

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2010 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2010</u> and ending <u>12/31/2010</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>WESTERN MARYLAND HEALTH SYSTEM RETIREMENT PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/1999</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>01/01/1999</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>01/01/1999</u>					
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>WESTERN MARYLAND HEALTH SYSTEM CORPORATION</u> <u>12500 WILLOWBROOK RD.</u> <u>CUMBERLAND, MD 21502</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>52-0591531</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>240-964-7000</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>622000</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>52-0591531</u>	2c Sponsor's telephone number <u>240-964-7000</u>	2d Business code (see instructions) <u>622000</u>	
2b Employer Identification Number (EIN) <u>52-0591531</u>					
2c Sponsor's telephone number <u>240-964-7000</u>					
2d Business code (see instructions) <u>622000</u>					

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/14/2011	MARK SULLIVAN, VICE PRESIDENT HR
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/14/2011	MARK SULLIVAN, VICE PRESIDENT HR
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2010)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") WESTERN MARYLAND HEALTH SYSTEM CORPORATION 12500 WILLOWBROOK RD. CUMBERLAND, MD 21502	3b Administrator's EIN 52-0591531 3c Administrator's telephone number 240-964-7000
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	3350
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	1815
b Retired or separated participants receiving benefits.....	6b	769
c Other retired or separated participants entitled to future benefits.....	6c	679
d Subtotal. Add lines 6a , 6b , and 6c	6d	3263
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	53
f Total. Add lines 6d and 6e	6f	3316
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	83

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 1A 1G 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)	9b Plan benefit arrangement (check all that apply)
(1) ☒ Insurance	(1) ☒ Insurance
(2) ☐ Code section 412(e)(3) insurance contracts	(2) ☐ Code section 412(e)(3) insurance contracts
(3) ☒ Trust	(3) ☒ Trust
(4) ☐ General assets of the sponsor	(4) ☐ General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1)** ☒ **R** (Retirement Plan Information)
(2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3) ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1)** ☒ **H** (Financial Information)
(2) ☐ **I** (Financial Information – Small Plan)
(3) ☒ **A** (Insurance Information)
(4) ☒ **C** (Service Provider Information)
(5) ☒ **D** (DFE/Participating Plan Information)
(6) ☐ **G** (Financial Transaction Schedules)

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2010 This Form is Open to Public Inspection
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan WESTERN MARYLAND HEALTH SYSTEM RETIREMENT PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500. WESTERN MARYLAND HEALTH SYSTEM CORPORATION	D Employer Identification Number (EIN) 52-0591531	

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier
PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY CO.

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
06-1050034	93629	003150		01/01/2010	12/31/2010

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in item 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
0	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end	4	
5 Current value of plan's interest under this contract in separate accounts at year end	5	0

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶

b Premiums paid to carrier	6b	
c Premiums due but unpaid at the end of the year	6c	
d If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. Specify nature of costs ▶	6d	

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity
(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☐ other ▶

b Balance at the end of the previous year	7b	9069608
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c Additions: (1) Contributions deposited during the year	7c(1)		
	7c(2)		
	7c(3)	504696	
	7c(4)		
	7c(5)		

(6) Total additions	7c(6)	504696
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d Total of balance and additions (add b and c(6)).	7d	9574304
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e Deductions:

(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	957382	
(2) Administration charge made by carrier	7e(2)		
(3) Transferred to separate account	7e(3)		
(4) Other (specify below)	7e(4)	35557	

▶ ADM EXP

(5) Total deductions	7e(5)	992939
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f Balance at the end of the current year (subtract e(5) from d)	7f	8581365
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Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organization(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
b ☐ Dental
c ☐ Vision
d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
f ☐ Long-term disability
g ☐ Supplemental unemployment
h ☐ Prescription drug
i ☐ Stop loss (large deductible)
j ☐ HMO contract
k ☐ PPO contract
l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received.....	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve.....	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2)).....		9b(3)	
(4) Claims charged.....		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions.....	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs.....	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes.....	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges.....	9c(1)(G)		
(H) Total retention.....		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement.....		9d(1)	
(2) Claim reserves.....		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in c(2).).....		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier.....	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount.	10b	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

<div><div>SCHEDULE A</div><div>(Form 5500)</div><div>Department of the Treasury Internal Revenue Service</div><div>Department of Labor Employee Benefits Security Administration</div><div>Pension Benefit Guaranty Corporation</div></div>	<div>Insurance Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div> <div>▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).</div>	<div>OMB No. 1210-0110</div> <div>2010</div> <div>This Form is Open to Public Inspection</div>
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan WESTERN MARYLAND HEALTH SYSTEM RETIREMENT PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500. WESTERN MARYLAND HEALTH SYSTEM CORPORATION	D Employer Identification Number (EIN) 52-0591531	

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions	Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier
MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
04-1590850	65935	SA 12804		01/01/2010	12/31/2010

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in item 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
0	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end	4	
5 Current value of plan's interest under this contract in separate accounts at year end	5	110897554

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶

b Premiums paid to carrier	6b	
c Premiums due but unpaid at the end of the year	6c	
d If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. Specify nature of costs ▶	6d	

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity
(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☒ other ▶ GROUP ANNUITY

b Balance at the end of the previous year	7b	0
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c Additions: (1) Contributions deposited during the year	7c(1)		
	7c(2)		
	7c(3)		
	7c(4)		
	7c(5)		

(6) Total additions	7c(6)	0
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d Total of balance and additions (add b and c(6)).	7d	0
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e Deductions:

(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)		
	7e(2)		
	7e(3)		
	7e(4)		

