

University of Louisville

PURCHASING DEPARTMENT
LOUISVILLE, KENTUCKY

Invitation No: **RP-57-12**

Date : **March 20, 2012**

Addendum No: **Three (3)**

Title: **Investing in and Delivering Health Care Services,
Education and Research in Conjunction with University
of Louisville and University Medical Center**

The following shall clarify and/or modify the original bid document(s) as issued by the University of Louisville.

1. **Make the attached changes and clarifications to this Request for Proposal for sections:**
 - o **1.16 INTERVIEW AND NEGOTIATION SESSIONS**
 - o **6.0 AWARD OF CONTRACT - COMPETITIVE NEGOTIATION**
2. **Add the attached Open Records Information as requested.**

Bidder must acknowledge receipt of this and any addenda either with bid or by separate letter. Acknowledgement must be received in the Office of Purchasing, Service Complex Building, University of Louisville not later than **March 23, 2012** if by separate letter, the following information must be placed in the lower left hand corner of the envelope:

Invitation No: **RP-57-12**

Title: **Investing in and Delivering.....**

Open Date: **March 23, 2012**

BY: _____
Authorized Purchasing Officer

Receipt Acknowledged: _____
FIRM

BY: _____

Failure to sign and return this document may deem your proposal non-responsive.

1.16 INTERVIEW AND NEGOTIATION SESSIONS

The University and UMC will review all proposals properly submitted. However, the University and UMC reserve the right to request necessary modifications, reject all proposals, reject any proposal that does not meet mandatory requirement(s) or cancel this RFP, according to the best interests of the University and UMC. Request for additional information and /or interviews may be required with any institution submitting a responsive proposal. The University and UMC do however reserve the right to limit any on campus and /or teleconference interviews to the top two or three evaluated proposals based upon the original evaluation criteria listed. The University and UMC may or may not conduct negotiations of technical aspects of the proposals and/or prices with those offerors who submit proposals which fall within the competitive range. Regardless, all proposals and additional sessions shall be governed by KRS 45A.085.

6.0 AWARD OF CONTRACT - COMPETITIVE NEGOTIATION

Contract shall be awarded by the competitive negotiation process, in accordance with KRS 45A.085. Award will be made to the responsible offeror whose proposal is deemed most advantageous to the University and UMC by the appointed selection committee, based on the evaluation factors included herein.

Committee may elect to hold interview/negotiation sessions with those offerors who submit proposals which fall within the competitive range. Should presentations be scheduled all proposals will be reevaluated by the committee after the interviews. Award will be based on the committee's post interview evaluations.

If, after solicitation for proposals to enter into competitive negotiations only one (1) proposal responsive to the solicitation is received, the purchasing officer may commence negotiations with the single offeror and any resulting contract entered into with that offeror shall be deemed to have been competitively negotiated and awarded in accordance with KRS 45A.085.

