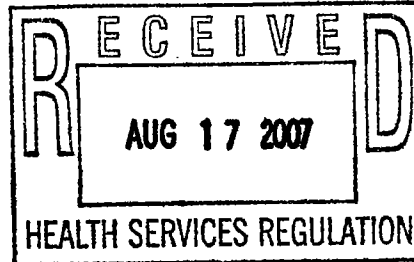




Lifespan

August 17, 2007

Maureen G. Glynn, Esquire
Healthcare Advocate
Department of the Attorney General
150 South Main Street
Providence, Rhode Island 02903



External Affairs

The Coro Building
167 Point Street
Providence, RI 02903

Tel 401 444-3720
Fax 401 444-2201
Email mmontella@lifespan.org

Mark Montella
Senior Vice President

Mr. Donald C. Williams
Associate Director
Health Services Development
Rhode Island Department of Health
Three Capitol Hill
Room 410
Providence, Rhode Island 02908

Dear Maureen and Don:

Enclosed is a copy of the affiliation agreement by and between Lifespan Corporation and Care New England Health System.

We are providing this copy in advance of its inclusion in our application under the Hospital Conversion Act in the interest of reaching a mutual understanding of each department's needs when reviewing our application.

I will contact each of you next week to arrange a mutually convenient time to have our teams meet to discuss the application process.

Sincerely,

Mark Montella
Senior Vice President

Encl:

cc: Kenneth Arnold, Esq.
Stephen Carlotti, Esq.
Thomas Courage, Esq.
Patricia Sullivan, Esq.

**AFFILIATION AGREEMENT
BY AND BETWEEN
LIFESPAN CORPORATION AND
CARE NEW ENGLAND HEALTH SYSTEM**

This Affiliation Agreement (the "Agreement") is entered into as of this 26th day of July 2007 by and between Lifespan Corporation ("Lifespan") and Care New England Health System ("CNE"), each a Rhode Island nonprofit corporation. Lifespan and CNE are each sometimes referred to herein as a "Party" and, collectively, as the "Parties."

WHEREAS, the Parties have discussed the possibility of effectuating a corporate affiliation between them (the "Affiliation") to further their respective charitable missions by providing better and more cost-effective medical care, including improved primary care services, emergency medical and trauma care, behavioral health services, women's health services and home and hospice care, to Rhode Islanders;

WHEREAS, the Parties believe that the Affiliation would facilitate the development of new care models and afford opportunities to create new scientific Centers of Excellence;

WHEREAS, the Parties believe that the added scale that would be achieved through the Affiliation would complement and grow the existing first-rate teaching programs, programs of medical excellence, and programmatic and clinical development of the Parties, and would thereby strengthen the national reputation of the Warren Alpert Medical School of Brown University ("Brown Medical School");

WHEREAS, the Parties believe that the Affiliation would facilitate the growth and attraction of research funding through synergies and interdisciplinary grant proposals;

WHEREAS, the Parties believe that the Affiliation would stimulate economic development by attracting spin-off industries, which would create job growth; make available better medical education for doctors, nurses and others; and balance cost savings with building or combining the core capabilities of the Parties;

WHEREAS, the Parties believe that the Affiliation will provide opportunities to avoid making duplicate capital expenditures, thereby conserving scarce resources;

WHEREAS, Lifespan assists Lifespan Affiliates in meeting the needs of the communities they serve by providing high-quality, cost-effective corporate and shared services.

WHEREAS, the Parties believe that the Affiliation would allow them, in conjunction with Brown Medical School, to create a comprehensive academic medical complex on and/or adjacent to the Rhode Island Hospital (“RIH”) campus (the “Academic Medical Center Complex”), and thereby coordinate and improve the Parties’ respective graduate medical education programs;

WHEREAS, the Parties believe that such academic programs will help attract and retain medical professionals with significant levels of expertise that will maintain and increase the quality of services that are locally available to the citizens of Rhode Island in an increasingly competitive environment; and

WHEREAS, the Parties believe that close collaboration of the emergency departments at Kent and all Lifespan hospitals would provide the citizens of Rhode Island with improved hospital emergency department services in an environment that would facilitate disaster planning system-wide.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to effectuate the Affiliation, the Parties agree as follows:

1. Definitions, Affiliation and Effective Date.

1.1. Definitions. In addition to other terms specifically defined in this Agreement, the following terms as used herein shall have the following meanings:

“Affiliate” means, with respect to CNE, the CNE Affiliates and, with respect to Lifespan, the Lifespan Affiliates.

“BH” means Butler Hospital, a Rhode Island non-profit corporation.