(5) Total deductions	7e(5)	0
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f Balance at the end of the current year (subtract e(5) from d)	7f	0
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Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organization(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
 b ☐ Dental
 c ☐ Vision
 d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
 f ☐ Long-term disability
 g ☐ Supplemental unemployment
 h ☐ Prescription drug
i ☐ Stop loss (large deductible)
 j ☐ HMO contract
 k ☐ PPO contract
 l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received.....	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve.....	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2)).....		9b(3)	
(4) Claims charged.....		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions.....	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs.....	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes.....	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges.....	9c(1)(G)		
(H) Total retention.....		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement.....		9d(1)	
(2) Claim reserves.....		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in c(2).).....		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier.....	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount.	10b	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2010 This Form is Open to Public Inspection
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>WESTERN MARYLAND HEALTH SYSTEM RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>WESTERN MARYLAND HEALTH SYSTEM CORPORATION</u>	D Employer Identification Number (EIN) <u>52-0591531</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2010</u>	
2 Assets:	
a Market value	2a <u>128944033</u>
b Actuarial value	2b <u>130960423</u>
3 Funding target/participant count breakdown	
	(1) Number of participants (2) Funding Target
a For retired participants and beneficiaries receiving payment	3a <u>716</u> <u>43090367</u>
b For terminated vested participants	3b <u>636</u> <u>16221995</u>
c For active participants:	
(1) Non-vested benefits	3c(1) <u>6477053</u>
(2) Vested benefits	3c(2) <u>64787931</u>
(3) Total active	3c(3) <u>1998</u> <u>71264984</u>
d Total	3d <u>3350</u> <u>130577346</u>
4 If the plan is at-risk, check the box and complete items (a) and (b)	☐
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 <u>6.63</u> %
6 Target normal cost	6 <u>5528540</u>

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	<u>10/12/2011</u>
Signature of actuary	Date
<u>JON S. KETZNER, FCA, MAA</u>	<u>11-01826</u>
Type or print name of actuary	Most recent enrollment number
<u>CBIZ BENEFITS AND INSURANCE SERVICE</u>	<u>301-777-1500</u>
Firm name	Telephone number (including area code)
<u>44 BALTIMORE STREET</u> <u>CUMBERLAND, MD 21502</u>	
Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2010
v.092308.1

Part II		Beginning of year carryover and prefunding balances	
		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	12457579	2162485
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9	Amount remaining (Item 7 minus item 8).....	12457579	2162485
10	Interest on item 9 using prior year's actual return of <u>17.76</u> %	2212466	384057
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		5388892
b	Interest on (a) using prior year's effective rate of <u>8.09</u> %		435961
c	Total available at beginning of current plan year to add to prefunding balance		5824853
d	Portion of (c) to be added to prefunding balance.....		5824853
12	Reduction in balances due to elections or deemed elections.....	0	0
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....	14670045	8371395

Part III		Funding percentages	
14	Funding target attainment percentage.....	14	82.64 %
15	Adjusted funding target attainment percentage.....	15	100.29 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	116.33 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV		Contributions and liquidity shortfalls			
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
05/26/2011	7000000	0			
			Totals ▶	18(b)	7000000
				18(c)	0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contribution from prior years.....	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	6399459

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: 4.60 %	2nd segment: 6.65 %	3rd segment: 6.76 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 0
22 Weighted average retirement age				22 64
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	5528540
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33).....	34	5528540
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	0	0
36 Additional cash requirement (item 34 minus item 35).....	36	5528540
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	6399459
38 Interest-adjusted excess contributions for current year (see instructions).....	38	870919
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	0
40 Unpaid minimum required contribution for all years	40	0

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection.
For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan WESTERN MARYLAND HEALTH SYSTEM RETIREMENT PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 WESTERN MARYLAND HEALTH SYSTEM CORPORATION	D Employer Identification Number (EIN) 52-0591531	

Part I	Service Provider Information (see instructions)
---------------	--

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
MASSACHUSETTS MUTUAL LIFE INS CO
04-1590850

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation
--

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

CBIZ BENEFITS & INSURANCE SERV INC

52-1396995

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
59 17	SHAREHOLDER SERVICE	0	Yes ☒ No ☐	Yes ☐ No ☒	159718	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

PRUDENTIAL RETIREMENT INSURANCE

06-1050034

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13	CONTRACT ADMIN	35557	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

MASSACHUSETTS MUTUAL LIFE INS CO

04-1590850

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
52 60 63 68 72 99	CONTRACT ADMINISTRATOR	0	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
CBIZ BENEFITS & INSURANCE SERV INC	17	1524
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>MASSACHUSETTS MUTUAL LIFE INS CO</p> <p>04-1590850</p> </div> <div style="width: 40%;"> <p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>PLAN RELATED EXPENSES</p> </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>(a) Enter service provider name as it appears on line 2</p> </div> <div style="width: 20%;"> <p>(b) Service Codes (see instructions)</p> </div> <div style="width: 20%;"> <p>(c) Enter amount of indirect compensation</p> </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>(d) Enter name and EIN (address) of source of indirect compensation</p> </div> <div style="width: 40%;"> <p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>(a) Enter service provider name as it appears on line 2</p> </div> <div style="width: 20%;"> <p>(b) Service Codes (see instructions)</p> </div> <div style="width: 20%;"> <p>(c) Enter amount of indirect compensation</p> </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>(d) Enter name and EIN (address) of source of indirect compensation</p> </div> <div style="width: 40%;"> <p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> </div> </div>		

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone: <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone: <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone: <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone: <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone: <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>

Explanation:

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2010 This Form is Open to Public Inspection.
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan <u>WESTERN MARYLAND HEALTH SYSTEM RETIREMENT PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>WESTERN MARYLAND HEALTH SYSTEM CORPORATION</u>	D Employer Identification Number (EIN) <u>52-0591531</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
---------------	--

a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SIA-SI ADVISOR MID CAP VALUE</u>				
b Name of sponsor of entity listed in (a): <u>MMLIC</u>				
c EIN-PN <u>04-1590850-023</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>2861806</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SIA-YC SELECT SMALL CAP GR</u>				
b Name of sponsor of entity listed in (a): <u>MMLIC</u>				
c EIN-PN <u>04-1590850-135</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>769612</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SIA-YG PREMIER MONEY MARKET</u>				
b Name of sponsor of entity listed in (a): <u>MMLIC</u>				
c EIN-PN <u>04-1590850-139</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>3366992</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SIA-YP PREMIER DIVERSIFIED BOND</u>				
b Name of sponsor of entity listed in (a): <u>MMLIC</u>				
c EIN-PN <u>04-1590850-145</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>24769687</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SIA-Y PREM INFLATION-PROTECTED BND</u>				
b Name of sponsor of entity listed in (a): <u>MMLIC</u>				
c EIN-PN <u>04-1590850-183</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>20553192</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SIA-YK SELECT FUNDAMENTAL VALUE</u>				
b Name of sponsor of entity listed in (a): <u>MMLIC</u>				
c EIN-PN <u>04-1590850-185</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>11242692</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SIA-YT SELECT MID CAP GROWTH II</u>				
b Name of sponsor of entity listed in (a): <u>MMLIC</u>				
c EIN-PN <u>04-1590850-186</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>3217809</u>		

