and (d) approve any of the foregoing actions that may be proposed by [Provider Subsidiary], the Member or the Board of Directors of the Corporation before such action becomes effective;

(ix) To approve the annual consolidated capital and operating plan and budget of the Corporation and its subsidiaries, and any amendments thereto or significant variances therefrom;

(x) Subject to Section [7.6] of the Affiliation Agreement, to approve the incurrence of debt by the Corporation and its subsidiaries or the making of capital expenditures by the Corporation and the subsidiaries during any fiscal year of the Corporation, in either case in excess of one quarter of 1% of the consolidated annual operating budget of the Corporation and its subsidiaries for each fiscal year if such debt or capital expenditures are not included in the Corporation's or subsidiaries' approved budgets, whether in a single transaction or a series of related transactions;

(xi) To approve any donation or any other transfer of the Corporation's or its subsidiaries' assets, other than to the Member or to the Corporation by its subsidiaries, in excess of \$10,000.00, unless specifically authorized in the Corporation's or its subsidiaries' approved budgets;

(xii) To approve strategic plans and mission statements of the Corporation and its subsidiaries;

(xiii) To approve investment policies of the Corporation and its subsidiaries;

(xiv) To approve the closure or relocation of a licensed healthcare facility of the Corporation and its subsidiaries;

(xv) Subject to Sections [7.5(i) and 7.6] of the Affiliation Agreement, to approve the formation of subsidiary corporations, partnerships and joint ventures or to make investments in existing subsidiary corporations, partnerships and joint ventures, if the new investments of the Corporation and the subsidiaries in such subsidiary corporations, partnerships and joint ventures during any fiscal year would, in the aggregate, exceed 1% of the Corporation's consolidated total assets at the end of the prior fiscal year of the Corporation;

(xvi) Subject to Section [(7.5(i) and 7.6)] of the Affiliation Agreement, to approve the dissolution of subsidiary corporations, partnerships and joint ventures of the Corporation and the subsidiaries, if the aggregate value of the ownership interests of the Corporation and the subsidiaries in such subsidiary corporations, partnerships and joint ventures so dissolved in any fiscal year would exceed 1% of the Corporation's consolidated total assets at the end of the prior fiscal year of the Corporation;

(xvii) To establish and manage the Corporation's program for compliance with all legal requirements applicable to the Corporation [and the hospital operated by the Corporation (the "Corporation Hospitals")][*insert when applicable*], any applicable accreditation and licensing requirements and the conditions of participation in all governmental payor programs applicable to the Corporation [or the Corporation Hospitals][*insert when applicable*]; and

(xviii) To select and appoint auditors and to designate the fiscal year of the Corporation and the subsidiaries.

Except as may otherwise be provided by the Nonprofit Corporation Law, [Ultimate Parent Entity], have the right to both initiate and approve action in furtherance of such reserved powers, as well as the authority to directly bind the Corporation and the subsidiaries on such matters. Any action taken in this regard by [Ultimate Parent Entity] shall be sufficient to finally approve and adopt such actions and no action of the Board of Directors, Member, [Provider Subsidiary] or other governing body or officer with respect to such action shall be necessary with respect hereto.

Election and Removal of Directors

To the extent required, the Bylaws of each of the WPAHS Subsidiaries shall be amended to reflect that:

the election and removal of directors is subject to the approval of the [Ultimate Parent Entity] as prescribed by Section ____ of these Bylaws.

Election and Removal of Officers

To the extent required, the Bylaws of each of the WPAHS Subsidiaries shall be amended to reflect that:

the election and removal of officers is subject to the approval of the [Ultimate Parent Entity] as prescribed by Section ____ of these Bylaws.

Fiscal Year

The fiscal year of the Corporation shall end on such day as shall be fixed by the [Ultimate Parent Entity].

Amendments

These Bylaws may be altered, amended or repealed, or new Bylaws may be adopted only by the [Ultimate Parent Entity] as prescribed by Section ____ of these Bylaws.

EXHIBIT G

EXHIBIT G

JOINT COMMITTEE CHARTER

The Joint Committee shall be constituted and operate pursuant to this Charter. The purpose, term, composition, meeting, vote and other requirements applicable to the Joint Committee shall be as follows:

1. Purpose and Term: The purposes of the Joint Committee are (i) to exercise oversight with regard to the Initial Funding Commitment, the Second Funding Commitment and the Third Funding Commitment to help assure the preservation of the WPAHS Assets through the Closing of the Transaction, (ii) in certain instances where agreement to modifications of the Funding Deployment Plan has not been reached to resolve differences between the Parties in accordance with the priorities set forth in Section 2.5, (ii) to resolve disputes when either the Consent of Highmark and the UPE Parties is withheld as described in the Section 1.1 definition of "Consent of Highmark and UPE Parties" or as described in Section 6.11(b) and (iv) to resolve any difference in valuation calculated by Highmark and the UPE Parties, on the one hand, and the WPAHS Parties, on the other hand, in matters addressed under Section 6.2 or 6.3 of the Affiliation Agreement. In carrying out said purposes, the Joint Committee will take no action that is inconsistent with the Code Section 501(c)(3) federal income tax-exempt purposes of the WPAHS Parties. The Joint Committee shall be constituted promptly after execution and delivery of the Affiliation Agreement by the Parties and it shall remain in existence until the earlier to occur of the Closing or the termination of the Agreement under Section 10.1 thereof.
2. Composition and Chair: The Joint Committee shall be comprised of four members of the Highmark Board of Directors appointed by Highmark, and four members of the WPAHS Board of Directors appointed by WPAHS. The Co-Chairs of the Joint Committee shall at all times be the Chair of the Board of Directors of Highmark and the Chair of the Board of Directors of WPAHS. Any vacancy in the Joint Committee shall be filled by designation of the entity holding the right of appointment.
3. Quorum and Action: The presence of all members of the Joint Committee, either in person, via conference telephone or similar communications equipment by means of which all those participating may hear one another, or via proxy shall constitute a quorum for the transaction of business. The acts of a majority of the Joint Committee members present at a meeting where a quorum is present shall constitute the acts of the Joint Committee.
4. Action by Unanimous Written Consent: Any action which may be taken at a meeting of the Joint Committee may be taken without a meeting if a consent or consents in writing setting forth the action so taken shall be signed by all the members of the Joint Committee.

5. Removal: Any Joint Committee member may be removed at any time, with or without cause, by the entity that appointed such individual to serve on such committee.
6. Meetings: Meetings of the Joint Committee shall be held monthly for the term set forth in Section 1 hereinabove and may be called by either Highmark or WPAHS, as otherwise needed, via written and electronic notice directed to the chair of the board of directors of each other entity, stating the general nature of the business to be transacted and otherwise consistent with the notice provisions of the Affiliation Agreement. Any such written notice shall set the date, time and place of the proposed meeting and be given not less than five (5) business days prior to the proposed meeting date. Upon receipt of such notice, it will be the responsibility of Highmark and WPAHS, respectively, to notify their respective Joint Committee-appointees of the meeting.
7. Minutes: The Joint Committee shall provide that regular minutes of its proceedings be prepared with copies thereof being submitted to the chief executive officers of Highmark and WPAHS, respectively, for informational purposes.

EXHIBIT H

EXHIBIT H

TERM SHEET FOR LOAN AGREEMENTS

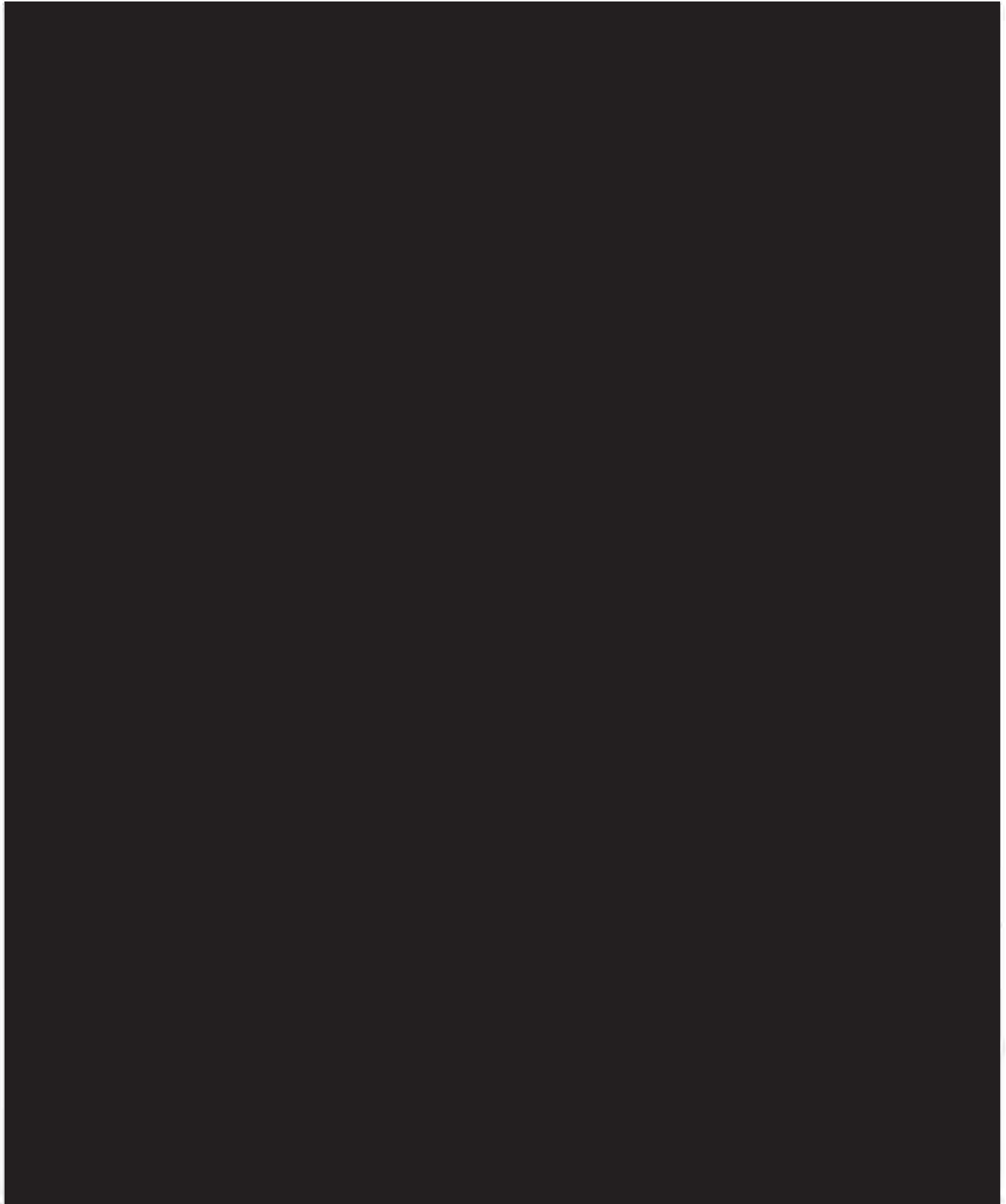


EXHIBIT I

EXHIBIT I

**JOINT VENTURE OPTION AGREEMENT
BY AND BETWEEN
HIGHMARK INC.
AND
WEST PENN ALLEGHENY HEALTH SYSTEM, INC.**

Dated as of October 31, 2011

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A	Joint Venture Documents
B	General Bill of Sale
C	Assignment and Assumption Agreement

JOINT VENTURE OPTION AGREEMENT

This Joint Venture Option Agreement (this "Agreement") is made as of October 31, 2011, by and between Highmark Inc., a Pennsylvania nonprofit corporation ("Highmark") and West Penn Allegheny Health System, Inc., a Pennsylvania nonprofit corporation ("WPAHS"). (Highmark and WPAHS are collectively referred to herein as the "Parties" and each is referred to herein as a "Party").

WHEREAS, the Parties have entered into that certain Affiliation Agreement (the "Affiliation Agreement"), dated of even date herewith, pursuant to which UPE, a Pennsylvania nonprofit corporation ("Ultimate Parent") will acquire control over both Highmark and UPE Provider Sub, a Pennsylvania nonprofit corporation ("Provider Subsidiary"). Provider Subsidiary will become the sole member of WPAHS, and Provider Subsidiary will acquire and assume such other rights, title and interest of or relating to the WPAHS Subsidiaries, as necessary, to transfer, convey and deliver to Provider Subsidiary, direct or indirect control over both the WPAHS Subsidiaries and the respective interests of WPAHS and the WPAHS Subsidiaries in and to the WPAHS Affiliates (as such term is defined in the Affiliation Agreement);

WHEREAS, the Affiliation Agreement contemplates that Highmark and WPAHS shall enter into this Agreement, which shall constitute part of the Transaction Documents (as such term is defined in the Affiliation Agreement);

WHEREAS, Highmark shall have the right at its option to assign its rights, title and interests under this Agreement and the Joint Venture Documents to one or more of its Affiliates; and

WHEREAS, terms used, but not otherwise defined, in this Agreement shall have the same meaning ascribed to such terms in the Affiliation Agreement, except in those instances where the context clearly requires otherwise.

NOW, THEREFORE, for and in consideration of the premises, agreements, covenants, representations and warranties herein set forth, and the terms and conditions set forth in the Affiliation Agreement, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound hereby, the Parties hereto agree as follows:

ARTICLE 1 OPTION AND FORMATION OF JOINT VENTURE

1.1 Option to Proceed with Joint Venture; Purpose of Joint Venture.

WPAHS hereby grants to Highmark the unconditional and exclusive option (the "Option"), exercisable by Highmark at any time during the Term of this Agreement, to acquire a fifty percent (50%) interest in a joint venture to be organized by Highmark and WPAHS (the "Joint Venture") upon the exercise of such Option, with WPAHS to own the other fifty percent (50%) interest in the Joint Venture. The Parties agree that upon the consummation of the transactions contemplated by this Agreement, the Joint Venture will own and operate those core laboratories now owned by WPAHS (which core laboratories are identified on Schedule 1.1)

(collectively, the "Laboratory Facilities"), together with all assets of every description, and whether real, personal or mixed, tangible or intangible, associated with, used or held for use in the operation of such Laboratory Facilities, as more particularly described in Section 2.1 hereof. Among the primary purposes of the Joint Venture will be making available cost-neutral or reduced cost laboratory services in a manner consistent with applicable law and WPAHS' tax-exempt status, to the WPAHS Parties, Highmark, the UPE Parties and their Affiliates, as will be more specifically set forth in one or more agreements to be entered into at the time of the Joint Venture Closing (the "Service Agreements").

1.2 Exercise and Term of Option.

The Option shall be exercisable by Highmark at any time following the date hereof by Highmark's delivery of written notice of such exercise to WPAHS which notice shall indicate that Highmark is exercising the Option and set a date for the consummation of the transactions contemplated by this Agreement (the "Joint Venture Closing"). The Option shall have a term (the "Term") commencing on the date that this Agreement is fully executed and that shall, if the Option is not sooner exercised, automatically expire on the later to occur of (i) the one (1) year after the date of the Affiliation Agreement and (ii) the one hundred eightieth (180) day after the termination of the Affiliation Agreement pursuant to Article 10 thereof.

1.3 Bargained for Exchange.

The Parties hereto agree that the portion of the Second Funding Commitment that is allocated to the Joint Venture Option, determined in accord with Section 2.9(a) of the Affiliation Agreement, has been bargained for at arm's length and represents the fair market value of the fifty percent (50%) interest in the Joint Venture to be acquired by Highmark. The Parties agree that such amount is sufficient consideration to exchange for the benefits inuring to Highmark under this Agreement, and that no additional capital contribution by Highmark to the Joint Venture will be required, for or in connection with the grant to Highmark of the Option, the formation of the Joint Venture between Highmark and WPAHS with Highmark owning a fifty percent (50%) interest therein, the transfer of the Laboratory Facilities by WPAHS to the Joint Venture, and such other commitments as are described in this Agreement.

1.4 Formation of Joint Venture.

Following the exercise by Highmark of the Option, Highmark and WPAHS shall form the Joint Venture and a Certificate of Organization shall be filed with the Pennsylvania Department of State not later than fifteen (15) days from the date that Highmark exercises the Option, unless the Parties mutually agree to extend such filing date. In connection with the formation of the Joint Venture, the Parties shall also approve and enter into an Operating Agreement (which together with the Certificate of Organization shall be referred to herein as the "Joint Venture Documents"). The Joint Venture Documents shall be in the form attached hereto as Exhibit A.

1.5 Management and Control.

The business and affairs of the Joint Venture will be governed by a board of directors with each of Highmark and WPAHS having the reserved authority to elect an equal number of

directors. Such board of directors will oversee the business and affairs of the Joint Venture and be responsible for assuring that competent management is selected to manage the operations of the Joint Venture. Other provisions relating to the management and control of the Joint Venture shall be set forth in the Joint Venture Documents, including a right of WPAHS to determine the charity care policy of the Joint Venture, to make decisions related to its income from the Joint Venture and to make decisions regarding actions of the Joint Venture that could potentially jeopardize the federal income tax-exempt status of WPAHS under § 501(c)(3) of the Code.

1.6 Capital Accounts; Capital Contributions; Distributions; Transfer Restrictions.

(a) The Joint Venture shall maintain a separate capital account (a "Capital Account") for each of Highmark and WPAHS and the Capital Accounts of WPAHS and Highmark, respectively, shall be credited for an amount equal to fifty percent (50%) of the fair value of the Laboratory Facility Assets at the time of contribution by WPAHS (determined in accord with the methodology set forth in Section 2.9 of the Affiliation Agreement), and all future capital contributions and share of the Joint Venture's income and gain, and to which shall be charged distributions from the Joint Venture and share of the Joint Venture's losses and deductions.

(b) As referenced in Section 1.3, Highmark shall not be required to make an additional capital contribution to the Joint Venture beyond that described in Section 1.6(a). The initial capital contributions of WPAHS and Highmark, respectively, to the Joint Venture will be as set forth on Schedule 1.6(b) which amounts shall be equal to fifty percent (50%) of the fair value of the Laboratory Facility Assets at the time of contribution by WPAHS. Highmark and WPAHS agree that as of the Joint Venture Closing, the value of the Capital Accounts of Highmark and WPAHS shall be calculated and accounted for as equal.

(c) Matters related to the future operation of the Joint Venture including capital contributions, income, gains, losses, deductions and credits to be allocated to the Capital Accounts, distributions and restrictions on sale, transfer, assignment and pledge or other disposition of interests in the Joint Venture will be as set forth in the Joint Venture Documents.

1.7 Compliance with Bond-Related Covenants.

The Joint Venture will comply with all bond-related covenants associated with the WPAHS Tax-Exempt Bonds, including the requirement that there be no adverse tax effect on the WPAHS Tax-Exempt Bonds. The costs of any such compliance shall be the sole responsibility of Highmark. The Joint Venture Documents will contain an acknowledgment that WPAHS is an organization exempt from income tax under the Internal Revenue Code, and that the Joint Venture is being formed with the intent that WPAHS's participation in the Joint Venture will not adversely impact WPAHS's federal income tax exemption under § 501(c)(3) of the Code or the tax-exempt status of the WPAHS Tax-Exempt Bonds.

1.8 Working Capital.

Within sixty (60) days after Highmark's exercise of the Option, Highmark and WPAHS shall jointly establish an operating budget and initial working capital requirement for the Joint Venture. At the Joint Venture Closing, Highmark and WPAHS shall each pay to the Joint

Venture an amount equal to fifty percent (50%) of the agreed upon initial working capital requirement for the Joint Venture.

ARTICLE 2 TRANSFER OF LABORATORY FACILITIES

2.1 Transfers to Joint Venture.

WPAHS agrees that upon Highmark's exercise of the Option, it will transfer, convey and deliver to the Joint Venture, and the Joint Venture will accept and receive at the Joint Venture Closing, all of WPAHS's rights, title and interests in and to, all assets of every description, and whether real, personal or mixed, tangible or intangible, associated with, used or held for use by WPAHS in the operation of the Laboratory Facilities, other than the Excluded Assets, free and clear of all Encumbrances other than the Permitted Encumbrances, including without limitation the following items (collectively, the "Laboratory Facility Assets"): (a) the Laboratory Facilities; (b) leasehold title to all Leased Real Property used in the operation of the Laboratory Facilities; (c) all Personal Property used in the operation of the Laboratory Facilities as identified on Schedule 2.1(c) hereto; (d) all inventory, including any rights to rebates, refunds or discounts due with respect to such inventory; (e) all prepaid expenses and all deposits, claims for refunds and rights to offset in respect thereof; (f) to the extent assignable under applicable law, all financial, patient and medical staff records of the Laboratory Facilities (but not if such records are held or owned by other facilities operated by the WPAHS Parties); (g) all of WPAHS's rights, title and interests in the Assumed Contracts (as referenced in Section 7.7); (h) all Permits and Approvals issued or granted by, or filed with or delivered to, any Governmental Authority to the extent assignable (including any pending Permits and Approvals) relative to the ownership, development and business of the Laboratory Facilities; (i) all Intellectual Property used exclusively in the operation of the Laboratory Facilities; (j) any claims or rights related to the Laboratory Facility Assets (including the Assumed Contracts), contractual or otherwise, arising before or after the Joint Venture Closing for warranty claims, breach of contract or lease claims or other similar claims; (k) those Medicare, Medicaid, TRICARE and other governmental and third party payor provider agreements and provider numbers and related national provider identifiers that are specifically identified on Schedule 2.1(k); (l) rights to settlements, Accounts Receivable, and retroactive adjustments, if any, that relate to the operations of the Laboratory Facilities for open cost reporting periods ending on the date of the Joint Venture Closing; and (m) those other assets of WPAHS specifically identified on Schedule 2.1(m).

2.2 Excluded Assets.

The following assets of WPAHS are not included among the Laboratory Facility Assets and are excluded from the transfer and conveyance to the Joint Venture as contemplated under this Agreement: (a) cash and cash equivalents, marketable securities and other investments held in accounts maintained for the benefit of the Laboratory Facilities; (b) all accounts, notes, and other receivables (or in the case of Medicare, Medicaid, TRICARE and other non-assignable government receivables, the value of such receivables), that relate to operations of the Laboratory Facilities before the Effective Time (the "Accounts Receivable"); (c) donor-restricted assets, and all past, present and future rights to bequests, devises, donor restricted gifts and the like, that name a WPAHS Party or WPAHS Affiliate as beneficiary or recipient, other than

interests in the Laboratory Facility Assets at the time of the Joint Venture Closing; (d) insurance policies and programs, all related premiums and refunds, employee benefit and pension plans (including all assets and proceeds of all the foregoing) and records relating thereto that relate to the operations of the Laboratory Facilities before the Effective Time; (e) any records which by Law WPAHS is required to retain in its possession, provided that the Joint Venture may, to the extent permitted by Law, obtain copies of such records; (f) rights to settlements, Accounts Receivable, and retroactive adjustments, if any, that relate to the operations of the Laboratory Facilities for open cost reporting periods ending on or prior to the date of the Joint Venture Closing; (g) the Excluded Contracts (as referenced in Section 7.7); (h) rights to refunds of Taxes that relate to the operations of the Laboratory Facilities for periods ending on or prior to the date of the Joint Venture Closing; (i) all bank accounts of WPAHS; and (j) all those Medicare, Medicaid, TRICARE and other governmental and third party payor agreements and provider numbers and related national provider identifiers of WPAHS, except those that are specifically listed on Schedule 2.1(k).

2.3 Assumed Liabilities.

At the Joint Venture Closing, the Parties agree that the Joint Venture will assume the future payment and performance of the following liabilities of WPAHS: (a) other than Excluded Liabilities, all obligations and liabilities in connection with the Assumed Contracts to the extent that the Laboratory Facilities directly benefit therefrom and only for the period at and after the Effective Time; (b) all unpaid Taxes, if any, that are attributable to the Laboratory Facility Assets and operations of the Laboratory Facilities for any taxable period or portion thereof beginning after the Joint Venture Closing; (c) all Vacation Liabilities, but only to the extent that the value thereof is reimbursed to the Joint Venture by WPAHS at the Joint Venture Closing; and (d) all utilities being furnished to the Laboratory Facilities after the Joint Venture Closing.

2.4 Excluded Liabilities.

The Parties agree that the Joint Venture shall not pay or assume, and none of the Laboratory Facility Assets shall be or become liable for or subject to, any liability of WPAHS prior to the Joint Venture Closing, including the following, whether accrued, absolute, fixed, contingent, liquidated, unliquidated, recorded, unrecorded, known, unknown or otherwise: (a) any obligation or liability accruing, arising out of, or relating to acts or omissions prior to the Joint Venture Closing, including any acts or omissions in connection with (i) any contracts, leases or other commitments of any kind or nature to which WPAHS or any Laboratory Facility Assets is obligated, (ii) the ownership, operation or management of the Laboratory Facility Assets, or (iii) Medicare, Medicaid, CHAMPUS/TRICARE or other government or third party payor program, including any recapture, recoupment or setoff of previously paid or reimbursed expenses; (b) any obligation or liability accruing, arising out of, or relating to any facility or assets other than the Laboratory Facility Assets; (c) any obligation or liability for Taxes for periods or portions thereof prior to the Joint Venture Closing, whether or not accrued, assessed or currently due and payable, (i) of WPAHS or (ii) relating to the Laboratory Facility Assets for any taxable period (or portion thereof); (d) any liability or obligation for severance with respect to any employees of WPAHS who do not become employees of the Joint Venture, and any obligation or liability for claims by or on behalf of any employees of WPAHS relating to periods prior to the Joint Venture Closing (other than any Vacation Liabilities in accordance with this

Section 2.4), including liability for any pension, profit sharing, deferred compensation, severance, paid time off, or any other employee health and welfare benefit plans, liability for any EEOC claim, wage and hour claim, unemployment compensation claim or workers' compensation claim, and liability for all employee wages and benefits, including accrued vacation (other than the Vacation Liabilities in accordance with this Section 2.4), sick leave and holiday pay and taxes or other liability related thereto in respect of all such employees whether provided under a Plan or otherwise; (e) any obligation or liability accruing, arising out of, or relating to any federal, state or local investigations of, or claims or actions against WPAHS, its employees, medical staff, agents, vendors or representatives, except to the extent such investigations, claims or actions relate to any time period following the Joint Venture Closing; (f) any civil or criminal obligation or liability accruing, arising out of, or relating to any acts or omissions of WPAHS, its directors, officers, employees and agents claimed to violate any Laws; (g) all payment obligations for periods prior to the Joint Venture Closing of WPAHS, including in connection with deposits, claims for refunds, assessments, settlements, additional payments and rights of offset in respect thereof, regardless of the date of any notice, invoice or other correspondence related thereto; (h) any liabilities or obligations of WPAHS or other Person relating to or arising from any Environmental Condition relating to any of the Laboratory Facility Assets occurring or in existence prior to the Joint Venture Closing or any noncompliance by WPAHS with any Environmental Law; (i) any liabilities or obligations pertaining to the period prior to the Joint Venture Closing relating to claims, actions, suits, audits, information requests, proceedings, subpoenas or production requests or investigations brought or made by third parties with respect to compliance with the requirements of the Americans with Disabilities Act, as amended, and Section 504 of the Rehabilitation Act of 1973, including all costs to modify, alter or reconstruct any portion of the Laboratory Facility Assets as a result of any of the foregoing; and (j) except for the Assumed Liabilities, any other liability, whether accrued, absolute, fixed, contingent, liquidated, unliquidated, recorded, unrecorded, known, unknown or otherwise, relating to or arising out of the ownership, operation or use of any of the Laboratory Facility Assets prior to the Joint Venture Closing.