“CNE Affiliates” means each Person at any time directly or indirectly controlled, in whole or in part, by CNE, including, without limitation, BH, Kent, WIH, CNE VNA, CNE Wellness Centers, CNE Rhode Island and Massachusetts office locations, Workers’ Compensation Insurance Trust, W&I Indemnity LTD., Toll Gate Indemnity, LTD., and any other Persons identified on Schedule 6.1.

“CNE Hospital Affiliates” means BH, Kent and WIH.

“CNE VNA” means Kent County Visiting Nurses Association.

“Kent” means Kent Hospital, a Rhode Island non-profit corporation.

“Lifespan Affiliates” means each Person at any time directly or indirectly controlling, controlled, in whole or in part, by or under direct or indirect common control or ownership with

Lifespan, including those Persons identified on Schedule 6.1, other than CNE and the CNE Affiliates.

“Material Adverse Event” shall have the meaning assigned to it in Section 3.11.

“Person” means any natural person, corporation, association, partnership, limited liability company, joint venture, joint stock or other company, business trust, trust, organization, business or governmental authority or political subdivision thereof.

“WIH” means Women & Infants Hospital of Rhode Island, a Rhode Island non-profit corporation.

1.2. Affiliation. The Affiliation shall be effectuated subject to satisfaction of the conditions contained in Section 3 hereof by (a) naming Lifespan as the sole corporate member of CNE, (b) the adoption by CNE and each CNE Affiliate of Restated Articles of Incorporation and Amended and Restated Bylaws, as more fully described in Section 3.1 hereof and as set forth in Exhibit 3.1 hereto, (c) the adoption by Lifespan of Restated Articles of Incorporation and Amended and Restated Bylaws, as more fully described in Section 3.2 hereof, and (d) the modification of the compositions of the boards of directors of Lifespan, CNE and each CNE Affiliate, more fully described in Section 5 hereof.

1.3. Closing and Effective Date. Upon satisfaction or waiver of all of the conditions precedent set forth in Section 3 hereof, the Presidents of CNE and Lifespan shall execute a written memorandum (the “Closing Memorandum”) which shall confirm their agreement that (i) all of the conditions precedent have been satisfied or waived, (ii) there have been no material changes in the respective businesses and operations of the Parties not in the

ordinary course of business prior to the Closing Memorandum Date except those that have been made known to the other Party in the course of due diligence or in accordance with Section 2.11 or Section 2.12(i), and (iii) the representations and warranties of each Party and Affiliate contained in Section 6 are true and correct on and as of the Closing Memorandum Date in all material respects as if made on and as of such date, except as otherwise described in the Closing Memorandum or disclosed to the other Party in accordance with Section 2.12(ii). The Closing Memorandum shall also specify the date (the “Effective Date”) upon which the Affiliation will become effective, such Effective Date to be not more than ten (10) business days after the date of the Closing Memorandum (the “Closing Memorandum Date”).

2. Interim Covenants. The Parties agree that during the period from the date of execution hereof to the earlier to occur of the Effective Date or the termination of this Agreement:

2.1. Reasonable, Good Faith Efforts. Subject to the terms and conditions of this Agreement, each Party agrees to use, and to cause its Affiliates to use, its reasonable, good faith efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper, or advisable under applicable laws to consummate and make effective, as soon as practicable after the date of this Agreement, the transactions contemplated by this Agreement, including using its reasonable efforts to obtain any regulatory approvals and consents necessary to consummate the transactions contemplated herein and to cause to be satisfied the conditions referred to in Section 3 of this Agreement, including pursuit of all administrative and judicial remedies available to them in connection therewith.

2.2. Standstill. Each Party shall use its best efforts and shall cause its Affiliates to use their best efforts to (i) preserve, protect and maintain the businesses, properties and assets of the Party and its Affiliates; (ii) operate the businesses of the Party and its Affiliates as a going concern consistent with prior practices and in the ordinary course of business; (iii) preserve the good will of all individuals and entities having business or other relations with it or them, including physicians, employees, patients, customers, payors and suppliers; (iv) prepare all documents called for by this Agreement and required to facilitate the consummation of the Affiliation contemplated herein; and (v) enter no new affiliation with any university, medical school, hospital, health care system or educational institution, except as described in Section 2.2.6. Each Party shall make, and shall cause its Affiliates to make, no material changes in its or their organizational documents inconsistent with the undertakings hereunder. Each Party shall not enter, and shall not permit its Affiliates to enter, into any transaction materially and adversely affecting the business of the Party and/or its Affiliates, including, without limitation and without regard to any material or adverse effect, creating any new affiliate, creating or joining any network, system, or alliance, or entering into any managed care contract containing a most favored nation or similar clause or provision that would survive the Closing, or to take any action which could reasonably be expected to preclude the system from realizing the benefits which the Parties anticipate will arise as a result of the Affiliation without the consent of the other Party, which may not be unreasonably withheld, conditioned or delayed. Without limiting the generality of the foregoing, prior to the Effective Date:

2.2.1. Except in the ordinary course of business and consistent with past practice and except to the extent necessary for CNE and the CNE Affiliates to carry out either

the projects described in Section 5.2.3 or, upon receipt of certificate of need approvals, the projects described in Section 2.10, none of Lifespan, CNE, or the CNE Affiliates shall, without the written consent of Lifespan (in the case of action by CNE or the CNE Affiliates) or CNE (in the case of action by Lifespan), which may not be unreasonably withheld, conditioned or delayed, create, incur or assume any debt not currently outstanding (including obligations in respect of capital leases) other than loans incurred to satisfy the working capital needs of the entity incurring or assuming such debt; assume, guarantee, endorse or otherwise become liable or responsible (whether directly, contingently or otherwise) for the obligations of any other Person; or make any loans, advances or capital contributions to, or investments in, any other Person, provided that nothing herein shall preclude either Party or any of the CNE Affiliates from refinancing any existing bonded indebtedness.

2.2.2. Neither CNE nor any CNE Affiliate shall, without the written consent of Lifespan, which may not be unreasonably withheld, conditioned or delayed: (i) enter into, adopt or amend any ERISA benefit plan or severance agreement or arrangement; (ii) except for normal increases in the ordinary course of business and consistent with past practice, increase in any manner the compensation or fringe benefits of, or materially modify the employment terms of its officers or senior management, generally or individually; or (iii) pay any benefit not required by the terms of any existing ERISA benefit plan, as in effect on the date of this Agreement or as modified or adopted in compliance with this Agreement.

2.2.3. Neither Party shall, without the written consent of the other Party, which may not be unreasonably withheld, conditioned or delayed, change in any material

respect its accounting methods, principles or practices, except insofar as may be required by a generally applicable change in GAAP.

2.2.4. Except to the extent necessary for CNE and the CNE Affiliates to carry out either the projects described in Section 5.2.3 or, upon receipt of certificate of need approvals, the projects described in Section 2.10, without the consent of Lifespan, which may not be unreasonably withheld, conditioned or delayed, neither CNE nor any CNE Affiliate shall make or commit to make any capital expenditure in any one fiscal year, including the current fiscal year, that, when aggregated with all capital expenditures made or committed to be made by CNE and all CNE Affiliates for that fiscal year, exceeds one hundred and ten percent (110%) of the combined depreciation expenses recorded for CNE and the CNE Affiliates during the prior fiscal year.

2.2.5. Neither Party shall, nor permit any of its Affiliates to, without the written consent of the other Party, which may not be unreasonably withheld, conditioned or delayed, take any action or fail to take any action permitted by this Agreement with the knowledge that such action or failure to take action would result in (i) any of the representations and warranties of the Party set forth in this Agreement becoming untrue in any material respect or (ii) any of the conditions to closing set forth in Section 3 not being satisfied.

2.2.6. Notwithstanding Section 2.2(v), CNE and Kent shall be permitted, without the consent of Lifespan, to commit to and operationalize the proposed Emergency Medicine residency program with the University of New England College of Osteopathic Medicine.

2.3. CNE Permitted Actions. Lifespan acknowledges that CNE and CNE Affiliates are engaged in a comprehensive review of their respective operations through the use of outside consultants and shall give due consideration to the recommendations of such consultants in connection with any required consents CNE may seek pursuant to this Agreement. In addition, Lifespan agrees that notwithstanding the provisions of Section 2.2, CNE shall have the right to implement any recommendations of its consultants which, but for this provision, would require Lifespan's prior consent under Section 2.2, to the extent that (i) CNE first reviews those recommendations with Lifespan during a reasonable time period (not to exceed 30 days, except with respect to outsourcing proposals which shall be extended by the timeframes specified below) prior to implementation, and (ii) those recommendations involve only internal operational changes, the consolidation of internal business functions or the merger, consolidation or other combination between or among two or more CNE Affiliates, provided that in implementing such recommendations, CNE shall give due consideration to any modifications or suggestions proposed by Lifespan as part of its prior review. Furthermore, in the event CNE determines to outsource any operational functions consistent with the recommendations of CNE's consultants, CNE shall notify Lifespan in writing of such determination and provide Lifespan with a description of the general nature of the operational functions CNE intends to outsource. If Lifespan notifies CNE within ten (10) days thereafter that Lifespan would be able and willing to provide or arrange for the provision of such outsourced functions ("Covered Functions") to CNE, then, in the event CNE receives a bona fide proposal from a third party to outsource Covered Functions consistent with the recommendations of CNE's consultants (a "Proposal"), CNE shall provide Lifespan with a description of the general nature and duration of the Proposal, and the services proposed for outsourcing (the "Proposal Summary"). At Lifespan's request, which shall