a Name of MTIA, CCT, PSA, or 103-12 IE: SIA-YY SEL SM CO VALUE**b** Name of sponsor of entity listed in (a): MMLIC

c EIN-PN 04-1590850-187	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	769647
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a Name of MTIA, CCT, PSA, or 103-12 IE: SIA-VB EUROPACIFIC GROWTH**b** Name of sponsor of entity listed in (a): MMLIC

c EIN-PN 04-1590850-276	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	3497779
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a Name of MTIA, CCT, PSA, or 103-12 IE: SIA-TZ TOTAL RETURN**b** Name of sponsor of entity listed in (a): MMLIC

c EIN-PN 04-1590850-362	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	25674840
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a Name of MTIA, CCT, PSA, or 103-12 IE: SIA-HW GROWTH AMERICA**b** Name of sponsor of entity listed in (a): MMLIC

c EIN-PN 04-1590850-419	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	14173498
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a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
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a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
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a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
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a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
-----------------	----------------------	---	--

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
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a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
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Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan WESTERN MARYLAND HEALTH SYSTEM RETIREMENT PLAN	B Three-digit plan number (PN)	001
C Plan sponsor's name as shown on line 2a of Form 5500 WESTERN MARYLAND HEALTH SYSTEM CORPORATION	D Employer Identification Number (EIN) 52-0591531	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	6000000	7000000
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	443	443
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)	100857571	110897554
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	13191557	13828525
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	9069608	8581366
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	129119179	140307888

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	129119179	140307888
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	7000000	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		7000000

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	83	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		83

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	207895	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		207895

(3) Rents	2b(3)		
-----------------	--------------	--	--

(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		9737747
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		429073
c Other income.....	2c		504696
d Total income. Add all income amounts in column (b) and enter total.....	2d		17879494

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	6541232	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		6541232
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)	35557	
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	113996	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		149553
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		6690785

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		11188709
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: COHEN, RUTHERFORD & KNIGHT, P.C.

(2) EIN: 52-1202280

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....	X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Retirement Plan Information</div> <div>This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).</div> <div>► File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2010</div> <div>This Form is Open to Public Inspection.</div>
For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan WESTERN MARYLAND HEALTH SYSTEM RETIREMENT PLAN		B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 WESTERN MARYLAND HEALTH SYSTEM CORPORATION		D Employer Identification Number (EIN) 52-0591531
Part I	Distributions	
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....		1 0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 04-1590850 06-1050034		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....		3 79
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)	
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?..... ☐ Yes ☒ No ☐ N/A		
If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____		
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year		6a
b Enter the amount contributed by the employer to the plan for this plan year		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?..... ☒ Yes ☐ No ☐ N/A		
Part III	Amendments	
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box..... ☒ Increase ☐ Decrease ☐ Both ☐ No		
Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.	
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... ☐ Yes ☐ No		
11 a Does the ESOP hold any preferred stock? ☐ Yes ☐ No		
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ☐ Yes ☐ No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ☐ Yes ☐ No		
For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.		
Schedule R (Form 5500) 2010 v.092308.1		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: 38% Investment-Grade Debt: 60% High-Yield Debt: _____% Real Estate: _____% Other: 2%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☒ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate item 19(b)?

☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

**COHEN
RUTHERFORD
+ KNIGHT_{PC}**
Certified Public Accountants



Audited Financial Statements

**Western Maryland Health
System, Inc. Retirement Plan**

December 31, 2010 and 2009

Western Maryland Health System, Inc.
Retirement Plan

Audited Financial Statements
December 31, 2010 and 2009

-Contents-

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Report of Independent Auditors

The Plan Administrator
Western Maryland Health System, Inc. Retirement Plan

We were engaged to audit the accompanying statements of net assets available for benefits of the Western Maryland Health System, Inc. Retirement Plan (the Plan) as of December 31, 2010 and 2009, the related statements of changes in net assets available for plan benefits for the years then ended, and the supplemental schedules of assets (held at end of year) and reportable transactions as of and for the year ended December 31, 2010. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to certain information summarized in *Note B*, which was certified by Prudential Insurance Company (Prudential), the Plan trustee, and Massachusetts Mutual Life Insurance Company (Mass Mutual), a provider of certain investment and administrative services for the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan administrator that Prudential and Mass Mutual hold primarily all of the Plan's investment assets and execute investment transactions. The Plan administrator has obtained certifications from Prudential and Mass Mutual as of and for the years ended December 31, 2010 and 2009 that the information provided to the Plan administrator is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedules taken as a whole. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by Prudential and Mass Mutual, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Cohen, Rutherford + Knight, P.C.

October 10, 2011
Bethesda, Maryland

Western Maryland Health System, Inc. Retirement Plan

Statements of Net Assets Available for Benefits
(Dollars in thousands)

	December 31	
	2010	2009
Net assets available for benefits		
Massachusetts Mutual Life Insurance Company investment accounts:		
Mutual funds	\$ 110,899	\$ 100,858
Prudential Financial, Inc. investment accounts:		
Immediate participation guarantee fund	8,581	9,070
CBIZ Financial Solutions investment accounts:		
Mutual fund and money market	13,829	13,192
Net assets available for benefits	<u>\$ 133,309</u>	<u>\$ 123,120</u>
Accumulated plan benefits:		
Actuarial present value of vested benefits:		
Participants currently receiving benefits	45,337	33,341
Other participants	68,235	76,093
	<u>113,572</u>	<u>109,434</u>
Actuarial present value of nonvested benefits	<u>5,863</u>	<u>6,472</u>
Total actuarial present value of accumulated plan benefits	<u>119,435</u>	<u>115,906</u>
Excess of net assets available for benefits over actuarial present value of accumulated benefits	<u>\$ 13,874</u>	<u>\$ 7,214</u>

The accompanying notes are an integral part of the financial statements.