2.5 Special Provision Related to Provider Agreements.

Notwithstanding any other provision of this Agreement, including without limitation Section 2.1(k) and Section 2.2(j), the Parties agree that at any time prior to the Joint Venture Closing, Highmark shall have the right to require that the Joint Venture not assume or receive assignment of any of those Medicare, Medicaid, TRICARE and other governmental and third party provider agreements and provider numbers and related provider identifiers currently used by WPAHS in the operation of the Laboratory Facilities and that are also used in other operations of WPAHS, i.e. that are not exclusive to the operation of the Laboratory Facilities. In the event of any such modification, the Parties agree to revise and amend this Agreement accordingly.

ARTICLE 3 CLOSING

3.1 Closing.

The Joint Venture Closing shall take place at the offices of Buchanan Ingersoll and Rooney PC, located at One Oxford Centre, 301 Grant Street, 20th Floor, Pittsburgh, PA 15219-1410 at 9:00 a.m. local time not later than five (5) business days after the conditions precedent described in Section 6.1 and Section 6.2 of this Agreement have been satisfied or waived or on such other date and/or at such other location as the Parties hereto may mutually agree in writing. The Parties will endeavor to have the Joint Venture Closing occur at the end of a calendar month for ease of transition. The Joint Venture Closing shall be effective for accounting purposes as of 12:01 a.m., prevailing Eastern Time on the calendar day immediately following the date of the Joint Venture Closing (the "Effective Time").

3.2 Actions of WPAHS at the Closing.

At the Joint Venture Closing and unless otherwise waived in writing by Highmark, WPAHS shall deliver to Highmark and the Joint Venture the following documents, duly executed by WPAHS, as appropriate:

(a) Subject only to the Permitted Encumbrances, assignments, fully executed by WPAHS in recordable form assigning to the Joint Venture leasehold or subleasehold title, as applicable, to any Leased Real Property used in the operation of the Laboratory Facilities, together with any consents to assignment, estoppel certificates, subordination, non-disturbance and attornment agreements or similar documents pertaining to the Real Property obtained by WPAHS prior to the Joint Venture Closing;

(b) A General Bill of Sale in the form of Exhibit B attached (the "Bill of Sale"), duly executed by WPAHS and conveying to the Joint Venture valid title to all tangible and intangible assets that are a part of the Laboratory Facility Assets, free and clear of all Encumbrances other than the Assumed Liabilities;

(c) An Assignment and Assumption Agreement in the form of Exhibit C attached (the "Assignment and Assumption Agreement"), duly executed by WPAHS, and conveying to the Joint Venture the complete rights, title and interests of WPAHS in the Assumed Contracts, together with any consents to assignment, estoppel certificates or similar documents obtained by WPAHS with respect to all Assumed Contracts;

(d) Copies of resolutions duly adopted by the Board of Directors and members, as applicable, of WPAHS authorizing and approving WPAHS's performance of the transactions contemplated by this Agreement and the execution and delivery of this Agreement and the documents described herein, certified as true and in full force and effect as of the date of the Joint Venture Closing, by the appropriate officers of WPAHS;

(e) A certificate of WPAHS, certifying that the conditions set forth in Section 6.1 have been satisfied;

(f) Certificates of incumbency for the respective officers of WPAHS executing this Agreement or any other document contemplated herein dated as of the date of the Joint Venture Closing;

(g) Certificates of existence and good standing of WPAHS, certified by the Secretary of State of each entity's state of incorporation or organization as of the most recent practicable date prior to the date of the Joint Venture Closing;

(h) Copies of the Articles of Incorporation (or other comparable organizing document) and all amendments thereto of WPAHS, duly certified by the Secretary of State of each entity's state of incorporation or organization as of the most recent practicable date prior to the date of the Joint Venture Closing;

(i) A non-foreign affidavit of WPAHS, dated as of the date of the Joint Venture Closing, sworn under penalty of perjury and in form and substance required under the Treasury Regulations issued pursuant to Section 1445 of the Code stating that each WPAHS is not a "foreign person" as defined in Section 1445 of the Code;

(j) If elected by Highmark or the Joint Venture pursuant to Section 7.9, a Transition Services Agreement which shall be agreed upon between the Parties prior to the Joint Venture Closing to cover transition services, including information services, for a limited period after the date of the Joint Venture Closing (the "Transition Services Agreement");

(k) If elected by Highmark or the Joint Venture pursuant to Section 5.1(g), a Temporary Employee Services Agreement ("Employee Services Agreement") pursuant to which WPAHS shall provide to the Joint Venture the services of certain employees on a temporary basis, and which terms and conditions shall be agreed upon by the Parties prior to the Joint Venture Closing;

(l) With respect to the Real Property and Personal Property being transferred to the Joint Venture pursuant to this Agreement, a recent UCC lien search showing no liens on any fixtures attached to any such Real Property or liens on Personal Property, except for Permitted Encumbrances, liens which shall be released at or prior to the Joint Venture Closing and liens that the Joint Venture may specifically elect in writing to assume regarding Personal Property;

(m) Consents and waivers from third parties in form and substance reasonably satisfactory to Highmark from those parties from whom, in the reasonable opinion of Highmark, such consents and waivers are required in order to give effect to the transactions contemplated by this Agreement;

(n) The Service Agreements that will set forth the terms associated with the laboratory services to be made available by the Joint Venture to WPAHS after the Joint Venture Closing; and

(o) The Highmark Service Agreement that will set forth the terms associated with the relationship between Highmark and its Affiliates with the Joint Venture after the Joint Venture Closing.

3.3 Actions of Highmark at the Closing.

At or before the Closing and unless otherwise waived in writing by WPAHS, Highmark shall deliver to WPAHS and the Joint Venture the following documents, duly executed by Highmark, as appropriate:

(a) Copies of resolutions duly adopted by the Board of Directors of Highmark authorizing and approving Highmark's performance of the transactions contemplated by this Agreement and the execution and delivery of this Agreement and the documents described herein, certified as true and in full force and effect as of the date of the Joint Venture Closing by appropriate officers of Highmark;

(b) A certificate of Highmark certifying that the conditions set forth in Section 6.2 have been satisfied;

(c) Certificates of incumbency for the respective officers of Highmark executing this Agreement or any other document contemplated herein dated as the date of the Joint Venture Closing;

(d) A certificate of existence and good standing of Highmark, certified by the Secretary of State of the Commonwealth of Pennsylvania and dated the most practicable date prior to the date of the Joint Venture Closing; and

(e) Copies of the Articles of Incorporation (or other comparable organizing document) and all amendments thereto of Highmark, duly certified by the Secretary of State of the Commonwealth of Pennsylvania as of the most recent practicable date prior to the date of the Joint Venture Closing.

3.4 Actions of the Joint Venture at the Closing.

At the Joint Venture Closing and unless otherwise waived in writing by WPAHS and Highmark, the Joint Venture shall deliver to WPAHS and Highmark the following documents, duly executed by the Joint Venture, as appropriate:

(a) The (i) Bill of Sale, (ii) the Assignment and Assumption Agreement, (iii) the Service Agreements, (iv) the Highmark Service Agreement, and if elected by Highmark or the Joint Venture, (v) the Transition Services Agreement and (vi) the Employee Services Agreement;

(b) Copies of resolutions duly adopted by the Board of Directors and members, as applicable, of the Joint Venture, authorizing and approving such Joint Venture's performance of the transactions contemplated by this Agreement and the execution and delivery of this Agreement and the documents described herein, certified as true and in full force and effect as of the date of the Joint Venture Closing by appropriate officers of the Joint Venture.

(c) Certificates of incumbency for the respective officers of the Joint Venture executing this Agreement or any other document contemplated herein dated as of the date of the Joint Venture Closing;

(d) A certificate of existence and good standing of the Joint Venture, certified by the Secretary of State of the Commonwealth of Pennsylvania and dated the most practicable date prior to the date of the Joint Venture Closing;

(e) Copies of the Articles of Incorporation (or other comparable organizing document) and all amendments thereto of the Joint Venture, duly certified by the Secretary of State of the Commonwealth of Pennsylvania as of the most recent practicable date prior to the date of the Joint Venture Closing;

(f) Evidence that the Joint Venture has established retirement, health and welfare plans for the Employees, except to the extent provided under the Transition Services Agreement; and

(g) Such other instruments and documents as Highmark and WPAHS mutually deem reasonably necessary to complete the Transaction.

3.5 Further Assurances.

On and after the Joint Venture Closing, the Parties agree that they will take all appropriate action and execute all documents, instruments and conveyances of any kind that may be reasonably necessary or appropriate to fully carry out all of the provisions of this Agreement. After the Joint Venture Closing, WPAHS will furnish the Joint Venture with such information and documents in their possession or control as will enable the Joint Venture to prosecute any and all petitions, applications, claims and demands relating to or constituting a part of the Laboratory Facility Assets.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF THE PARTIES

4.1 Representations and Warranties of WPAHS.

As of the date hereof and, in the event that Highmark exercises the Option, as of the Effective Time, the representations and warranties of WPAHS in Article 4 of the Affiliation Agreement (as limited by Section 8.1(b) of such Affiliation Agreement) shall extend to and apply to the transactions contemplated by this Agreement, with necessary conforming changes including the following: all references to the Business shall mean the ownership and operation of the Laboratory Facilities, and all references to the WPAHS Assets shall mean the Laboratory Facility Assets. Such representations and warranties shall be deemed to have been restated by WPAHS as of the Effective Time, as if fully set forth herein and be incorporated herein by reference regardless of whether the Affiliation Agreement is in effect or has been terminated, or whether the Closing thereunder shall have occurred. In the event that the Joint Venture Closing occurs on a date other than the Closing under the Affiliation Agreement, WPAHS will update the Schedules under the Affiliation Agreement to the extent applicable to the Laboratory Facility Assets and transactions contemplated by this Agreement through the Joint Venture Closing, such updates to be provided to Highmark not later than five (5) days prior to the Joint Venture Closing, be subject to the review of Highmark, and be effective as of the Effective Time.

4.2 Representations and Warranties of Highmark.

As of the date hereof and, in the event that Highmark exercises the Option, as of the Effective Time, the representations and warranties of Highmark made in Article 5 of the Affiliation Agreement shall extend to and be deemed to apply to the transactions contemplated by this Agreement with the necessary conforming changes. Such representations and warranties shall be deemed to have been restated by Highmark as of the Effective Time, as if fully set forth herein and be incorporated herein by reference regardless of whether the Affiliation Agreement is in effect or has been terminated, or whether the Closing thereunder shall have occurred.

ARTICLE 5 EMPLOYEES

5.1 Employees.

(a) Within fifteen (15) business days of Highmark's exercise of the Option, WPAHS shall provide Highmark with a list of all WPAHS employees employed at the Laboratory Facilities as of the date thereof (the "Laboratory Employees"), the specific Laboratory Facility site at which they are employed, their job title (or other reference to their job responsibilities), and current pay rate as of the date thereof. Not later than sixty (60) days prior to the Joint Venture Closing, the Joint Venture shall provide the WPAHS Parties with a list of all Laboratory Employees to whom the Joint Venture will offer employment in accordance with this Section 5.1(a) (the "Offerees"). Not later than fifteen (15) days prior to the Joint Venture Closing the Joint Venture shall offer employment to all Offerees, effective as of the Joint Venture Closing, with terms and conditions of employment that comply with this Section 5.1(a); provided, however, the Joint Venture reserves the right not to hire individual Laboratory Employees; provided, further, that if at the time of the Joint Venture Closing the Joint Venture elects to hire Laboratory Employees who are not active employees (i.e., on leaves of absence), WPAHS, at its election shall either (i) maintain for the benefit of such employees any existing benefits and/or salary continuation program so long as any of such employees remains on leave of absence or (ii) WPAHS shall pay to the Joint Venture at the Joint Venture Closing the mutually agreed upon estimated aggregate amount of such salary continuation and/or other benefits for all such employees and the Joint Venture shall hire such Laboratory Employees, and continue to provide such salary continuation and/or other benefits for the duration of the leave of absence; provided that the Joint Venture shall be required to repay to the WPAHS Parties any amounts paid by the WPAHS Parties under this Section 5.1(a)(ii) which are not distributed to Employees (as defined below) in the form of salary continuation or other benefits. Effective as of the Joint Venture Closing, the WPAHS Parties shall terminate all active Employees and any inactive Employees who will be hired by the Joint Venture as of the Joint Venture Closing pursuant to Section 5.1(a)(ii). The initial terms and conditions of employment for all Employees will include offering positions to such employees at their existing base wage and salary levels. The benefits offered to such employees will be determined by the Joint Venture; provided, however that such benefits shall be substantially comparable in the aggregate to those provided to the Laboratory Employees by the WPAHS Parties immediately prior to the Joint Venture Closing, and provided further, that the Joint Venture hereby agrees to assume all liabilities and responsibilities under Section 4980B of the Code with respect to all Employees.

(b) The term "Employees" as used in this Agreement means Laboratory Employees of WPAHS who accept employment with the Joint Venture upon the Joint Venture

Closing or, in the case of any Employee who is not an active employee, upon return to active employment. All Employees will be retained as employees-at-will, unless the Joint Venture determines otherwise. With respect to employee benefits, to the extent permitted by applicable law, the Joint Venture will honor the Employees' prior service credit under the WPAHS Parties' welfare plans covering Employees for purposes of eligibility and satisfying pre-existing condition limitations in the Joint Venture's welfare benefit plans. The Joint Venture will honor prior service with the WPAHS Parties for purposes of eligibility and vesting in the Joint Venture's retirement benefit plans and other service-based plans such as paid time off and severance plans and policies, but shall not otherwise accrue benefits or make contributions to such plans with respect to prior service. The Joint Venture will carry over from the applicable WPAHS Party, and give credit to the relevant Employees for, any unused paid time off days of the Employees based on the valid records of WPAHS as of the Closing, but only to the extent that the value of such time is reimbursed to the Joint Venture by WPAHS at the Joint Venture Closing. Any liabilities accruing from, arising out of, or relating to any paid time off days that are carried over from WPAHS to the Joint Venture pursuant to the immediately preceding sentence are referred to herein as "Vacation Liabilities".

(c) To the extent the Worker Adjustment Retraining Notification Act of 1988 or any comparable legal requirement (together, the "WARN Act") applies, the Joint Venture will employ a sufficient number of Employees at each Laboratory Facility for at least a 90-day period following the Joint Venture Closing so as not to constitute a "plant closing" or "mass layoff" (as those terms are used in the WARN Act) with respect to any Laboratory Facility. In addition, the Joint Venture will provide each Employee with terms and conditions of employment sufficient to avoid any WPAHS Party incurring severance or other termination obligations or liability under the WARN Act at any time on or after the Joint Venture Closing.

(d) With respect to any current or former Laboratory Employee of WPAHS (other than the Employees) and any eligible spouse or dependent thereof, WPAHS shall retain any obligation for providing notices and continuation coverage under COBRA, the Public Health Service Act and similar state Laws, as applicable. WPAHS shall offer such current or former Laboratory Employees (other than Employees) and any eligible spouse or dependant thereof continuation coverage under the applicable WPAHS Parties' group health, dental or other medical plans to the fullest extent required by COBRA, the Public Health Service Act and similar state Laws, as applicable.

(e) Effective upon the Joint Venture Closing, WPAHS will, at its expense or at the expense of the applicable Plan, (i) terminate all Plans, if any, relating solely to Employees at any Laboratory Facility, (ii) terminate the participation of all Employees employed at any Laboratory Facility in all other Plans, (iii) cause all Employees to be one hundred percent (100%) vested in their accrued benefits under each retirement Plan, (iv) take such actions as are necessary to make, or cause such Plans to make, timely appropriate distributions to such employees to the extent required, and in accordance with, such Plans and applicable Law, and (v) comply with all applicable Laws in connection with the foregoing.

(f) Notwithstanding any provision of this Agreement, no provision of this Agreement shall be deemed to (i) create any contract with any Employee, (ii) give any Employee the right to be retained in the employment of the Joint Venture or (iii) interfere with the Joint

Venture's right to terminate employment of any Employee at any time. Nothing in this Agreement shall diminish the right of WPAHS or the Joint Venture after the date of the Joint Venture Closing to change, amend or terminate their policies regarding salaries, benefits and other employment matters or to change, amend or terminate the terms of any employee benefit plans at any time or from time to time. The representations, warranties, covenants and agreements contained herein are for the sole benefit of the Parties hereto, and Employees are not intended to be and shall not be construed as third party beneficiaries hereof.

(g) At the option of Highmark or the Joint Venture, the Joint Venture and WPAHS shall enter into the Employee Services Agreement as of the Joint Venture Closing. The Joint Venture shall have the right not to lease any particular Laboratory Employee for any reason whatsoever. In the event that the Joint Venture and WPAHS enter into the Employee Services Agreement, the provisions of Sections 5.1(a), 5.1(b), 5.1(c), and 5.1(d), hereof shall be automatically amended without any additional action on the part of the Parties to change the phrases "Joint Venture Closing" and "date of the Joint Venture Closing" to "the expiration or termination date of the Employee Services Agreement".

ARTICLE 6 CONDITIONS PRECEDENT TO JOINT VENTURE CLOSING

6.1 Conditions Precedent to Obligations of Highmark.

Provided that Highmark exercises the Option, the obligations of Highmark hereunder shall be subject to the satisfaction, on or prior to the date of the Joint Venture Closing, of the following conditions unless waived in writing by Highmark:

(a) The representations and warranties of WPAHS pursuant to Section 4.1 shall be true and correct in all material respects as of the Effective Time;

(b) WPAHS shall have performed and complied, in all material respects, with all agreements, obligations and covenants contained in this Agreement that are required to be performed or complied with by WPAHS;

(c) Highmark shall have obtained documentation or other evidence satisfactory to Highmark that the Joint Venture, Highmark and WPAHS have received all required Approvals and Permits from all Governmental Authorities whose approval is required to consummate the transactions contemplated by this Agreement and to operate the Laboratory Facilities immediately thereafter in substantially the same manner as operated prior to the Joint Venture Closing;

(d) No court or any other Governmental Authority shall have issued an Order restraining or prohibiting the transactions contemplated by this Agreement (unless, if temporary, such Order has been lifted, reversed or is otherwise not in effect); no Governmental Authority shall have commenced or threatened in writing to commence any Proceeding before any court of competent jurisdiction or other Governmental Authority that seeks to restrain or prohibit the consummation of the transactions contemplated by this Agreement; or otherwise seeks a remedy which would materially and adversely affect the operation of the Laboratory Facilities;

(e) The Joint Venture shall have been formed in accordance with Section 1.4 of this Agreement and the Joint Venture and WPAHS shall have executed and delivered to Highmark all of the items required to be delivered by the Joint Venture and WPAHS under this Agreement;

(f) The Joint Venture shall have complied with the requirements of Section 3.4(f) of this Agreement;

(g) WPAHS shall have delivered to Highmark at least five (5) days prior to the date of the Joint Venture Closing consents to the assignment of the Assumed Contracts identified as requiring consent as a result of the transactions contemplated by this Agreement in form and substance reasonably acceptable to Highmark;

(h) WPAHS shall have delivered evidence reasonably satisfactory to Highmark that the Laboratory Facility Assets to be delivered to the Joint Venture at the Joint Venture Closing are free and clear of all Encumbrances, except for Permitted Encumbrances; and

(i) WPAHS shall have obtained the Tail Insurance described in Section 7.8 and delivered certificates evidencing the same to Highmark.

6.2 Conditions Precedent to Obligations of WPAHS.

Provided that Highmark exercises the Option, the obligations of WPAHS hereunder shall be subject to the satisfaction, on or prior to the date of the Joint Venture Closing, of the following conditions unless waived in writing by WPAHS:

(a) The representations and warranties of Highmark pursuant to Section 4.2 shall be true and correct in all material respects as of the Effective Time;

(b) Highmark shall have performed and complied, in all material respects, with all agreements, obligations and covenants contained in this Agreement that are required to be performed or complied with by Highmark;

(c) WPAHS shall have obtained documentation or other evidence satisfactory to WPAHS that the Joint Venture, Highmark and WPAHS have received all required Approvals and Permits from all Governmental Authorities whose approval is required to consummate the transactions contemplated by this Agreement and to operate the Laboratory Facilities immediately thereafter in substantially the same manner as operated prior to the Joint Venture Closing;

(d) No court or any other Governmental Authority shall have issued an Order restraining or prohibiting the transactions contemplated by this Agreement (unless, if temporary, such Order has been lifted, reversed or is otherwise not in effect); no Governmental Authority shall have commenced or threatened in writing to commence any Proceeding before any court of competent jurisdiction or other Governmental Authority that seeks to restrain or prohibit the consummation of the transactions contemplated by this Agreement or otherwise seeks a remedy which would materially and adversely affect the operation of the Laboratory Facilities;

(e) The Joint Venture shall have been formed in accordance with Section 1.4 of this Agreement and the Joint Venture and Highmark shall have executed and delivered to WPAHS all of the items required to be delivered by the Joint Venture and Highmark under this Agreement; and

(f) The Joint Venture shall have complied with the requirements of Section 3.4(f) of this Agreement.

ARTICLE 7 PRE-CLOSING COVENANTS OF THE PARTIES

7.1 Governmental Approvals.

Upon Highmark's exercise of the Option, the Parties will (i) use their respective best efforts to obtain, as promptly as practicable, all approvals, authorizations and clearances of Governmental Authorities required to consummate the transactions described herein, (ii) provide such other information and communications to Governmental Authorities as the Parties hereto or such authorities may reasonably request, and (iii) cooperate in obtaining, as soon as practicable, all approvals, authorizations and clearances of Governmental Authorities required to consummate the transactions contemplated by this Agreement.

7.2 Access to Information and Premises.

Between the date of this Agreement and the date of the Joint Venture Closing, Highmark and its authorized representatives and agents shall be allowed reasonable access and the right to inspect the properties, contracts, books, and records of WPAHS related to the Laboratory Facilities as part of the due diligence and access to information process outlined in Section 6.1 of the Affiliation Agreement. If the Affiliation Agreement is terminated before this Agreement expires or between the period that Highmark exercises the Option and the Joint Venture Closing, the Parties shall agree upon a due diligence process and access to information rights for Highmark that are consistent with the provisions of Section 6.1 of the Affiliation Agreement. Highmark's rights of access and inspection shall be exercised in such a manner so as not to interfere unreasonably with the operations of the Laboratory Facilities.

7.3 Conduct Pending the Joint Venture Closing.

WPAHS agrees that from the date hereof until the earlier to occur of the Joint Venture Closing, expiration of the Option, or termination of this Agreement, it will maintain the existing operations of the Laboratory Facilities and not cease or materially diminish any of the laboratory services currently being provided.

7.4 Notification of Certain Matters.

(a) From the date hereof to the date of the Joint Venture Closing, WPAHS shall give prompt written notice to Highmark of (i) the occurrence, or failure to occur, of any event that causes any representation or warranty of WPAHS contained in this Agreement to be untrue in any material respect, and (ii) any failure of WPAHS to comply with or satisfy, in any material respect, any covenant, condition or agreement to be complied with or satisfied by it

under this Agreement. Such notice shall provide a reasonably detailed description of the relevant circumstances, based on facts known to WPAHS.

(b) From the date hereof to the date of the Joint Venture Closing, Highmark shall give prompt notice to WPAHS of (i) the occurrence, or failure to occur, of any event that causes any representation or warranty of Highmark contained in this Agreement to be untrue in any material respect, and (ii) any failure of Highmark to comply with or satisfy, in any material respect, any covenant, condition or agreement to be complied with or satisfied by it under this Agreement. Such notice shall provide a reasonably detailed description of the relevant circumstances, based on facts known to Highmark.

7.5 Additional Financial Information.

If the Affiliation Agreement is terminated before this Agreement expires or between the period that Highmark exercises the Option and the Joint Venture Closing, within thirty (30) days following the end of each calendar month prior to the Joint Venture Closing, WPAHS will deliver to Highmark, copies of the unaudited consolidated balance sheets and the related unaudited consolidated income statements relating to the operations of the Laboratory Facilities for each month then ended. Such financial statements shall have been prepared from and in accordance with WPAHS's books and records, shall fairly present the financial position and results of operations of the Laboratory Facilities as of the date and for the period indicated, and shall be prepared in accordance with GAAP, consistently applied, except that such financial statements need not include required footnote disclosures, nor reflect normal year-end adjustments or adjustments that may be required as a result of the transactions contemplated by this Agreement.

7.6 Closing Conditions.

Between the date of Highmark's exercise of the Option and the date of the Joint Venture Closing, WPAHS and Highmark will use their respective best efforts to cause the conditions specified in Section 6.1 and Section 6.2 hereof over which WPAHS or Highmark have control, including without limitation the receipt of all required Approvals and Permits from all Governmental Authorities whose approval is required to consummate the transactions contemplated by this Agreement, to be satisfied as soon as reasonably practicable, but in all events on or before the date of the Joint Venture Closing.

7.7 Assumed Contracts; Consents to Assignment; Assignment of Omitted Contracts.

(a) Within fifteen (15) business days of Highmark's exercise of the Option, the Parties shall mutually determine and agree on those Contracts to which any of WPAHS are parties and relative to which the Laboratory Facilities receive direct benefits (the "Assumed Contracts"). All other Contracts to which any of WPAHS is a party (the "Excluded Contracts") shall not be Assumed Contracts and the Joint Venture will not assume any responsibility or obligation therefor. To the extent that operations of WPAHS other than the Laboratory Facilities, benefit from any of the Assumed Contracts (the "Multi-Facility Contracts"), the Parties agree that (i) WPAHS will remain responsible for and obligated under all Multi-Facility Contracts (and that the responsibilities and obligations of WPAHS in such regard shall be

included among the Excluded Contracts) except to the extent that such Multi-Facility Contracts confer direct benefits on the Laboratory Facilities and (ii) the Joint Venture will be responsible for and obligated under the Multi-Facility Contracts only to the extent that the Multi-Facility Contracts confer direct benefits on the Laboratory Facilities (and that the responsibilities and obligations of the Joint Venture in such regard shall be included among the Assumed Contracts).

(b) WPAHS are responsible for obtaining, and shall use its commercially reasonable efforts to obtain prior to the Closing, any and all consents to assign any Assumed Contract necessary or desirable in connection with the transactions contemplated by this Agreement. Each Party shall cooperate with the other as reasonably requested to obtain any such consents.