be communicated to CNE not later than ten (10) days following Lifespan's receipt of the Proposal Summary, CNE shall promptly provide Lifespan with a copy of the Proposal, and Lifespan shall have the right to provide such functions to CNE and the CNE Affiliates on terms no less favorable to Lifespan than the terms set forth in the Proposal. In the event Lifespan elects to exercise its right to provide outsourced services as contemplated by the preceding sentence, it shall notify CNE within thirty (30) days following its receipt of the Proposal. In such event, the Parties shall, in good faith, negotiate the terms of such an outsourcing relationship, provided, however, that if the Parties do not execute a definitive agreement with respect to the provision of such services within thirty (30) days after Lifespan's notice to CNE of its intention to exercise its right to provide the outsourced services, CNE shall be free to outsource such functions to the third party on terms no more favorable to the third party than those offered to Lifespan at the time negotiations were terminated. The President and CEO of CNE and the President and CEO of Lifespan, or their designees, shall meet periodically to review the status of CNE's implementation of the foregoing recommendations and of any other consultants' recommendations for which Lifespan's consent has been provided hereunder.

2.4. Public Statements. The Parties agree that from and after the date hereof they shall jointly prepare and implement a strategic communications plan. Such plan shall be implemented at a time mutually agreed upon by the Parties, and each Party agrees that it will use good faith in attempting to comply with the detail and spirit of such communication plan in initiating communication with third parties and responding to requests for information. Further, neither Party, without the prior consent of the other Party, shall make or permit any Person under its control to make any written comment, statement, announcement or release to trade

publications or to the press with respect to conversations, negotiations or agreements between the Parties and/or their Affiliates or actions taken by any of the Parties or their Affiliates with respect to this Agreement or the Affiliation.

2.5. Diligence Access. Each Party and its agents shall have access, upon reasonable notice and during mutually agreeable hours, and subject to the reasonable supervision of the other Party's representatives, to information necessary to conduct a complete due diligence review and analysis of the other Party's business and operations, including but not limited to a review of books and records, leases, contracts, and agreements and assets, together with the right to contact and communicate with executives, independent contractors, lenders and others having a significant business relationship with the Party (collectively, "Due Diligence Information"). Notice of any contact to be initiated by a Party with the executives, independent contractors, lenders or others having a significant business relationship with the other Party shall be provided to the other Party in advance. In addition, notice of any contact initiated by third parties with a Party as part of the due diligence process or in connection with the third party's right to approve this transaction shall be given to the other Party as soon as reasonably possible after such contact is made, and such notice shall include a description of the general nature of any communication with the third party. Due Diligence Information shall be subject to the confidentiality provisions of Section 7.5 of this Agreement. The Parties intend for their respective due diligence analyses to be sequenced such that neither Party shall furnish to the other Party Due Diligence Information that is competitively sensitive (e.g., managed care contracts and strategic and business planning documents) ("Competitively Sensitive Due Diligence Information") until the earlier of: (i) the date on which each Party has substantially completed its review of the other Party's Due

Diligence Information that is not Competitively Sensitive Due Diligence Information; or (ii) ninety (90) days after the execution of this Agreement. Further, each Party shall implement appropriate measures with respect to its review of Competitively Sensitive Due Diligence Information (such as an electronic data room with restricted access to documents, restricting access to those with a "need to know", etc.) to safeguard against the improper use of such Competitively Sensitive Due Diligence Information in its future decision-making.

2.6. Maintenance of Books of Account. Each Party shall maintain, and cause its Affiliates to maintain, its and their books of account in the usual, regular and ordinary manner in accordance with generally accepted accounting principles consistently applied.

2.7. Lifespan Corporate Services Model. Consistent with the Lifespan model of employing at the Lifespan level those individuals who provide corporate services, as defined in Section 5.1.6, to all Lifespan affiliates, the Parties anticipate that promptly following the Closing, individuals now employed by CNE and certain individuals now employed by one of the CNE Hospital Affiliates will instead be employed by Lifespan. The terms of their employment by Lifespan shall be consistent with Lifespan's then current policies and practices with respect to employees who provide corporate services.