Western Maryland Health System, Inc. Retirement Plan

Statements of Changes in Net Assets Available for Benefits
(Dollars in thousands)

	Year Ended December 31	
	2010	2009
Net increase in net assets available for benefits:		
Net changes in Massachusetts Mutual Life Insurance Company investment accounts:		
Employer contributions	\$ 6,000	\$ 7,500
Investment income	9,738	17,362
Benefits paid to participants	(5,594)	(3,515)
Transfer to CBIZ Financial Solutions	0	(7,500)
Administrative expenses	(114)	(114)
	<u>10,030</u>	<u>13,733</u>
Net changes in Prudential Financial, Inc. investment accounts:		
Investment income	505	546
Benefits paid to participants	(957)	(1,015)
Administrative expenses	(36)	(36)
	<u>(488)</u>	<u>(505)</u>
Net changes in CBIZ Financial Solutions investment accounts:		
Transfer from Massachusetts Mutual Life Insurance Company	0	7,500
Investment income	647	1,014
	<u>647</u>	<u>8,514</u>
Net increase in net assets available for benefits	<u>10,189</u>	<u>21,742</u>
Net increase in actuarial present value of accumulated plan benefits:		
Increase during the year attributable to:		
Benefits accumulated	496	1,887
Increase for interest due to decrease in discount period	9,574	9,110
Benefits paid	(6,541)	(4,531)
Net increase in actuarial present value of accumulated plan benefits	<u>3,529</u>	<u>6,466</u>
Increase in excess of net assets available for benefits over actuarial present value of accumulated plan benefits	6,660	15,276
Excess (deficit) of net assets available for benefits over actuarial present value of accumulated plan benefits:		
Beginning of year	7,214	(8,062)
End of year	<u>\$ 13,874</u>	<u>\$ 7,214</u>

The accompanying notes are an integral part of the financial statements.

Western Maryland Health System, Inc. Retirement Plan

Notes to the Financial Statements
(Dollars in thousands)

Note A - Plan Description and Summary of Significant Accounting Policies

Plan Description

The Western Maryland Health System, Inc. Retirement Plan (the Plan) was established January 1, 1999. Assets of approximately \$32,600 and \$53,000 were transferred into the Plan to provide for benefits of active and inactive participants from the plan assets of the Memorial Hospital and Medical Center of Cumberland, Inc. Pension Plan and the Medilab of Cumberland Retirement Plan, respectively. Assets of approximately \$18,000 were transferred from the Ascension Health Retirement Plan into the Plan to provide for the benefits of the active participants of Sacred Heart Hospital, St. Vincent DePaul Nursing Center, and Haystack Consolidated Services, Inc.

The Plan is a noncontributory, defined benefit plan. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan covers all eligible employees of Western Maryland Health System, Inc. (WMHS) and the following participating organizations each of which is wholly owned by WMHS:

- Frostburg Nursing and Rehabilitation Center
- Haystack Consolidated Services, Inc.
- Memorial Hospital and Medical Center of Cumberland, Inc.
- Braddock Hospital

Eligibility for participation begins on January 1 or July 1 coinciding with or following a year of eligible service. One year of eligible service is credited to an employee at the end of the 12 months during which 832 or more hours have been completed. The Plan was amended effective January 1, 2010, to offer an Early Retirement Incentive Program (ERIP) to certain employees. The ERIP was offered for a limited time only, beginning May 14, 2010 and ending July 6, 2010. Participation in the ERIP was voluntary. Additional information regarding the ERIP is published in the Plan document and other sources.

Retirement Benefits

Generally, Plan benefits are based on the benefit formula adopted by WMHS, participant earnings, covered compensation, and credited service. An employee is 100% vested in his or her accrued benefit after completing five years of vesting service. The Plan also provides for full benefits on an early retirement date if certain conditions are met.

Western Maryland Health System, Inc.

Retirement Plan

Notes to the Financial Statements-Continued
(Dollars in thousands)

Note A - Plan Description and Summary of Significant Accounting Policies - Continued

Death Benefits

The Plan includes provisions for death benefits to be paid to the surviving spouse or family unit, commencement of which would begin in the first month after the participant's death.

Funding Policy

The funding policy of WMHS is to remit amounts sufficient to provide the Plan with assets with which to pay pension benefits to Plan participants. The Plan has met the minimum funding requirements for 2010 and 2009 under ERISA.

Plan Termination

Although it has not expressed any intention to do so, WMHS has the right under the Plan to discontinue its operations at any time and to terminate the Plan subject to the provisions set forth in ERISA.

In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

- Retirement income called for under the Plan for those former participants or beneficiaries who have been receiving monthly payments for three years, or who would have been receiving monthly payments for three years if they had been eligible to and elected to retire three years ago; in both cases based on the terms of the Plan in effect five years preceding the date of termination of the Plan.
- Other vested benefits insured by the Pension Benefit Guaranty Corporation (PBGC), a U.S. government agency, up to the applicable limitations.
- All other vested benefits not insured by the PBGC.
- All nonvested benefits.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide those benefits and may also depend on the level of benefits guaranteed by the PBGC.

Western Maryland Health System, Inc. Retirement Plan

Notes to the Financial Statements-Continued
(Dollars in thousands)

Note A - Plan Description and Summary of Significant Accounting Policies – Continued

Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated October 24, 2003 stating that the Plan is qualified under Section 401(a) of the Code; therefore, the related trust is exempt from taxation.

Management has also considered the impact of unrelated business activities, and has concluded that the Plan is not subject to unrelated business tax or any other taxes that could be imposed by the Internal Revenue Code or state taxing authorities. As such, no provision is made for income taxes and no asset or liability has been recognized for deferred taxes.

Current accounting standards require the Plan to recognize the impact of an uncertain tax position in its financial statements if that position is more likely than not to be sustained on audit, based on the technical merits of the position. In the opinion of Plan management, there are no uncertain tax positions required to be accrued or disclosed in the Plan's financial statements.

Basis of Accounting

The financial statements are prepared using the accrual method of accounting except for contributions to the Plan, which are recorded in the period paid.

Uses of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

The fair value of fixed income securities and common stock is determined by Prudential Financial Inc. (Prudential), Massachusetts Mutual Life Insurance Company (Mass Mutual), and CBIZ Financial Solutions (CBIZ) based on the last reported sales price on the last business day of the year. If no sale was reported on that date, they are valued at the average of the bid and asked price on the last business day of the year.

