

SPECIAL PROJECTS FUNDING AGREEMENT

THIS SPECIAL PROJECTS FUNDING AGREEMENT (the "Agreement") is entered into and effective the 5th day of December, 2006, by and between Norton Healthcare, Inc., a Kentucky nonprofit corporation ("Norton Healthcare"), and Kean Children's Foundation, Inc., a Kentucky nonprofit corporation ("KCC").

WHEREAS, Norton Healthcare is the parent corporation which owns Norton Hospitals, Inc.; which, in turn, currently owns and operates several hospitals in Jefferson County, Kentucky, including Kean Children's Hospital ("KCH");

WHEREAS, contemporaneously with the execution of this Agreement, the parties will execute a Second Revised Agreement of Affiliation between themselves memorializing their relationship and understandings; and,

WHEREAS, Norton Healthcare and KCC have a long history of working together to provide the citizens of their community with efficient access to quality healthcare services and now, with the intention of furthering this mission, KCC desires to provide significant financial support to Norton Healthcare for the funding of certain special projects, including capital items, equipment or special programmatic support initiatives ("Special Projects").

NOW, THEREFORE, in consideration of the promises and mutual promises of the parties herein, it is mutually agreed as follows:

Exhibit B

1. KCC Special Projects Funding. Norton Healthcare shall submit to KCC the following Special Projects for funding:

A. Beginning in 2007 and annually thereafter for the remaining term of this Agreement, Norton Healthcare shall, by February 1st of each year, submit to KCC a Special Projects funding request. The Special Projects funding request shall be submitted in writing to KCC and shall identify no less than five (5) areas or items wherein funding is requested to further and support the mission and services of KCH, including capital items, equipment items or special programmatic support initiatives.

B. KCC shall review Norton Healthcare's Special Projects funding request, select the specific projects that it will fund from those areas or items identified by Norton Healthcare in its funding request, and communicate its decision to Norton Healthcare by April 15 of that year. Although the decision to disburse funds for any specific Special Project(s) shall be left to the discretion of KCC, KCC nevertheless agrees to provide Special Projects funding to Norton Healthcare for the full term and support of KCH in the amount of not less than Five Hundred Thousand Dollars and no more (\$500,000.00) annually on or before April 15 of each year during the term of this Agreement.

2. Combined Use of Funds. Norton Healthcare agrees that all funds disbursed by KCC to Norton Healthcare pursuant to this Agreement will be used or allocated by Norton Healthcare consistent with its Special Projects funding request and as approved by KCC. Such funds shall be expended by Norton Healthcare (i) solely for charitable, scientific or educational purposes in a manner consistent with Norton Healthcare's status as a tax-exempt organization

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WHEREAS, Norton Healthcare is the parent corporation which owns Norton Hospitals, Inc.; which, in turn, currently owns and operates several hospitals in Jefferson County, Kentucky, including Kosair Children's Hospital ("KCH");

WHEREAS, contemporaneously with the execution of this Agreement, the parties will execute a Second Restated Agreement of Affiliation between themselves memorializing their relationship and understandings; and,

WHEREAS, Norton Healthcare and KCC have a long history of working together to provide the citizens of their community with efficient access to quality healthcare services and now, with the intention of furthering this mission, KCC desires to provide significant financial support to Norton Healthcare for the funding of certain special projects, including capital items, equipment or special programmatic support initiatives ("Special Projects").

NOW, THEREFORE, in consideration of the premises and mutual promises of the parties herein, it is mutually agreed as follows:

1. KCC Special Projects Funding. KCC agrees to provide Norton Healthcare the following Special Projects funding.

A. Beginning in 2007 and annually thereafter for the remaining term of this Agreement, Norton Healthcare shall, by February 1st of each year, submit to KCC a Special Projects funding request. The Special Projects funding request shall be submitted in writing to KCC and shall identify no less than five (5) areas or items wherein funding is requested to further and support the mission and services of KCH, including capital items, equipment needs or special programmatic support initiatives.

B. KCC shall review Norton Healthcare's Special Projects funding request, select the specific projects that it will fund from those areas or items identified by Norton Healthcare in its funding request, and communicate its decision to Norton Healthcare by April 15 of that year. Although the decision to disburse funds for any specific Special Project(s) shall be left to the discretion of KCC, KCC nevertheless agrees to provide Special Projects funding to Norton Healthcare for the furtherance and support of KCH in the amount of not less than Five Hundred Thousand Dollars and no/100 (\$500,000.00) annually on or before April 15 of each year during the term of this Agreement.