(c) Anything contained herein to the contrary notwithstanding, this Agreement shall not constitute an agreement to assign any Assumed Contract if an attempted assignment thereof without the consent of another party thereto would constitute a breach thereof or in any material way affect the rights of the Joint Venture following the Closing, unless such consent is obtained. If such consent is not obtained, or if an attempted assignment would be ineffective or would materially affect the rights of the Joint Venture following the Closing so that the Joint Venture would not in fact receive all such rights, WPAHS shall upon the request of the Joint Venture cooperate in any reasonable arrangement designed to provide for the Joint Venture the benefits under any such Assumed Contract, including enforcement of any and all rights of WPAHS against the other party or parties thereto arising out of the breach or cancellation by such other party or otherwise. To the extent the Joint Venture cannot receive the benefit of an Assumed Contract due to either the failure or inability to obtain the necessary consent from the counterparty to such Assumed Contract, or WPAHS's inability to provide for the Joint Venture the benefits under such Assumed Contract, then, at the Joint Venture's option, such Contract shall be deemed an Excluded Contract, and all liabilities with respect to such Contract shall be Excluded Liabilities.

(d) If a Party discovers at any time that any Contract from which the Laboratory Facilities receive direct benefits and that existed as of the date of the Joint Venture Closing was not designated as an Assumed Contract or Excluded Contract, the Joint Venture may, in its sole discretion, elect to treat such Contract as an Assumed Contract or an Excluded Contract. To the extent any such Contract that the Joint Venture elects to assume has not been assigned to the Joint Venture as of the Joint Venture Closing, WPAHS agree to cause such Contract to be assigned to the Joint Venture promptly upon demand by the Joint Venture.

(e) Anything contained herein to the contrary notwithstanding, this Agreement constitutes only an agreement to assign the rights and obligations under the Assumed Contracts that relate to the operations of the Laboratory Facilities, and shall not constitute an agreement to assign (nor any agreement to assume) any portion of an Assumed Contract that would restrict the Joint Venture's actions, options, or other contracting with respect to any entity, facility, business or operations other than the Laboratory Facilities. If a Contract that would otherwise have been an Assumed Contract contains such a restriction or would if assumed, by its terms, apply to the Joint Venture's Affiliates (determined as of the date of the Effective Time), WPAHS shall, upon the request of the Joint Venture, cooperate in any reasonable arrangement

designed to provide for the Joint Venture the benefits under any such Contract without the application of such restrictions or limitations.

7.8 Tail Insurance.

WPAHS will, at no cost to the Joint Venture, obtain an extended reporting period policy for claims associated with the Laboratory Facilities under healthcare professional liability insurance coverage for third party bodily injury claims that arise from medical incidents occurring up to the date of the Joint Venture Closing where a claim is first made after the date of the Joint Venture Closing. WPAHS will maintain, at no cost to the Joint Venture, general liability insurance coverage for third party bodily injury or property damage claims associated with the Laboratory Facilities arising from events occurring up to the date of the Joint Venture Closing (together with the insurance coverage described in the preceding sentence, "Tail Insurance"). WPAHS shall deliver to the Joint Venture evidence of the Tail Coverage at least ten (10) days prior to the Joint Venture Closing.

7.9 Transition Services Agreement.

At the option of Highmark or the Joint Venture, the Joint Venture and WPAHS Parties shall enter into the Transition Services Agreement as of the Joint Venture Closing. The Transition Services Agreement will require that WPAHS shall provide to the Joint Venture such services and access to systems, as reasonably required on a transition basis, relative to information systems, billings and collections and materials management with respect to the Laboratory Facilities similar to those utilized by the Laboratory Facilities prior to the Joint Venture Closing. The term of the Transition Services Agreement shall be as agreed by the Parties and the Joint Venture will reimburse WPAHS for its direct costs associated with providing such services and access to systems, plus a fair market value administrative fee to be agreed upon by the Parties.

**ARTICLE 8
POST-CLOSING COVENANTS OF THE PARTIES**

8.1 Payments for Laboratory Facility Services.

WPAHS shall be entitled to all payments, fees and other reimbursement received on account of laboratory and other services and provision of drugs and supplies, and other operations at or by the Laboratory Facilities prior to the Effective Time. The Joint Venture shall be entitled to all payments, fees and other reimbursement received on account of laboratory and other services and provision of drugs and supplies and other operations at or by the Laboratory Facilities after the Effective Time.

8.2 Misdirected Payments.

If any Party receives any amount from third-party payors, group purchasing organizations, suppliers, patients or any other source, which, under the terms of this Agreement, belongs to another Party, the Party receiving such amount shall remit within ten (10) business days said full amount to the other Party.

8.3 Cost Reports.

WPAHS shall retain all rights to agency settlements for cost reports that relate to periods prior to the Effective Time and to any amounts receivable or payable in respect of such cost reports relating to such period.

8.4 Post-Closing Access to Information.

WPAHS acknowledge that, subsequent to the Joint Venture Closing, the Joint Venture and WPAHS will need access to information, documents or computer data in the control or possession of the other, and WPAHS may need access to the Laboratory Facility Assets and Employees for purposes that relate to the operation of the Laboratory Facilities prior to the Joint Venture Closing, including concluding the transactions contemplated by this Agreement and for audits, cost report preparation, investigations, compliance with governmental requirements, regulations and requests, and the prosecution or defense of third party claims. Accordingly, the Joint Venture agrees that for the foregoing purposes, at the sole cost and expense of WPAHS, it will make available to WPAHS and its agents, attorneys, independent auditors (i) such documents and information as may be available relating to the Laboratory Facility Assets in respect of periods prior to the Joint Venture Closing and will permit WPAHS to make copies of such documents and information and (ii) such reasonable access to the Employees as WPAHS Parties may require, provided that such access shall not unreasonably interfere with the Joint Venture's operations and shall be coordinated through appropriate management personnel of the Joint Venture. WPAHS agree that, at the sole cost and expense of the Joint Venture, WPAHS will make available to the Joint Venture and its agents, attorneys, independent auditors such documents and information as may be in the possession of WPAHS relating to the Laboratory Facility Assets relating to periods prior to the Joint Venture Closing and will permit the Joint Venture to make copies of such documents and information.

8.5 Management Agreement.

After the Effective Time, the Joint Venture will evaluate the operations of the Laboratory Facilities and determine if entering into a management agreement with regard thereto is in the best interest of the Joint Venture. Any deadlock with regard to such decision shall be resolved in accord with the Joint Venture Documents.

ARTICLE 9 TERMINATION

9.1 Termination by Highmark.

Highmark may terminate this Agreement and abandon the transactions contemplated by this Agreement at any time prior to the expiration of the Term by written notice given to WPAHS, which shall be binding on WPAHS. This Agreement may also terminate in the event of a Highmark Material Default that continues unremedied in accord with the provisions of Section 2.5(j) of the Affiliation Agreement.

9.2 Effect of Termination.

In the event that this Agreement is terminated pursuant to Section 9.1, all further obligations of the Parties under this Agreement shall terminate without further liability of either Party to the other; provided, however, the obligations of the Parties contained in this Section 9.2, Sections 10.1-10.3, Article 11, and Article 12 shall survive such termination. A termination of this Agreement under Section 9.1 shall not relieve a Party of any liability for a breach of, or for any misrepresentation under, this Agreement, or be deemed to constitute a waiver of any available remedy (including specific performance, if available) for any such breach or misrepresentation.

ARTICLE 10 ADDITIONAL AGREEMENTS

10.1 Exclusivity.

During the period from the date of this Agreement to the earliest of (i) the date of the Joint Venture Closing or (ii) the date on which this Agreement is terminated or (iii) the date on which the Affiliation Agreement is terminated, WPAHS agrees that it shall not, directly or indirectly, through any officer, director, employee, agent, or otherwise (including, without limitation, through any advisor, consultant, placement agent, broker, investment banker, attorney, or accountant retained by any WPAHS Party) solicit, initiate, or encourage the submission of or entertain any proposal or offer from any person or entity (including any of such person's or entity's officers, directors, employees, agents, or other representatives), related to any sale or other transfer of all or any part of the Laboratory Facility Assets or rights of possession relating thereto, or any arrangement with WPAHS similar to any arrangement contemplated by this Agreement, any transaction in which any of WPAHS grants to a Person in whatever manner the power to control the management of any of the Laboratory Facilities or the operations of a significant portion of the Laboratory Facility Assets (collectively, an "Acquisition Proposal"), or participate in any discussions or negotiations regarding, or furnishing to any other person or entity any information with respect to, or otherwise cooperating in any way with, or assisting or participating in, facilitating, furthering or encouraging any effort or attempt by any other person or entity to do or seek to do any of the foregoing without the prior written consent of Highmark, which consent may be withheld or delayed by Highmark in its sole and absolute discretion. WPAHS further agree to immediately cease and cause to be terminated any and all contacts, discussions and/or negotiations with third parties regarding any Acquisition Proposal. WPAHS shall promptly notify Highmark if any such Acquisition Proposal, or any inquiry or contact with any Person with respect thereto, is made or received by WPAHS. This Section 10.1 shall not be interpreted as limiting the scope or effect of Section 11.1 of the Affiliation Agreement.

10.2 Confidentiality.

No Party will make any public disclosure or issue any press releases pertaining to the existence of this Agreement or the transactions contemplated hereby between the Parties without having first obtained the written consent of the other Party, except for communications with governmental or regulatory agencies as may be legally required, necessary or appropriate solely with respect to the transactions contemplated by this Agreement, and which are not inconsistent with the prompt consummation of a transactions contemplated by this Agreement. All public

communications regarding the transactions contemplated by this Agreement will be made only in accordance with a mutually agreed upon communication plan.

10.3 Specific Performance.

The Parties agree that irreparable damage will occur in the event that any of the provisions of this Agreement are not performed in accordance with their specific terms or are otherwise breached. Accordingly, each Party agrees that, in the event of any breach or threatened breach by any other Party of any covenant or obligation contained in this Agreement, the non-breaching Party shall be entitled (in addition to any other equitable remedy that may be available) to seek and obtain, without proof of actual damages, (i) a decree or other order of specific performance to enforce the observance and performance of such covenant or obligation, and (ii) an injunction restraining such breach or threatened breach.

10.4 Non-Competition and Most Favored Nation Provisions.

As part of the Joint Venture Documents or other agreements among the appropriate Parties or their Affiliates, the Parties may agree (i) to non-competition provisions that are mutually applicable to the Parties (and which may extend to the Ultimate Parent Entity, Provider Subsidiary and other Affiliates) and (ii) "most favored nation" provisions in connection with laboratory services provided to WPAHS, WPAHS Parties and WPAHS Affiliates.

ARTICLE 11 INDEMNIFICATION

11.1 Indemnification by WPAHS.

(a) From and after the date of the Joint Venture Closing, WPAHS shall indemnify and hold harmless the Joint Venture and Highmark and their respective officers, directors, agents, employees and other representatives (collectively, "Joint Venture Indemnified Parties") from and against any and all Indemnifiable Losses that such Joint Venture Indemnified Party incurs as a result of, or arising from, (i) any of the Excluded Liabilities, (ii) any liability resulting from the Joint Venture's assumption of an Assumed Contract for which consent has not been obtained as of the Effective Time, (iii) any Proceedings, Orders, matters referenced in compliance reports pertaining to WPAHS, information requests, subpoenas or production requests, settlement agreements pending as of the Effective Time, and (iv) any fraud, willful misconduct or criminal acts prior to the Joint Venture Closing of WPAHS or its officers, directors, or employees related exclusively to the operation of the Laboratory Facilities.

(b) The Joint Venture Indemnified Parties' right to indemnification, payment of damages or other remedy pursuant to this Agreement, or relating to the exclusion of liabilities from the transactions contemplated by this Agreement, will not be limited or affected by any investigation conducted with respect to, or any knowledge acquired as the result of the Joint Venture's or Highmark's investigation of WPAHS, whether before or after the execution and delivery of this Agreement or the date of the Joint Venture Closing.

11.2 Indemnification by the Joint Venture.

(a) From and after the date of the Joint Venture Closing, the Joint Venture shall indemnify and hold harmless WPAHS, and their respective officers, directors, agents, employees and other representatives (collectively, "WPAHS Indemnified Parties") from and against any and all Indemnifiable Losses that such WPAHS Indemnified Party incurs as a result of, or with respect to (i) the payment and performance of any of the Assumed Liabilities, (ii) the use, operation or ownership of any of the Laboratory Facilities after the Effective Time and (iii) any fraud, willful misconduct or criminal acts after the Effective Time of the Joint Venture or its officers, directors or employees, related exclusively to the operations of the Laboratory Facilities.

(b) WPAHS's right to indemnification, payment of damages or other remedy pursuant to this Agreement, or relating to the assumption by the Joint Venture of liabilities in the transactions contemplated by this Agreement, will not be limited or affected by any investigation conducted with respect to, or any knowledge acquired as the result of WPAHS's investigation of the Joint Venture, whether before or after the execution and delivery of this Agreement or the date of the Joint Venture Closing.

11.3 Determination of Losses.

The amount of any Indemnifiable Losses shall be reduced or reimbursed, as the case may be, by any amount received by the Joint Venture Indemnified Parties or WPAHS Indemnified Parties, as applicable, with respect thereto under any insurance coverage or for any other party alleged to be responsible therefor. The Joint Venture Indemnified Parties and WPAHS Indemnified Parties, as applicable, shall use commercially reasonable efforts to collect any amounts available under such insurance coverage and from such other party alleged to have responsibility. If the Joint Venture Indemnified Party or a WPAHS Indemnified Party, as applicable, receives an amount under insurance coverage or from such other party with respect to Indemnifiable Losses at any time subsequent to any indemnification provided by WPAHS pursuant to Section 11.1 or by the Joint Venture pursuant to Section 11.2, then the Joint Venture Indemnified Party or WPAHS Indemnified Party, as applicable, shall promptly reimburse WPAHS or the Joint Venture, as applicable, for any payment made or expense incurred by such Person in connection with providing such indemnification up to such amount received by the Joint Venture Indemnified Party or WPAHS Indemnified Party, as applicable.

11.4 Notice and Control of Litigation.

(a) If a third party asserts a claim or liability ("Third Party Claim") against a Person entitled to indemnification under this Article 11 (the "Indemnified Party") that would give rise to a claim under this Article 11, the Indemnified Party promptly shall provide written notice of the Third Party Claim to the Person providing indemnity hereunder ("Indemnifying Party"); provided, however, that the failure to provide such notice as so indicated shall not affect the Indemnifying Party's obligation to indemnify the Indemnified Party, and the Indemnifying Party shall have no remedy by reason of such failure except to the extent of any actual prejudice resulting from such delay. The Indemnifying Party, at its sole cost and expense, will be entitled to participate in the defense of any Third Party Claim and will have the right to defend the Indemnified Party against the Third Party Claim so long as (i) the Indemnifying Party gives written notice to the Indemnified Party within ten (10) days that it will indemnify the

Indemnified Party from and against the entirety of any and all Losses the Indemnified Party may suffer resulting from, arising out of, relating to, in the nature of, or caused by the Third Party Claim or agrees to use counsel reasonably acceptable to the Indemnified Party in the defense of such Third Party Claim, (ii) the Third Party Claim involves only claims for monetary damages and does not seek an injunction or other equitable relief against the Indemnified Party or the Indemnifying Party agrees to use counsel reasonably acceptable to the Indemnified Party in the defense of such Third Party Claim, (iii) the Indemnified Party has not been advised by counsel that a conflict exists between the Indemnified Party and the Indemnifying Party in connection with the defense of the Third Party Claim, (iv) the Third Party Claim does not relate to or otherwise arise in connection with any criminal or regulatory enforcement action, and (v) the Indemnifying Party conducts the defense of the Third Party Claim actively and diligently. If the Indemnifying Party, within ten (10) business days after notice of such Third Party Claim, fails to defend such Third Party Claim, the Indemnified Party will (upon further notice to the Indemnifying Party) have the right to undertake the defense, compromise or settlement of such Third Party Claim on behalf of and for the account and risk of the Indemnifying Party; provided, however, that such Third Party Claim shall not be compromised or settled without the consent of the Indemnifying Party, which consent shall not be unreasonably withheld.

(b) The Indemnified Party shall cooperate in all commercially reasonable respects with the Indemnifying Party in the investigation, trial and defense of any Proceeding that may be subject to this Article 11 and any appeal arising therefrom; provided, however, that the Indemnified Party may, at its own cost, participate in the investigation, trial and defense of such Proceeding or any appeal arising therefrom. The parties shall cooperate with each other in any notifications to insurers. The Indemnified Party shall assist and cooperate, at the cost of the Indemnifying Party, with the Indemnifying Party in the making of settlements and the enforcement of any right of contribution to which the Indemnified Party may be entitled from any person or entity in connection with the subject matter of any litigation subject to indemnification hereunder.

11.5 Indemnifiable Losses.

For purposes of this Agreement, "Indemnifiable Losses" means all losses, liabilities, claims, damages, or costs (including court costs and costs of appeal) and expenses (including reasonable costs of investigation and defense and reasonable attorneys' fees), whether or not involving a Third Party Claim.

11.6 Survival.

The representations and warranties contained in or made pursuant to the Affiliation Agreement as they apply to this Agreement shall survive for two (2) years after the date of the Joint Venture Closing, except for those representations and warranties set forth in Section 4.1 (Organization; Capacity), Section 4.2 (Authority; Noncontravention); Section 4.5 (Title; Sufficiency of Assets); Section 4.6 (Binding Agreement), Section 5.1 (Organization; Capacity), Section 5.2 (Authority; Noncontravention) and Section 5.3 (Binding Agreement), which shall survive indefinitely (each of the periods described above, a "Survival Period"). For the avoidance of doubt, this Section 11.6 shall not affect any rights to bring claims after the Survival Period based on (a) any covenant or agreement of the Parties which contemplates performance

after the Joint Venture Closing, (b) the obligations of WPAHS under Sections 11.1(a), (c) the obligations of the Joint Venture under Sections 11.2(a) or (d) the rights of the Parties in the event of the termination of this Agreement as set forth in Section 9.2 of this Agreement.

ARTICLE 12 MISCELLANEOUS

12.1 Notices.

Any notice, demand or communication required, permitted, or desired to be given hereunder shall be deemed effectively given when personally delivered, when received by telegraphic or other electronic means (including facsimile transmission) or overnight courier, or five (5) days after being deposited in the United States mail, with postage prepaid thereon, certified or registered mail, return receipt requested, addressed to the address of the Party set forth in the Affiliation Agreement.

12.2 Legal Fees and Costs of Disputes.

In the event any Party elects to incur legal expenses to enforce or interpret any provision of this Agreement, the prevailing Party will be entitled to recover such legal expenses, including attorney's fees, costs and necessary disbursements, in addition to any other relief to which such Party shall be entitled.

12.3 Choice of Law; Waiver of Trial by Jury; Venue.

(a) The Parties agree that this Agreement shall be governed by and construed in accordance with the Laws of the Commonwealth of Pennsylvania without giving effect to any choice or conflicts of law provision or rule thereof.

(b) EACH PARTY ABSOLUTELY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY AND ALL RIGHTS TO TRIAL BY JURY IN CONNECTION WITH ANY PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

12.4 Benefit; Assignment.

Subject to provisions herein to the contrary, this Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective legal representatives, successors and assigns. Notwithstanding any other provisions of this Agreement, Highmark shall have the right at its option to assign its rights, title and interests under this Agreement and the Joint Venture Documents to one or more of its Affiliates determined as of the date of such assignment.

12.5 Reproduction of Documents.

This Agreement and all documents relating hereto, including (a) consents, waivers and modifications which may hereafter be executed, (b) the documents delivered at the Joint Venture Closing, and (c) certificates and other information previously or hereafter furnished by one Party

to the others, may, subject to the provisions of Section 10.2 hereof, be reproduced by any photographic, photostatic, microfilm, micro-card, miniature photographic or other similar process and WPAHS and Highmark may destroy any original documents so reproduced. WPAHS and Highmark agree and stipulate that any such reproduction shall be admissible in evidence as the original itself in any judicial, arbitral or administrative Proceeding (whether or not the original is in existence) and that any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence.

12.6 Costs of Transaction.

Except as otherwise provided herein, the Parties agree as follows:

(a) whether or not the transactions contemplated by this Agreement shall be consummated, WPAHS will pay the fees, expenses and disbursements of WPAHS and its agents, representatives, accountants, and counsel incurred in connection with the subject matter hereof and any amendments hereto; and

(b) whether or not the transactions contemplated by this Agreement shall be consummated, Highmark will pay the fees, expenses and disbursements of Highmark and its agents, representatives, accountants, and counsel incurred in connection with the subject matter hereof and any amendments hereto.

12.7 Waiver of Breach.

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

12.8 Severability.

In the event any provision of this Agreement is held to be invalid, illegal or unenforceable for any reason and in any respect, such invalidity, illegality, or unenforceability shall in no event affect, prejudice or disturb the validity of the remainder of this Agreement, unless doing so would result in an interpretation of this Agreement that is manifestly unjust.

12.9 No Inferences.

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

12.10 Divisions and Headings.

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

12.11 Third-Party Beneficiaries.

The terms and provisions of this Agreement are intended solely for the benefit of Highmark, the WPAHS Parties, the UPE Parties, their respective Affiliates, and their respective successors or permitted assigns, and it is not the intention of the Parties to confer, and this Agreement shall not confer, third-party beneficiary rights upon any other Person.

12.12 Entire Agreement; Amendment; Counterparts.

Except for the Affiliation Agreement, this Agreement supersedes all previous agreements among the Parties and constitutes the entire agreement of whatsoever kind or nature existing between or among the Parties representing the within subject matter and no Party shall be entitled to benefits other than those specified herein. All prior agreements, whether written or verbal, not expressly incorporated herein are superseded unless and until made in writing and signed by all Parties hereto. The Parties agree and acknowledge that this Agreement is being entered into contemporaneously with the Affiliation Agreement and to the extent set forth in this Agreement, certain provisions of the Affiliation Agreement are incorporated herein by reference. This Agreement may be executed in two or more counterparts, each and all of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

12.13 Schedules and Exhibits.

All Schedules and Exhibits referred to in this Agreement shall be attached hereto and incorporated herein by reference. The Schedules and Exhibits delivered with this Agreement are complete as of the date hereof, and will be updated by the Parties in intervals of ninety (90) days succeeding the date hereof, and again within ten (10) days prior to the Joint Venture Closing for any developments, including those required by changes in Law, occurring after the date hereof and prior to the Joint Venture Closing; provided however, that all such updates shall be subject to the prior review and comment of the other Parties.

12.14 Further Assurances.

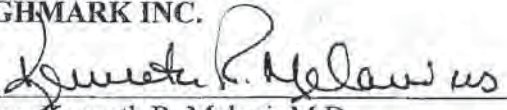
On or after the Joint Venture Closing, the Parties will take all appropriate action and execute all documents, instruments or conveyances of any kinds which may be reasonably necessary or advisable to carry out any of the provisions hereof.

{Signature Pages Follow}

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


HIGHMARK:

HIGHMARK INC.

By: 
Name: Kenneth R. Melani, M.D
Title: Chief Executive Officer and President

WPAHS:

**WEST PENN ALLEGHENY HEALTH
SYSTEM, INC.**

By: 
Name: John S. Isherwood
Title: Chair, Board of Directors

SCHEDULE 1.1

LABORATORY FACILITIES

All existing core laboratory facilities owned by WPAHS as of the Joint Venture Closing (including any improvements thereto between the date of this Agreement and the Joint Venture Closing) including the laboratory facility located in the Federal North Building, Federal Way, Pittsburgh, Pennsylvania

SCHEDULE 1.6(b)

INITIAL CAPITAL CONTRIBUTIONS OF HIGHMARK AND WPAHS

Highmark: Contribution of 50% undivided interest in Laboratory Facility Assets (as defined in the Agreement) to the Company as set forth in the Agreement

WPAHS: Contribution of 50% undivided interest in Laboratory Facility Assets (as defined in the Agreement) to the Company as set forth in the Agreement

Schedule 2.1(c)
Personal Property Included in the Laboratory Facility Assets

Note: The assets listed are subject to upgrades and replacements.

<u>Asset No.</u>	<u>Asset Description</u>
0218025352N	PIRETTI MGR. CHAIRS KRUEGER I
05103431834	STAT SPIN EXPRESS CENTRIFORE
05103431842	METTLER BALANCE
05103458198	CLINITEK 500 URINE ANALYZER
06103526096A	DELL OPTIPLEX GX520 COMPUTER
06103526096B	DELL OPTIPLEX GX520 COMPUTER
06103526096C	DELL OPTIPLEX GX520 COMPUTER
06103526096D	DELL OPTIPLEX GX520 COMPUTER
06103526096E	DELL OPTIPLEX GX520 COMPUTER
06103526096F	DELL OPTIPLEX GX520 COMPUTER
06103538124	HP LASERJET 4250N PRINTER
06103538132	HP LASERJET 4250N PRINTER
06103547395A	HP DC7600 CMT COMPUTER
06103547395B	HP DC7600 CMT COMPUTER
06103547395C	HP DC7600 CMT COMPUTER
06103552488A	HP DC7600 CMT COMPUTER
06103552488B	HP DC7600 CMT COMPUTER
710300000001	COUNTERTOPS, LAB REINSTRUMENT
710300000002	ELECTRICAL WORK
710300000003	ENGINEERING SERVICES
710300000004	DATA RECEPTACLES
710300000005	SYSMEX UF-100 , SERIAL # A146
710300000006	TELECOM CABLING SERVICES
710300000007	MECH & PLUMBING UPGRADES
710300000008	ELECTRICAL WORK LAB
710300000012	ELECTRICAL WORK
710300000013	CAPITAL SALARIES-CORE LAB

710300000014	COMPUTER, DELL LATITUDE D620 N
810300000015	COMPUTER DC7700 SFF HP
810300000020	LEICA CLIN.PATH. MICROSCOPE WI
810300000021	CAMERA, COLOR, SONY
810300000022	INCUBATOR, CO2 LARGE AIR JACKE
810300000023	SLIDE STAINER
810300000025	INCUBATOR, CO2 LARGE AIR JACKE
810300000026	COMPUTER DC7800 CMT HP
810300000026	COMPUTER DC7800 CMT HP
810300000026	COMPUTER DC7800 CMT HP
810300000026	COMPUTER DC7800 CMT HP
810300000026	COMPUTER DC7800 CMT HP
810300000026	COMPUTER DC7800 CMT HP
810300000028	DI WATER SYSTEM
910300000030	AEROSPRAY GRAM SLIDE STAINER C
910300000032	CATALYST LINE CARD 48 PORT 450
910300000034	CONSTRUCTION MICROBIOLOGY LAB
1010300000035	OSMOMETER AUTOMATIC SNGL-SAMPL
1010300000036	VIDEO CONFERENCING EQUIPMENT
1010300000037	RENOVATE MICROBIOLOGY INTEGRAT
1110300000049	INCUBATOR CO2 LARGE AIR JACKET

Schedule 2.1(k)
Government and Third Party Payor Provider Agreements
and Numbers; NPIs

There are no provider agreements or national provider identifiers that are specific to the Laboratory Facilities.

Schedule 2.1(m)
Other Assets of WPAHS

None.

EXHIBIT A

JOINT VENTURE DOCUMENTS

**PENNSYLVANIA DEPARTMENT OF STATE
CORPORATION BUREAU**

Entity Number

Certificate of Organization
Domestic Limited Liability Company
(15 Pa.C.S. § 8913)

Name

Address

City

State

Zip Code

Document will be returned to the
name and address you enter to
the left.