A portion of the Plan's assets are invested in mutual funds managed by Mass Mutual and CBIZ that are valued at the net asset value of shares held by the Plan at year end.

Western Maryland Health System, Inc.

Retirement Plan

Notes to the Financial Statements-Continued
(Dollars in thousands)

Note A - Plan Description and Summary of Significant Accounting Policies – Continued

Investment Valuation and Income Recognition- Continued

A portion of the Plan's assets is in an unallocated fund account (the immediate participation guarantee fund) held by Prudential at December 31, 2010 and 2009. The unallocated fund account contains assets commingled with other assets of Prudential and is stated at fair value, which is estimated by Prudential discounting cash flows based on current yields of similar instruments with comparable durations. Purchases and sales of securities are recorded on a trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Actuarial Present Value at Accumulated Plan Benefits

Accumulated plan benefits are those estimated future periodic payments and lump-sum distributions that are attributable under the Plan's provisions to services rendered by the employees as of the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries and (b) present employees or their beneficiaries. Benefits payable under all circumstances – retirement, death, disability, and termination of employment – are included to the extent they are deemed attributable to employee service rendered as of the valuation date.

The Plan's consulting actuary estimated the actuarial present value of accumulated plan benefits, which is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits earned by participants to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements for events such as death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

Western Maryland Health System, Inc. Retirement Plan

Notes to the Financial Statements-Continued
(Dollars in thousands)

Note A - Plan Description and Summary of Significant Accounting Policies – Continued

Actuarial Present Value at Accumulated Plan Benefits - Continued

Actuarial assumptions at December 31, 2010 and 2009 are as follows:

Pre-Retirement for Retirement and Spousal Benefits

Interest Discount	Segment Rates (Zero month lookback)	
	First Segment:	4.60%
	Second Segment:	6.65%
	Third Segment:	6.76%
Mortality	2010 Static Mortality for non-annuitants	
Turnover	Varying by age and service	
Salary Scale	2.0% per year through 2012	
	3.5% 2013 and beyond	
Retirement Age	Varying by age as shown below:	
	<u>Rate</u>	<u>Age</u>
	6.00%	57-61
	10.00%	62-63
	20.00%	64
	17.50%	65-66
	100.00%	67+
Expenses	Based on estimated administrative expenses paid from plan assets	

Western Maryland Health System, Inc. Retirement Plan

Notes to the Financial Statements-Continued
(Dollars in thousands)

Note A - Plan Description and Summary of Significant Accounting Policies – Continued

Actuarial Present Value at Accumulated Plan Benefits – Continued

Post-Retirement for Retirement Benefits

Interest Discount	Same as pre-retirement assumption
Mortality	2010 Static Mortality for annuitants
<i>Asset Valuation Method</i>	24 month average limited by 90%/110% corridor
<i>Effective Interest Rate</i>	6.63%
<i>Assumed Earnings Rate</i>	6.00%
<i>Compliance testing</i>	Based on the data provided, the Plan meets the requirements of IRC Sections 401(a)(4), 401(a)(26), 410(b) and 415(b) for the current plan year. The Plan is not considered “top heavy” for the current plan year.

These actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

Subsequent Events

Subsequent events have been evaluated by management through October 10, 2011, which is the date the financial statements were available to be issued.

Western Maryland Health System, Inc. **Retirement Plan**

Notes to the Financial Statements-Continued
(Dollars in thousands)

Note B - Investments

The investment information summarized below and included in the Plan's financial statements is unaudited (except for investments held by CBIZ) and has been certified as complete and accurate by Prudential or Mass Mutual, as applicable, as of and for the years ended December 31:

	<u>2010</u>	<u>2009</u>
Investments:		
Unallocated fund account with Prudential		
Immediate participation guarantee fund	\$ 8,581	\$ 9,070
Investments with Mass Mutual		
Mutual funds	110,899	100,858
Investments with CBIZ Financial Solutions		
Mutual fund / money market	13,829	13,192
	<u>\$ 133,309</u>	<u>\$ 123,120</u>
Investment income:		
Immediate participation guarantee fund with Prudential	\$ 505	\$ 546
Investments with Mass Mutual		
Net appreciation in fair value of investments	9,738	17,356
Dividend and interest income	0	6
Investments with CBIZ Financial Solutions		
Net appreciation in fair value of investments	430	790
Dividend and interest income	217	224
	<u>\$ 10,890</u>	<u>\$ 18,922</u>

Western Maryland Health System, Inc. Retirement Plan

Notes to the Financial Statements-Continued
(Dollars in thousands)

Note B - Investments - Continued

Based upon the information certified by Prudential or Mass Mutual and provided by CBIZ, the following table summarizes the fair value of those investments representing 5% or more of the Plan's net assets available for benefits at December 31:

	<u>2010</u>	<u>2009</u>
Immediate participation guarantee	\$ 8,581	\$ 9,070
Mass Mutual Inflation Protected Bond	20,553	11,385
Mass Mutual Focused Value Fund	0	0
Mass Mutual Diversified Bond	24,770	23,438
Mass Mutual Total Return	25,675	23,904
Mass Mutual Rising Dividends	0	0
Mass Mutual Money Market Fund	0	0
Mass Mutual Fundamental Value	11,243	11,385
Mass Mutual Growth American	14,173	12,122
CBIZ Gateway Fund Class A	13,829	13,192

Currently applicable standards define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, and establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Plan has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

Western Maryland Health System, Inc. Retirement Plan

Notes to the Financial Statements-Continued
(Dollars in thousands)

Note B - Investments - Continued

The level in the fair value hierarchy within which a fair value measurement is determined is based on the lowest level input that is significant to the fair value measurement in its entirety. The following table presents assets that are measured at fair value on a recurring basis as of December 31, 2010.