2.8. CNE Contribution Agreement. Notwithstanding Section 2.2, the Obligated Group Contribution Agreement among CNE and the CNE Hospital Affiliates (the "CNE Contribution Agreement") may be amended by the parties thereto so that the functions and responsibilities of CNE thereunder shall have been allocated among the CNE Hospital Affiliates in such manner as is satisfactory to the parties thereto, provided that thirty (30) days prior written notice of such proposed amendment, including a copy thereof, shall have been given to Lifespan.

Neither Lifespan nor its Affiliates shall assume any responsibility for debt incurred by CNE or the CNE Affiliates on an obligated group basis nor shall any losses resulting from the obligations existing between and among CNE and the CNE Affiliates pursuant to the terms of the CNE Contribution Agreement, as so amended or otherwise, be allocated to Lifespan or any Lifespan Affiliate.

2.9. Benefits Transition. The Parties shall enter into a benefits transition agreement or similar agreement, effective as of the Effective Date, to the extent deemed necessary or desirable following the completion of diligence and a complete review of CNE's workers' compensation plans, retirement plans, and welfare benefit plans.

2.10. Kent Expansion Plans. During the period following the execution of this Agreement, Kent will continue to pursue its application to add angioplasty services (for which RIH has provided a letter of support) and to develop expansion plans for its facility that will involve the addition of new operating rooms, the addition of new private rooms and a number of infrastructure improvements. In connection with those plans, Kent anticipates filing for all necessary regulatory approvals and seeking needed sources of capital.

2.11. Additional Diligence Information. During the period following the Due Diligence Condition Effective Date, each Party shall promptly disclose to the other any information that becomes known to the Party's or its Affiliates' senior management teams that, if not disclosed, would make the Due Diligence Information provided pursuant to Section 2.5 materially incomplete, inaccurate or misleading.

2.12. Additional Diligence Information and Updates to Schedules. Within twenty (20) days following the date on which the conditions set forth in Sections 3.8, 3.12 and 3.13 have been satisfied or waived, each Party shall: (i) disclose to the other Party any information, in addition to that disclosed pursuant to Section 2.11, known to the Party's or its Affiliates' senior management teams that, if not disclosed, would make the Due Diligence Information provided pursuant to Section 2.5 materially incomplete, inaccurate or misleading; and (ii) provide updates, if any, to the following schedules so that such schedules are complete and accurate in all material respects as of the date on which the update is provided: Schedule 6.1, Schedule 6.6, Schedule 6.7, Schedule 6.8, Schedule 6.9, Schedule 6.10.8, Schedule 6.10.9, Schedule 6.10.10, Schedule 6.10.11, Schedule 6.13.2, and Schedule 6.13.3.

2.13. Lifespan acknowledges that CNE VNA has maintained leadership and clinical excellence in home- and community-based programs and, as such, will maintain a strong presence, serving patients and families of Lifespan and Lifespan Affiliates. Immediately following the execution of this Agreement, Lifespan shall take steps to assure that CNE VNA is included as a recognized provider of home health, hospice and private duty care services on lists furnished to patients at the time of discharge at all Lifespan hospital affiliates.

3. Conditions Precedent. The Affiliation shall not be effectuated until each of the following conditions is satisfied or waived:

3.1. The members and the board of directors of CNE and of each CNE Affiliate shall have taken all necessary action to (i) approve and adopt Amended and Restated Bylaws for CNE and each CNE Affiliate containing the provisions set forth in Exhibit 3.1 hereof; and (ii) approve and adopt amendments to the Articles of Incorporation for CNE and each CNE

Affiliate, which amendments shall make the Articles of Incorporation consistent with the Amended and Restated Bylaws containing the provisions set forth in Exhibit 3.1 and shall provide (except with respect to CNE Affiliates listed on Schedule 6.8) that upon dissolution of the corporation, or the winding up of its affairs or other liquidation of its assets, the corporation's property shall, subject to applicable law, be conveyed or distributed as the corporation's member may determine, but solely to other organization(s) which are organized and operated for charitable purposes similar to those of the corporation and which qualify, at the time of conveyance or dissolution, as entities exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code.

3.2. The board of directors of Lifespan shall have taken all necessary action to approve and adopt Restated Articles of Incorporation of Lifespan and Amended and Restated Bylaws of Lifespan, each of which shall be amended consistent with Sections 5.1.1 and 5.1.2.