SCHEDULES AND EXHIBITS

[A] SCHEDULES

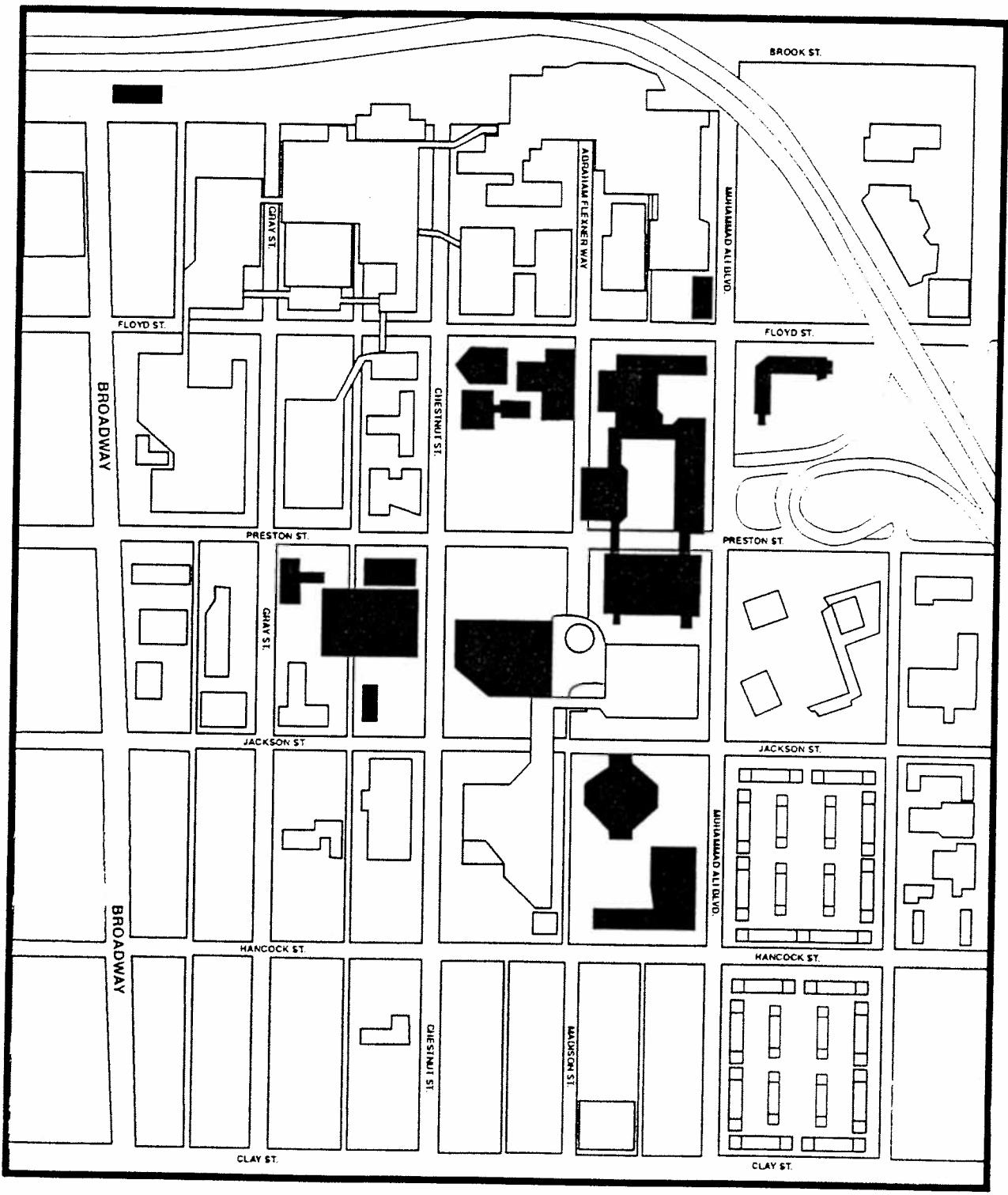
2A	Clinical and Academic Space in ACB Reserved to University *
2B	Clinical and Academic Space in Brown Cancer Center Reserved to University *
2C	Prior Agreements with Galen of Virginia, Inc. *
5.2	Other Training Programs and University Activities *
12.1.2	Facility Enhancement Projects *
25.2.5	Necessary Consents *
25.2.9	Litigation, Etc. *
25.2.10	Employee and Employee Benefit Matters *
25.2.11	Environmental Matters *
25.2.12	Real Estate Matters *

[B] EXHIBITS

3	Lease *
4	Amended and Restated Bylaws of UMC
4.2	Member Agreement *
14	Quality and Charity Care Trust Agreement *
24	Guarantee *

* On File in the Office of the President

SCHEDULE 2



BROADWAY

FLOYD ST.

PRESTON ST.

JACKSON ST.

HANCOCK ST.

CLAY ST.

CHESTNUT ST.

GRAY ST.

AUBURN FLENNER WAY

MANHATTAN AVE

BROOK ST.

FLOYD ST.

PRESTON ST.

JACKSON ST.

HANCOCK ST.

CLAY ST.

MANHATTAN ST.

Schedule 2A.

Clinical and Academic Space Reserved to the University
in the Ambulatory Care Building (ACB)

- First Floor: All spaces except those areas identified on the attached floor plan as mechanical, toilets, electrical closets, telephone closets, stairwells, vestibules, custodial, elevators, lobbies, and those areas separately identified on the legend as Columbia/HCA, representing the spaces occupied by hospital administration, laboratory, radiology, and pharmacy.
- Second Floor: All spaces except those areas identified on the attached floor plan as mechanical, toilets, electrical closets, telephone closets, stairwells, vestibules, custodial, elevators, lobbies, logistics, and student seminar.
- Third Floor: All spaces except those areas identified on the attached floor plan as mechanical, toilets, electrical closets, telephone closets, stairwells, vestibules, custodial, elevators, and lobbies.