	Level 2	Level 3	Total
Money Market Funds	3,367	0	3,367
Mutual Funds			
Inflation-Protected Bond	20,553	0	20,553
Intermediate-Term Bond	50,445	0	50,445
Foreign Large Blend	3,498	0	3,498
Large Value	11,243	0	11,243
Large Blend	13,829	0	13,829
Large Growth	14,173	0	14,173
Mid-Cap Value	2,862	0	2,862
Mid-Cap Growth	3,218	0	3,218
Small Growth	770	0	770
Small Blend	770	0	770
Immediate participation guaranty fund	0	8,581	8,581
	<u>\$ 124,728</u>	<u>\$ 8,581</u>	<u>\$ 133,309</u>

No significant transfers were made between the fair value level hierarchies shown above during 2010.

The change in the fair value of Level 3 assets from the beginning of the Plan year to the end of the Plan year result from credited interest of \$505 less benefits and administrative expenses paid of \$993.

Western Maryland Health System, Inc. Retirement Plan

Notes to the Financial Statements-Continued

(Dollars in thousands)

Note B - Investments - Continued

The following table presents assets that are measured at fair value on a recurring basis as of December 31, 2009.

	Level 2	Level 3	Total
Mutual funds	\$ 114,050	0	\$ 114,050
Immediate participation guaranty fund	0	9,070	\$ 9,070
	<u>\$ 114,050</u>	<u>\$ 9,070</u>	<u>\$ 123,120</u>

The change in the fair value of Level 3 assets from the beginning of the Plan year to the end of the Plan year result from credited interest of \$546 less benefits and administrative expenses paid of \$1,052.

Note C- Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

During September 2008, certain large U.S. financial institutions failed, primarily as a result of holdings in troubled subprime loans or assets collateralized with such distressed loans. These institutional failures, and the negative economic conditions that contributed to these failures, generated substantial volatility in global financial markets and substantial uncertainty regarding access to capital and the continued viability of many other financial institutions. Despite the federal legislative initiatives to ameliorate these conditions, global credit markets remain volatile and the health of the global economy remains uncertain. These conditions create uncertainty regarding the future valuation of the Plan's invested funds and the resulting impact on the future financial position of the Plan could be material.

Western Maryland Health System, Inc. Retirement Plan

Notes to the Financial Statements-Continued
(Dollars in thousands)

Note D - Differences Between Financial Statements and Federal Form 5500

The following is a reconciliation of net assets available for benefits per the accompanying Plan financial statements to the federal Form 5500:

	2009
Net assets available for benefits per the financial statements	<u>\$ 123,120</u>
Employer contributions made in 2010 applied to the 2009 plan year in the federal Form 5500	<u>6,000</u>
Net assets available for benefits per the federal Form 5500	<u><u>\$ 129,120</u></u>
	2010
Net assets available for benefits per the financial statements	<u>\$ 133,309</u>
Employer contributions made in 2011 applied to the 2010 plan year in the federal Form 5500	<u>7,000</u>
Net assets available for benefits per the federal Form 5500	<u><u>\$ 140,309</u></u>

Note E- Parties-In-Interest Transactions

Certain Plan investments are managed by CBIZ, Prudential and Mass Mutual. Fees paid by the Plan to Prudential amounted to \$36 for the years ended December 31, 2010 and 2009. Investment management fees to Mass Mutual and CBIZ are paid from investment income of the Plan. Certain other fees are paid by the Plan Sponsor.

Western Maryland Health System, Inc. Retirement Plan

Schedule of Assets (Held at End of Year) December 31, 2010
(Dollars in thousands)

Identity of party involved	Description of investment	Cost
* MassMutual	Premier Money Market	\$ 3,367
* MassMutual	Growth America	12,359
* MassMutual	Advisor Mid Cap Value	2,374
* MassMutual	Fundamental Value	9,275
* MassMutual	Total Return	20,307
* MassMutual	EuroPacific Growth	3,151
* MassMutual	Premier Diversified Bond	20,433
* MassMutual	Premier Inflation-Protected Bond	18,378
* MassMutual	Mid Cap Growth II	2,346
* MassMutual	Select Small Company Value	498
* MassMutual	Select Small Cap Growth	514
* CBIZ	Gateway Fund Class A	13,479
* Prudential	Immediate Participation Guarantee Fund	8,581
		<u>115,062</u>

*Represents a party-in-interest.

Note: The above data is based upon information which has been certified (except as relates to CBIZ) as complete and accurate by Prudential Insurance Company and Massachusetts Mutual Life Insurance, as applicable.

The accompanying notes are an integral part of this schedule.

Western Maryland Health System, Inc. **Retirement Plan**

Schedule of Reportable Transactions For the Year Ended December 31, 2010

Identity of party involved	Description of asset (include interest rate and maturity in case of a loan)	Units	Purchase Price	Selling Price	Cost of asset	Current Value of asset on transaction date	Net gain or loss
Prudential	General Account	998,925		\$ 1	\$ 998,925	\$ 998,925	\$ 0
Mass Mutual	N/A						

Note: The above data is based upon information which has been certified (except as relates to CBIZ) as complete and accurate by Prudential Insurance Company and Massachusetts Mutual Life Insurance, as applicable.

The accompanying notes are an integral part of this schedule.

A. Name of Plan Western Maryland Health System Retirement Plan	B. Three-digit Plan Number 001	
C. Plan sponsor's Name as shown on line 2a of form 5500 Western Maryland Health System Corporation	D. Employer Identification Number 520591531	

Sch H, Part 4, Line 4(l) Schedule of Assets Held for Investment Purposes

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of Investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current Value
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*	MassMutual	Contract #SA 12804 - Pooled Sep Acct's		
		(Premier Money Market) SIA-YG	3,366,992	3,366,992
		(Advisor Mid Cap Value) SIA-SI	2,373,683	2,861,806
		(Select Fundamental Value) SIA-YK	9,275,028	11,242,692
		(American Growth) SIA-HW	12,359,422	14,173,498
		(Total Return) SIA-TZ	20,307,319	25,674,840
		(EuroPacific Growth) SIA-VB	3,151,238	3,497,779
		(Premier Infation-Pro Bond) SIA-Y	18,377,839	20,553,192
		(Premier Diversified Bond) SIA-YP	20,432,647	24,769,687
		(Select Mid Cap Growth II) SIA-YT	2,346,214	3,217,809
		(Select Small Co. Value) SIA-YY	498,209	769,612
		(Select Small Cap. Grw Eqty) SIA-	513,813	769,647