3.3. Consistent with Section 5.1.1, CNE shall have nominated, and Lifespan shall have approved, the five at-large CNE Directors, as defined in Section 5.1.1, to serve on the Lifespan Board of Directors as of the Effective Date.

3.4. Not later than one-hundred and twenty (120) days following the execution of this Agreement or such later date to which the Parties may agree (the "Due Diligence Condition Effective Date"), Lifespan and CNE shall each have completed such due diligence review of the legal, financial, organizational and other aspects of the other Party and its Affiliates as Lifespan or CNE, as the case may be, has determined in its sole discretion to be necessary or appropriate and shall have concluded by that date, that the results of such review are satisfactory. On or prior to the Due Diligence Condition Effective Date, each Party shall deliver to the other a

letter stating either that it is satisfied with the results of its due diligence review or that it is not satisfied. In the latter event, the dissatisfied Party shall further identify the unsatisfactory results of its due diligence review and either state what additional steps or corrective measures can be taken by the other Party in order to address those unsatisfactory results or state that it elects not to close the transaction, in which case this Agreement will terminate.

3.5. Each and every representation and warranty by each Party contained in this Agreement or in any certificate, exhibit, schedule (as updated pursuant to Section 2.12) or required closing document furnished to the other Party under this Agreement shall be true in all material respects on and as of the Closing Memorandum Date as though made on such date.

3.6. No suit or action by any Party or any investigation, inquiry or proceeding by any governmental authority, or any legal or administrative proceeding shall have been instituted or threatened on or before the Closing Memorandum Date which: (i) questions the validity or legality of this Agreement or any transaction contemplated hereby, or (ii) seeks to enjoin any transaction contemplated hereby, or (iii) seeks material damages on account of the consummation of any transaction contemplated hereby.

3.7. No change shall have occurred or have been announced or proposed prior to the Closing Memorandum Date in the laws, rules, regulations, or policies of any governmental authority which might reasonably be expected to materially and adversely affect the consummation of the Affiliation.

3.8. The applicable waiting period under the Hart-Scott-Rodino amendments to the Anti-Trust Improvement Act (the "HSR") shall have expired without challenge by the

Federal Trade Commission (“FTC”) and the United States Department of Justice (“DOJ”) to the implementation of the Affiliation, or, if either the FTC or DOJ shall have initiated any such challenge the matter shall have been resolved to the mutual satisfaction of the Parties, it being expressly understood and agreed that a request for additional information by either the FTC or DOJ (a “second request”) shall not be deemed a challenge and (b) all approvals required under the Hospital Conversions Act (R.I.G.L. Chapter 27-17.14) (the “Conversions Act”) shall have been received (which approvals shall not be subject in the case of CNE or any of the CNE Affiliates, to any conditions, limitations or other terms not reasonably acceptable to CNE, or in the case of Lifespan or any of the Lifespan Affiliates, to any conditions, limitations or other terms not reasonably acceptable to Lifespan) and the time for taking any appeal therefrom shall have lapsed without any appeal having been taken, or if any appeal is made, the appeal shall have been resolved to the mutual satisfaction of the Parties.

3.9. Each Party shall have received, prior to the Closing Memorandum Date, any and all necessary consents from any third party.

3.10. Each Party shall have performed and complied with all covenants and conditions required by this Agreement to be performed or complied with prior to or on the Effective Date.

3.11. Between the date of this Agreement and the Closing Memorandum Date, neither Lifespan, CNE, nor any of their respective Affiliates shall, except to the extent made known to the other Party in the course of due diligence or in accordance with Section 2.11 or Section 2.12(i), have suffered: (i) any adverse change in or effect on the business, operations, assets, prospects or condition, financial or otherwise, of any of a Party or any of its Affiliates

which is material either to the Party and its Affiliates considered as a single enterprise or to any of the CNE Hospital Affiliates individually; or (ii) any adverse change in or effect on the business, operations, assets, prospects or condition, financial or otherwise, of a Party or any of its Affiliates which, when considered together with all other adverse changes and effects with respect to which such phrase is used in this Agreement, is material to the Party and its Affiliates considered as a single enterprise, or (iii) any change which would impair the ability of a Party to perform its obligations hereunder (each, a “Material Adverse Effect”).

3.12. The Rhode Island Attorney General’s Office (“AG”) shall (i) not have challenged the implementation of the Affiliation, or if the AG initiates a challenge, the matter shall have been resolved to the satisfaction of each of Lifespan and CNE and (ii) have approved the Affiliation under the Conversions Act, which approval shall not be subject in the case of CNE or any of the CNE Affiliates, to any conditions, limitations or other terms not reasonably acceptable to CNE, or in the case of Lifespan or any of the Lifespan Affiliates, to any conditions, limitations or other terms not reasonably acceptable to Lifespan.