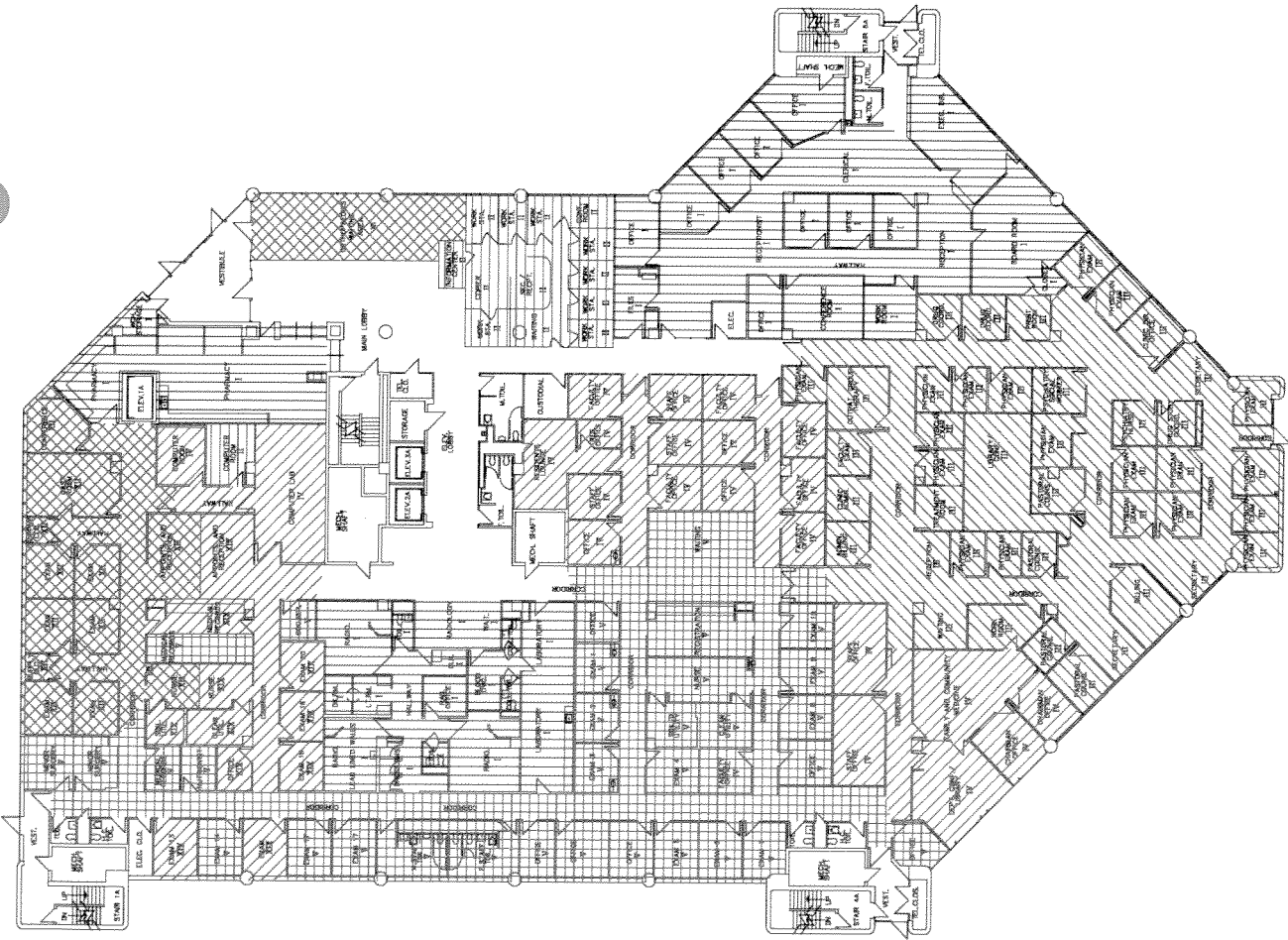
The Clinical and Academic Space reserved to the University in the ACB totals approximately 104,643 sq. ft.