*	Prudential Retirement Insurance and Annuity Co	Contract IN-3150 - Ins Gen Acct		
		General Account	8,581,366	8,581,366

*	CBIZ Financial Solutions	Acct CLN-053082		
		Prime Fund Dailey Money CI - CEF	443	443
		Gateway Fund CI A - MF - 193,533.958 l	13,479,001	13,828,525

115,063,213	133,307,887
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*	Party -in-interest to plan
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A. Name of Plan Western Maryland Health System Retirement Plan							B. Three-digit Plan Number 001	
C. Plan sponsor's Name as shown on line 2a of form 5500 Western Maryland Health System Corporation							D. EmployerID Number 520591531	

Sch H , PART 4, Line 4(j) - Schedule of Tranactions in Excess of 5%

(a) Identity of party involved	(b) Discription of asset	Units	(c) Purchase Price	(d) Selling Price	(e)	(f)	(g) Cost of Asset	(h) Current Value of asset on transaction date	(I) Net gain or (loss)
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Prudential Retirement In: Contract IN-3150 - Ins Gen Acct									
General Account		998,925			1		998,924.71	998,924.71	0.00

Plan Name: Western Maryland Health System Retirement Plan

Schedule SB, line 22 - Description of Weighted Average Retirement Age

EIN: 52-0591531

PN: 001

Year: 2010

Retirement Rates:

<u>Age</u>	<u>Rate</u>	<u>Surviving Percentage</u>
57	6.0%	94%
58	6.0%	88%
59	6.0%	83%
60	6.0%	78%
61	6.0%	73%
62	10.0%	66%
63	10.0%	59%
64	20.0%	48%
65	17.5%	39%
66	17.5%	32%
67	100.0%	0%

Weighted retirement age: 64

Plan Name: Western Maryland Health System Retirement Plan

Schedule SB, Part V - Statement of Actuarial Assumptions/Methods

EIN/PN: 52-0591531 / 001

Funding Method: Unit Credit

Actuarial Assumptions:

Pre-Retirement for Retirement and Spousal Benefits:

Interest Discount:	Segment Rates (Zero month lookback)
	First Segment: 4.60%
	Second Segment: 6.65%
	Third Segment: 6.76%

Mortality: 2010 Static Mortality for non-annuitants

Turnover: Varying by age and service as illustrated below:

Select (Service-Based)

<u>Rate</u>	<u>YOS</u>
20.00%	1
20.00%	2
17.50%	3
15.50%	4
12.50%	5

Ultimate (Age-Based)

<u>Rate</u>	<u>Age</u>
10.00%	25
7.50%	30
6.50%	35
5.50%	40
5.00%	45
4.50%	50
0.00%	55

Salary Scale:	2.00%	per year through 2012
	3.50%	2013 and beyond

Plan Name: Western Maryland Health System Retirement Plan

Schedule SB, Part V - Statement of Actuarial Assumptions/Methods

EIN/PN: 52-0591531 / 001

Retirement Age: Varying by age as shown below:

<u>Rate</u>	<u>Age</u>
6.00%	57 - 61
10.00%	62 - 63
20.00%	64
17.50%	65 - 66
100.00%	67+

Expenses: Based on estimated administrative expenses paid from plan assets

Post-Retirement for Retirement Benefits:

Interest Discount: Same as pre-retirement assumption

Mortality: 2010 Static Mortality for annuitants

Effective Interest Rate: 6.63%

Valuation of Assets: 24 month average limited by 90%/110% corridor

Assumed Earnings Rate: 6.00%

Compliance Testing: Based on the data provided, the plan meets the requirements of IRC Sections 401(a)(4), 401(a)(26), 410(b) and 415(b) for the current plan year. The company is not considered Top Heavy for the current plan year.

Plan Name: Western Maryland Health System Retirement Plan

Schedule SB, Part V - Summary of Plan Provisions

EIN/PN: 52-0591531 / 001

Effective Date:	January 1, 1999
Plan Year:	1/1/2010 to 12/31/2010
Eligibility:	
Minimum Age:	None
Service:	12 months with the completion of 832 hours of service.
Other:	Person employed by and receiving earnings from a Participating Institution, excluding Leased employees and Persons covered by collective bargaining agreements that do not provide for participation in the Plan.
Normal Retirement Date:	A participant shall be eligible for normal retirement benefits on the first of the month coinciding with his/her 65th birthday.
Early Retirement Date:	Attainment of age 55 with 5 years of credited service.
Early Retirement Benefit:	Amount is age 65 benefit reduced 5/12% per month by which commencement precedes 65. There is no reduction on or after age 62 if sum of age and service equals or exceeds 90.
Credited Service:	The sum of credited past service and credited future service. Credited past service, if any, is defined by the Western Maryland Health System's Joinder Agreement. Credited future service equals service earned as a result of hours of service with a Participating Institution.
Normal Form of Benefit:	The normal form of payment is an annuity payable for the lifetime of the participant.
Compensation:	Amounts earned for employment with a Participating Institution including W-2 pay plus pay excluded under IRC Sections 125, 401(k), and 403(b). Earnings exclude IRC section 457 deferred compensation included in the year paid to the employee. Earnings exclude IRC section 107 parsonage rental values. Earnings are subject to the IRC section 401(a)(17) pay cap.

Plan Name: Western Maryland Health System Retirement Plan

Schedule SB, Part V - Summary of Plan Provisions

EIN/PN: 52-0591531 / 001

Vesting: 100% vesting on completion of 5 years of service or attainment of normal retirement age, if earlier.

Accrued Benefit: Post 1/1/2008 Formula:

Accrued Benefit as of Prior Valuation Date PLUS 1.05% (1.25% if years of service as of current valuation date equals or exceeds 15) of annual compensation PLUS .50% of the excess, if any, of annual compensation over covered compensation (as limited by permitted disparity rules).

Grandfathered Formula:

1.05% of Highest Average Earnings times years of credited service PLUS .50% of the excess, if any, of Highest Average Earnings over Covered Compensation times years of credited service limited to 35.

Highest Average Earnings is based on the highest 5 consecutive years out of the past 10 years.

There is also a Minimum Annual Benefit of \$180 per year of credited service. This benefit applies to all participants.