2. Permitted Uses of Funds. Norton Healthcare agrees that all funds disbursed by KCC to Norton Healthcare pursuant to this Agreement will be used or allocated by Norton Healthcare consistent with its Special Projects funding request and as approved by KCC. Such funds shall be expended by Norton Healthcare (i) solely for charitable, scientific or educational purposes in a manner consistent with Norton Healthcare's status as a tax-exempt organization

pursuant to Section 501(c)(3) of the Internal Revenue Code; and (ii) in a manner that complies with all applicable laws, including all limitations imposed on Section 501(c)(3) organizations. The funds shall not be expended, directly or indirectly, (i) to carry on propaganda, or otherwise attempt to influence legislation; (ii) to influence the outcome of a public election or to carry on a voter registration drive; (iii) for any grant to an individual for travel, study or other similar purposes by the individual; or (iv) for any grant to another organization.

3. Gift Recognition. Norton Healthcare agrees to recognize KCC's Special Projects funding by providing a plaque or other appropriate means of recognition to KCC for providing the funding of the specific project, equipment, program or initiative, as the case may be. The method of recognition, message contained thereupon and placement of such item shall be agreed to by the parties, will be provided for the life of the respective project, equipment, program or initiative and shall be placed where it will aesthetically fit with the area surrounding its placement.

4. Term of Agreement.

A. Initial Term. The term of this Agreement shall be twenty (20) years beginning on the 1st day of January, 2007 and continuing through the 31st day of December, 2026.

B. Termination.

[1] Either Norton Healthcare or KCC may terminate this Agreement for cause in the event of a material breach by the other party. In such case, the terminating party must give written notice to the other party specifying in reasonable detail the claimed breach. The other party shall have one-hundred twenty (120) days following receipt of such notice in which to cure the breach. If the claimed breach is not so cured within such period, the non-breaching party shall have the right, but not the obligation, to immediately terminate this Agreement.

[2] This Agreement may be terminated at any time upon the mutual written agreement of Norton Healthcare and KCC.

[3] This Agreement may be terminated by KCC, effective immediately if, [i] as a result of a consolidation or merger, there is a change in control of Norton Healthcare materially affecting the composition and number of the Norton Healthcare Board of Trustees such that a majority of the Board members are no longer considered to be representatives of the community as defined by IRS requirements for 501(c)(3) corporations; or, [ii] Norton Healthcare is no longer a nonprofit corporation; or, [iii] KCH fails to maintain accreditation by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) or Medicare or Medicaid as an accredited provider of healthcare services. No support funding payments, as contemplated by this Agreement, shall be due to Norton Healthcare after such termination is effective. In the event KCC terminates this Agreement under this Section B[3], KCC shall only be obligated to make support funding payments and Norton Healthcare shall only be entitled to retain such payments though the effective date of termination.

[4] This Agreement shall automatically terminate in the event that the parties' Second Restated Agreement of Affiliation dated December 5, 2006, executed concurrently with this Agreement, is terminated for any reason. If such termination should occur, the effective date of termination of this Agreement shall be the same as the effective date of termination of the Second Restated Agreement of Affiliation.

5. Parties in Interest; Assignment. All provisions of this Agreement will bind and inure to the benefit of the parties to this Agreement and their respective successors and assigns, whether so expressed or not. Neither party may, however, sell, assign, transfer or otherwise convey any of its rights or delegate any of its duties under this Agreement ("Transfer") to any other person or entity, without the prior written consent of the other party, except that Norton Healthcare may Transfer its rights and delegate its duties to [i] its wholly-owned subsidiary, [ii] a corporation which has succeeded to substantially all of its business and assets and has assumed in writing its obligations under this Agreement, or [iii] a corporation surviving a consolidation or merger to which Norton Healthcare is a party. Any attempted Transfer in violation of this Paragraph will be void. Any Transfer in accordance with the provisions of this Paragraph shall not relieve the transferor of its obligations hereunder or terminate the other party's rights or remedies with respect to those obligations.