Clinic Key

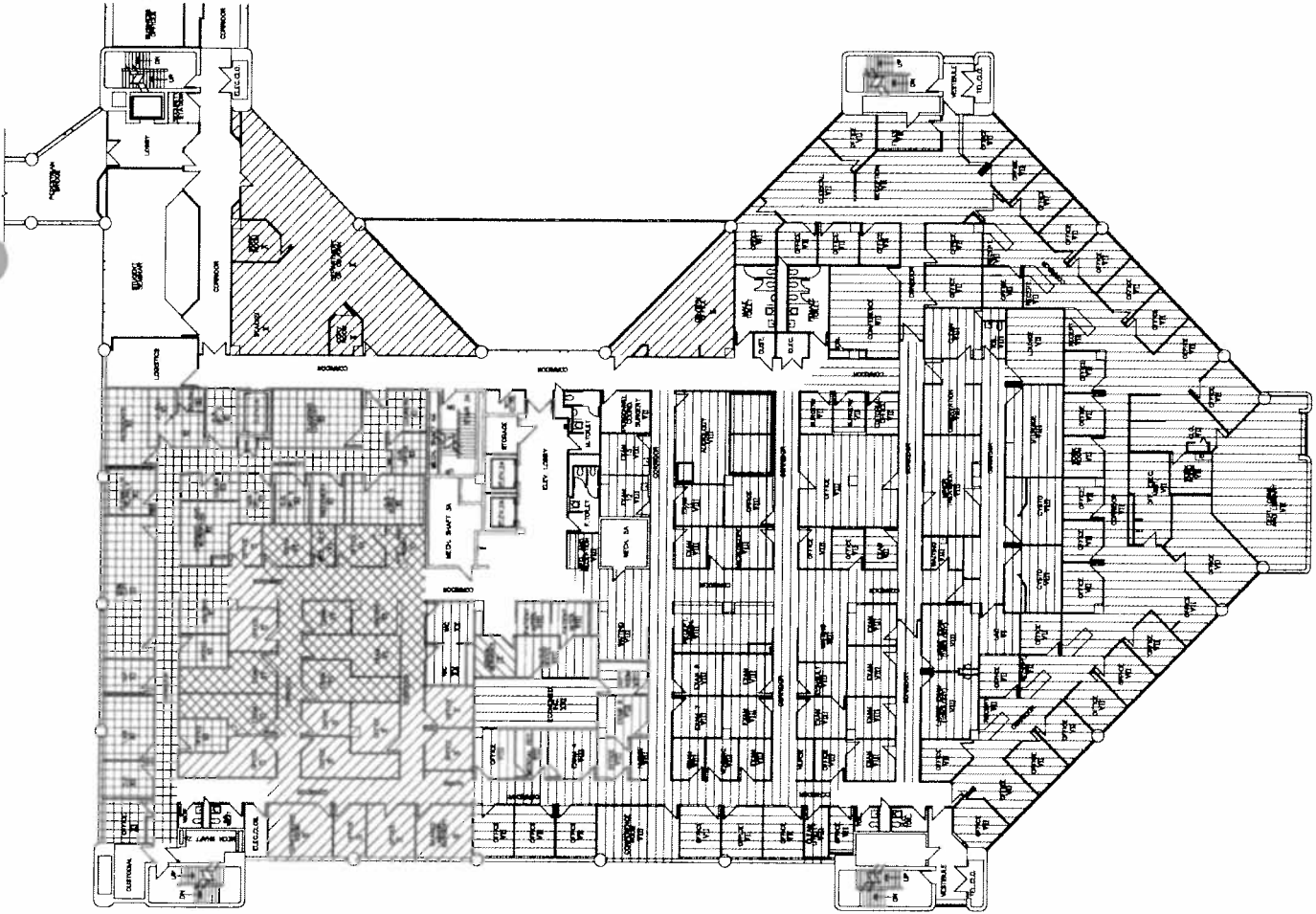
- I. Hospital
- II. Primary Care Center
- III. Psychiatry
- IV. Department of Family and Community Medicine
- V. Family Medicine Center
- VI. Neurology
- VII. Department of Surgery
- VIII. University Surgical Services
- IX. Social Services
- X. Department of OB/GYN
- XI. Oral Surgery/Dentistry Clinic
- XII. Orthopaedics / Neurosurgery
- XIII. Department of Medicine
- XIV. University Medical Services
- XV. University Medical Associates
- XVI. University of Louisville Pulmonary
- XVII. Ultrasound
- XVIII. OB/GYN Clinic
- XIX. General Internal Medicine Center
- XX. Women, Infants, and Children Program
- XXI. Economed, Inc.

	Academic Area
	Clinic Area
	Hospital Area
	Other Areas
	Hospital
	Primary Care Center
	Psychiatry
	Department of Family and Community Medicine
	Family Medicine Center
	Orthopaedics / Neurosurgery
	General Internal Medicine Center