3.13. Each Party shall have received, prior to the Closing Memorandum Date, all governmental permits, licenses or other approvals necessary to implement the transactions contemplated in this Agreement which shall not be subject to any conditions, limitations or other terms not reasonably acceptable to the other Party.

3.14. Each of the Parties shall have obtained all approvals that may be required under existing agreements to which they or their respective Affiliates may be a party, including, without limitation, all agreements relating to long-term debt, and any conditions imposed in connection with such approval shall be acceptable to both Parties; provided, however, that, in

evaluating any such condition, each Party shall act in good faith and shall not arbitrarily or capriciously determine that such condition is unacceptable.

3.14.1. The implementation of the Affiliation shall not be the subject of any litigation or regulatory investigation or enforcement action or, if so subject, the Affiliation shall not be implemented without the agreement of each of Lifespan and CNE to waive this condition.

3.15. Each Party shall have obtained all such other approvals as may be required under applicable law.

3.16. In the event that CNE, prior to the Effective Date, elects to forgive, extinguish or otherwise write-off, any indebtedness owed to it by any CNE Affiliate, CNE shall have allocated the financial impact of such forgiveness, extinguishment, or write-off among the CNE Hospital Affiliates or otherwise in a manner that does not allocate any portion of such financial impact to Lifespan or any Lifespan Affiliate.

3.17. Lifespan shall have received an opinion of Hinckley, Allen & Snyder LLP, counsel to CNE, dated as of Closing Memorandum Date, in substantially the form attached hereto as Exhibit 3.17(a), and CNE shall have received an opinion of Ropes & Gray LLP, counsel to Lifespan, dated as of the Closing Memorandum Date, in substantially the form attached hereto as Exhibit 3.17(b). Each of Exhibit 3.17(a) and Exhibit 3.17(b) shall be provided within ninety (90) days after the execution of this Agreement.

3.18. Certain members of the senior management of CNE and the CNE Hospital Affiliates are parties to change-in-control agreements which confer upon those executives rights

and/or benefits upon the implementation of certain events. To the extent such agreements would be applicable to the Affiliation, CNE shall have ensured that the executives have waived their rights and benefits (hereinafter, the “Waivers”) and shall have delivered a copy of the Waivers to Lifespan prior to the execution of this Agreement.

3.19. All directors and officers of CNE shall have delivered their resignations effective as of the Effective Date.

4. Termination of Agreement.

4.1. This Agreement may be terminated, either prior to or after the Effective Date, by the mutual written consent of the Parties.

4.2. If the conditions to Closing have not been met by fifteen (15) months after the execution of this Agreement, and if CNE thereafter makes a commercially reasonable determination in good faith that the financial cost of continuing to pursue required regulatory approvals is disproportionate to the benefits likely to be achieved by the Affiliation and by any pre-closing consolidations effectuated by the Parties, CNE may notify Lifespan of this determination. If so notified, Lifespan may elect to terminate this Agreement at any time following such notification. Until and unless Lifespan so terminates this Agreement: (i) Lifespan shall pay, fifty (50) percent of CNE’s reasonable out-of-pocket expenses associated with the continued pursuit of regulatory approvals and incurred by CNE after the giving of such notice; and (ii) as of the date of that CNE provides notice pursuant to this Section 4.2, the following Sections shall no longer apply: (a) Section 2.2.1; (b) Section 2.2.2(i) and Section 2.2.2(ii), but, with respect to both Section 2.2.2(i) and Section 2.2.2(ii), solely to the extent that such changes

will not increase costs or create additional severance obligations triggered by a change of employment conditions, control or similar provision; and (c) Section 2.2.4; provided, however, that prior to taking any action described in such Sections, and solely to the extent that such Sections would otherwise have applied to the Party or its Affiliates, Lifespan or CNE, as applicable, shall instead be required to provide reasonable advance notice to the other Party of its proposed action(s).

4.3. Notwithstanding the foregoing, the provisions of Section 7.5 hereof shall survive the termination of this Agreement.