6. Status of Parties. This Agreement will not be construed to constitute either party as an agent of the other party; to authorize or empower either party to assume or create any obligation or responsibility, express or implied, on behalf of the other party; or to authorize or empower either party to bind in any manner or make any representation, warranty, covenant, agreement or commitment on behalf of the other party.

7. Third Party Rights. This Agreement does not create, and will not be construed as creating, any rights enforceable by any person not a party to this Agreement.

8. Entire Agreement; Amendment; Waiver. This Agreement sets forth the entire agreement of the parties with respect to the subject matter of this Agreement, supersedes all existing agreements or understandings between them concerning that subject matter, and may be modified or amended only by a written instrument signed by each party. Any party to this Agreement may in writing [i] extend the time for the performance of any obligations of any other party; [ii] waive any inaccuracies in representations and warranties by any other party; [iii] waive performance of any obligations by any other party; and [iv] waive the fulfillment of any condition that is precedent to the performance by the party of any of its obligations under this Agreement. No such waiver will be deemed to be continuing or to apply to any other instance or to constitute the waiver of any other term or condition of this Agreement in that or any other instance. The failure of a party to insist upon strict compliance with any provision of this Agreement on one or more occasions will not be considered a waiver and will not prevent that party from insisting upon strict compliance with that provision or any other provision of this Agreement.

9. Headings. The paragraph headings contained in this Agreement are inserted solely as a matter of convenience and will not affect in any way the construction or interpretation of the terms of this Agreement.

10. Governing Law. This Agreement will be governed by and construed in accordance with the laws of Kentucky, without giving effect to its conflict of laws rules. The parties consent to the exclusive jurisdiction and venue of any state or federal court located within or closest to Louisville, Kentucky, and irrevocably agree that any actions relating to this Agreement shall be litigated in such courts, and the parties waive any objection they may have based on lack of personal jurisdiction, improper venue or forum non conveniens to the conduct of any proceeding in such court.

11. Severability. If any provision of this Agreement is held to be invalid, or unenforceable under the present or future laws effective during the term of this Agreement, the affected provision(s) shall be limited only to the extent necessary to bring it or them within the requirements of the law and, insofar as possible under the circumstances, to carry out the purposes of this Agreement. The other provisions of this Agreement shall remain in full force and effect, and the invalidity or unenforceability of any provision hereof shall not affect the validity and enforceability of the other provisions of this Agreement, nor the availability of all remedies in law or equity to the parties with respect to such other provisions.

12. Expenses. Each party to this Agreement will pay all costs, fees and expenses that the party may incur in connection with the negotiation, execution and delivery of this Agreement.

13. Notices. All notices, requests, consents and other communications under this Agreement must be in writing and must be [i] mailed by first class certified mail, [ii] sent by Federal Express, United States Express Mail or similar overnight delivery or courier service, or [iii] delivered (in person, or by a facsimile transmission, telex or similar telecommunications equipment) to receipt, as follows:

If to Norton Healthcare: Norton Healthcare, Inc.
Attention: President and Chief Executive Officer
234 E. Gray Street, Suite 225
Louisville, KY 40202-1903

If to KCC: Kosair Charities Committee, Inc.
Attention: Executive Director
982 Eastern Parkway, Suite 3
Louisville, KY 40217-1568