Updated 1/25/96



ACB First Floor Plan



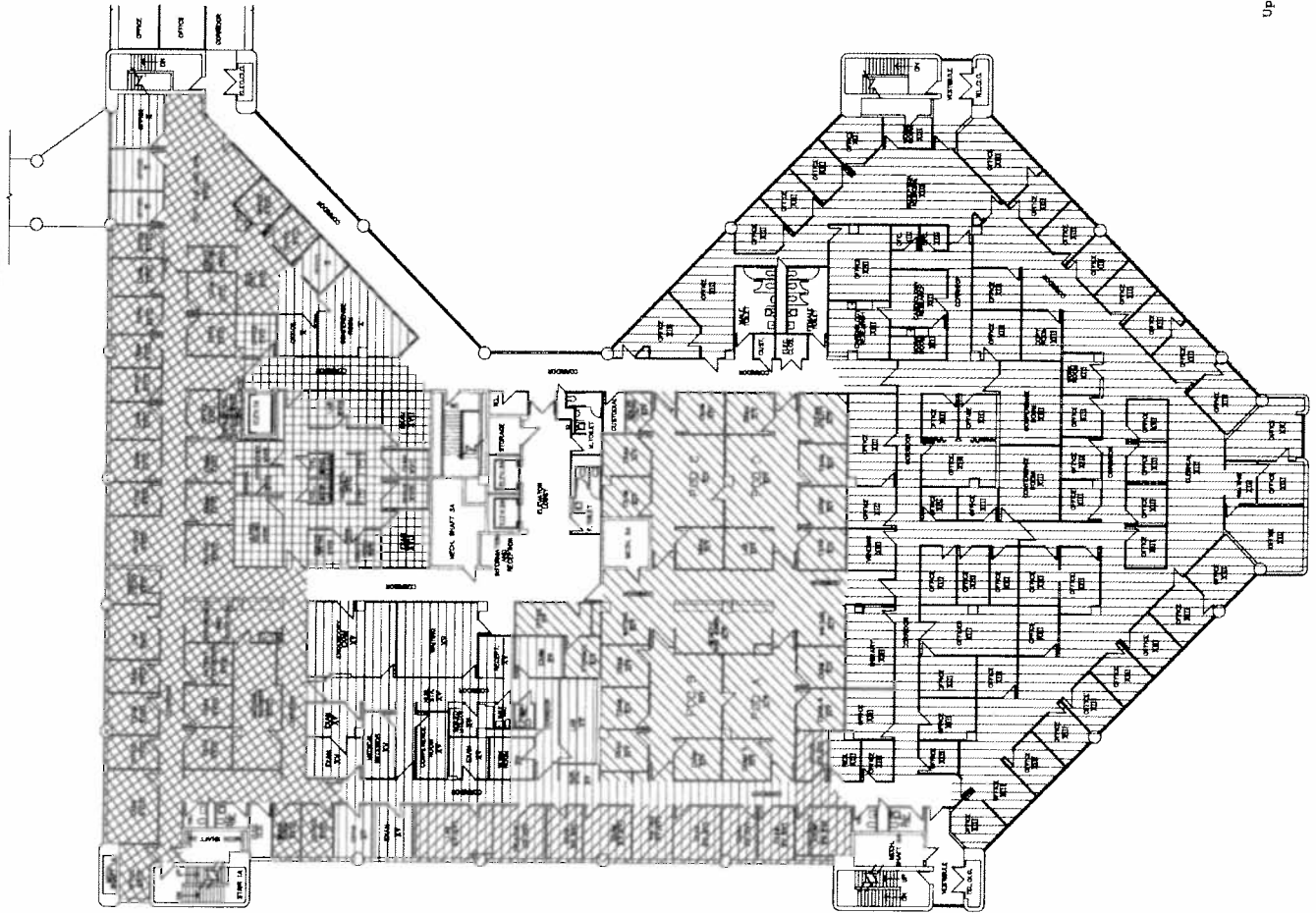
Clinic Key

- I. Hospital
- II. Primary Care Center
- III. Psychiatry
- IV. Department of Family and Community Medicine
- V. Family Medicine Center
- VI. Neurology
- VII. Department of Surgery
- VIII. University Surgical Services
- IX. Social Services
- X. Department of OB/GYN
- XI. Oral Surgery/Dentistry Clinic
- XII. Orthopaedics / Neurosurgery
- XIII. Department of Medicine
- XIV. University Medical Associates
- XV. University of Louisville Pulmonary
- XVI. Ultrasound
- XVII. OB/GYN Clinic
- XVIII. General Internal Medicine Center
- XIX. Women, Infants, and Children Program
- XX. Economized, Inc.
- XXI.

- Academic Area
- Clinic Area
- Hospital Area
- Other Area
- Department of Surgery
- University Surgical Services
- Social Services
- Department of OB/GYN
- Oral Surgery/Dentistry Clinic
- Economized, Inc.
- Women, Infants, and Children Program
- Primary Care Center
- Neurology

Updated 1/25/96

ACB Second Floor Plan



Clinic Key

- I. Hospital
- II. Primary Care Center
- III. Psychiatry
- IV. Department of Family and Community Medicine
- V. Family Medicine Center
- VI. Neurology
- VII. Department of Surgery
- VIII. University Surgical Services
- IX. Social Services
- X. Department of OB/GYN
- XI. Oral Surgery/Dentistry Clinic
- XII. Ophthalmology
- XIII. Otorhinolaryngology
- XIV. University Medical Associates
- XV. University Medical Associates
- XVI. University of Louisville Pulmonary
- XVII. Ultrasound
- XVIII. OB/GYN Clinic
- XIX. General Infants, and Children Program
- XX. Women, Infants, and Children Program
- XXI. Economed, Inc.

- Academic Area
- Clinic Area
- Hospital Area
- Other Area
- Department of Medicine
- University Medical Services
- University Medical Associates
- University of Louisville Pulmonary
- Ultrasound
- OB/GYN Clinic
- Department of OB/GYN

Updated 1/26/96

ACB Third Floor Plan

Schedule 2B.

Academic and Research Space Reserved to the University
in the Brown Cancer Center

All spaces on the third and fourth floors except those areas identified as mechanical, toilets, electrical closets, telephone closets, stairwells, custodial, elevators, and lobbies.

The Academic and Research Space reserved to the University in the Brown Cancer Center totals approximately 40,716 sq. ft.