Fee: \$125

Filed in the Department of State on _____

Secretary of Commonwealth

In compliance with the requirements of 15 Pa.C.S. § 8913 (relating to certificate of organization), the undersigned, desiring to organize a limited liability company, hereby states that:

1. The name of the limited liability company (*designator is required, i.e., "company", "limited" or "limited liability company" or abbreviation*):

LABORATORY SERVICES NEWCO, LLC

2. The (a) address of the limited liability company's initial registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is:

(a) Number and Street

City

State

Zip

County

(b) Name of Commercial Registered Office Provider

County

c/o

[Redacted]

OPERATING AGREEMENT

Of

[LABORATORY SERVICES NEWCO, LLC]

[Redacted]

[_____, 201_]

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OPERATING AGREEMENT
OF
[LABORATORY SERVICES NEWCO, LLC]

THIS OPERATING AGREEMENT (this "Agreement" or "Operating Agreement") is made and entered into as of the [_____ day of _____, 201_] by and between Highmark Inc., a Pennsylvania nonprofit corporation [or its Affiliated Company] ("Highmark") and West Penn Allegheny Health System, Inc., a Pennsylvania nonprofit corporation ("WPAHS") (collectively the "Members" and individually a "Member").

WITNESSETH:

WHEREAS, pursuant to a Joint Venture Option Agreement dated [_____, 2011] by and between the Members and certain Affiliated Companies of WPAHS (the "Option Agreement"), the terms and conditions of which are incorporated herein by reference, Highmark was granted the right and option to acquire a fifty percent (50%) interest in a joint venture to be organized by Highmark and WPAHS, with WPAHS owning the remaining fifty percent (50%), which joint venture would own and operate all of the Laboratory Facilities and provide Laboratory Services; and

WHEREAS, Highmark has exercised its option under the Option Agreement and [Laboratory Services Newco, LLC] (the "Company") has been formed to own the Laboratory Facilities and provide the Laboratory Services; and

WHEREAS, the Members desire to provide for the governance and operation of the Company and conduct the Company's business in accordance with the terms and subject to the conditions set forth in this Agreement; and

WHEREAS, the Members desire to set forth their mutual understandings, rights and obligations with respect to the Company and the Company's business in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Members, intending to be legally bound hereby, agree as follows:

ARTICLE 1

DEFINITIONS

1.1 Definitions.

The capitalized terms used in this Operating Agreement and not otherwise defined herein shall have the definitions given to them below:

"Act" shall mean the Pennsylvania Limited Liability Company Act at 15 Pa. C.S. §8901, et seq.

"Affiliated Company" means, as to the Person in question, any Person that directly or indirectly controls, is controlled by, or is under common control with, the Person in question and any successors or assigns of such Person. For purposes of this definition, the term "control" (including the term "controls," "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities or otherwise.

"Agreed Value" shall mean the fair market value of an asset as of the date of valuation, which shall be determined by agreement of the Members or, if they cannot so agree, by independent appraisal.

"Bankrupt" or "Bankruptcy" means, with respect to any Person, a person (a) that (i) makes a general assignment for the benefit of creditors; (ii) files a voluntary bankruptcy petition; (iii) becomes the subject of an order for relief or is declared insolvent in any federal or state bankruptcy or insolvency proceedings; (iv) files a petition or answer seeking for the person a reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any law; (v) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the person in a proceeding of the type described in subclauses (i) through (iv) of this clause (a); or (vi) seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of the Person's or of all or any substantial part of the Person's properties; or (b) against which, a proceeding seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any law has been commenced and 120 days have expired without dismissal thereof or with respect to which, without the person's consent or acquiescence, a trustee, receiver, or liquidator of the Person or of all or any substantial part of the Person's properties has been appointed and 90 days have expired without the appointment having been vacated and stayed, or 90 days have expired after the date of expiration of a stay, if the appointment has not previously been vacated.

"Board of Directors" shall mean the governance body of the Company elected pursuant to Article 8 of this Operating Agreement and under the provisions of the Act.

"Capital Account" as of any given date shall mean the Capital Account established for each Member, pursuant to Section 10.3 and as adjusted up to such date pursuant to Article 10.

"Capital Contribution" shall mean any contribution to the capital of the Company in cash or property by a Member whenever made, including the contribution pursuant to Section 10.1 of this Operating Agreement.

"Certificate of Organization" shall mean the Certificate of Organization of the Company as filed with the Secretary of State of the Commonwealth of Pennsylvania, as amended from time to time.

"Change in Control" shall mean with respect to any Member: (i) a shift in or cessation of Control of the Member from any Person who possesses Control as of the date of this Operating Agreement to any other Person or Persons (other than an Affiliated Company); or (ii) a shift in Control of the Member that results in insolvency of the Member; or (iii) any reorganization of the Member not amounting to a Change in Control within the meaning of the preceding clause (i) or (ii) (other than a reorganization involving an Affiliated Company) that results in such Member merging or otherwise transferring substantially all of its assets to, or

affiliating with, any other Person (other than an Affiliated Company). At least sixty (60) days prior to the occurrence of any Change in Control of a Member, such Member shall provide written notice to the other Member(s), including a complete disclosure of the facts constituting such contemplated Change in Control and such other information reasonably requested by the other Member(s). Notwithstanding the foregoing, the consummation of any aspect of the transaction described in that certain Affiliation Agreement dated [September __, 2011] between Highmark Inc. and West Penn Allegheny Health System, Inc., among others, shall not constitute a "Change in Control."

"Code" shall mean the Internal Revenue Code of 1986 or corresponding provisions of subsequent superseding federal revenue laws.

"Control" shall mean, with respect to an Entity, the right to exercise, directly or indirectly, more than fifty percent (50%) of the voting rights attributable to the Entity, or the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of the Entity, including membership on, or the power to appoint or elect a majority of the members of, the Board of Directors or other governing body of the Entity.

"Default Event" shall have the meaning set forth in Section 14.2.

"Defaulting Member" shall have the meaning set forth in Section 14.2.

"Deficit Capital Account" shall mean, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the taxable year, after giving effect to the following adjustments:

(i) credit to such Capital Account any amount which such Member is obligated to restore under Section 1.704-1(b)(2)(ii)(c) of the Treasury Regulations, as well as any addition thereto pursuant to the next to last sentence of Sections 1.704-2(g)(1) and (i)(5) of the Treasury Regulations, after taking into account thereunder any changes during such year in partnership minimum gain (as determined in accordance with Section 1.704-2(d) of the Treasury Regulations) and in the minimum gain attributable to any partner for nonrecourse debt (as determined under Section 1.704-2(i)(3) of the Treasury Regulations); and

(ii) debit to such Capital Account the items described in Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6) of the Treasury Regulations.

This definition of Deficit Capital Account is intended to comply with the provisions of Treasury Regulation Sections 1.704-1(b)(2)(ii)(d) and 1.704-2, and will be interpreted consistently with those provisions.

"Delinquent Member" shall have the meaning set forth in Section 10.2.

"Director" shall mean an individual as designated by a Member to serve on the Board of Directors.

"Dispose", "Disposing" or "Disposition" means a sale, assignment, transfer, exchange, mortgage, pledge, grant of a security interest, gift or other disposition or Encumbrance,

voluntarily or involuntarily (including, without limitation, by operation or law), or the acts thereof.

“Distributable Cash” shall mean all cash, revenues and funds received by the Company from Company operations, less the sum of the following to the extent paid or set aside by the Company: (i) all principal and interest payments on indebtedness of the Company and all other sums paid to lenders; (ii) all cash expenditures incurred in the normal operation of the Company’s business; and (iii) such Reserves as the Board of Directors deem reasonably necessary for the proper operation of the Company’s business.

“Employee Services Agreement” shall have the meaning ascribed to such term in the Option Agreement.

“Encumbrance” means any charge, claim, condition, equitable interest, lien, option, pledge, security interest, right of refusal or restriction of any kind, including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership.

“Entity” shall mean any general partnership, limited partnership, limited liability company, business corporation, nonprofit corporation, joint venture, trust, business trust, cooperative, association, foreign trust, foreign business organization or other organization other than an individual.

“Fair Market Value” and **“Fair Market Value of the Company”** shall have the meaning set forth in Section 15.2.

“Governmental Body” means any governmental or quasi-governmental body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power.

“Laboratory Facilities” shall mean those laboratory facilities identified on Schedule 1.1 of the Option Agreement.

“Laboratory Services” shall mean the services provided by the Laboratory Facilities.

“Lending Member” shall have the meaning set forth in Section 10.2.

“Members” shall mean the parties to this Operating Agreement, including any admitted after its execution.

“Membership Interest” shall mean a Member’s entire interest in the Company including such Member’s right to participate in the management of the business and affairs of the Company, including the right to vote on, consent to, or otherwise participate in any decision or action of or by the Members granted pursuant to this Operating Agreement and the Act. The interest is generally expressed as a percentage of all interests in the Company as determined in accordance with this Agreement.

“Non-Defaulting Member” shall have the meaning set forth in Section 14.2.

“Operating Agreement” shall mean this Operating Agreement as originally executed and as amended from time to time, which is a fundamental organizational document of the Company.

“Option Agreement” shall have the meaning set forth in the introductory section of this Agreement above.

“Percentage Interest” shall mean, for any Member, the percentage interest in the Company as set forth on Exhibit A attached hereto and Section 11.1.

“Permitted Transfer” means a transfer of a Membership Interest to an Affiliated Company that is wholly-owned by a Member or another of its Affiliated Companies.

“Person(s)” shall mean any individual or Entity, and the heirs, executors, administrators, legal representatives, successors, and assigns of such “Person” where the context so permits.

“Prime Rate” means a rate per annum equal to a varying rate per annum that is equal to the interest rate published in The Wall Street Journal from time to time as the prime commercial or similar referenced interest rate, with adjustments in that varying rate to be made on the same date as any change in the rate.

“Proceeding” means any action, arbitration, audit, hearing, investigation, litigation or suit (whether civil, criminal, administrative, investigative or informal) commenced by or before, or otherwise involving, any Governmental Body or arbitrator.

“Profits and Losses” shall mean the income, gain, loss, deductions and credits of the Company as determined in accordance with Section 10.5.5.

“Prohibited Business” shall mean any health care facility, business or service that may now or hereafter compete with the Laboratory Facilities.

“Reserves” shall mean funds set aside or amounts allocated to reserves at the end of each fiscal year which shall be maintained in amounts deemed sufficient by the Board of Directors, in good faith, for working capital and to pay taxes, insurance, debt service or other costs or expenses incident to the ownership or operation of the Company’s business.

“Treasury Regulations” shall include proposed, temporary and final regulations promulgated under the Code.

“Transition Services Agreement” shall have the meaning ascribed to such term in the Option Agreement.

“WPAHS Parties” shall have the meaning ascribed to such term in the Option Agreement.

1.2 Rules of Construction.

The rules of construction that shall apply to this Agreement are as follows: (a) “including” and any other words or phrases of inclusion will not be construed as terms of limitation, so that references to “included” matters will be regarded as non-exclusive, non-

characterizing illustrations; (b) “will” has the same meaning as “shall” and thus connotes an obligation and an imperative and not a futurity; (c) whenever the context requires, the singular includes the plural and the plural includes the singular, and the gender of any pronoun includes the other genders; (d) each exhibit referred to in this Agreement and each attachment to any of them or this Agreement is hereby incorporated by reference into this Agreement and is made a part of this Agreement as if set out in full in the first place that reference is made to it; (e) any reference to any statutory provision includes each successor provision and all applicable laws as to that provision; and (f) acknowledging that the parties have participated jointly in the negotiation and drafting of this Agreement, if an ambiguity or question of intent or interpretation arises as to any aspect of this Agreement, then it will be construed as if drafted jointly by the parties and no presumption or burden of proof will arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

ARTICLE 2

FORMATION OF COMPANY

2.1 Formation.

The Company has been organized as a Pennsylvania limited liability company by executing and delivering for filing a Certificate of Organization to the Pennsylvania Secretary of State in accordance with and pursuant to the Act.

2.2 Name.

The name of the Company shall be [**“Laboratory Services Newco, LLC”**].

2.3 Duration.

Subject to Article 15, the Company shall have a perpetual existence.

2.4 Principal Place of Business; Registered Office.

The principal place of business and initial registered office of the Company shall be [_____]. The Company may locate its places of business and registered office at any other place or places as the Board of Directors may deem advisable in the case of the registered office by filing the address of the new registered office with the Secretary of State pursuant to the Act.

ARTICLE 3

PURPOSE OF COMPANY

3.1 Company Purpose.

The purpose of the Company is to engage in any lawful business or activity for which business organizations may be formed under the laws of Pennsylvania. In furtherance of the foregoing purpose, the Company shall have and may exercise all of the rights, powers and privileges now or hereafter conferred upon business organizations organized under the laws of

Pennsylvania. The primary purposes of the Company shall be (i) through ownership and operation of the Laboratory Facilities, to provide to the Western Pennsylvania patient population access to quality laboratory services; (ii) to make available in a manner consistent with applicable law and WPAHS's tax-exempt status, to the WPAHS Parties, Highmark, the UPE Parties and their Affiliated Companies, cost-neutral or reduced cost laboratory services; (iii) to provide Laboratory Services to other Persons; and (iv) to undertake any and all activities related or incidental to the foregoing.

3.2 Governmental Challenge.

In the event of: (a) any federal, state or local law or regulation is enacted or issued; (b) a court of competent jurisdiction or another government authority or an accrediting body with jurisdiction over either Member or the Company holds; or (c) either Member receives an opinion of qualified legal counsel stating – in each case, that this Operating Agreement or the obligations to be performed hereunder are illegal or unenforceable, in whole or in part, or that the provisions of this Operating Agreement would, in whole or in part, jeopardize the licensure of the Company or any Member, of the Company's or any Member's accreditation by the Joint Commission or other applicable accreditation body, or any Member's tax-exempt status (collectively, a "Governmental Challenge"), then the parties agree to negotiate in good faith for a period of thirty (30) days to restructure this Operating Agreement so as to eliminate the illegal or unenforceable or detrimental aspects while retaining the intent and purpose of this Operating Agreement, which period may be extended by mutual agreement of the Members. If the parties are unable to agree, within thirty (30) days or the agreed-upon extended period of such Governmental Challenge, upon a restructuring of this Operating Agreement, then the Members shall dissolve the Company in accordance with Article 16 below, unless the Members otherwise agree.

ARTICLE 4

MEMBERSHIP INTERESTS/ MEMBERS

4.1 Membership Interests.

4.1.1 On the date hereof, the total number of authorized Membership Interests in the Company is comprised of 2,000 separate Membership Interests. Such number of authorized Membership Interests may be increased or decreased from time to time with the approval of the Board of Directors in accordance with Section 8.1.4 below. Except as otherwise provided in this Agreement, each Membership Interest shall have the same rights, preferences, limitations and restrictions as each other Membership Interest. Membership Interests shall not be represented by certificates.

4.1.2 The Company shall initially have one (1) class of Members.

4.2 Members.

The Company shall initially have two (2) Members, the names and addresses and Membership Interests of which are set forth in Exhibit A.

4.3 Limitation of Liability.

Each Member's liability for Company obligations and liabilities shall be limited as set forth in this Operating Agreement, the Act and other applicable law.

4.4 Company Debt Liability.

In the absence of an express assumption or guarantee, a Member will not be liable for any debts or losses of the Company beyond that Member's respective Capital Contributions already made to the Company. A capital pledge shall not be considered to be an assumption or guarantee under this paragraph.

4.5 List of Members.

Upon the written request of any Member, the Board of Directors shall provide a list showing the names, addresses, Membership Interests and Percentage Interests of all Members.

4.6 Company Books.

The Board of Directors shall maintain and preserve, during the term of the Company, the accounts, books, and other relevant Company documents described in Section 11.9. Upon reasonable written request, each Member shall have the right, at any time during ordinary business hours, as reasonably determined by the Board of Directors, to inspect and copy, at the requesting Member's expense, the Company documents identified in Section 11.10 and in the Act, and such other documents which the Board of Directors, in its discretion, deems appropriate.

4.7 Priority and Return of Capital.

Except as otherwise set forth herein, including Article 11 hereof, no Member shall have priority over any other Member as to Profits, Losses or distributions; provided that this Section shall not apply to documented loans that a Member has made to the Company. No Member shall have the right to demand a return of its Capital Contributions.

4.8 Liability of a Member to the Company.

A Member which receives a distribution is liable to the Company only to the extent provided by the Act.

4.9 Other Business Ventures of Members.

Except as provided in Article 18, any Member or Affiliated Company of a Member may engage independently or with others in other business ventures of every nature and description. As a general matter, neither the Company nor any Member shall have any right by virtue of this Operating Agreement or the relationship created hereby in or to any other ventures or activities in which any Member or Affiliated Company of a Member is involved, or to the income or proceeds derived therefrom. However, no Member or Affiliate shall take advantage of a business opportunity belonging to the Company, unless the Company elects to forego the same.

4.10 No Right to Withdraw.

No Member may voluntarily withdraw as a Member of the Company and any attempt by any Member to so withdraw voluntarily in violation of this Agreement shall be ineffective.

ARTICLE 5

MEETINGS AND ACTIONS OF MEMBERS

5.1 Meetings.

The Members shall meet as determined by the Members from time to time. Regular or special meetings of the Members, for any purpose or purposes, may be called by any of the Members. Member representatives participating in such meetings shall be individuals from among that Member's senior management and authorized to act on its behalf. The Company shall be entitled to rely on writings signed by the President of the Member as the duly authorized action of the Member.

5.2 Place of Meetings.

The place of meeting for any meeting of the Members shall be at the principal office of the Company, unless otherwise agreed to by the Members.

5.3 Notice of Meetings.

Except as provided in Section 5.4, written notice stating the place, day and hour of the meeting of Members and the purpose or purposes for which the meeting is called shall be delivered not less than two (2) days nor more than thirty (30) days before the date of the meeting, pursuant to the notice provisions of Section 20.1 below.

5.4 Meeting of All Members.

If all of the Members shall meet at any time and place, either within or outside of the Commonwealth of Pennsylvania, and consent in writing to the holding of a meeting at such time and place, such meeting shall be valid without call or notice, and at such meeting lawful action may be taken.

5.5 Record Date.

For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof or Members entitled to receive payment of any distribution, or in order to make a determination of Members for any other purpose, the date on which notice of the meeting is mailed or the date on which the resolution declaring such distribution is adopted, as the case may be, shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Section, such determination shall apply to any adjournment thereof.

5.6 Quorum.

The presence of Members entitled to cast at least a majority of the votes that all Members are entitled to cast on a particular matter to be acted upon at a meeting of the Members, whether represented in person or by written proxy, shall constitute a quorum at any properly convened meeting of the Members for purposes of consideration and action on the matter. In the absence of a quorum at any meeting, a majority of Members actually present at such meeting may adjourn the meeting for a period not to exceed sixty (60) days.

5.7 Voting.

The Members of the Company are entitled to one vote for each Membership Interest they hold with respect to any matter that is subject to the vote of the Members. Except in those cases in which a greater voting requirement is required by this Operating Agreement or by the Act, the affirmative vote of a majority of the Membership Interests entitled to vote on a matter who are present in person or by proxy at a meeting at which a quorum is present shall be the act of the Members.

5.8 Proxy.

Every Member entitled to vote at a meeting of the Members or to express consent or dissent without a meeting may authorize another Person to act for the Member by proxy. The presence of, or vote or other action at a meeting of Members by, or the expression of consent or dissent by, a proxy of a Member shall constitute the presence of, or vote or action by, or consent or dissent of the Member. Every proxy shall be executed by the Member or by the duly authorized attorney-in-fact of the Member and filed with the Board of Directors. A telegram, telex, cablegram or other electronic transmission by the Member, or a photographic, photostatic, facsimile or similar reproduction of a writing executed by the Member shall be treated as properly executed for purposes of this Section 5.8. A proxy, unless coupled with an interest, shall be revocable at will, notwithstanding any other agreement or any provision in the proxy to the contrary, but the revocation of a proxy shall not be effective until written notice thereof has been given to the Board of Directors.

5.9 Action by Members Without a Meeting.

Action required or permitted to be taken at a meeting of Members may be taken without a meeting if the action is evidenced by one or more written consents describing the action taken, signed by each Member entitled to vote and delivered to the Board of Directors of the Company for inclusion in the minutes or for filing with the Company records. Action taken under this Section is effective when all Members entitled to vote have signed the consent, unless the consent specifies a different effective date.

5.10 Waiver of Notice.

When any notice is required to be given to any Member, a waiver thereof in writing signed by the Person entitled to such notice, whether before, at, or after the time stated therein, shall be equivalent to the giving of such notice. The notice provisions of Section 5.2 above will also be waived by a Member's attendance at the meeting, unless the Member representative at the beginning of the meeting or promptly upon his arrival objects to holding the meeting or

transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

ARTICLE 6

MEMBERS' RESERVED POWERS

6.1 Powers Reserved to Members.

Except as otherwise expressly provided in Section 8.13 below, each Member shall participate in the control of the Company's business with respect to only the following matters, which shall be reserved exclusively to the Members and require the unanimous consent of the Members.

6.1.1 Amendments to Organizational Documents. To initiate and/or to approve or disapprove amendments to all provisions of the Certificate of Organization and all provisions of this Operating Agreement.

6.1.2 Additional Capital Contributions and Loans by Members. To approve or disapprove additional capital contributions or loans by Members, other than the initial Capital Contributions set forth in Section 10.1.

6.1.3 Sale/Change of Form. To approve or disapprove a sale of substantially all of the Company's assets or a sale of all of the Members' Membership Interests, or and to approve all plans that substantially change the Company's organizational form, such as mergers, consolidations, reorganizations, structural or permanent affiliations, joint ventures, creation of subsidiaries, or dissolution.

6.1.4 New Members. To approve the admission of additional Members.

ARTICLE 7

ADDITIONAL MEMBERS

7.1 Additional Members.

It is contemplated that additional Person(s) may request participation in the Company, in which case the Members may, by unanimous written consent or vote pursuant to Section 6.1.4, admit such Person(s) as new Members of the Company and in accordance therewith, amend this Operating Agreement to reflect the admission of the new Member(s) to the Company. In the event that it is determined by the Members that additional Person(s) should participate in the Company as a separate class of Members, this Operating Agreement shall be amended to reflect separate classes of Members.

ARTICLE 8

BOARD OF DIRECTORS

8.1 Board of Directors.

Subject to the provisions in Article 6 describing the Members' reserved powers and the provisions of Section 8.13 below, the Board of Directors shall govern and manage the affairs of the Company as its governing body, shall have all of the rights and powers of managers under the Act, shall exercise the powers of the Company, and shall control its property. The powers of the Board of Directors shall include, without limitation, the following:

(a) Approving each annual operating and capital budget and long-range plan for the Company before expenditures may be made thereunder, all debt, executive compensation, fringe benefits and investment guidelines;

(b) Approving any contract obligating the Company to expend or repay an amount which was not included in a previously approved annual budget in excess of \$500,000;

(c) Approving the creation of controlled or owned subsidiaries, joint ventures or affiliates by the Company;

(d) Approval of any increase or decrease in the number of authorized Membership Interests, the exchange of Membership Interests in the Company for equity interests of any other entity, or the sale or lease of all or any portion of the assets of the Company other than in the ordinary course of business, or the acquisition by the Company of any stock or equity securities or ownership interests of any other entity;

(e) Except for required annual distributions of Distributable Cash as provided in Section 11.4.1 herein, any distributions by the Company to its Members;

(f) Any incurrence of indebtedness or agreement to incur indebtedness in any amount and a prepayment of debt in any amount where such loan does not require prepayment, or any mortgage or pledge, or creation of a security interest in, any property or assets of the Company or any interests therein;

(g) Any guarantee of the payment of money or the performance of any contract or obligation by any other entity (including a Member);

(h) Any unbudgeted capital expenditure in excess of \$500,000;

(i) Approval of any business plan or material modification of an existing business plan (for this purpose, any change by 10% or more during any fiscal year of any line item in the budget that is included in the business plan and any additional capital contribution will be considered material);

(j) Any change in the method of accounting of the Company, and appointment of or change to the independent auditor of the Company selected to audit the Company's books of account;

(k) Commencing any case, proceeding or other action on behalf of the Company relating to bankruptcy, insolvency, reorganization or relief of debtors or approval of the dissolution or liquidation of the Company;

(l) Any request for additional Capital Contributions by the Members in accordance with Section 10.2 of this Operating Agreement;

(m) Any other transaction involving the Company or its business not in the ordinary course of business;

(n) Entering into the Employee Services Agreement and/or the Transition Services Agreement; and

(o) Approving the broad strategic plan of the Company, including modifications to any strategic plan as the Board of Directors may determine.

The Board of Directors is intended to be an active oversight board, developing and adopting policies for the Company. The Board of Directors shall determine compliance with the Company's stated purposes, mission and vision and shall have the power and authority to do and perform acts or functions not inconsistent with this Operating Agreement or the Company's Certificate of Organization.

8.2 Election of Directors.

Except as otherwise expressly provided in Section 14.3.3 below, the Company's Board of Directors shall be elected pursuant to this Section. The Company's Board of Directors shall have four (4) voting Directors consisting of the following: two (2) Directors elected by each Member (so long as they are Members). The initial members of the Board of Directors are set forth on Exhibit B attached hereto and incorporated herein by reference. The Chairman of the Board of Directors shall rotate annually between the Directors appointed by Highmark and the Directors appointed by WPAHS and be selected by such Member prior to the applicable term.

8.3 Terms of Members of Board; No Limitation on Number of Terms.

Each Director shall serve a one (1) year term with no limitation on the number of terms served.

8.4 Amendment Upon the Addition of a New Member.

In the event of the addition of any new Members, the then current Members may amend this Article 8 as necessary to allow the new Members to select a to be agreed upon number of representative(s) to the Board of Directors, if any.

8.5 No Attorney-in-Fact.

Unless authorized to do so by this Operating Agreement or by the Board of Directors of the Company, no attorney-in-fact, employee or other agent of the Company shall have any power or authority to bind the Company in any way, to pledge its credit or to render it liable for any purpose. No Member shall have any power or authority to bind the Company unless the Member

has been expressly authorized to do so by this Operating Agreement or by the Board of Directors.

8.6 Liability for Certain Acts.

Each Director shall perform his or her duties as Director in good faith, in a manner reasonably believed to be in the best interests of the Company, and with such care as an ordinarily prudent person in a like position would use under similar circumstances. A Director shall not be liable to the Company or to any Member for any loss or damage sustained by the Company or any Member, unless the loss or damage shall have been the result of fraud, deceit, willful misconduct or a wrongful taking by the Director.

8.7 Directors Have No Exclusive Duty to Company.

A Director shall not be required to manage the Company as his or her sole and exclusive function, and he or she may have other business interests and engage in activities in addition to those relating to the Company, subject always to the Company's policies and procedures on conflicts and dualities of interest. Neither the Company nor any Member shall have any right, by virtue of this Operating Agreement, to share or participate in such other investments or activities of the Directors or to the income or proceeds derived therefrom.

8.8 Bank and Agency Accounts.

The Board of Directors may from time to time open bank accounts and agency accounts in the name of the Company.