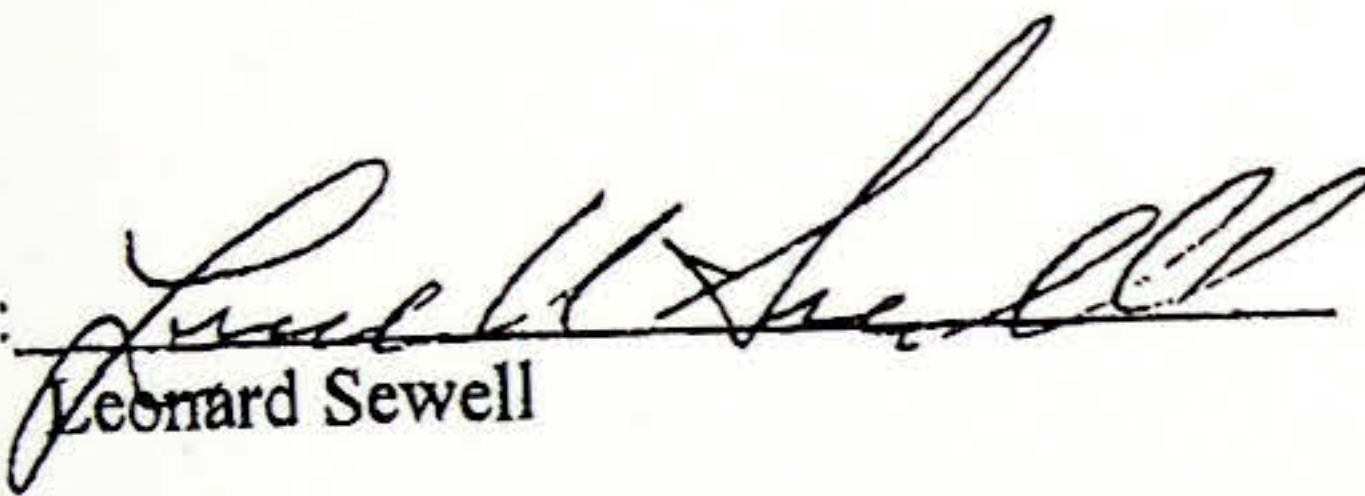
or to another address of which the addressee has notified the sender in writing in accordance with this Section. Notices given by certified mail will be deemed given at the time of certification, and notices given by any other permitted means will be deemed given at the time of receipt of the notice.

14. Counterparts. This Agreement may be signed in any number of counterparts, each of which will be deemed to be an original, but all of which together will constitute one and the same agreement.

15. Construction. Each party hereto hereby acknowledges that it was represented by counsel and participated equally in the drafting and negotiation of this Agreement and that, accordingly, no court construing this Agreement shall construe it more stringently against one party than against the other.

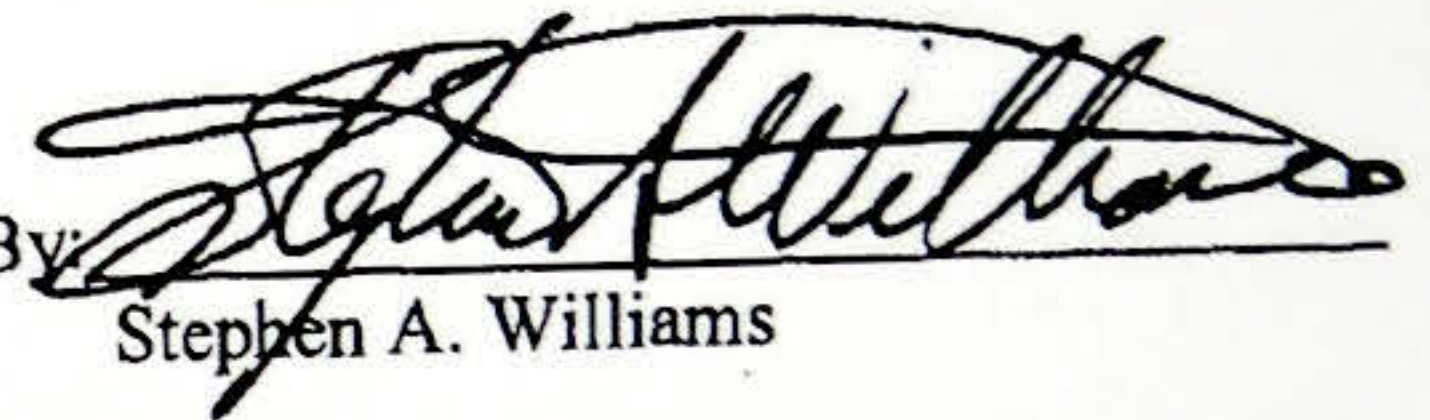
IN TESTIMONY WHEREOF, the parties hereto, by their duly authorized officers, have executed this Special Projects Funding Agreement on the day and year first hereinabove written.