SCHEDULE 2C

HOSPITAL DEAL DOCUMENTS:

<u>Agreement</u>	<u>Company Signed By:</u>	<u>Date Signed</u>
1. Equipment Use Agreement	Humana	09/82
2. Management Service Agreement	ACCESS Medical Care	09/82
3. Guaranty*	Humana	11/82
4. Occupancy Agreement	HUMDECO	11/82
5. Concentrated Care Bldg. (CCB) Lease*	Humana	01/83
6. Ambulatory Care Bldg. (ACB) Lease*	Humana	01/83
7. Instructional Service Center (ISC) Lease*	Humana	01/83
8. Lease-Parking*	American Medicorp Development Co. (AMDECO)	01/83
9. License & Use Agr.-Public Safety/ Security Area	Humana	01/83
10. License & Use Agr.-Communications Area	Humana	01/83
11. Affiliation Agreement*	Humana	01/83
12. Quality and Charity Care Trust (QCCT) Agreement*	Humana	01/83
13. Transfer Agreement*	Humana	01/83
14. Parking Agreement*	AMDECO	01/83
15. Guaranty	Humana	01/83
16. Parking Agreement	AMDECO	01/83
17. Letter of Understanding regarding records of Louisville General Hospital & Univ. Hosp.	Humana	01/83

SCHEDULE 2C

HOSPITAL DEAL DOCUMENTS: (Continued)

<u>Agreement</u>	<u>Signed By:</u>	<u>Signed</u>
18. Supplemental Memorandum of Understanding & Agr. re: Allied Health Students	Humana	undated
19. Dental Clinic Agreement (unsigned)	Humana	1983
20. Assignment (Part of Exhibit D to Leases of 1/83)	Humana	02/83
21. Letter of Understanding Regarding HHU Records	Humana	03/83
22. Certificate of Acceptance and Occupancy	Humana & AMDECO	04/83
23. Equipment Sublease	Liberty/Bd. Health/ Humana	04/83
24. Fixtures and Personalty Agr.	Humana	04/83
25. Fixtures and Personalty Agr. for Surgical Instruments	Humana	04/83
26. Professional Service Agr. (PSA)-Anesthesiology	Humana	04/83
27. PSA-Emergency Services	Humana	04/83
28. PSA-Pathology	Humana	04/83
29. PSA-Radiology	Humana	04/83
30. PSA-Cardiology	Humana	04/83
31. PSA-Neurodiagnostics	Humana	04/83
32. PSA-Pulmonary Medicine	Humana	04/83
33. Equipment Sublease	Terre Haute First Natl. Bank/Humana	05/83
34. Academic Space Agreement*	Humana	06/83
35. Medical Clinic Agreement*	Humana	06/83
36. Equipment Sublease	Humana	06/83

SCHEDULE 2C

HOSPITAL DEAL DOCUMENTS: (Continued)

<u>Agreement</u>	<u>Company Signed By:</u>	<u>Date Signed</u>
37. Agreement for Provision of Fixtures and Personalty	Humana	06/83
38. Memorandum Agreement for Provision of Laundry Services- UMS Clinic in ACB)	Humana	06/83
39. Dialysis Agreement [unsigned]	Humana	07/83
40. Affiliation Agreement Amendment	Human/Audobon Hosp.	09/83
41. Medical Clinic Agreement	Humana	1985
42. Parking Agreement	AMDECO	04/85
43. Amendment to Concentrated Care Bldg. Lease	Galen	01/94
44. Amendment to Ambulatory Care Bldg. Lease	Galen	01/94
45. Amendment to Parking Structure Lease	AMDECO	01/94
46. Amendment to Instructional Srv. and Lampton Bldg. Lease	Galen	01/94
47. Amendment to Affiliation Agr.	Galen	01/94
48. Amendment to QCCT Agreement*	Galen & Columbia/HCA	01/94
49. Guaranty	Columbia/HCA	01/94
50. Memorandum of Understanding (not with U of L)	Columbia/HCA & Commonwealth	04/94
51. Transfer Agreement-Cancer Ctr.	Galen	06/94
52. Academic Space Agreement (Exhibit B to Transfer Agr.)	Galen	06/94
53. Cancer Center Agreement	Galen & RCCC	06/94
54. Closing Memorandum (Transfer of Cancer Center Assets)	Galen	06/94

SCHEDULE 2C

HOSPITAL DEAL DOCUMENTS: (Continued)

<u>Agreement</u>	<u>Company Signed By:</u>	<u>Date Signed</u>
55. Consent by Executive Officer of Columbia/HCA	Columbia/HCA	06/94
56. "Side" Letters of Understanding	Columbia/HCA	06/94
57. Second Amendment to QCCT Agr.	Galen	06/95
58. Third Amendment to QCCT Agr.	Galen	09/95

NOTE: An * means the agreement has been amended.

wp1119B
01/26/96

Schedule 5.2

Other Training Programs

Louisville/Jefferson County Health Sciences Center Program Sites

Veteran's Administration Medical Center

Institutional Affiliation (Multiple Inpatient and Outpatient Programs)

Kosair Children's Hospital

Institutional Affiliation (Multiple Inpatient and Outpatient Programs)