8.9 Indemnification of the Directors and Employees.

The Company shall, to the maximum extent permitted under law, indemnify and make advances for expenses to Directors, its officers and employees and other agents.

8.9.1 The Company shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he or she is or was a Director, officer or employee of the Company or is or was serving at the request of the Company as a director, officer or employee of another corporation, partnership, joint venture, limited liability company, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if the act or failure to act giving rise to the claim for indemnification is not determined by a court to have constituted willful misconduct or recklessness.

8.9.2 To the extent that a Director, officer, employee or agent of the Company has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 8.9.1 hereof or in defense of any claim, issue or matter therein, he or she shall also be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith.

8.9.3 Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Company in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the Director, officer or employee to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the Company pursuant to this Section 8.9.

8.9.4 The Company may purchase and maintain insurance, at its expense, to protect itself and any person who is or was serving as a director or employee or agent of the Company or is or was serving at the request of the Company as a director, manager, officer, partner, venturer, employee, agent or similar functioning of another foreign or domestic limited liability company, corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or the enterprise against any expense, liability or loss, whether or not the Company would have the power to indemnify such person against such expense, liability or loss under this Section 8.9.

8.9.5 The indemnification provided by this Section 8.9 shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled and shall continue as to a person who has ceased to be a Director, officer or employee or agent of the Company and shall inure to the benefit of the heirs, executors and administrators of such a person.

8.10 Resignation.

Any Director of the Company may resign at any time by giving written notice to the Member of the Company which elected him or her. The resignation of any Director shall take effect upon receipt of notice thereof or at such later date specified in such notice; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

8.11 Removal.

(a) Any Director may be removed by the Member that appointed the Director, with or without cause.

8.12 Vacancies.

Any vacancy occurring for any reason in the number of Directors of the Company may be filled by the Member that elected the Director whose position is vacant. A Director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office and shall hold office until the expiration of such term and until his or her successor shall be elected and qualified or until his or her earlier death, resignation or removal.

8.13 Actions.

Each Director shall have one (1) vote. Except as otherwise specified herein or in the Act, the act of a majority of the Company's Directors at a meeting at which a quorum is present shall be the act of the Company, provided that at least one Director appointed by each Member must approve an act in order for such act to be an act of the Company. Notwithstanding any other provision of this Operating Agreement, any matters coming to the Board of Directors for action

that could potentially jeopardize the federal income tax-exempt status of WPAHS as an organization described in Section 501(c)(3) of the Code or the tax-exempt bonds of WPAHS, or that would adversely impact on the charitable purposes of WPAHS or its charity care program or policies, shall remain under the control of WPAHS and be determined exclusively by a vote of those Directors elected to the Company's Board of Directors by WPAHS. Notwithstanding the above provisions of this Section 8.13, in the event of an inability due to deadlock to achieve a majority vote on any matter that comes before the Company's Board of Directors that is not material to the maintenance of WPAHS's federal income tax-exempt status, such matter shall be considered by the Members of the Company for resolution via majority vote of the Members and, if the Members cannot so agree, be resolved in accord with Article 17.

8.14 Quorum.

A quorum shall consist of a majority of the total number of Directors of the Company being present at a properly convened meeting, provided that at least one Director appointed by Highmark and one Director appointed by WPAHS are in attendance. In the absence of a quorum at any meeting, a majority of Directors actually present at such meeting may adjourn the meeting.

8.15 Meetings.

The Board of Directors may hold an annual meeting and regular meetings at such times and upon such notice as may be designated by policy of the Board of Directors. In addition, special meetings of the Board of Directors may be called at any time by the President or upon written request of at least two (2) Directors upon at least two (2) days prior written notice.

8.16 Participation.

A Director may participate in a meeting of the Board of Directors by means of a conference telephone, video conferencing arrangement or similar communications equipment if all Persons participating in the meeting can hear each other simultaneously. Participation by such means shall constitute presence in person at a meeting for all purposes.

8.17 Minutes.

The Board of Directors will keep written minutes of all of its meetings. Copies of the minutes will be provided to each Director.

8.18 Unanimous Consent.

Any action which the Board of Directors or a committee are required or permitted to take may be taken without a meeting, if all Directors or all members of the committee consent in writing to the adoption of a resolution authorizing the action or subsequently confirm the action by written resolution. Such consents shall have the same force and effect as a unanimous vote at a meeting duly held and may be stated as such in any certificate or document. A consent may be executed in one or more counterparts, all of which together shall constitute one (1) unanimous consent of the Directors.

8.19 Committees.

The Board of Directors shall have such committees as may be created (or terminated) at any time by resolution of the Board of Directors. Every committee shall have at least two (2) Directors among its members. Individuals who are not Directors of the Company may also serve as committee members. All committee chairs and committee members shall be appointed by the Board of Directors. All committee chairs shall be Directors of the Company and shall rotate annually between Directors appointed by Highmark and Directors appointed by WPAHS. The Board of Directors may, from time-to-time establish policies concerning the responsibilities and membership of committees, which policies shall be consistent with this Operating Agreement and the Act. The President of the Company shall serve as an *ex officio* member of all committees, without vote.

8.20 Compensation.

Directors shall receive no compensation for their service as Directors of the Company; provided, however, that Directors may receive reasonable compensation for services they perform for the Company as other than a Director if paid pursuant to a Board-adopted agreement adopted consistently with the Company's policy on conflicts and dualities of interest.

ARTICLE 9

OFFICERS

9.1 Officers of the Company.

The officers of the Company shall be a President, a Treasurer and a Secretary. The Company shall also have such assistant officers as determined to be necessary from time-to-time. An individual may hold more than one office concurrently; provided, however, that an individual may not serve concurrently as both the President and the Secretary. Officers need not be elected from among the Directors, except for the President of the Company, who must be elected from among the Directors. Officers shall serve for one (1) year terms and shall be elected at the annual meeting of the Board of Directors. The officers shall have the duties set forth herein and such other duties as established from time-to-time by policy of the Board of Directors.

9.2 Appointment of Officers.

The President, Treasurer and Secretary, and any assistant officers, shall be appointed by the Board of Directors.

9.3 Duties of the President.

The President shall be the chief executive officer in the management and administration of the Company. In carrying out the duties of the office, the President shall have general and active control of the affairs and business of the Company, and shall have all the duties and authority which such position would customarily require.

9.4 Duties of the Secretary.

The Secretary shall act as Secretary of the Company and the Board of Directors, and shall send appropriate notices or waivers of notice regarding Board meetings, shall prepare agenda and other materials for all meetings of the Board of Directors, shall act as official custodian of all records, reports and minutes of the Company, the Board of Directors and committees, shall be responsible for the keeping and reporting of adequate records of all meetings of the Board of Directors and shall perform such other duties as are customarily performed by or required of corporate secretaries. The duties of the Secretary shall be subject to the control and direction (and required approvals) of the Board of Directors.

9.5 Duties of the Treasurer.

The Treasurer shall have custody and control of all funds of the Company and shall have such duties as are customarily performed by or required of corporate Treasurers. The Treasurer shall ensure that a true and accurate accounting of the financial transactions of the Company is made periodically, that reports of such transactions are presented to the Board of Directors, and that the insurance policies (or self-funded plans) of the Company are maintained appropriately. The duties of the Treasurer shall be subject to the control and direction (and required approvals) of the Board of Directors.

9.6 Duties of any Assistant Officers.

Any assistant officers shall perform such duties as shall be assigned to them by the Board of Directors.

9.7 Surety Bonds.

The Board of Directors may at their discretion require any officer or agent of the Company to be bonded in such amounts and with such sureties as shall be satisfactory to the Board of Directors, conditioned upon the faithful performance of such Person's duties and for the restoration to the Company of all books, papers, vouchers, money and other property of whatever kind in such Person's possession or under such Person's control belonging to the Company.

ARTICLE 10

CONTRIBUTIONS TO THE COMPANY AND CAPITAL ACCOUNTS

10.1 Members' Capital Contributions.

Each Member has contributed the amounts and assets set forth in Exhibit A attached hereto as its share of the Capital Contributions. None of the terms, covenants, obligations or rights contained in this Section 10.1 is or shall be deemed to be for the benefit of any Person or Entity other than the Members and the Company, and no such third person shall under any circumstances have any right to compel any actions or payments by the Board of Directors and/or the Members.

10.2 Additional Capital Contributions.

Except for Capital Contributions made pursuant to Section 10.1 (which contributions, by agreement, shall be mandatory), no Member shall be required to make additional Capital Contributions or loans to the Company except as approved by the Members in accordance with Section 6.1.2 of this Operating Agreement. Notwithstanding the prior sentence, the Members further agree that upon the approval of the Company's initial annual operating budget, as provided in Section 8.1(a) above, the Members shall mutually agree upon the Company's initial working capital requirement, and each Member shall contribute, in cash, an equal amount of such initial working capital requirement.

10.3 Capital Accounts.

10.3.1 Separate Accounts Maintained. A separate Capital Account will be maintained for each Member. Each Member's Capital Account will be increased by (a) the amount of money contributed by such Member to the Company; (b) the Agreed Value of property contributed by such Member to the Company (net of liabilities secured by such contributed property that the Company is considered to assume or take subject to Code Section 752); and (c) allocations to such Member of Profits; and Each Member's Capital Account will be decreased by (x) the amount of money distributed to such Member by the Company; (y) the Agreed Value of property distributed to such Member by the Company (net of liabilities secured by such distributed property that such Member is considered to assume or take subject to Code Section 752); and (z) allocations to the account of such Member of Company Losses.

10.3.2 Transfer of Accounts. In the event of a permitted sale or exchange of a Membership Interest in the Company, the Capital Account of the transferor shall become the Capital Account of the transferee to the extent it relates to the transferred Membership Interest in accordance with Section 1.704-1(b)(2)(iv) of the Treasury Regulations.

10.3.3 Compliance with Code. The manner in which Capital Accounts are to be maintained pursuant to this Section 10.3 is intended to comply with the requirements of Code Section 704(b) and the Treasury Regulations promulgated thereunder. If the Company determines that the manner in which Capital Accounts are to be maintained pursuant to the provisions of this Section 10.3 should be modified in order to comply with Code Section 704(b) and the Treasury Regulations, then notwithstanding anything to the contrary contained in the provisions of this Section 10.3, the method in which Capital Accounts are maintained shall be so modified; provided, however, that any change in the manner of maintaining Capital Accounts shall not alter the economic agreement between or among the Members as set forth in this Operating Agreement without the consent of each Member.

10.3.4 Limited Member Liability. Except as otherwise required in the Act, no Member shall have any liability to restore all or any portion of a deficit balance in such Member's Capital Account.

10.3.5 Profits and Losses. For purposes of maintaining the Capital Account, "Profits" and "Losses" means, for each fiscal year, an amount equal to the Company's taxable income or loss for such year period, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to

Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

(a) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits and Losses pursuant to this paragraph shall be added to such taxable income or loss;

(b) Any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Profits or Losses pursuant to this paragraph shall be subtracted from such taxable income or loss;

(c) In the event the Agreed Value of any Company asset is adjusted pursuant to Section 11.2.10 hereof, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits or Losses;

(d) Gain or loss resulting from any disposition of Company property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Agreed Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Agreed Value;

(e) If the Agreed Value of any Company property differs from its adjusted tax basis, then in lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account depreciation for such fiscal year or other period, based on the Agreed Value;

(f) To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) is required pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member's interest in the Company, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and shall be taken into account for purposes of computing Profits or Losses; and

(g) Any items specifically allocated pursuant to Section 11.2 shall not be taken into account in determining Profits or Losses.

ARTICLE 11

ALLOCATIONS, INCOME TAX, DISTRIBUTIONS, ELECTIONS AND REPORTS

11.1 Allocations of Profits and Losses.

Subject to Section 11.2, the Profits and Losses of the Company for each fiscal year will be allocated to the Members in accordance with their Percentage Interests, which Percentage Interests are set forth on Exhibit A.

11.2 Special Allocations to Capital Accounts.

Notwithstanding Section 11.1 hereof:

11.2.1 No allocations of loss, deduction and/or expenditures described in Code Section 705(a)(2)(B) shall be charged to the Capital Account of any Member if such allocation would cause such Member to have a Deficit Capital Account. The amount of the loss, deduction and/or Code Section 705(a)(2)(B) expenditure which would have caused a Member to have a Deficit Capital Account shall instead be charged to the Capital Account of any Members which would not have a Deficit Capital Account as a result of the allocation, in proportion to their respective Capital Contributions, or, if no such Members exist, then to the Members in accordance with their interests in Company Profits pursuant to Section 11.1.

11.2.2 In the event any Member unexpectedly receives any adjustments, allocations, or distributions described in Sections 1.704-1(b)(2)(ii)(d)(4), (5), (6) of the Treasury Regulations, which create or increase a Deficit Capital Account of such Member, then items of Company income and gain (consisting of a pro rata portion of each item of Company income, including gross income, and gain for such year and, if necessary, for subsequent years) shall be specially credited to the Capital Account of such Member in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the Deficit Capital Account so created as quickly as possible. It is the intent that this Section 11.2 be interpreted to comply with the alternate test for economic effect set forth in Section 1.704-1(b)(2)(ii)(d) of the Treasury Regulations.

11.2.3 In the event any Member would have a Deficit Capital Account at the end of any Company taxable year which is in excess of the sum of any amount that such Member is obligated to restore to the Company under Treasury Regulations Section 1.704-1(b)(2)(ii)(c) and such Member's share of minimum gain as defined in Section 1.704-2(g)(1) of the Treasury Regulations (which is also treated as an obligation to restore in accordance with Section 1.704-1(b)(2)(ii)(d) of the Treasury Regulations), the Capital Account of such Member shall be specially credited with items of Company income (including gross income) and gain in the amount of such excess as quickly as possible.

11.2.4 Notwithstanding any other provision of this Section 11.2, and except as provided in Sections 1.704-2(f) and 1.704-2(i) of the Treasury Regulations, if there is a net decrease in the Company's minimum gain as defined in Treasury Regulations Section 1.704-2(d) during a taxable year of the Company, then, the Capital Account of each Member shall be allocated items of income (including gross income) and gain for such year (and if necessary for subsequent years) equal to that Member's share of the net decrease in Company minimum gain. This Section 11.2.4 is intended to comply with the minimum gain chargeback requirements of Section 1.704-2 of the Treasury Regulations and shall be interpreted consistently therewith. If in any taxable year that the Company has a net decrease in the Company's minimum gain, and the minimum gain chargeback requirement would cause a distortion in the economic arrangement among the Members and it is not expected that the Company will have sufficient other income to correct that distortion, the Directors may in their discretion (and shall, if requested to do so by a Member) seek to have the Internal Revenue Service waive the minimum gain chargeback requirement in accordance with Treasury Regulations Section 1.704-2(f)(4).

11.2.5 Items of Company loss, deduction and expenditures described in Code Section 705(a)(2)(B) which are attributable to any non-recourse debt of the Company and are characterized as partner (Member) non-recourse deductions under Section 1.704-2(i) of the Treasury Regulations shall be allocated to the Members' Capital Accounts in accordance with Section 1.704-2(i) of the Treasury Regulations.

11.2.6 Beginning in the first taxable year in which there are allocations of "non-recourse deductions" (as described in Section 1.704-2(b) of the Treasury Regulations) such deductions shall be allocated to the Members in accordance with, and as a part of, the allocations of Company Profit or Loss for such period.

11.2.10 In connection with:

(a) a Capital Contribution of money or other property (other than a *de minimis* amount) by a new or existing Member as consideration for a Membership Interest, or in connection with the liquidation of the Company or a distribution of money or other property (other than a *de minimis* amount) by the Company to a Member, the Capital Accounts of the Members shall be adjusted to reflect a revaluation of Company property (including intangible assets) to its Agreed Value in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(f). If, under Section 1.704-1(b)(2)(iv)(f) of the Treasury Regulations, Company property that has been revalued is properly reflected in the Capital Accounts and on the books of the Company at its Agreed Value and that differs from the adjusted tax basis of such property, then depreciation, depletion, amortization and gain or loss with respect to such property shall be shared among the Members in a manner that takes into account the variation between the adjusted tax basis of such property and its Agreed Value, in the same manner as variations between the adjusted tax basis and fair market value of property contributed to the Company are taken into account in determining the Members' shares of tax items under Code Section 704(c).

(b) the distribution of any Company property to any Member, the value of such Company property on the books of the Company shall be adjusted to its Agreed Value on the date of distribution in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(e).

11.2.11 All recapture of income tax deductions resulting from the sale or disposition of Company property shall be allocated to the Member or Members to whom the deduction that gave rise to such recapture was allocated hereunder to the extent that such Member is allocated any gain from the sale or other disposition of such property.

11.2.12 Any credit or charge to the Capital Accounts of the Members pursuant to Sections 11.2.2, 11.2.3 and/or 11.2.4 hereof shall be taken into account in computing subsequent allocations of Profits and Losses pursuant to Section 11.1, so that the net amount of any items charged or credited to Capital Accounts pursuant to Sections 11.1 and 11.2 shall to the extent possible, be equal to the net amount that would have been allocated to the Capital Account of each Member pursuant to the provisions of this Article 11 if the special allocations required by Sections 11.2.2, 11.2.3 and/or 11.2.4 had not occurred.

11.3 Tax Allocations: Code Section 704(c).

For federal income tax purposes, allocations of items of taxable income, gain, loss and deduction will be made in accordance with allocations to Capital Accounts set forth above,

except as otherwise provided herein. In accordance with Code Section 704(c) and the Treasury Regulations thereunder, income, gain, loss and deduction with respect to any property contributed to the capital of the Company will, solely for income tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its Agreed Value at the time of contribution using the traditional method, unless otherwise agreed by WPAHS. In the event that the value of any asset is adjusted in accordance with Section 11.2.10(a), any allocation of income, gain, loss and deduction with respect to such asset will thereafter take account of any variation between the adjusted tax basis of the asset to the Company and its Agreed Value in the same manner as under Code Section 704(c) and any Treasury Regulations promulgated thereunder. Any elections or other decisions relating to such allocations will be made by the Board of Directors in a manner that reasonably reflects the purpose and intention of this Agreement. Allocations pursuant to this Section 11.3 are solely for purposes of federal, state and local taxes.

11.4 Distributions.

11.4.1 A Member has no right to demand and receive any distribution in a form other than cash. Except as provided in Section 11.4.2 below, all distributions of cash or other property shall be made to the Members *pro rata* in proportion to the respective Percentage Interests of the Members on the record date of such distribution. Except as provided in Section 11.4.2 below and Article 13 hereof, and subject to the provisions of Section 11.4, all distributions of Distributable Cash and property shall be made at such time as determined by the Board of Directors, but in no event less frequently than annually within thirty (30) days after the end of each fiscal year. All amounts withheld pursuant to the Code or any provisions of state or local tax law with respect to any payment or distribution to the Members from the Company shall be treated as amounts distributed to the relevant Member or Members pursuant to this Section 11.4.

11.4.2 Notwithstanding anything herein contained to the contrary, in the event of a determination that a Member has suffered Indemnifiable Losses as defined in Section 11.6 of the Option Agreement, then the Member entitled to indemnification shall be entitled to receive any and all distributions hereunder which the indemnifying Member is otherwise entitled to under this Operating Agreement until the Indemnifiable Losses have been reimbursed in full.

11.5 Limitation Upon Distributions.

(a) No distributions or return of contributions shall be made and paid if, after the distribution or return of contribution is made either:

(b) the Company would be insolvent; or

(c) the net assets of the Company would be less than zero.

(d) The Board of Directors may base a determination that a distribution or return of contribution may not be made under Section 11.4.1(a) in good faith reliance upon a balance sheet and profit and loss statement of the Company represented to be correct by the Person having charge of its books of account or certified by an independent public or certified public accountant or firm of accountants to fairly reflect the financial condition of the Company.

11.6 Accounting Principles.

The Company shall maintain books and records which shall include statements of Profits and Losses and Capital Accounts in accordance with this Operating Agreement and profit and loss statements on a "tax basis." Books shall also be kept in accordance with generally accepted accounting principles applied on a consistent basis.

11.7 Interest on Capital Contributions.

No Member shall be entitled to interest on its Capital Contribution. Notwithstanding anything to the contrary, this Section shall not be construed to prevent payments pursuant to an income distribution plan approved by the Board of Directors.

11.8 Loans to Company.

Nothing in this Operating Agreement shall prevent any Member from making secured or unsecured loans to the Company by agreement with the Company.

11.9 Accounting Period/Fiscal Year.

The Company's accounting period and fiscal year shall be determined by the Board of Directors from time to time and shall be January 1 - December 31.

11.10 Records, Audits and Reports.

At the expense of the Company, the Board of Directors shall maintain records and accounts of the operations and expenditures of the Company. Each fiscal year, the Board of Directors shall cause financial statements to be prepared by an independent certified public accountant selected by the Board of Directors. At a minimum, the Company shall keep at its principal place of business the following records:

(a) A current list of the full name and last known address of each Member setting forth the amount of cash each Member has contributed, a description and statement of the Agreed Value of the other property or services each Member has contributed or has agreed to contribute in the future, and the date on which each became a Member;

(b) A copy of the Certificate of Organization of the Company and all amendments thereto, together with executed copies of any powers of attorney pursuant to which any amendment has been executed;

(c) Copies of the Company's federal, state, and local income tax returns and reports, if any, for the three most recent years;

(d) Copies of the Company's currently effective written Operating Agreement, and copies of any financial statements of the Company for the three most recent years, and any writings permitted or required under the Act;

(e) Minutes of every annual and special meeting of the Board of Directors;

(f) To the extent not otherwise contained in this Operating Agreement or in a writing permitted or required under the Act, a statement prepared and certified as accurate by the Treasurer of the Company which describes:

(g) The amount of cash and a description and statement of the Agreed Value of the other property or services contributed by each Member and which each Member has agreed to contribute in the future;

(h) The times at which or events on the happening of which any additional contributions agreed to be made by each Member are to be made; and

(i) Evidence of all actions taken by the Members pertaining to the Company.

11.11 Returns and Other Elections.

The Board of Directors shall cause the preparation and timely filing of all tax returns required to be filed by the Company pursuant to the Code and all other tax returns deemed necessary and required in each jurisdiction in which the Company does business. Copies of such returns, shall be furnished to each Member within a reasonable time after the end of the Company's fiscal year. The Board of Directors shall cause the Company to furnish each Member with a Schedule K-1 within forty-five (45) days after the end of Company's fiscal year. All elections permitted to be made by the Company under federal or state laws shall be made by the Board of Directors in its sole discretion.

11.12 Tax Matters Partner.

Highmark is designated the "Tax Matters Partner" (as defined in Code Section 6231), and is authorized and required to represent the Company (at the Company's expense) in connection with all examinations of the Company's affairs by tax authorities, including, without limitation, administrative and judicial proceedings, and to expend Company funds for professional services and costs associated therewith. The Members agree to cooperate with each other and to do or refrain from doing any and all things reasonably required to conduct such proceedings.

ARTICLE 12

DISPOSITION OF MEMBERSHIP INTERESTS

12.1 Restrictions on the Disposition of Membership Interests.

Except as otherwise expressly provided in this Agreement or as otherwise approved in advance by unanimous vote of the Members, no Member shall Dispose of any Membership Interests in the Company.

12.2 Disposition to Affiliated Company.

Notwithstanding Section 12.1 hereof, each Member may, from time to time, Dispose of all of its Membership Interests in a Permitted Transfer to an Affiliated Company, but only if at the time of the Disposition:

12.2.1 Acceptance of the Terms of this Agreement. The transferee agrees in a writing delivered to the other Member and the Company that it will be bound in all respects by this Operating Agreement; and

12.2.2 Performance of Obligations. The transferor guarantees in a writing delivered to the other Member and the Company the performance by the transferee of all of its obligations under this Operating Agreement.

Effective with the delivery of such written undertakings, the transferee will succeed to all of the transferor's rights and obligations other than the transferor's obligations under Section 12.2.

12.3 Effects of Non-Compliance.

12.3.1 Non-Permitted Dispositions. Any attempted Disposition not strictly in accordance with the provisions of this Article 12 shall be void ab initio and of no force or effect.

12.3.2 Other Effects. Without limiting the foregoing, if any Membership Interest is purported to be transferred or Disposed of in whole or in part in contravention of this Article 12, the Person to whom the transfer is made will not be entitled to any rights as a Member, including any rights to management participation, access to information, inspection of Company records or to receive distributions to which the transferor would otherwise be entitled.

ARTICLE 13

VOLUNTARY SELL; RIGHT OF FIRST REFUSAL

13.1 Voluntary Sell.

At any time after the fifth anniversary of the date of this Operating Agreement (but not earlier), if no prior Default Notice under Section 14.3.1 has rightfully been given, either Member (the "Selling Member") may sell its Membership Interest in full or in parts to any unrelated third party that is not a Permitted Transfer (a "Divestiture Transaction") subject to the terms of this Article 13; provided that such third party (a) is not a "Sanctioned Person" as defined in the Medicare regulations (42 C.F.R. section 1001.1001(a)), or (b) has not been excluded from participation in a federal health care program (e.g., Medicare, Medicaid, Tricare or Veterans programs), or if previously excluded, has been reinstated as a participating provider in such federal health care programs.

13.2 Right of First Refusal.

In case of a Divestiture Transaction in accordance with Section 13.1, the Selling Member shall first give a written notice (the "Sale Notice") to the other Member (the "Non-Selling Member") of terms and conditions of the Divestiture Transaction. The Non-Selling Member shall have in its sole discretion the right, exercisable in writing within thirty (30) days following the Sale Notice to enter into a Divestiture Transaction and before the Selling Member shall complete any such Divestiture Transaction to acquire all of the Selling Member's Member Interest offered in the Divestiture Transaction on the terms and conditions featured in the Sale Notice (the "Right of First Refusal"). Any transferee of a Selling Member shall agree in a writing delivered to the Non-Selling Member and the Company that it will be bound in all

respects by this Operating Agreement. In the event the Non-Selling Member does not exercise its rights under this Section 13.2, the Selling Member shall have ninety (90) days to complete its Divestiture Transaction with the unrelated third party. If the Selling Member fails to complete the Divestiture Transaction within this timeframe, it shall not be entitled to sell such Membership Interests unless reoffered to the Non-Selling Member under the terms of this Agreement and at any lower price and on any different terms.

ARTICLE 14

BUY-SELL RIGHTS UPON DEFAULT

14.1 Applicability.

This Article 14 applies if (a) only one Member is a Defaulting Member, in which case the Non-Defaulting Member may elect any of the remedies provided for in Section 14.3, or (b) both Members are Defaulting Members, in which case Section 14.4 will apply.

14.2 Default Events.

“Defaulting Member” is a Member with respect to which any Default Event has occurred. A “Non-Defaulting Member” is a Member with respect to which no Default Event has occurred. Each of the following is a “Default Event”:

14.2.1 Termination of Existence by a Member. A Member commences any proceeding to wind up, dissolve or otherwise terminate its legal existence.

14.2.2 Termination of Existence by another Person. Any proceeding commenced against a Member that seeks or requires the winding up, dissolution or other termination of its legal existence; except if the Member defends or contests that Proceeding in good faith within fifteen (15) days of its commencement and obtains a stay of that Proceeding within ninety (90) days of its commencement, a Default Event will not exist so long as the stay continues and the Member pursues the defense or contest diligently thereafter or the Proceeding is dismissed.