5. Post Closing Covenants. On or after the Effective Date, the following actions shall be taken and the following covenants observed:

5.1. Governance.

5.1.1. Lifespan shall increase the size of its board of directors from the current seventeen (17) members to twenty-five (25) persons, such number to include the three (3) chairpersons of the respective boards of each CNE Hospital Affiliate as voting ex officio members; and five (5) additional at-large members who were Directors of CNE immediately prior to the Effective Date (such at-large members, the "CNE Directors"), one of whom shall be the chairperson of the CNE board of directors immediately prior to the Effective Date. At the first annual meeting of Lifespan Corporation which follows the Effective Date by nine or more months, the board of directors will be reduced in size to not more than twenty-three (23), at least four (4) of whom shall be CNE Directors. At the next annual meeting of Lifespan Corporation, the number of at-large directors of the Lifespan board of directors will decrease so

that the total number of Directors will be not more than twenty-one (21), at least three (3) of whom shall be CNE Directors. At the next subsequent annual meeting of Lifespan Corporation, the number of at-large directors of the Lifespan board of directors will be set at a range of fourteen (14) to nineteen (19) members.

5.1.2. The chairperson of the CNE board of directors immediately prior to the Effective Date shall become a Vice-Chairperson of the Lifespan board of directors upon the Effective Date and shall serve in such capacity for not less than two (2) years after the Effective Date.

5.1.3. As of the Effective Date and from time to time thereafter, the composition of the CNE Board of Directors shall be identical to the then-current composition of the Lifespan Board of Directors.

5.1.4. The chairman of the Lifespan board of directors and the President/Chief Executive Officer of Lifespan, or the respective designee of either of them, shall serve as ex officio voting directors of each CNE Affiliate.

5.1.5. John Hynes shall assume the position of Senior Vice President for Special Projects for Lifespan, with responsibility for: (i) developing, in collaboration with Lifespan's Chief Physician Officer, the strategy for clinical integration of the CNE Hospital Affiliates into Lifespan, (ii) developing the strategy for the integration of the system's home care services and home medical equipment operations, and (iii) working in collaboration with the BH President and CEO and the BH board of trustees in developing the strategy and plans for the disposition or development of the BH campus; and (iv) working in collaboration with the

Kent President and CEO and the Kent board of trustees in developing the strategy and plans for the disposition or development of unneeded land on the Kent campus. The Senior Vice President for Special Projects will report to the President and CEO of Lifespan.

5.1.6. Lifespan currently provides its Affiliates with an array of corporate services, including Finance, Treasury, Human Resources, Information Services, Communications, Marketing, Government Relations, Risk Management and Insurance, Legal, Strategic Planning, Development, Purchasing, Payor Contracting and Internal Audit and Compliance. Immediately after the Effective Date, each member of Lifespan's leadership who has management responsibility for these services will work with CNE Affiliate personnel to plan the integration of CNE Affiliates into the Lifespan model of service delivery, including committee participation.

5.2. Programmatic Elements.

5.2.1. The Parties will leverage the significant brand and expertise of WIH, both in its exclusive lead role in women's reproductive health services and neonatal intensive care, and (on a non-exclusive basis) in its other existing service lines, including oncology and gynecological and breast surgery. Lifespan acknowledges the importance of WIH's existing programs of geographic outreach, particularly for gynecological oncology patients and breast cancer patients. The Parties will similarly leverage WIH's brand and expertise to develop, consistent with market demand, a range of services that will address conditions disproportionately affecting women and diseases uniquely impacting women, including women's digestive disorders, women's cardiac health, women's pulmonary disorders, women's endocrinology, women's sports medicine and orthopedics, women's cancer and

women's geriatrics. WIH administration and clinical leadership will be part of the Lifespan leadership group charged with growing women's health services, broadly defined, across multiple disciplines and specialties and have a significant role in the Lifespan Pediatric Service Line Council.

5.2.2. The Parties jointly embrace and agree to implement a Women's Health Service Line that provides easily-accessible alternatives to women seeking services in a patient- and gender-friendly manner. The Parties agree that this service line will function through WIH and other Lifespan providers in a collaborative manner, reflecting their respective strengths and their relative opportunities to effectuate system growth. Such women's services will be offered in part at the Academic Medical Center Complex and at one or more off-campus locations.

5.2.3. Lifespan acknowledges that WIH is in an important stage of a building project which Lifespan agrees should proceed. Lifespan will support the continued separate existence of WIH for the foreseeable future, and the existing contractual and programmatic relationships between RIH and WIH will remain in place. To the extent timing and other logistical considerations allow, WIH will consider whether existing Lifespan facilities and capabilities that could be made available to WIH would warrant appropriate revisions to its building plans.

5.2.4. In furtherance of the goal that behavioral health services in Rhode Island be enhanced to the point of pre-eminence in the field, the Parties agree that the existing BH campus will be sold or otherwise developed in order to create an endowment. Such endowment will be used (i), to fund a new inpatient behavioral health facility on the RIH