Jewish Hospital

Inpatient Anesthesiology, Family Practice, Internal Medicine, Ophthalmology, Orthopedic Surgery, Psychiatry, Transplant Psychiatry, General Surgery, Nephrology, Urology, Cardio Thoracic Surgery, Hand and Micro Surgery, Cardiology, Physiatry, Clinical Laboratory Sciences, Radiologic Technology, Respiratory Therapy, Physical Therapy, Nursing, Nuclear Medicine Technology

Norton Hospital

Inpatient Anesthesiology, Internal Medicine, OB/GYN, Pathology, Orthopedic Surgery, Neurosurgery, Psychiatry, General Surgery, Gastroenterology, Nuclear Medicine Technology, Clinical Laboratory Sciences, Cytotechnology, Radiologic Technology, Respiratory Therapy, Physical Therapy, Nursing

Alliant Medical Pavilion

Orthopedic Surgery, Nuclear Medicine Technology, Clinical Laboratory Sciences, Cytotechnology, Radiologic Technology, Physical Therapy

Baptist Hospital East

Radiologic Technology, Physical Therapy, Nursing

Central State Hospital

Inpatient Psychiatry, Nursing

Schedule 5.2

Other Training Programs

Audubon Regional Medical Center

Inpatient Internal Medicine, Nuclear Medicine Technology, Clinical Laboratory Sciences, Radiologic Technology, Expressive Therapies, Physical Therapy

Frazier Rehabilitation Hospital

Inpatient and Outpatient Physical Medicine and Rehabilitation, Physical Therapy

Vencor

Inpatient Diagnostic Radiology, Respiratory Therapy

Suburban Medical Center

Clinical Laboratory Sciences, Radiologic Technology, Physical Therapy, Nursing

Southwest Hospital

Inpatient Surgery, Radiologic Technology, Physical Therapy

Caritas Saints Mary and Elizabeth Hospital

Inpatient Surgery, Nuclear Medicine Technology, Radiologic Technology, Physical Therapy

Caritas Peace Center

Nursing

Four Courts, Twinbrook, Hustbourne Nursing Homes/Centers

Nursing

Schedule 5.2

Other Training Programs

Syncor International

Nuclear Medicine Technology

Other Ambulatory Care Sites

Humana Newburg Road Center: Family Practice

Children and Youth Project: Pediatrics

University Child Health Specialists (UCHS): Pediatrics

Primary Care Center (ACB): Multiple Specialties, Dentistry

Family Health Center Portland and Satellites: Internal Medicine, Medicine/
Pediatrics, OB/GYN, Dermatology, Dentistry

Park Duvall: Pediatrics, Dentistry

Iroquois Medical Center (Jewish): Family Practice

American Red Cross: Pathology

Sites Located Outside Louisville/Jefferson County

Floyd Memorial Hospital: Nuclear Medicine Technology, Radiologic Technology,
Physical Therapy

Clark Memorial Hospital: Physical Therapy

Southern Indiana Rehab: Physical Therapy

Trover Clinic, Madisonville, Kentucky: Surgery, Family Practice, Cytotechnology

Glasgow, Kentucky: Family Practice

Hardin County Memorial Hospital, Elizabethtown, Kentucky: OB/GYN

Tri-County Hospital, LaGrange, Kentucky: Anesthesiology

Schedule 5.2

Other Training Programs

Logan Memorial Hospital, Russelville, Ky: Physical Therapy

Greenview Hospital, Bowling Green, Ky: Physical Therapy

Centennial Hospital, Nashville, Tn: Physical Therapy

Campbellsville, Kentucky: General Surgery

Deaconess Hospital, Cincinnati, Ohio: Cytotechnology

Lourdes Hospital, Paducah, Kentucky: Cytotechnology

McDowell Medical Center, Danville, Kentucky: Cytotechnology

UK Markey Cancer Center: Cytotechnology

Other Area Health Education Center (AHEC) Locations Located Throughout
the Commonwealth of Kentucky: Both Inpatient and Outpatient Medicine/
Pediatrics, Internal Medicine, Pediatrics, Family Practice, and Surgery

Schedule 12.1.2

Facility Enhancement Projects

Project	Projected Completion Date	Estimated Cost
Expansion and Renovation of Hospital Emergency Room	06/30/98	\$11.6 M
Renovation of Brown Cancer Center and Acquisition of Equipment	06/30/98	9.7 M
Expansion of Hospital Intensive Care Units	06/30/97	3.1 M
Renovation of Ambulatory Care Building	12/31/98	7.6 M
Renovation of Hospital	12/31/97	TBD
Development of State-of-the-Art Management Information System	07/31/97	3.0 M
Other Projects Identified in the Hospital Plan Developed by UMC	TBA	TBD
		\$35.0 M
TOTAL		

SCHEDULE 25.2.5(a)

1. Contract number 0159682442 between AT&T and University of Louisville dated 4-11-95, assignment dated February 6, 1996.