KOSAIR CHARITIES COMMITTEE, INC. **NORTON HEALTHCARE, INC.**

By: 
Leonard Sewell

Its: President

Date: 12-4-06

By: 
Stephen A. Williams

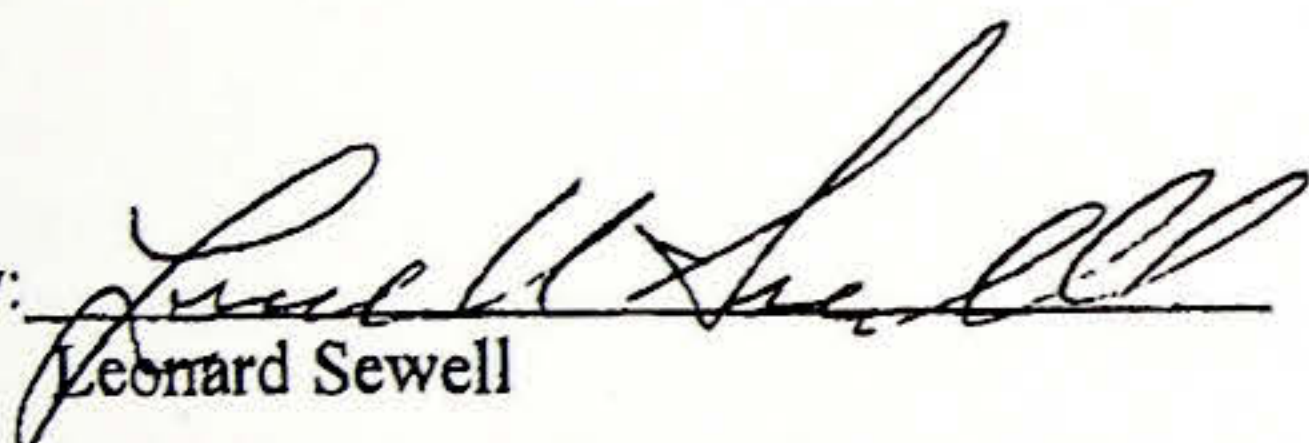
Its: President and Chief Executive Officer

Date: 12-05-06

15. Construction. Each party hereto hereby acknowledges that it was represented by counsel and participated equally in the drafting and negotiation of this Agreement and that, accordingly, no court construing this Agreement shall construe it more stringently against one party than against the other.

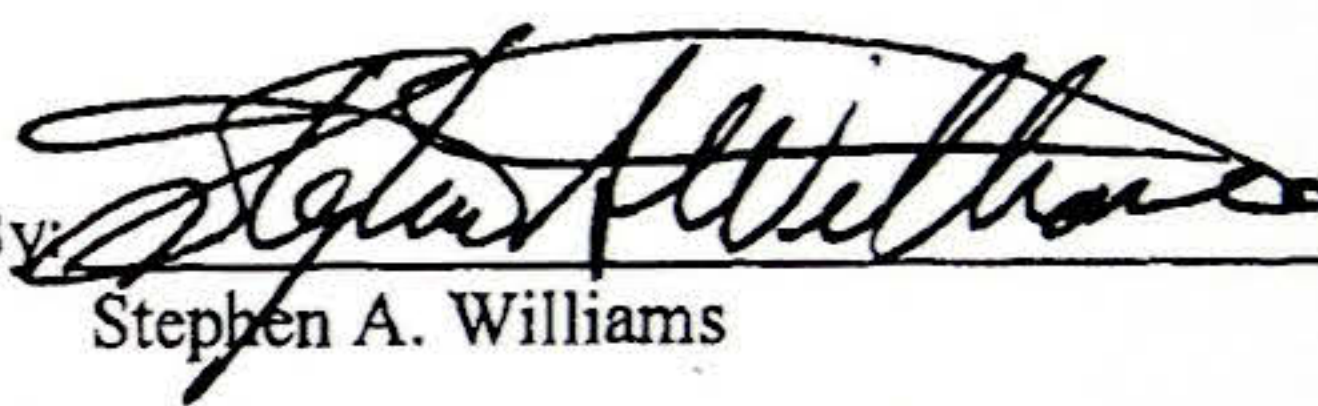
IN TESTIMONY WHEREOF, the parties hereto, by their duly authorized officers, have executed this Special Projects Funding Agreement on the day and year first hereinabove written.

KOSAIR CHARITIES COMMITTEE, INC. NORTON HEALTHCARE, INC.

By: 
Leonard Sewell

Its: President

Date: 12-4-06

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Stephen A. Williams

Its: President and Chief Executive Officer

Date: 12-05-06