14.2.3 Prohibited Disposition. The Member agrees to any transaction that would, if consummated, breach or result in a default under Section 12.1.

14.2.4 Insolvency Proceeding. If any of the following occurs: (i) the Member seeks relief in any Proceeding relating to bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors (an “Insolvency Proceeding”); (ii) the institution against the Member of an involuntary Insolvency Proceeding; provided, however, that if the Member defends or contests that Insolvency Proceeding in good faith within fifteen (15) days of its commencement and obtains a stay of that Proceeding within ninety (90) days of its commencement, a Default Event will not exist so long as the stay continues and the Member pursues the defense or contest diligently thereafter or the Proceeding is dismissed; (iii) the Member admits the material allegations of a petition against the Member in any Insolvency Proceeding; or (iv) an order for relief (or similar order under non-U.S. law) is issued in any Insolvency Proceeding.

14.2.5 Appointment of a Receiver or Levy. Either (i) a Proceeding has been commenced to appoint a receiver, receiver-manager, trustee, custodian or the like for all or a substantial part of the business or assets of the Member, or (ii) any writ, judgment, warrant of attachment, warrant of execution, distress warrant, charging order or other similar process (each, a “Levy”) of any court is made or attaches to the Member’s Membership Interest or a substantial part of the Member’s properties; provided, however, that if the Member defends or contests that Proceeding or Levy in good faith within fifteen (15) days of its commencement and obtains a stay of that Proceeding or Levy within ninety (90) days of its commencement, a Default Event will not exist so long as the stay continues and it pursues the defense or contest diligently thereafter or the Proceeding is dismissed.

14.2.6 Assignment for Benefit of Creditors. The Member makes a general assignment for the benefit of creditors, composition, marshalling of assets for creditors or other, similar arrangement in respect of the Member’s creditors generally or any substantial portion of those creditors.

14.2.7 Encumbrance. Any pledge or the creation of any Encumbrance on any or all of the Membership Interests held by such Member which has not been consented to by the other Member(s), except to secure an obligation owed to another Member.

14.2.8 Change in Control. Upon the occurrence of a Change in Control of a Member which has not be consented to by the other Member(s).

14.3 Remedies Upon Default by One Member.

14.3.1 By Non-Defaulting Member. A Non-Defaulting Member may, within sixty (60) days of becoming aware of the occurrence of a Default Event, give notice of the Default Event (a “Default Notice”) to the Defaulting Member. The Default Notice must specify one of the following remedies (which, together with Section 14.3.2 and subject to Section 14.3.3, are exclusive remedies):

(a) Dissolution. Dissolution of the Company in accordance with Article 16.

(b) Right to Buy. The purchase of the Defaulting Member’s Membership Interest for eighty percent (80%) of Fair Market Value and otherwise in accordance with Article 15, except upon a Change in Control as provided in Section 14.2.9 above, in which event the purchase of the Membership Interest shall be for 100% of the Fair Market Value and otherwise in accordance with Article 15. The Non-Defaulting Member must propose the Fair Market Value in the Default Notice.

(c) Right To Sell. The sale of the Non-Defaulting Member’s Membership Interest to the Defaulting Member for 100% of Fair Market Value and otherwise in accordance with Article 15. The Non-Defaulting Member must propose the Fair Market Value in the Default Notice.

(d) Payment Terms. Except as otherwise agreed to by the parties, the Purchase Price, at the option of the Non-Defaulting Member, shall be paid in cash or by a note of up to seventy-five percent (75%) of the Purchase Price, which note shall have a term not in

excess of five (5) years bearing interest at the Prime Rate, plus two percent (2%) per annum, providing for equal quarterly payments of principal and interest over the term of such note. Any such note shall immediately become payable in full upon the sale of all or substantially all of the Company's assets, or the sale of all of the Non-Defaulting Member's Membership Interests.

14.3.2 Other Remedies.

(a) Generally. The Non-Defaulting Member's election to dissolve the Company under Section 14.3.1(a) will not preclude its exercise of whatever rights it may have at law. However, the Non-Defaulting Member's election to purchase the Defaulting Member's Membership Interest under Section 14.3.1(b) or to sell its Membership Interest under Section 14.3.1(c) is the election of an exclusive remedy.

(b) Non-Defaulting Member's Legal Fees and Expenses. The Non-Defaulting Member's legal fees and expenses will be deducted from any distribution otherwise to be made to the Defaulting Member and will be paid to the Non-Defaulting Member or, if the Non-Defaulting Member elects, will be paid by the Defaulting Member to the Non-Defaulting Member.

14.3.3 Board of Director Changes. In addition to other rights a Non-Defaulting Member may have under this Section 14.3:

(a) if the Non-Defaulting Member elects in its Default Notice the remedy in Section 14.3.1(a) (Dissolution), then concurrently with that notice and thereafter until the dissolution is completed or is terminated (1) the Non-Defaulting Member or its duly appointed representative(s) will assume all of the powers and rights of the Board of Directors and (2) its actions (A) will have the same effect as if taken by unanimous vote of the members of the Board of Directors before the assumption, and (B) will be deemed to include the consent of all Directors appointed by each Member to the matters specified in Section 8.1; or

(b) if the Non-Defaulting Member elects in its Default Notice the remedy in Section 14.3.1(b), it may, by simultaneously giving notice to the Defaulting Member and each Director, also (1) appoint that number of additional Directors that will give the Non-Defaulting Member a majority of the members of the Board of Directors, and (2) cause a simple majority of the members of the Board of Directors to constitute a quorum.

The management changes set forth in this Section 14.3.3 shall have effect only for so long as the Non-Defaulting Member is actively pursuing the remedy it elected under Section 14.3.1.

14.3.4 Effect of Notice. If the Non-Defaulting Member elects in its Default Notice the remedy in Section 14.3.1(a), it will carry out that dissolution in accordance with Article 16. If the Non-Defaulting Member elects in its Default Notice either to buy under Section 14.3.1(b) (and makes the required deposit) or to sell under Section 14.3.1(c), the Members will complete that purchase or sale, as applicable, in accordance with Article 15.

14.4 Remedies if Both Members are Defaulting Members.

If both Members are, or become, Defaulting Members, simultaneously or sequentially, before a sale of a Membership Interest under Section 14.3.1(b) or Section 14.3.1(c) has been

completed, then notwithstanding any election previously made by a Non-Defaulting Member or steps taken to further such election, (a) the Members and the Directors will proceed as expeditiously as possible to dissolve the Company in accordance with Article 16, and (b) both Defaulting Members will thereafter have whatever rights and remedies available to them under this Agreement and under applicable law.

ARTICLE 15

ADDITIONAL BUY-SELL DEFAULT TERMS

15.1 Generally.

This Article 15 applies if a Non-Defaulting Member has elected the provisions of either Section 14.3.1(b) or Section 14.3.1(c).

15.2 Definition of Fair Market Value.

The terms "Fair Market Value" and "Fair Market Value of the Company" shall mean the highest price available for the Company in an open and unrestricted market between informed, prudent parties, acting at arms length and under no compulsion to act, expressed in terms of money or money's worth and will disregard any value that might be assigned by a purchaser with a special interest.

15.3 Price if Defaulting Member's Membership Interest is Being Purchased.

The Purchase Price of the Defaulting Member's Membership Interest pursuant to a Default Notice that elects the remedy set forth in Section 14.3.1(b) will be, except as otherwise expressly provided in Section 14.3.1.(b), at a price equal to 80% of the Fair Market Value of the Defaulting Member's Membership Interest. The Fair Market Value of a Member's Membership Interest is the amount determined by multiplying (a) the Fair Market Value of the Company by (b) the Percentage Interest of the Defaulting Member. If there is a default described in Section 8.2, then the Non-Defaulting Member will suffer damages as a consequence of the default and the difference between the purchase price and the Fair Market Value of the Defaulting Member's Membership Interest will be regarded for all purposes as liquidated damages and not as a penalty.

15.4 Price if Non-Defaulting Member's Member Interest is Being Sold.

The Selling Price for a Non-Defaulting Member's Membership Interest pursuant to a Default Notice that elects the remedy set forth in Section 14.3.1(c) is 100% of the Fair Market Value of that Membership Interest. The Fair Market Value of a Member's Membership Interest is the amount determined by multiplying (a) the Fair Market Value of the Company by (b) the Percentage Interest of the Non-Defaulting Member.

15.5 Resolution of Disagreement as to Amount.

15.5.1 Generally. The recipient of the notice to purchase or sell that specifies a Fair Market Value may object to the specified Fair Market Value by giving notice of objection (the "Notice of FMV Objection") to the other Member within fifteen (15) days of its receipt. If

a Notice of FMV Objection is given, each Member (i) will select a nationally or regionally recognized appraiser with experience in valuing businesses similar to that of the Company, and (ii) will give notice to the other Member of its appraiser's name and address. If either Member fails to appoint an appraiser and give notice to the other Member in accordance with this Section 15.5, the appraiser that was appointed by the other Member will determine the Fair Market Value of the Company.

15.5.2 Applicable Rules. The appraisers will determine the Fair Market Value of the Company in accordance with the following:

(a) Appraisal Reports. Each Member will cause the appraiser it selected to deliver to the other Member within sixty (60) days of its selection its appraisal report and determination of the Fair Market Value of the Company.

(b) 10% or Less Deviation of Appraisal Reports. If the lower appraisal is at least 90% of the higher appraisal, then the Fair Market Value of the Company will be the average of the two appraisals.

(c) More than 10% Deviation of Appraisal Reports. If the lower appraisal is less than 90% of the higher appraisal and if neither Member objects within thirty (30) days after its receipt of the appraisal from the other Member, then the Fair Market Value of the Company will be the average of the two appraisals. If the lower appraisal is less than 90% of the higher appraisal and if either Member objects within thirty (30) days after its receipt of the appraisal from the other Member, then the Members will cause the two appraisers to appoint a third appraiser who satisfies the requirements of Section 15.5.1. If the two appraisers cannot agree upon a third appraiser within ten (10) days following receipt by the appraisers of notice requesting that they appoint the third appraiser, then either of the Members may apply to have the third appraiser selected by the American Arbitration Association from its panel of appraisers.

(d) Third Appraisal Report. Within sixty (60) days after the appointment of the third appraiser, the third appraiser will deliver to each Member an appraisal report that sets out the appraiser's determination of the Fair Market Value of the Company, together with an analysis of how it determined that Fair Market Value.

(e) Determination of Fair Market Value. If a third appraiser is appointed, the Fair Market Value of the Company will be the value determined by the one of the first two appraisers whose value determination was closest to that determined by the third appraiser. However, if the third appraiser's determination is within 10% of the average of the first two appraisals, whether higher or lower, then the average of the first two appraisals will be the value that is used.

(f) Access to Books. Subject only to signing a confidentiality agreement that is in form and substance customary at that time for appraisers, each appraiser will be granted unrestricted access to the books and records of the Company and the employees of the Company as well as to the employees of the Members having information about the Company.

(g) Fees. Each Member will pay the fees and expenses of the appraiser it appoints. The Members will bear equally the fees and expenses of the third appraiser.

15.6 Closing and Date of the Closing.

The closing (the "Default Buy-Sell Closing") of the purchase and sale of the selling Member's Membership Interest will take place on the 60th day following the date on which the parties are given notice that the Fair Market Value has been determined in accordance with this Article 15, or, if that day is not a business day, on the next following business day (the "Default Buy-Sell Closing Date"). The Default Buy-Sell Closing Date will be extended to the extent necessary for either Member to secure any required governmental approval or consent to a date five (5) business days following the approval or consent so long as the Member is using its best efforts to pursue the approval or consent and every thirty (30) days during the extension delivers to the other Member a certificate that such approval is being so pursued.

ARTICLE 16

DISSOLUTION AND TERMINATION

16.1 Dissolution.

The Company shall be dissolved upon the occurrence of any of the following events:

16.1.1 By the unanimous vote of the Members;

16.1.2 Upon the Bankruptcy or dissolution of a Member or occurrence of any other event which terminates the continued membership of a Member in the Company (a "Withdrawal Event"), unless (i) the Membership Interest of the Defaulting Member is acquired by the Non-Defaulting Member pursuant to Section 14.3.1(b) above or (ii) the business of the Company is continued by the consent of those members of the Board of Directors not appointed by the Bankrupt or dissolved Member, which consent is approved by a majority in Percentage Interest of the remaining Members within ninety (90) days after the Withdrawal Event;

16.1.3 Pursuant to Section 3.3 above;

16.1.4 If there is a Default Notice delivered pursuant to Section 14.3.1(a) specifying dissolution as a remedy; or

16.1.5 Entry of a decree of judicial dissolution of the Company under the Act.

16.2 Winding Up, Liquidation and Distribution of Assets.

16.2.1. Upon dissolution, an accounting shall be made by the Company's independent accountants of the accounts of the Company and of the Company's assets, liabilities and operations, from the date of the last previous accounting until the date of dissolution. The Members shall take such steps as are necessary, including directing the Board of Directors and the officers of the Company, to proceed immediately to wind up the affairs of the Company.

16.2.2. If the Company is dissolved and its affairs are to be wound up, the Members or, if directed by the Members, the Board of Directors or the officers of the Company shall:

(a) Sell or otherwise liquidate all of the Company's assets as promptly as practicable (except to the extent the Members may determine to distribute any assets to the Members in kind),

(b) Allocate any profit or loss resulting from such sales to the Member's Capital Accounts in accordance with Article 11 hereof,

(c) Discharge all liabilities of the Company, including liabilities to Members who are creditors, to the extent otherwise permitted by law, other than liabilities to Members for distributions, and establish such Reserves as may be reasonably necessary to provide for contingent liabilities of the Company (for purposes of determining the Capital Accounts of the Members, the amounts of such Reserves shall be deemed to be an expense of the Company),

(d) Distribute the remaining assets in accordance with the Members' Percentage Interests.

(e) Notwithstanding anything to the contrary in this Operating Agreement, upon a liquidation within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Treasury Regulations, if any Member has a Deficit Capital Account (after giving effect to all contributions, distributions, allocations and other Capital Account adjustments for all taxable years, including the year during which such liquidation occurs), such Member shall have no obligation to make any Capital Contribution, and the negative balance of such Member's Capital Account shall not be considered a debt owed by such Member to the Company or to any other Person for any purpose whatsoever.

(f) Upon completion of the winding up, liquidation and distribution of the assets, the Company shall be deemed terminated.

(g) The Members, the Board of Directors and the officers of the Company shall comply with all requirements of applicable law pertaining to the winding up of the affairs of the Company and the final distribution of its assets.

16.3 Articles of Dissolution.

When all debts, liabilities and obligations of the Company have been paid and discharged or adequate provisions have been made therefor and all of the remaining property and assets of the Company have been distributed, articles of dissolution as required by the Act, shall be executed in duplicate and filed with the Secretary of State of the Commonwealth of Pennsylvania.

16.4 Effect of Filing of Articles of Dissolution.

Upon the filing of articles of dissolution with the Secretary of State of the Commonwealth of Pennsylvania, the existence of the Company shall cease, except for the purpose of suits, other proceedings and appropriate action as provided in the Act. The Members shall have authority to distribute any Company property discovered after dissolution, convey real estate and take such other action as may be necessary on behalf of and in the name of the Company.

ARTICLE 17

DEADLOCK

17.1 Deadlock.

In the event that the Members are not able to agree upon any matter reserved to the Member pursuant to Section 6.1 or as otherwise provided under this Agreement, either Member may give notice in writing to the other Member of such disagreement. In the event that the Members are unable to agree within thirty (30) days of such written notice (which period may be extended by mutual agreement of the Members), any Member (the "Offeror") shall have the right to offer, in writing, to purchase all but not less than all of the Membership Interests of the other Member (the "Offeree") at a specified purchase price (the "Offeror's Specified Price"). The Offeree shall have thirty (30) days from the date it receives the written offer to either, (i) accept such offer and sell its Membership Interests at the Offeror's Specified Price, whereupon the Offeror shall be obligated to purchase and the Offeree shall be obligated to sell its Membership Interests at the Offeror's Specified Price, (ii) purchase the Membership Interests of the Offeror, upon the same terms and conditions as the Offeror's Specified Price whereupon the Offeror shall be obligated to sell its Membership Interests and the Offeree shall be obligated to purchase the Offeror's Membership Interests; or (iii) reject such offer and indicate that the Company shall continue with such matter deemed not approved.

17.2 Not Deemed Acceptance.

In the event that the Offeree fails within thirty (30) days from the date it receives the written offer either to accept such offer or purchase the Offeror's Membership Interests by written notice, the Offeree shall be deemed to have rejected the Offeror's offer to purchase the Offeree's Membership Interests.

17.3 Closing.

The closing of the purchase of the Membership Interests in accordance with Section 17.1 shall take place at the principal office of the Company on a date within sixty (60) days after the receipt by the Offeree of the written offer under Section 17.1.

17.4 Limit on Offer.

Notwithstanding anything contained herein to the contrary, no such offer under this Article 17 may be made during any period of time when there is a Default Event as to a Defaulting Member and the Non-Defaulting Member is exercising its rights under Article 14.

ARTICLE 18

CONFLICTS AND DUALITIES OF INTEREST

18.1 Coverage of this Policy.

This policy shall apply to all Directors of the Company's Board of Directors, as well as all officers and all members of all committees of the Board, key agents and senior management

employees of the Company, including independent contractors who are providers of services and materials ("Covered Persons"). The Company's senior management shall have the affirmative obligation to publicize periodically this policy to all such Covered Persons and to keep a list thereof. This policy supplements and is not intended to be enacted to replace any other legal requirements of the Company relative to conflicts of interest.

18.2 Statement of General Policy.

Both real or apparent conflicts or dualities of interest may occur in the course of conducting the daily affairs of the Company since many persons associated with the Company will have multiple affiliations and positions of responsibility within the community. Conflicts potentially or apparently place the interests of others above the Company's interests and obligations. However, the termination of all association with Persons who may have real or apparent conflicts is not necessary, provided that an effective process can disclose and render such apparent or real conflicts harmless to all concerned.

18.3 Nature of Fiduciary Obligations.

Entirely separate from the policies and procedures on conflicts and dualities of interest is the legally imposed obligation of loyalty owed by every fiduciary to place the Company's interests above any personal interest when functioning as a fiduciary. This duty is a court-imposed one which is statutorily recognized and which extends to safeguarding the Company's best interests.

18.4 Definitions.

(a) "Conflict of interest" includes all situations where a Covered Person or an immediate family member has a fiduciary obligation to the Company and concurrently has a proprietary interest (has an ownership position, has a material financial interest, is an officer, director, general partner, has a management level role) in another organization which transacts with the Company.

(b) "Duality of interest" includes all situations where a Covered Person or an immediate family member has a fiduciary obligation to the Company, and concurrently has a fiduciary relationship with another organization which transacts with the Company. A duality of interest is distinguished from a conflict of interest in that the duality involves only a fiduciary involvement with another entity. Such an interest may become a conflict of interest if the involvement becomes a proprietary interest. Service to a Member of the Company is an example of a duality that would not be a conflict of interest.

(c) "Disclosure," as used in this Operating Agreement, shall mean the timely provision of a written description of the facts comprising the real or apparent conflict or duality to the President of the Company. All Directors, officers, members of Board committees and key agents shall annually complete a Conflict/Duality of Interest Disclosure Statement and shall disclose to the Board of Directors any situation which may represent a conflict or a duality of interest. The duty to disclose accrues when the conflict occurs, not when the annual form is received.

(d) “Immediate family member,” as used in this Operating Agreement, shall mean husband or wife; birth or adoptive parent, child, or sibling; stepparent, stepchild, stepbrother, or stepsister; father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law; grandparent or grandchild; and spouse of a grandparent or grandchild.

18.5 Proscribed Activity by Persons Having Conflicts.

Whenever Covered Persons believe that they or an immediate family member might or does have a real or an apparent conflict or duality, they should, in addition to filing the disclosure notice described above, abstain from making motions, voting, executing agreements or taking any other similar direct action on behalf of the Company where the conflict or duality might pertain, and shall leave the room in which the meeting takes place so that the matter may be discussed outside their presence, which fact shall be included in the minutes of the meeting. They shall not be precluded from presenting written materials or debate. While excluded from voting, they may be counted in determining whether a quorum is present. When any Person requests in writing or upon its own initiative, the Board of Directors may establish further guidelines consistent with the interests of the Company for the resolution of any real or apparent conflicts.

18.6 Alternative Action.

If more than a majority of the Directors who constitute a quorum have a real or apparent conflict or duality and abstain from voting on a motion before the board of directors, the Members of the Company shall have the authority to decide the action.

18.7 Violations of Disclosure Duty.

Any material violation of the foregoing duty of disclosure by Covered Persons shall be grounds for removal from the office by which such Person serves the Company.

18.8 Disqualified Person Under Code § 4958.

In all cases where a Covered Person is also a “Disqualified Person” of WPAHS as that term is defined under Code § 4958 and the regulations issued thereunder, the Board of Directors shall, in advance of entering into a transaction with such Person, undertake the procedure set forth in Section 53.4958-6 of the Treasury Regulations, and the transaction shall be entered into only if it has been determined that the terms of the transaction are reasonable and at fair market value.

18.9 Periodic Review of Policy.

It shall be the ongoing duty of the Company’s Board of Directors to review this policy on conflicts and dualities and the procedures hereunder at least annually to determine its effectiveness for the Company.

ARTICLE 19

AMENDMENT OF ORGANIZATIONAL DOCUMENTS

19.1 Amendment Procedure.

Subject to the authority of the Members set forth in Section 6.1.1, the Board of Directors shall have the authority to initiate changes or amendments to the Certificate of Formation and this Operating Agreement. With respect to amendments to provisions of the Certificate of Formation and this Operating Agreement described in Section 6.1.1, such amendments shall become effective upon the affirmative vote of the Members as set forth in Article 6.

ARTICLE 20

MISCELLANEOUS PROVISIONS

20.1 Notices.

Any notice, demand or communication required or permitted to be given pursuant any provision of this Operating Agreement shall be in writing and shall be delivered personally, by nationally recognized overnight courier, or by registered or certified mail, to the addressee at the address that appears on the books of the Company. Any such notice, demand or communication shall be deemed given and effective (i) if delivered in person, on the date of personal delivery, (ii) if sent by nationally recognized overnight carrier, on the first business day after so sent, or (iii) if sent by registered or certified mail, two business days after the date on which the notice was so sent. The Person giving the notice will pay all postage and other charges or delivery costs.

20.2 Books of Account and Records.

Proper and complete records and books of account shall be kept or shall be caused to be kept by the Board of Directors in which shall be entered fully and accurately all transactions relating to the Company's business in such detail and completeness as is customary and usual for businesses of the type engaged in by the Company. Such books and records shall be maintained as provided in Section 11.10. The books and records shall at all times be maintained at the principal place of business of the Company.

20.3 Application of Pennsylvania Law.

This Operating Agreement and its interpretation shall be governed exclusively by its terms and by the laws of the Commonwealth of Pennsylvania, and specifically the Act; provided, however, that the conflicts of law principles of the Commonwealth of Pennsylvania shall not apply to the extent that they would operate to apply the law of another jurisdiction.

20.4 Submission to Jurisdiction; Consent to Service of Process; Waiver of Jury Trial.

The parties hereto hereby irrevocably submit to the exclusive jurisdiction of any federal or state court located in Pittsburgh, Pennsylvania over any dispute arising out of or relating to

this Agreement or any of the transactions contemplated hereby and each party hereby irrevocably agrees that all claims in respect of such dispute or any suit, action proceeding related thereto may be heard and determined in such courts. The parties hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection which they may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each of the parties hereto agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. EACH PARTY ABSOLUTELY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY AND ALL RIGHTS TO TRIAL BY JURY IN CONNECTION WITH ANY PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

20.5 Waiver of Action for Partition.

Each Member irrevocably waives during the term of the Company any right that it may have to maintain any action for the partition with respect to the property of the Company.

20.6 Execution of Additional Instruments.

Each Member hereby agrees to execute such other and further statements of interest and holdings, designations and other instruments necessary to comply with any laws, rules or regulations.

20.7 Headings.

The headings in this Operating Agreement are inserted for convenience only and are in no way intended to describe, interpret, define, or limit the scope, extent or intent of this Operating Agreement or any provision hereof.

20.8 Waivers.

The failure of any party to seek redress for default of or to insist upon the strict performance of any covenant or condition of this Operating Agreement shall not prevent a subsequent act, which would have originally constituted a default, from having the effect of an original default.

20.9 Rights and Remedies Cumulative.

The rights and remedies provided by this Operating Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive the right to use any other remedy. Said rights and remedies are given in addition to any other legal rights the parties may have.

20.10 Severability.

If any provision of this Operating Agreement or the application thereof to any Person or circumstance shall be invalid, illegal or unenforceable to any extent, the remainder of this

Operating Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

20.11 Successors and Assigns.

Each and all of the covenants, terms, provisions and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Operating Agreement, their respective successors and permitted assigns.

20.12 Creditors.

None of the provisions of this Operating Agreement shall be for the benefit of or enforceable by any creditors of the Company.

20.13 Counterparts.

This Operating Agreement may be executed in counterparts and by facsimile and PDF signature, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

20.14 Cost of Litigation.

In the event any party to this Operating Agreement takes legal action to enforce any of the terms of this Operating Agreement, the prevailing party to such action shall be entitled to reimbursement for such party's reasonable expenses, including reasonable attorneys' fees, incurred in such action.

20.15 Entire Agreement.

The Option Agreement and this Operating Agreement, including any exhibits, schedules and appendices attached hereto, constitute the entire agreement among the parties hereto with respect to the subject matter hereof, and supersede all prior agreements of the parties, whether written or oral, with respect to the subject matter hereto. In the event of any inconsistency between the terms and conditions of this Operating Agreement and the Option Agreement, the terms and conditions of this Operating Agreement shall govern and control.

20.16 Expenses.

Each party agrees to pay its own expenses incurred in connection with the transactions contemplated hereby.

IN WITNESS WHEREOF, the parties hereto have caused their signatures, or the signatures of their duly authorized representatives, to be set forth below on the day and year first above written.

HIGHMARK INC.

By: _____
Name (print): _____
Its: _____

WEST PENN ALLEGHENY HEALTH SYSTEM, INC.

By: _____
Name (print): _____
Its: _____

EXHIBIT A

MEMBERS' CAPITAL CONTRIBUTIONS

Member Name and Address	Capital Contribution	Initial Capital Account	Membership Interests	Percentage Interest
Highmark Inc. _____ _____ _____	Contribution of 50% undivided interest in Laboratory Facility Assets (as defined in the Option Agreement) to the Company as set forth in the Option Agreement		100	50%
West Penn Allegheny Health System, Inc. _____ _____ _____	Contribution of Laboratory Facility Assets (as defined in the Option Agreement) to the Company as set forth in the Option Agreement		100	50%
TOTAL:			200	100%

EXHIBIT B

INITIAL BOARD OF DIRECTORS

The names of the initial members of the Company's Board of Directors elected by each Member are set forth below:

[Highmark Inc.]