Other Benefits: Benefits are payable to or on behalf of vested participants who die prior to retirement, who become disabled and qualify for total disability benefits under the plan and who retire early upon meeting the plans requirements for early retirement. Participants who continue with the company after reaching normal retirement age will generally accrue additional benefits.

Plan Name: Western Maryland Health System Retirement Plan

Schedule SB, line 24 - Change in Non-Prescribed Actuarial Assumptions

EIN: 52-0591531

PN: 001

Year: 2010

The following non-prescribed Actuarial Assumptions were changed for the 2010 plan year, in order to more closely reflect the anticipated future experience of the Plan.

A. Assumed Earnings Rate:

From: 5.75%

To: 6.00%

Plan Name: Western Maryland Health System Retirement Plan

Schedule SB, line 25 - Change in Funding Method

EIN: 52-0591531

PN: 001

Year: 2010

The following changes were made for the 2010 plan year as permitted under published guidance with automatic approval.

- A. Segment rate discount rate used was with a zero lookback month. In the prior year, the full yield curve was used.

Schedule SB, line 26 - Schedule of Active Participants

EIN: 52-0591531

PN: 001

Actuarial Report for the Plan Year Beginning January 1, 2010**Schedule of Active Participants**

		Years of Service																		
Age	Under 1	1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & up		Total
	Avg. No. Comp.	Avg. No. Comp.	Avg. No. Comp.	Avg. No. Comp.	Avg. No. Comp.	Avg. No. Comp.	Avg. No. Comp.	Avg. No. Comp.	Avg. No. Comp.	Avg. No. Comp.	Avg. No. Comp.	Avg. No. Comp.	Avg. No. Comp.	Avg. No. Comp.	Avg. No. Comp.	Avg. No. Comp.	Avg. No. Comp.			
Under 25	0	67	24,027	8		0		0		0		0		0		0		0		75
25 to 29	0	87	35,896	59	38,961	2		0		0		0		0		0		0		148
30 to 34	0	51	37,499	63	41,479	31	47,602	1		0		0		0		0		0		146
35 to 39	0	48	37,770	53	45,017	53	51,379	48	47,909	3		0		0		0		0		205
40 to 44	0	48	60,169	49	39,326	26	43,865	50	49,670	64	53,495	1		0		0		0		238
45 to 49	0	44	48,280	48	49,711	46	49,115	42	52,195	64	55,325	49	50,929	9		0		0		302
50 to 54	0	44	31,137	45	41,487	28	52,006	37	51,550	47	53,131	54	59,723	65	52,776	5		0		325
55 to 59	0	25	51,156	36	55,133	22	42,723	35	55,294	37	56,669	42	60,246	57	58,433	64	52,386	3		321
60 to 64	0	21	32,755	19		11		19		23	42,713	19		15		41	49,943	21	46,727	189
65 to 69	0	2		8		6		5		3		5		5		1		7		42
70 & up	0	1		1		0		0		0		0		3		0		2		7
Total	0	438		389		225		237		241		170		154		111		33		1,998

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2010**This Form is Open to Public
Inspection**

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

▶ **Round off amounts to nearest dollar.**▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.**A Name of plan**

Western Maryland Health System Retirement Plan

**B Three-digit
plan number (PN)**

001

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF

Western Maryland Health System Corporation

D Employer Identification Number (EIN)

52-0591531

E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B**F Prior year plan size:** ☐ 100 or fewer ☐ 101-500 ☒ More than 500**Part I Basic Information**

1	Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2010</u>	
2	Assets:	
a	Market value	2a 128,944,033
b	Actuarial value	2b 130,960,423
3	Funding target/participant count breakdown	
		(1) Number of participants (2) Funding Target
a	For retired participants and beneficiaries receiving payment	3a 716 43,090,367
b	For terminated vested participants	3b 636 16,221,995
c	For active participants:	
	(1) Non-vested benefits	3c(1) 6,477,053
	(2) Vested benefits	3c(2) 64,787,931
	(3) Total active	3c(3) 1,998 71,264,984
d	Total	3d 3,350 130,577,346
4	If the plan is at-risk, check the box and complete items (a) and (b) ☐	
a	Funding target disregarding prescribed at-risk assumptions	4a
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b
5	Effective interest rate	5 6.63 %
6	Target normal cost	6 5,528,540

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

**SIGN
HERE**

Signature of actuary

Jon S. Ketzner, FCA, MAAA

Type or print name of actuary

CBIZ Benefits and Insurance Service

Firm name

44 Baltimore Street

Cumberland

MD 21502

Address of the firm

10/12/2011

Date

11-01826

Most recent enrollment number

(301) 777-1500

Telephone number (including area code)

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2010
v.092308.1

Part II Beginning of year carryover and prefunding balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	12,457,579	2,162,485
8 Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9 Amount remaining (Item 7 minus item 8)	12,457,579	2,162,485
10 Interest on item 9 using prior year's actual return of <u>17.76%</u>	2,212,466	384,057
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (Item 38 from prior year)		5,388,892
b Interest on (a) using prior year's effective rate of <u>8.09%</u>		435,961
c Total available at beginning of current plan year to add to prefunding balance		5,824,853
d Portion of (c) to be added to prefunding balance		5,824,853
12 Reduction in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	14,670,045	8,371,395

Part III Funding percentages

14 Funding target attainment percentage	14	82.64 %
15 Adjusted funding target attainment percentage	15	100.29 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	116.33 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
05/26/2011	7,000,000	0			
Totals ▶			18(b)	7,000,000	18(c) 0

19 Discounted employer contributions - see instructions for small plan with a valuation date after the beginning of the year:		
a Contributions allocated toward unpaid minimum required contribution from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	6,399,459

20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year?	☐ Yes ☒ No
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☐ Yes ☐ No
c If 20a is "Yes," see instructions and complete the following table as applicable:	

Liquidity shortfall as of end of Quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: 4.60 %	2nd segment: 6.65 %	3rd segment: 6.76 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 0
22 Weighted average retirement age				22 64
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)	31	5,528,540
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33)	34	5,528,540
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	0	0
36 Additional cash requirement (item 34 minus item 35)	36	5,528,540
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (item 19c)	37	6,399,459
38 Interest-adjusted excess contributions for current year (see instructions)	38	870,919
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)	39	0
40 Unpaid minimum required contribution for all years	40	0