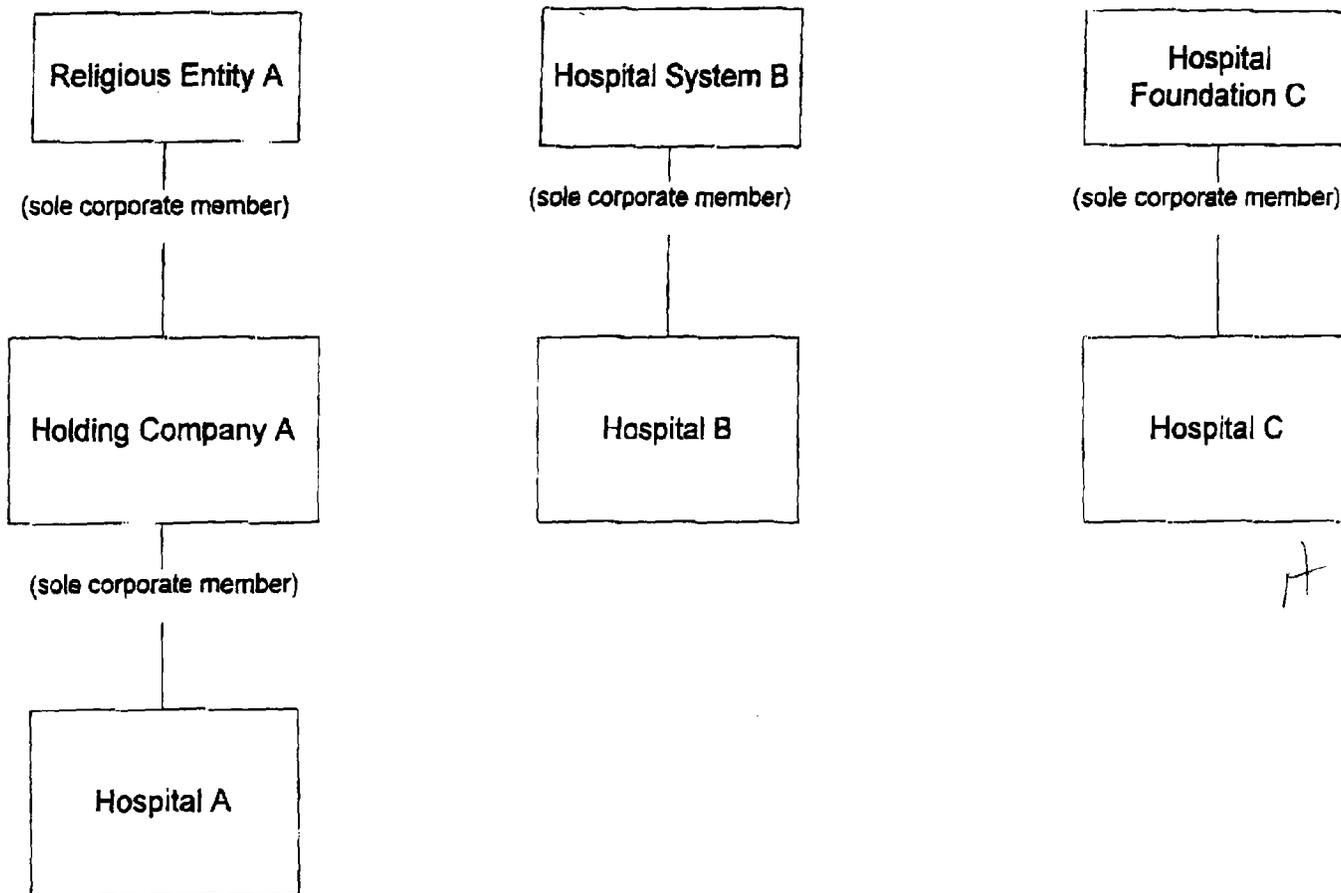


PRE-JOINT VENTURE



In addition to their ownership of the hospitals shown, Religious Entity A owns and operates two schools, a long-term care facility and a retreat center. Hospital System B owns and operates other hospitals and health care operations. Hospital Foundation C owns and operates 6 residential and office buildings and as a public charity will have assets in excess of \$60 million outside of the joint venture, which it will use to support osteopathic medicine and osteopathic education.

CREATION OF JOINT VENTURE

A will continue to operate an elementary school, a high school, a long term care facility, for aged members of the religious community, and assist with

B will own + operate 7 acute care hospitals, and a long term care company

C will own and operate 6 residential and office buildings. C will also operate as a public charity (with 100% support of \$60M) that will support the above mentioned

Religious Entity A

Hospital System B

Hospital Foundation C

(minority percentage interest - 4 board seats)

(majority percentage interest - 13 board seats)

(minority percentage interest - 8 board seats)

(become the corporate members on formation of Newco)

(equalization payment)

(equalization payment)

Newco
(not-for-profit)

A/D

(becomes the sole corporate member when memberships are contributed to Newco at the time of its formation)

Holding Company A

Hospital B

Hospital C

Hospital A

At the time of Newco's formation, (i) Religious Entity A contributes to Newco the corporate membership in Holding Company A in exchange for a corporate membership in Newco and an equalization payment from Newco, (ii) Hospital System B contributes to Newco the corporate membership in Hospital B and cash in exchange for a corporate membership in Newco, and (iii) Hospital Foundation C contributes to Newco the corporate membership in Hospital C and cash in exchange for a corporate membership in Newco.