[West Penn Allegheny Health System, Inc.]

EXHIBIT B

GENERAL BILL OF SALE

**FORM OF
GENERAL BILL OF SALE**

_____, 201_

FOR VALUE RECEIVED and in accordance with the provisions of the Joint Venture Option Agreement, dated as of _____, 2011 (as amended from time to time, the "Joint Venture Option Agreement"). by and among Highmark Inc. and West Penn Allegheny Health System, Inc.. WPAHS hereby sell, convey, transfer and deliver to the [**Joint Venture**] all of WPAHS's right, title and interest in and to that portion of the Laboratory Facility Assets consisting of tangible and intangible property (other than any Real Property). All capitalized terms not otherwise defined herein shall have the meanings given to those terms pursuant to the Joint Venture Option Agreement.

The conveyance pursuant to this Bill of Sale shall be effective as of 12:01 a.m., Eastern Time, on _____, 201_.

The Bill of Sale is made pursuant to the Joint Venture Option Agreement and is subject to the terms and conditions thereof. If any conflicts exist between this Bill of Sale and the Joint Venture Option Agreement, the Joint Venture Option Agreement shall control.

The terms and provisions of this Bill of Sale are intended solely for the benefit of the parties hereto and their respective permitted successors or assigns, and it is not the intention of the parties to confer third party beneficiary rights upon any other person or entity. This Bill of Sale shall be binding upon and will inure to the benefit of the parties and their respective permitted successors and assigns.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Bill of Sale as of the date first above written.

[JOINT VENTURE ENTITY]

By: _____

Name: _____

Title _____

**WEST PENN ALLEGHENY HEALTH
SYSTEM, INC.**

By: _____

Name: _____

Title: _____

EXHIBIT C

ASSIGNMENT AND ASSUMPTION AGREEMENT

FORM OF
ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT ("Assignment") is made and entered into as of _____ 2011 by and among West Penn Allegheny Health System, Inc. ("Assignor"), and [**JOINT VENTURE ENTITY**] ("Assignee"). Capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Joint Venture Option Agreement (as defined below).

WITNESSETH:

WHEREAS, Assignor and Highmark Inc. are parties to that certain Joint Venture Option Agreement, dated as of _____, 2011, (the "Joint Venture Option Agreement"), as well as Members of Assignee;

WHEREAS, pursuant to the Joint Venture Option Agreement, Assignor agreed to assign and transfer to Assignee, and Assignee agreed to accept from Assignor, all of Assignor's interest in the Assumed Contracts;

WHEREAS, pursuant to the Joint Venture Option Agreement, Assignee agreed to assume the future payment and performance of the Assumed Liabilities; and

NOW, THEREFORE, in consideration of the foregoing premises, the mutual covenants and other agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto covenant and agree as follows:

1. **Assignment.** Assignor hereby assigns, grants, conveys and transfer to Assignee, and its successors and assigns, that portion of Assignor's rights, title and interests in, to and under the Assumed Contracts listed in Exhibit A hereto, effective as of 12:01 a.m., Eastern Time, on _____, 201_ (the "Effective Time").

2. **Assumption.** Assignee hereby assumes as of the Effective Time the future payment and performance of all obligations and liabilities, other than Excluded Liabilities, of Assignor relating to the period after the Effective Time arising under the Assumed Contracts listed in Exhibit A hereto.

3. **Irrevocable Assignment.** This Assignment is made for good and valuable consideration paid to Assignor, the receipt and sufficiency of which is acknowledged, and is coupled with an interest. This assignment and assumption contained herein are irrevocable.

4. **Remedies.** Assignor's and Assignee's remedies with respect to any claim arising from a breach of this Assignment shall be set forth in the Joint Venture Option Agreement.

5. **Entire Agreement.** This Assignment supersedes any and all prior agreements, either oral or written, between the parties with respect to the subject matter of this Assignment (including any term sheet or similar agreement or document relating to the transaction contemplated hereby) other than any such agreements included in the Joint Venture Option Agreement. This Assignment, together with the Joint Venture Option Agreement, constitutes the entire agreement between the parties with respect to the subject matter hereof.

6. **Waiver.** Any term or condition of this Assignment may be waived at any time by the party which is entitled to the benefit thereof. Any such waiver must be in writing and must be duly executed by such party. A waiver on one occasion shall not be deemed to be a waiver of the same or any other breach, provision or requirement on any other occasion.

7. **Amendment.** This Assignment may also be modified or amended only by a written instrument duly executed by each of the parties hereto.

8. **Counterparts and Facsimile Signatures.** This Assignment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement, binding on all of the parties hereto. Facsimile signatures on this Assignment shall be deemed to be original signatures for all purposes.

9. **No Third Party Beneficiary.** The terms and provisions of this Assignment are intended solely for the benefit of the parties hereto and their respective permitted successors or assigns, and it is not the intention of the parties to confer third party beneficiary rights upon any other Person or entity.

10. **Binding Effect.** This Assignment shall be binding upon and will inure to the benefit of the parties and their respective permitted successors and assigns.

11. **Governing Law.** The parties agree that this Assignment shall be governed by and construed in accordance with the Laws of the Commonwealth of Pennsylvania without giving effect to any choice or conflicts of law provision or rule thereof. EACH PARTY ABSOLUTELY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY AND ALL RIGHTS TO TRIAL BY JURY IN CONNECTION WITH ANY PROCEEDING ARISING OUT OF OR RELATING TO THIS ASSIGNMENT.

12. **Construction.** Wherever from the context it appears appropriate, each term stated in either the singular or the plural shall include the singular and plural, and pronouns stated in the masculine, the feminine or the neuter gender shall include the masculine, feminine and neuter. No provision of this Assignment shall be interpreted for or against either party hereto on the basis that such party was the draftsman of such provision, each party having participated equally in the drafting hereof, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of this Assignment.

13. **Headings.** The headings used in this Assignment have been inserted for convenience and do not constitute provisions to be construed or interpreted in connection with this Assignment.

14. Severability; Invalid Provisions. If any provision of this Assignment is held to be illegal, invalid or unenforceable under any present or future Law, (a) such provision will be fully severable, (b) this Assignment will be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof, (c) the remaining provisions of this Assignment will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom; and (d) in lieu of such illegal, invalid or unenforceable provision, there will be added automatically as a part of this Assignment a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible.

15. Conflicts Between Agreements. This Assignment is made pursuant to the Joint Venture Option Agreement and is subject to the terms and conditions thereof. If any conflicts exist between this Assignment and the Joint Venture Option Agreement, the Joint Option Agreement shall control.

16. Counterparts. This Assignment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement, binding on all of the parties hereto.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment as of the date first above written.

ASSIGNOR:

**WEST PENN ALLEGHENY HEALTH
SYSTEM, INC.**

By: _____

Name: _____

Title: _____

ASSIGNEE:

[JOINT VENTURE ENTITY]

By: _____

Name: _____

Title: _____

EXHIBIT J

EXHIBIT J

**SPENDING POLICY FOR PERPETUAL
SPECIAL PURPOSE ENDOWMENT FUND**

This Spending Policy for Perpetual Special Purpose Endowment Fund (the "**Policy**") has been adopted for the purpose of establishing guidelines for the management and use of the perpetual special purpose endowment fund known as the Highmark Endowment for Medical and Health Education (West Penn Allegheny Health System, Inc.) (the "**Endowment**").

The Endowment will be held by an entity exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (hereinafter cited as "**IRC § ____**" or referred to as the "**Code**").

Section 1. Definitions. In this Policy:

- (a) "Endowment" refers to Highmark Endowment for Medical and Health Education (West Penn Allegheny Health System, Inc.);
- (b) "Endowment Funds" refer to any funds held by the Endowment for uses consistent with its charitable purposes;
- (c) "Board" refers to the Board that controls decisions related to the management and use of the Endowment.
- (d) "WPAHS" refers to West Penn Allegheny Health System, Inc.

Section 2. Asset Preservation Philosophy. The asset preservation philosophy of the Endowment is intended to safeguard the long-term financial welfare of the Endowment. This philosophy embraces the intention that Endowment grant-making and operational decisions be made with due regard for the Endowment's goal of not only preserving, but also enhancing, the value of the Endowment Funds. This philosophy assures that financial decisions are made in such a way that provides an opportunity for the asset value of the Endowment Funds to grow so that, at a minimum, inflation-adjusted spending by the Endowment is perpetuated into the future. It is also anticipated that this philosophy will minimize the impact of the volatility of the Endowment's investments on the year-to-year spending of the Endowment.

Section 3. Investment Authority. The Board, subject to any applicable limitations on donor-designated restricted gifts or as set forth by applicable law, may invest in any manner consistent with the Pennsylvania Prudent Investor Rule (20 Pa. Cons. Stat. §§7201-7214), including, among other investments, that it may:

- (a) invest and reinvest Endowment Funds in any real or personal property deemed advisable by the Board, whether or not it produces a current return, including mortgages, stocks, bonds, debentures, and other securities, and obligations of any government or subdivision or instrumentality thereof;

(b) retain property contributed by a donor for as long as the Board deems advisable;

(c) include all or any part of the Endowment Funds in any pooled or common fund maintained for investment purposes; and

(d) invest all or any part of the Endowment Funds in any other pooled or common fund available for investment, including without limitation shares or interests in mutual funds, common trust funds, real estate investment trusts, or similar organizations in which funds are commingled and investment determinations are made by persons other than the Board.

Section 4. Spending Level Determination.

(a) On an annual basis, the Board will review the financial status of the Endowment and establish an appropriate spending level. The spending level to be established for Endowment Funds will be determined as a percentage of asset market value as of a date fixed by the Board. Included in the spending level calculation will be Endowment Funds to cover the Endowment's grant-making activities and operating expenses for the subsequent 12 months or such other time period determined by the Board. To ensure a stable and predictable base, the Board may elect to use a three- (3) year rolling average market value to determine annual spending levels which should assist in providing management with the time to make calculations for budgeting and distribution purposes. Once established, an annual spending level determination may be modified only by subsequent vote of the Endowment Board.

(b) The Board shall make grants from the Endowment Funds in the following proportions for the following purposes:

(i) 66.67% for scholarships for western Pennsylvania medical students at the Temple University School of Medicine at WPAHS or any other allopathic medical schools with which WPAHS may affiliate, provided that such medical schools qualify as educational institutions that are described in IRC § 170(b)(1)(A)(ii) and that such distributions shall be made to such medical schools as restricted grants to be used by such medical schools for such purpose;

(ii) 20% to educational institutions that are described in IRC § 170(b)(1)(A)(ii) as restricted grants to be used to support undergraduate pre-medical and related science studies; and

(iii) 13.33% to support other health professional educational programs with which WPAHS may affiliate from time to time, provided that such grants shall be made to WPAHS or other organizations designated by WPAHS that qualify as "public charities" under IRC § 509(a)(1), as restricted grants to be used for such purpose.

Section 5. Delegation of Investment Management. Except as otherwise precluded by donor restriction or applicable law, the Board may (1) delegate to committees, officers, or

employees of the Endowment, or agents, including investment counsel, the authority to act in place of the Board in investment and reinvestment of Endowment Funds; (2) contract with independent investment advisors, investment counsel, or managers, banks, or trust companies, so to act; and (3) authorize the payment of compensation for investment advisory or management service.

Section 6. Standard of Conduct. In the administration of the powers to make and retain investments, and to delegate investment management of Endowment Funds, members of the Board shall exercise ordinary business care and prudence under the facts and circumstances prevailing at the time of the action or decision. In so doing they shall consider long and short-term needs of the Endowment in carrying out its charitable purposes, its present and anticipated financial requirements, expected total return on its investments, and general economic conditions.

Effective Date of Policy: _____

EXHIBIT K

[Closing date]

Highmark, Inc.
Fifth Avenue Place
120 Fifth Avenue
Pittsburgh, PA 15222

Ladies and Gentlemen:

We have acted as counsel to West Penn Allegheny Health System, Inc., a Pennsylvania nonprofit corporation (the "Corporation"), in connection with the Affiliation Agreement, dated as of _____, 2011 (the "Affiliation Agreement") among [Ultimate Parent Entity], a Pennsylvania nonprofit corporation, [Provider Subsidiary], a Pennsylvania nonprofit corporation, Highmark, Inc., a Pennsylvania nonprofit corporation, the Corporation, Canonsburg General Hospital, a Pennsylvania nonprofit corporation, Alle-Kiski Medical Center, a Pennsylvania nonprofit corporation and other subsidiaries of the Corporation identified therein and the "WPAHS Parties". This opinion letter is being furnished to you pursuant to Section 3.2 of the Affiliation Agreement. Capitalized terms not defined in this opinion letter have the meanings ascribed to them in the Affiliation Agreement.

In connection with this opinion letter, we have examined the Affiliation Agreement and the Joint Venture Option Agreement (collectively the "Transaction Documents"). We have examined such certificates, documents and records and have made such investigation of fact and such examination of law as we have deemed appropriate in order to enable us to render the opinions set forth herein. In conducting such investigation, we have relied, without independent verification, upon certificates of governmental officers and officers of the Corporation.

The opinions expressed herein are limited to matters governed by the laws of the Commonwealth of Pennsylvania and the federal laws of the United States of America (collectively, the "Covered Laws").

Based upon the foregoing and subject to the additional qualifications set forth below, we are of the opinion that:

1. Each of the WPAHS Parties other than West Penn Allegheny Foundation, LLC (a) is a nonprofit corporation validly existing and in good standing under the laws of the Commonwealth of Pennsylvania and (b) has the corporate power to execute, deliver and perform its obligations under the Transaction Documents to which it is a party. West Penn Allegheny Foundation, LLC (a) is a limited liability company validly existing under the laws of the Commonwealth of Pennsylvania and (b) has the limited liability company power to execute, deliver and perform its obligations under the Transaction Documents to which it is a party

2. Each of the Transaction Documents to which each WPAHS Party is a party has been duly authorized, executed and delivered by or on behalf of such WPAHS Party and constitutes the valid and binding obligation of the such WPAHS Party enforceable against the such WPAHS Party in accordance with its terms.

3. The execution and delivery by each WPAHS Party of the Transaction Documents to which it is a party will not violate the articles of incorporation, by-laws or operating agreement, as applicable, of such WPAHS Party.

Our opinions in paragraph 2 that each of the Transaction Documents constitutes the valid and binding obligation of the WPAHS Parties, enforceable against each such WPAHS Party in accordance with its terms, is subject to (i) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other laws of general application affecting the rights and remedies of creditors and secured parties and (ii) general principles of equity. We express no opinion with respect to the applicability of Section 548 of the Bankruptcy Code or any comparable provision of Pennsylvania law.

In addition, we express no opinion as to (i) the extent to which broadly worded waivers, waivers of rights to damages, offset or defenses, waivers of statutory, regulatory or constitutional rights, conclusive presumptions or determinations, or powers of attorney or prohibitions on oral waivers may be enforced, (ii) the enforceability of any provision which is determined to constitute a penalty or forfeiture or which provides for choice of law, submission to jurisdiction/agreement that any claim will be brought only in the courts of a particular jurisdiction, choice of venue, consent to service of process, waiver of jury trial, judgment currency, confession of judgment or arbitration, or (iii) the enforceability of non-competition or similar provisions of the Transaction Documents.

This opinion letter is furnished by us to you in connection with the Transaction, as defined in the Affiliation Agreement, described above and is solely for your benefit. Except as otherwise expressly consented to by us in writing, this opinion may not be relied upon for any other purpose or by any other person.

Very truly yours,

Ropes & Gray LLP

Highmark, Inc.

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[Closing Date]

Schedule I

Allegheny Medical Practice Network

Allegheny-Singer Research Institute

Allegheny Specialty Practice Network

Canonsburg General Hospital Ambulance Service

Forbes Health Foundation

Suburban Health Foundation

The Western Pennsylvania Hospital Foundation

West Penn Allegheny Foundation, LLC

West Penn Allegheny Oncology Network

West Penn Physician Practice Network

EXHIBIT L

EXHIBIT L

FORM OF OPINION OF HIGHMARK AND UPE PARTIES' LEGAL COUNSEL

_____, 201__

West Penn Allegheny Health System, Inc.
30 Isabella Street, Suite 300
Pittsburgh, PA 15212

Re: Transaction By and Among [Ultimate Parent Entity], [Provider
Subsidiary], Highmark Inc., and West Penn Allegheny Health System,
Inc., Canonsburg General Hospital, Alle-Kiski Medical Center, and the
other WPAHS Subsidiaries (as defined in the Agreement)

Ladies and Gentlemen:

We have acted as transaction counsel to [Ultimate Parent Entity], and [Provider
Subsidiary] (each a "UPE Party" or collectively the "UPE Parties") and Highmark Inc.
("Highmark") in connection with the above-referenced transaction wherein the UPE Parties and
Highmark have entered into an Affiliation Agreement dated as of _____ (the "Agreement"),
between and among themselves and West Penn Allegheny Health System, Inc. ("WPAHS"),
Canonsburg General Hospital, Alle-Kiski Medical Center, and the other WPAHS Subsidiaries
(together with WPAHS, each a "WPAHS Party" or collectively the "WPAHS Parties"). This
opinion is furnished pursuant to Section ___ of the Agreement and is given at the request of the
UPE Parties and Highmark. Capitalized terms not otherwise defined in this opinion have the
definitions set forth in the Agreement.

In rendering the opinions set forth in this letter, we have examined and relied
upon originals or copies, certified or otherwise identified to our satisfaction, of the following
documents and have made such inquiry to the officers and other representatives of the UPE
Parties and Highmark and have made such investigations of law as we have deemed appropriate
for the purpose of providing the opinions hereinafter expressed:

A. Pennsylvania Department of State Certificates of Good Standing for each
UPE Party and Highmark, dated _____;

B. Pennsylvania Department of State certified copies of the Articles of
Incorporation of [Ultimate Parent Entity] and [Provider Subsidiary] dated _____, and of
Highmark dated _____;

- C. The Agreement;
- D. Certificates of the authorized Officers of each UPE Party and Highmark, dated as of _____;
- E. Certificates of the Secretary of each UPE Party and Highmark, dated as of _____;
- F. Certified resolutions of the Board of Directors of each UPE Party, dated as of _____, and of Highmark dated as of _____, approving and authorizing the Transaction which is described in the Agreement; and
- G. The following documents delivered in connection with the Transaction:
 - 1. The Amended and Restated of Incorporation of the WPAHS Parties;
 - 2. The Amended and Restated Bylaws of the WPAHS Parties; and
 - 3. The Joint Venture Option Agreement

In addition, we have examined such other documents, agreements, and certificates as we have deemed necessary or appropriate as a basis for the opinions set forth below.

Together with the Agreement, the documents described as items G1-3 above are collectively referred to as the "Transaction Documents."

In all such examinations, we have assumed that (i) all signatures (other than the signatures on behalf of the UPE Parties and Highmark) are genuine, (ii) all documents submitted to us as originals are genuine, authentic, true, accurate and complete, and (iii) all documents submitted to us as photocopies conform to the original documents. We have made no independent examination of factual matters set forth in the aforesaid documents or representations for the purpose of rendering this opinion. We have also assumed that (i) no authorization, consent or other approval of, notice to or filing with any court, governmental authority or regulatory body is required in connection with the Transaction contemplated by the Agreement, (ii) there is no action, suit or proceeding pending or threatened before any court, government department, or other authority which purports to affect the legality, validity or enforceability of any Transaction Document or the Transaction, and (iii) there has been no relevant change or development between the dates of the Certificates of Good Standing referenced above and the date of this letter. As to various questions of fact material to this opinion which we did not independently establish or verify, we have relied upon statements and representations of the UPE Parties and Highmark and their officers and other representatives and

of public officials, and have assumed that such matters remain true and correct through the date hereof.

We have assumed, without verification, for purposes of this opinion, that each WPAHS Party is a Pennsylvania nonprofit corporation, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania, and the due authorization, execution and delivery of the Agreement and other Transaction Documents by the WPAHS Parties, and that each of such documents, constitute or will constitute the legal, valid and binding obligations of the WPAHS Parties, enforceable against them in accordance with their terms. We have further assumed that the WPAHS Parties have all necessary approvals from the Pennsylvania Department of Health and other regulatory agencies to own and operate the Facilities.

Based on the foregoing, and subject to the qualifications and limitations stated in this letter, we are of the opinion that:

1. Each UPE Party and Highmark are nonprofit corporations, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania.

2. Each UPE Party and Highmark have the corporate power and authority to execute, deliver and perform all of their obligations under each of the Transaction Documents to which such UPE Parties and Highmark are parties.

3. The execution and delivery of each of the Transaction Documents to which a UPE Party or Highmark is a party, and the performance of all of such UPE Parties' and Highmark's obligations under such Transaction Documents have been authorized by all requisite corporate action on the part of such UPE Parties and Highmark, as applicable.

4. Each of the Transaction Documents to which a UPE Party or Highmark is a party has been executed and delivered by such UPE Party and Highmark.

5. The execution, delivery, and performance by each UPE Party and Highmark of each of the Transaction Documents to which such UPE Party and Highmark is a party do not conflict with the Articles of Incorporation or Bylaws of such UPE Party or Highmark.

6. Each of the Transaction Documents to which a UPE Party or Highmark is a party constitutes the valid and binding obligation of such UPE Party or Highmark, enforceable against such UPE Party and Highmark in accordance with its terms.

The opinions set forth above are qualified and limited as follows:

A. In rendering this opinion, we have assumed the delivery to WPAHS on the date hereof of each Funding Commitment then due and payable pursuant to the Agreement.

B. We are licensed to practice law in the Commonwealth of Pennsylvania. Accordingly, the foregoing opinion applies only with respect to the laws of the Commonwealth of Pennsylvania and the federal laws of the United States, and we express no opinion with respect to the laws of any other jurisdiction. Furthermore, we express no opinion as to the enforceability of any non-competition covenants contained in the Agreement, as all such matters are outside the scope of this opinion.

C. This opinion is given as of the date hereof and the opinions expressed herein are based upon and rely upon the current status of the law, and in all respects are subject to and may be limited by future legislation as well as developing case law. We undertake no obligation or responsibility to update or supplement this opinion in response to subsequent changes in law or future events affecting the transactions contemplated described herein.

D. Our opinions set forth herein as to validity, binding effect and enforceability of Transaction Documents are specifically qualified to the extent that the validity, binding effect or enforceability of any obligations of the UPE Parties and Highmark under the Transaction Documents or the availability or enforceability of any the remedies provided therein may be, limited, restricted, delayed, subject to or affected by: (i) applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium, and other statutory or decisional laws, heretofore or hereafter enacted or in effect, affecting the rights of creditors generally; (ii) the exercise of judicial or administrative discretion in accordance with general equitable principles (regardless of whether considered in proceeding in equity or at law); (iii) the application by courts of competent jurisdiction of laws containing provisions determined to have a paramount public importance; (iv) limitations on the availability or enforceability of particular remedies, exculpatory provisions and waivers contained in the Transaction Documents, which particular remedies, exculpatory provisions and waivers may be limited by equitable principles or applicable laws, rules, regulations, court decisions or and constitutional requirements, including, without limitation, limitations on the availability of specific performance as a remedy; and (v) the implied duty of good faith and fair dealing.

E. This opinion is limited to the specific matters stated herein, and no opinion is or should be implied or inferred beyond the matters expressly stated herein.

The phrase "to our knowledge" or other phrases of similar meaning when used herein with respect to the existence or absence of facts means that Dale S. Webber and Jan O. Wenzel, the primary attorneys within this firm who have worked on the Transaction opined on herein, have made such inquiries and received such representations and certifications of officers of the UPE Parties and Highmark as deemed appropriate under the circumstances, but such attorneys have not made any further review of documents or records (public or otherwise) or other investigation.

West Penn Allegheny Health System, Inc.

_____, 201__

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This opinion is furnished to you by us as counsel for the UPE Parties and Highmark, is solely for your benefit, and is rendered solely in connection with the Transaction described to which this opinion relates. This opinion may be relied upon only in connection with the Transaction and may not be relied upon by any other person without our prior written consent. We assume no obligation to review or update this opinion should applicable laws or regulations or applicable facts or circumstances change.

Very truly yours,

BUCHANAN INGERSOLL & ROONEY PC

SCHEDULES TO THE AFFILIATION AGREEMENT

The following Schedules are being delivered pursuant to the Agreement, dated as of October 31, 2011, by and among UPE, a Pennsylvania nonprofit corporation, UPE Provider Sub, a Pennsylvania nonprofit corporation, Highmark Inc., a Pennsylvania nonprofit corporation, and West Penn Allegheny Health System, Inc., a Pennsylvania nonprofit corporation. Capitalize^{27618048_33}d terms used herein and not otherwise defined shall have the respective meanings ascribed to such terms in the Agreement.

For purposes of convenience, the specific disclosures set forth in the Schedules have been organized to correspond to section references in the Agreement to which the disclosure relates, however, information disclosed in any Schedule shall be deemed to be disclosed for and incorporated by reference into each other Schedule to the extent the relevance of the disclosure to any such other Schedule is reasonably apparent. The inclusion of any information in these Schedules shall not be deemed to constitute an acknowledgment that such information is required to be disclosed in connection with the representations and warranties made by the WPAHS Parties, or that such information is material, or outside the ordinary course of business, nor shall such information be deemed to establish a standard of materiality, nor shall it be deemed an admission of any liability of, or concession as to any available defenses or be deemed to expand in any way the scope or effect of any of such representations or warranties.

The attachments to the Schedules form an integral part of the Schedules and are incorporated by reference for all purposes as if set forth fully herein.

**Schedule R-1
WPAHS Subsidiaries**

Subsidiary	Type of Entity
1. Allegheny Medical Practice Network	Pennsylvania Non-Profit Corporation
2. Allegheny-Singer Research Institute	Pennsylvania Non-Profit Corporation
3. Allegheny Specialty Practice Network	Pennsylvania Non-Profit Corporation
4. Alle-Kiski Medical Center	Pennsylvania Non-Profit Corporation
5. Alle-Kiski Medical Center Trust	Pennsylvania Non-Profit Corporation
6. Canonsburg General Hospital	Pennsylvania Non-Profit Corporation
7. Canonsburg General Hospital Ambulance Service	Pennsylvania Non-Profit Corporation
8. Forbes Health Foundation	Pennsylvania Non-Profit Corporation
9. Suburban Health Foundation	Pennsylvania Non-Profit Corporation
10. The Western Pennsylvania Hospital Foundation	Pennsylvania Non-Profit Corporation
11. West Penn Allegheny Foundation, L.L.C.	Pennsylvania Limited Liability Company
12. West Penn Allegheny Oncology Network	Pennsylvania Non-Profit Corporation
13. West Penn Physician Practice Network	Pennsylvania Non-Profit Corporation

Note: The following entities are currently not in operation but remain active corporations with the Pennsylvania Secretary of State. Such entities are not WPAHS Parties:

- Allegheny Valley Hospital LCO, Inc., a Pennsylvania non-profit corporation
- Canonsburg Hospital and Health Foundation, a Pennsylvania non-profit corporation
- Canonsburg Physician Hospital Organization, a Pennsylvania non-profit corporation
- Greater Canonsburg Health System, a Pennsylvania non-profit corporation

- Western Pennsylvania Heart Plan, Inc., a Pennsylvania business corporation
- West Allegheny Hospital, An Osteopathic Institution, a Pennsylvania non-profit corporation¹
- West Penn Corporate Medical Services, Inc., a Pennsylvania business corporation
- West Penn Physicians' Organization, a Pennsylvania non-profit corporation

Note: Friendship Insurance Company, Ltd., ("Friendship") a Cayman Islands Company, is also not a WPAHS Party. Friendship is currently processing its last claims, it no longer accepts new claims, and WPAHS plans to dissolve the company in 2012.

¹ West Allegheny Hospital is currently not in operation and is listed as inactive with the Pennsylvania Secretary of State; however, Amended and Restated Articles of Incorporation were filed with the Pennsylvania Secretary of State on June 22, 1984 purportedly changing the name of West Allegheny Hospital to West Allegheny Hospital, an Osteopathic Institution, which still remains listed as active with the Pennsylvania Secretary of State.

Schedule R-2
WPAHS Affiliates

Affiliates
1. Allegheny Imaging of McCandless, L.L.C.
2. Forbes Regional Urologic, L.L.C.
3. McCandless Endoscopy Center, L.L.C.
4. North Shore Endoscopy Center, L.L.C.
5. Open MRI of Washington County, L.L.C. ²
6. Optima Imaging, Inc.
7. West Penn/5148 Liberty Avenue Associates ³
8. West Penn Ambulatory Surgical Company, L.L.C.
9. Peters Township Surgery Center, L.L.C.

² Entity is no longer in operation but remains an active limited liability company with the Pennsylvania Secretary of State.

³ Entity is filed as a d/b/a of two entities with the Pennsylvania Secretary of State.

Schedule 2.6(a)
Core Laboratory Assets of the WPAHS Parties

<u>Asset No.</u>	<u>Asset Description</u>
0218025352N	PIRETTI MGR. CHAIRS KRUEGER I
05103431834	STAT SPIN EXPRESS CENTRIFORE
05103431842	METTLER BALANCE
05103458198	CLINITEK 500 URINE ANALYZER
06103526096A	DELL OPTIPLEX GX520 COMPUTER
06103526096B	DELL OPTIPLEX GX520 COMPUTER
06103526096C	DELL OPTIPLEX GX520 COMPUTER
06103526096D	DELL OPTIPLEX GX520 COMPUTER
06103526096E	DELL OPTIPLEX GX520 COMPUTER
06103526096F	DELL OPTIPLEX GX520 COMPUTER
06103538124	HP LASERJET 4250N PRINTER
06103538132	HP LASERJET 4250N PRINTER
06103547395A	HP DC7600 CMT COMPUTER
06103547395B	HP DC7600 CMT COMPUTER
06103547395C	HP DC7600 CMT COMPUTER
06103552488A	HP DC7600 CMT COMPUTER
06103552488B	HP DC7600 CMT COMPUTER
710300000001	COUNTERTOPS, LAB REINSTRUMENT
710300000002	ELECTRICAL WORK
710300000003	ENGINEERING SERVICES
710300000004	DATA RECEPTACLES
710300000005	SYSMEX UF-100 , SERIAL # A146
710300000006	TELECOM CABLING SERVICES
710300000007	MECH & PLUMBING UPGRADES
710300000008	ELECTRICAL WORK LAB
710300000012	ELECTRICAL WORK
710300000013	CAPITAL SALARIES-CORE LAB
710300000014	COMPUTER, DELL LATITUDE D620 N

810300000015	COMPUTER DC7700 SFF HP
810300000020	LEICA CLIN.PATH. MICROSCOPE WI
810300000021	CAMERA, COLOR, SONY
810300000022	INCUBATOR, CO2 LARGE AIR JACKE
810300000023	SLIDE STAINER
810300000025	INCUBATOR, CO2 LARGE AIR JACKE
810300000026	COMPUTER DC7800 CMT HP
810300000026	COMPUTER DC7800 CMT HP
810300000026	COMPUTER DC7800 CMT HP
810300000026	COMPUTER DC7800 CMT HP
810300000026	COMPUTER DC7800 CMT HP
810300000026	COMPUTER DC7800 CMT HP
810300000026	COMPUTER DC7800 CMT HP
810300000028	DI WATER SYSTEM
910300000030	AEROSPRAY GRAM SLIDE STAINER C
910300000032	CATALYST LINE CARD 48 PORT 450
910300000034	CONSTRUCTION MICROBIOLOGY LAB
1010300000035	OSMOMETER AUTOMATIC SNGL-SAMPL
1010300000036	VIDEO CONFERENCING EQUIPMENT
1010300000037	RENOVATE MICROBIOLOGY INTEGRAT
1110300000049	INCUBATOR CO2 LARGE AIR JACKET

Schedule 4.2(b)
WPAHS Parties' Required Approvals and Notices to Governmental Authorities

Orphans' Court; Attorney General

- Pre-Closing approval required, with review and participation by the Office of the Attorney General for the Transaction.
- Prior notice to the Attorney General and prior Approval of the Orphans' Court for certain amendments (if applicable) of Articles of Incorporation and Bylaws of Allegheny Medical Practice Network, Allegheny Specialty Practice Network, Allegheny-Singer Research Institute, Canonsburg General Hospital Ambulance Service, Canonsburg General Hospital, Forbes Health Foundation, and The Western Pennsylvania Hospital Foundation.⁴

Medicare

- Change of information submission post-Closing for each participating WPAHS Party.

Medicaid

- Notice required 30 days pre-Closing, with another notice recommended post-Closing for each participating WPAHS Party.

Pennsylvania Department of Health, Hospital License

- Notice required 30 days pre-Closing for each Hospital.

Pennsylvania Department of Health, Hospice License

- Notice required 30 days pre-Closing for The Western Pennsylvania Hospital d/b/a Forbes Hospice.

Pennsylvania Department of Health, Home Health Agency License

- Notice required 30 days pre-Closing for The Western Pennsylvania Hospital d/b/a Forbes Hospice and West Penn Allegheny Health System, Inc. d/b/a West Penn Allegheny Home Care.

Pennsylvania Department of Health, Ambulance Service License

- Notice required post-Closing for Canonsburg General Hospital Ambulance Service.

Pennsylvania Department of Health, Clinical Laboratory Permit

- Change of status submission required 30 days post-Closing for Allegheny General Hospital Department of Laboratory Medicine, Allegheny General Hospital Blood Gas

⁴ Approval requirements are applicable to amendments to the following provisions in the Articles of Incorporation and Bylaws: (i) provisions setting forth the purposes of the corporation; (ii) provisions setting forth the powers reserved exclusively to the member of the corporation; (iii) provisions describing the manner in which the assets of the Corporation are to be distributed upon termination, dissolution or winding up of the Corporation; and (iv) provisions requiring notice to the Attorney General or approval of the Orphans' Court prior to the taking of certain action by the corporation.

Lab, Allegheny General Hospital, The Western Pennsylvania Hospital – Forbes Regional Campus, The Western Pennsylvania Hospital, WPH Outpatient Services, and The Western Pennsylvania Hospital Pulmonary Diagnostics Blood Gas Lab.

Pennsylvania Department of Environmental Protection, Certificate of Registration of Radiation Producing Machines

- Notice required 30 days pre-Closing for Allegheny General Hospital.

Pennsylvania Department of Environmental Protection, Medical Accelerator License

- Notice required 30 days pre-Closing for Allegheny General Hospital, The Western Pennsylvania Hospital, and Alle-Kiski Medical Center.

Pennsylvania Department of Environmental Protection, Radioactive Materials License

- Notice required pre-Closing for evaluation and filing with Permit, and confirmation notice required post-Closing for Allegheny General Hospital, Canonsburg General Hospital, The Western Pennsylvania Hospital, Forbes Regional Hospital, and Alle-Kiski Medical Center.

Pennsylvania Department of State, Bureau of Professional and Occupational Affairs, Pharmacy License

- Application required 30 days pre-Closing for AGH Apothecary, Allegheny General Hospital Pharmacy, Canonsburg General Hospital, The Western Pennsylvania Hospital – Forbes Regional Campus, The Western Pennsylvania Hospital Pharmacy, and Alle-Kiski Medical Center.

Pennsylvania Department of Welfare, Psychiatric Unit Certificate of Compliance

- Notification required 30 days post-Closing for Alle-Kiski Medical Center and The Western Pennsylvania Hospital – Forbes Regional Campus.

Centers for Medicare and Medicaid Services, Clinical Laboratory Improvement Amendments, Certificates of Waiver, Compliance, and Accreditation

- Change of status submission required 30 days post-Closing for West Penn Allegheny Home Care, Allegheny General Hospital Department of Lab, Allegheny Clinical Laboratories, Allegheny University Hospital Canonsburg Laboratory, Allegheny General Hospital – Pulmonary Function Lab, The Western Pennsylvania Hospital – Forbes Regional Campus, WPH Outpatient Services, and The Western Pennsylvania Hospital – Department of Pathology.

U.S. Nuclear Regulatory Commission, Materials License

- Approval required pre-Closing, with another notification required immediately post-Closing for Forbes Regional Hospital.

U.S. Department of Treasury, Industrial Alcohol User Permit

- Notification required 10 days post-Closing, with application required 30 days post-Closing for The Western Pennsylvania Hospital and Canonsburg General Hospital.

U.S. Department of Justice, Drug Enforcement Administration, Controlled Substance Registration Certificate

- Application required 30 days pre-Closing, with Approval possible post-Closing, for Allegheny General Hospital, AGH Apothecary, The Western Pennsylvania Hospital Pharmacy, and The Western Pennsylvania Hospital – Forbes Regional Campus.

Note: No action required for:

- Pennsylvania Department of Health Clinical Laboratory Permit for Allegheny Valley Hospital Lab, Canonsburg General Hospital, Canonsburg General Hospital/Cardio-Pulmonary, West Penn Allegheny Oncology Network (including Medical Center Clinic), Alle-Kiski Medical Center, New Kensington Campus and certain physician offices operated by Allegheny Medical Practice Network, Allegheny Specialty Practice Network and West Penn Physician Practice Network.
- Pennsylvania Department of Health, Drug and Device Certificate of Registration for Canonsburg General Hospital.
- Pennsylvania Department of Environmental Protection, Certificate of Registration of Radiation Producing Machines for Canonsburg General Hospital and certain physician offices operated by Allegheny Medical Practice Network.
- Pennsylvania Department of Transportation, Heliport License for Allegheny Valley Hospital.
- Pennsylvania Department of Health, Certificate of Accreditation for Medical Command Facility for Canonsburg General Hospital.
- U.S. Department of Health and Human Services, Food and Drug Administration, Mammography Facility Certification for Canonsburg General Hospital, Suburban Radiology Center and certain physician offices operated by Allegheny Medical Practice Network.
- U.S. Department of Health and Human Services, Food and Drug Administration, Blood Establishment Registration and Product Listing for Alle-Kiski Medical Center.
- U.S. Department of Justice, Drug Enforcement Administration, Controlled Substance Registration Certificate for Canonsburg General Hospital and Alle-Kiski Medical Center.
- Centers for Medicare and Medicaid Services, Clinical Laboratory Improvement Amendments, Certificates of Waiver, Compliance, Accreditation and Provider-Performed Microscopy Procedures for Alle-Kiski Medical Center, Allegheny Valley Hospital Laboratory, Canonsburg General Hospital/Cardio-Pulmonary, West Penn Allegheny Oncology Network (including Medical Center Clinic) and certain physician offices operated by Allegheny Medical Practice Network, Allegheny Specialty Practice Network and West Penn Physician Practice Network.

Note: All of the above stated requirements are subject to further guidance and direction from the applicable Governmental Authorities with which the WPAHS Parties hold Licenses and Permits

after affirmative discussions disclosing the nature of the Transaction take place with such Governmental Authorities following the execution of the Affiliation Agreement.

Note: The WPAHS Parties hold certain ancillary Licenses and Permits (e.g., business certificates, sales and tax permits, elevator certificates, boiler permits, food licenses, liquor licenses) that may require approval from or notice to a Governmental Authority in connection with the Transaction.

Schedule 4.2(c)
WPAHS Parties' Contractual Consents

- Affiliation and Service Agreement between West Penn Allegheny Health System, Inc., Premier Health Care System, Inc. and Premier Medical Associates, P.C., dated July 8, 2010.
- Hospital Services Agreement between West Penn Allegheny Health System d/b/a Allegheny General Hospital, The Western Pennsylvania Hospital, The Western Pennsylvania Hospital – Forbes Regional Campus, Alle-Kiski Medical Center, Canonsburg General Hospital and Aetna Health Inc., dated January 15, 2010.
- Physician Group Agreement between West Penn Allegheny Health System Physicians d/b/a Allegheny Specialty Practice Network, Allegheny Medical Practice Network, and West Penn Physician Practice Network and Aetna Health Inc., dated January 15, 2010.
- Sponsorship and Advertising Agreement between Pittsburgh Pirates and West Penn Allegheny Health System, Inc., dated November 1, 2009.
- Behavioral Health Network Provider Agreement between Allegheny General Hospital and Community Care Behavioral Organization, dated September 15, 1999.
- Behavioral Health Network Provider Agreement between The Western Pennsylvania Hospital – Forbes Regional Campus and Community Care Behavioral Organization, dated November 15, 2005.
- Behavioral Health Network Provider Agreement between AUMC – Allegheny Valley Hospital and Community Care Behavioral Organization, dated March 13, 2000.
- Behavioral Health Network Provider Agreement between Allegheny University Hospitals and Community Care Behavioral Organization, dated June 1, 1998.
- Participating Hospital Agreement between West Penn Allegheny Health System d/b/a Allegheny General Hospital and The Western Pennsylvania Hospital and HealthAmerica Pennsylvania, Inc. and all affiliate companies, dated April 1, 2009.
- Participating Hospital Agreement between West Penn Allegheny Health System d/b/a The Western Pennsylvania Hospital – Forbes Regional Campus, Alle-Kiski Medical Center, Canonsburg General Hospital and HealthAmerica Pennsylvania, Inc. and all affiliate companies, dated January 15, 2009.
- Facility Participation Agreement between West Penn Allegheny Health System and United Healthcare Insurance Company and affiliates, dated January 1, 2011.
- Hospital Services Agreement between Allegheny General Hospital and Unison Administration Services, dated April 26, 2001.
- Hospital Services Agreement between The Western Pennsylvania Hospital – Forbes Regional Campus and Unison Administration Services, dated April 26, 2001.
- Hospital Services Agreement between Allegheny Valley Hospital and Unison Administration Services, dated April 25, 2001.

- Tertiary Hospital Service Agreement between The Western Pennsylvania Hospital and The Health Plan of the Upper Ohio Valley, Inc., dated July 1, 2000.
- Tertiary Hospital Service Agreement between Allegheny General Hospital and The Health Plan of the Upper Ohio Valley, Inc., dated July 1, 2000.
- Tertiary Hospital Service Agreement between Allegheny Valley Hospital and The Health Plan of the Upper Ohio Valley, Inc., dated March 1, 2001.
- Tertiary Hospital Service Agreement between Canonsburg General Hospital and The Health Plan of the Upper Ohio Valley, Inc., dated October 1, 2001.
- Medicare Acute Care Provider Agreement between The Western Pennsylvania Healthcare System and Keystone Health Plan West, Inc, dated January 1, 1999.
- Medicare Acute Care Provider Agreement between Allegheny University Hospitals, Forbes Regional and Keystone Health Plan West, Inc., dated January 1, 1999.
- Medicare Rehabilitation Provider Agreement between The Western Pennsylvania Hospital and Keystone Health Plan West, Inc., dated September 12, 2002.
- Medicare Rehabilitation Provider Agreement between Forbes Regional Hospital and Keystone Health Plan West, Inc., dated July 1, 2003.
- Medicare Psychiatric and Substance Abuse Provider Agreement between Forbes Regional Hospital and Keystone Health Plan West, Inc., dated July 1, 2003.
- Highmark Facility Agreement between West Penn Allegheny Health System d/b/a The Western Pennsylvania Hospital – Forbes Regional Campus and Highmark Inc., dated as of June 24, 2008.
- Highmark Facility Agreement between Canonsburg General Hospital and Highmark Inc., dated as of June 24, 2008.
- Highmark Facility Agreement between West Penn Allegheny Health System d/b/a The Western Pennsylvania Hospital and Highmark Inc., dated as of June 24, 2008.
- Highmark Facility Agreement between West Penn Allegheny Health System d/b/a Allegheny General Hospital and Highmark Inc., dated as of June 24, 2008.
- Medicare Advantage Agreement (Freestanding Laboratory Services Provider) between Allegheny Specialty Practice Network d/b/a Suburban Clinical Laboratory and Highmark Inc., dated March 10, 2011.
- Highmark Ancillary Provider Agreement between Allegheny Specialty Practice Network d/b/a Suburban Clinical Laboratory and Highmark Inc., dated April 1, 2011.
- Hospital Agreement between The Western Pennsylvania Hospital and UPMC Health Plan, Inc., UPMC Health Network, Inc. and UPMC for You, Inc., dated November 1, 2005.
- Hospital Agreement between The Western Pennsylvania Hospital – Forbes Regional Campus and UPMC Health Plan, Inc., UPMC Health Network, Inc., and UPMC for You, Inc., dated November 1, 2005.

- Lease Agreement between Federal North Associates L.P. and Allegheny Specialty Practice Network d/b/a Allegheny Orthopedic Associates, dated December 12, 2001, Addendum 1 thereto, dated December 14, 2001, Addendum 2 thereto, dated February 27, 2002, and First Amendment thereto, dated November 19, 2008.
- Lease Agreement between Federal North Associates L.P. and Dynacare/WPAHS, LLC, dated December 12, 2001, Addendum 2 thereto, by and between Federal North Associates L.P. and Allegheny Specialty Practice Network d/b/a Allegheny Orthopedic Associates, dated February 27, 2002, and First Amendment thereto, by and between Federal North Associates L.P. and West Penn Allegheny Health System, Inc. d/b/a Allegheny General Hospital, successor to Dynacare/WPAHS, LLC, dated November 19, 2008.
- Lease Agreement for Federal North Medical Office Building between Federal North Associates L.P. and Allegheny General Hospital, dated July 30, 2007, First Amendment thereto, dated May 23, 2008, and Second Amendment thereto, between Federal North Associates L.P. and West Penn Allegheny Health System, Inc., d/b/a Allegheny General Hospital, dated November 11, 2008.
- Lease Agreement between West Penn Allegheny Health System, Inc. and LifeCare Hospitals of Pittsburgh, Inc., dated October 13, 2010, and First Amendment thereto, dated June 10, 2011.
- Master Loan and Security Agreement between West Penn Allegheny Health System, Inc. and Siemens Financial Services, Inc., and Schedule #405-0001050-801 and any amendment thereto, dated as of March 8, 2011.
- Master Helicopter Lease Agreement between West Penn Allegheny Foundation, LLC, Allegheny General Hospital and West Penn Allegheny Health System, Inc., dated as of December 29, 2006.

Note: The WPAHS Parties are party to certain Contracts involving annual payments of less than \$900,000 that may require the prior consent of or notice to the other Contract party(ies) under the terms and conditions of such Contracts in connection with the Transaction. In order to determine whether each Contract involves the annual payment of more than \$900,000, WPAHS evaluated certain accounts payable and receivable data available for Fiscal Years 2010 and 2011.

Schedule 4.3
WPAHS Parties' Equity, Membership, or Similar Interests

A WPAHS Party owns an interest in the following entities:

Entity
1. Allegheny Imaging of McCandless, L.L.C.* ⁵
2. Allegheny Medical Practice Network
3. Allegheny-Singer Research Institute
4. Allegheny Specialty Practice Network
5. Allegheny Valley Hospital LCO, Inc.
6. Alle-Kiski Medical Center
7. Alle-Kiski Medical Center Trust
8. Canonsburg General Hospital
9. Canonsburg General Hospital Ambulance Service
10. Canonsburg Hospital and Health Foundation
11. Canonsburg Physician Hospital Organization
12. Forbes Health Foundation
13. Friendship Insurance Company, Ltd.
14. Forbes Regional Urologic, L.L.C.
15. Greater Canonsburg Health System
16. McCandless Endoscopy Center, L.L.C.*
17. North Shore Endoscopy Center, L.L.C.*
18. Open MRI of Washington County, L.L.C.
19. Optima Imaging, Inc.

⁵ With respect to entities marked with an asterisk (*), the WPAHS Party's interest in the entity cannot be transferred without the unanimous consent of the other holders of interests in such entity, subject to certain limited exceptions.

Entity
20. West Penn/5148 Liberty Avenue Associates*
21. Suburban Health Foundation
22. The Western Pennsylvania Hospital Foundation
23. West Allegheny Hospital, An Osteopathic Institution
24. Western Pennsylvania Heart Plan, Inc.
25. West Penn Allegheny Foundation, L.L.C.
26. West Penn Allegheny Oncology Network
27. West Penn Corporate Medical Services, Inc.
28. West Penn Physician Practice Network
29. West Penn Physicians' Organization
30. West Penn Ambulatory Surgical Company, L.L.C. ⁶
31. Peters Township Surgery Center, L.L.C. ⁷

⁶ WPAHS may not transfer its membership interest in West Penn Ambulatory Surgical Company, L.L.C., except to a for-profit entity wholly owned by WPAHS under limited circumstances. If WPAHS transfers control or ownership of a Hospital that is within fifteen (15) miles of an operating company ASC, then Titan Health of West Penn, Inc. has the right for a period of one hundred eighty (180) days to purchase WPAHS' equity in such operating company at fair market value.

⁷ Allegheny Specialty Practice Network may not transfer its interest in Peters Township Surgery Center, L.L.C. (the "Peters ASC"), except under certain circumstances, without first subjecting such transfer to the Peters ASC's right of first refusal.

Schedule 4.4
WPAHS Parties' Third Party Rights

- Employment Agreement between The Western Pennsylvania Hospital and Robert W. Mendicino, D.P.M., dated as of May 1, 2006.
- Affiliation and Service Agreement between West Penn Allegheny Health System, Inc., Premier Health Care System, Inc. and Premier Medical Associates, P.C., dated as of July 8, 2010.
- Certain equipment leases and other financing arrangements provide a security interest or otherwise involve a lien on WPAHS Assets.

Note: In order to determine whether each Contract involves the annual payment of more than \$900,000, WPAHS evaluated certain accounts payable and receivable data available for Fiscal Years 2010 and 2011.

Schedule 4.5
Properties Owned, Leased or Operated by the WPAHS Parties

The following Schedules are incorporated by reference into this Schedule 4.5:

1. Schedule 4.18(a)
2. Schedule 4.18(b)
3. Schedule 4.18(c)

Schedule 4.7(b)
WPAHS Parties' Changes in Accounting Policy or Methodology

Based on the matter reviewed by the U.S. Securities and Exchange Commission in 2008, WPAHS transitioned the calculation of the system's accounts receivable from an income statement approach to a balance sheet approach while also implementing a MedAsset product called "Rapid Reserves," which is an application that automates the accurate recognition of reserves at month end and identifies excess and lost revenue by reconciling a facility's aged trial balance with MedAssets' Contract Manager module. The accounting methodology change was enacted in fiscal year 2008 and the implementation of Rapid Reserves occurred in fiscal year 2009 and is current practice to-date.

Schedule 4.8 (1 of 2)
WPAHS Parties' Material Licenses and Permits

FACILITY/ADDRESS	LICENSE TYPE	FACILITY LICENSE NUMBER	LICENSE ISSUE DATE	LICENSE EXPIRATION DATE
CLIA West Penn Allegheny Home Care 4 Allegheny Center 6 th Floor Suite 603 Pittsburgh, PA 15212	CLIA Certificate of Waiver			
Allegheny General Hospital Department of Lab 320 East North Avenue Pittsburgh, PA 15212	CLIA Certificate of Accreditation			
Allegheny Clinical Laboratories 1307 Federal Street Pittsburgh, PA 15212	CLIA Certificate of Accreditation			
Allegheny General Hospital - Pulmonary Function Lab 320 East North Avenue Pittsburgh, PA 15212	CLIA Certificate of Accreditation			
Alle-Kiski Medical Center New Kensington Campus 651 4 th Avenue New Kensington, PA 15068	CLIA Certificate of Accreditation			
Allegheny Valley Hospital Laboratory 1301 Carlisle Street Natrona Heights, PA 15065	CLIA Certificate of Accreditation			
Allegheny University Hospital Canonsburg Laboratory	CLIA Certificate of Accreditation			

FACILITY/ADDRESS	LICENSE TYPE	FACILITY LICENSE NUMBER	LICENSE ISSUE DATE	LICENSE EXPIRATION DATE
100 Medical Boulevard Canonsburg, PA 15317		[REDACTED]	[REDACTED]	[REDACTED]
The Western Pennsylvania Hospital – Forbes Regional Campus 2570 Haymaker Road Monroeville, PA 15148	CLIA Certificate of Accreditation			
WPH Outpatient Services 320 East North Avenue Room 560 Allegheny Cancer Center Pittsburgh, PA 15212	CLIA Certificate of Compliance			
WPH Outpatient Services 4000 Waterdam Plaza Drive Suite 240 McMurray, PA 15317	CLIA Certificate of Compliance			
WPH Outpatient Services 2580 Haymaker Road Bldg 2, Suite 404 Monroeville, PA 15146	CLIA Certificate of Compliance			
Medical Center Clinic** 4727 Friendship Avenue #340 Pittsburgh, PA 15224	CLIA Certificate of Compliance			
Medical Center Clinic** 2915 Wilmington Road New Castle, PA 16105	CLIA Certificate of Compliance			
West Penn Allegheny Oncology Network 1200 Brooks Lane Suite 180 Jefferson Hills, PA 15025	CLIA Certificate of Compliance			

FACILITY/ADDRESS	LICENSE TYPE	FACILITY LICENSE NUMBER	LICENSE ISSUE DATE	LICENSE EXPIRATION DATE
Western Pennsylvania Hospital – Dept. of Pathology 4800 Friendship Ave. Pittsburgh, PA 15224	CLIA Certificate of Accreditation			
Canonsburg General Hospital/Cardio-Pulmonary 100 Medical Boulevard Suite 107B Canonsburg, PA 15317	CLIA Certificate of Accreditation			
Alle-Kiski Women's Health† 2063 Freeport Road Suite C Natrona Heights, PA 15065	CLIA Certificate of Provider-Performed Microscopy Procedures			
AMI-Alle-Kiski Medical Associates† 1621-C Union Avenue Natrona, Heights, PA 15065	CLIA Certificate of Waiver			
Allegheny Valley Internal Medicine† 1719 Union Avenue Suite A Natrona Heights, PA 15065	CLIA Certificate of Waiver			
Associates in Internal Medicine† 320 Third Avenue Tarentum, PA 15084	CLIA Certificate of Provider-Performed Microscopy Procedures			
Bellevue Medical Associates† 575 Lincoln Avenue Suite 104 Pittsburgh, PA 15202	CLIA Certificate of Waiver			
Bloomfield Medical Associates† 5140 Liberty Avenue Pittsburgh, PA 15224	CLIA Certificate of Waiver			
Allegheny Valley Internal Medicine -	CLIA Certificate of Waiver			