2. Contract number 908760 between Coulter Leasing Corporation and Galen of Virginia d/b/a University of Louisville dated June 1, 1991, assignment dated February 7, 1996.

3. Assignment to allow Bell South to change the billing responsibility for University of Louisville Hospital's five tie lines located between 530 South Jackson Street, Louisville, Kentucky and 500 West Main Street, assignment dated February 7, 1996.

4. Rental Agreement between Bartels, Inc. and University of Louisville Hospital, assignment dated February 12, 1996.

5. Lease of 1989 Chevrolet Astro Van between Galen of Virginia, Inc. and Holmann Lend and Lease, assignment dated February 6, 1996.

SCHEDULE 25.2.5(b)

NONE

SCHEDULE 25.2.9

LITIGATION

Franklin Circuit
Court No. 95-CI-1891

The Commonwealth of Kentucky and The University of Louisville v. Galen of Virginia, Inc., American Medicorp Development Co. and Columbia/HCA Healthcare Corporation

Arbitration Claim

Columbia/HCA arbitration claim regarding Affiliation Agreement dispute, but which to the knowledge of the University will not affect UMC's operation of the Hospital

G:\JLC\UMC\ARBITRA.SCH

CASE NUMBER	CASE NAME	TYPE OF CASE
84-CI-2218	Nathan L. Hunt v. Kaplan, et al.	Informed consent case, partial dismissals, recaptioned Hunt v. UofL, file not clear as to whether still open against UofL Hospital
90-CI-0226	James Combs, Admin., v. U of L, et al.	Negligence in rendering medical care resulting in death
90-CI-0721	Candice Borrow, et al. v. U of L, et al.	Suit against UofL Kidney Disease Program
90-CI-9166	Beulah Mae Hagers Health, et al. v. U of L Hospital, et al.	Negligence resulting in infant death
91-CI-4676	Mattingly v. Humana of VA	Alleged failure to diagnose, assigned for jury trial 6/4/96, 9:30 a.m.
92-CI-4914	Blue Cross & Blue Shield of KY v. Galen Healthcare, et al.	File missing, Division 9
93-CI-1243	Janet Shoemaker v. Galen Health Care, et al.	Medical negligence
93-CI-1842	Teresa Allemang v. Galen of VA, et al.	Negligence in care of patient
93-CI-2182	Donna Pegago v. Galen Health Care	Negligence/injury on premises
93-CI-4818	Glenn C. Smith, et al. v. Columbia Health Care, Inc.	File missing, Division 3
93-CI-5329	Heald v. Humana of Virginia	Plaintiff fell from bed & injured self
93-CI-6064	Wright v. Columbia Health Care Corp.	Medical negligence
94-CI-0760	Baer v. Galen	File missing, Division 12

CASE NUMBER	CASE NAME	TYPE OF CASE
94-CI-1082	Zetko v. Galen d/b/a UofL	Negligence - failure to warn of side effects, set for status & disc. conf 3/11/96
94-CI-1559	Greer v. U of L Hospital	UofL School of Medicine named as defendant
94-CI-3305	Ford v. Columbia, et al.	Negligence - neuro injuries, death
94-CI-3523	Rucker v. Galen d/b/a/ UofL	Medical Negligence
94-CI-4594	Woodson v. Galen	Medical negligence, motion for sum judg for Galen will be signed on 2/13/96 if no reply
94-CI-4937	Hernandez v. University of Louisville Hospital, Inc. and Loering M.D.	Wrongful death - negligence
94-CI-5285	BCBS v. Columbia	Medicare is primary payer
94-CI-6313	Sanders v. Galen	Slip and fell on wet floor
94-CI-6779	Harris v. Columbia/HCA	Negligence/Personal injury
95-CI-0489	Shelton v. U of L Hospital	Medical negligence
95-CI-1009	Sanning v. Columbia Health Care Corp.	Medical negligence
95-CI-1020	Leggs v. Planned Parenthood	Negligence in care
95-CI-1072	Kentucky Housing Corp v. Marin et al.	Collection action, Galen lien holder, Galen waived any interest by letter dated 3/3/95
95-CI-1236	Thompson v. Columbia	Negligence - wrongful death

CASE NUMBER	CASE NAME	TYPE OF CASE
95-CI-4858	Randazzo v. Galen	Negligence - left tube in patient's body
95-CI-6533	Trumbo, Heather r. V. Seligson, David, Dr.	Negligence in surgery
95-CI-6998	Shafizadeh v. Galen; et al.	Public records request not met
95-CI-7183	Dunn, et al. v. Galen	Medical Negligence
96-CI-0142	Dreyer, et al. v. Galen, et al.	Negligence & malice resulting in injury
96-CI-0142	Dyer v. Galen	Medical negligence
96-CI-0577	Commonwealth of Kentucky v. Aubrey Humphrey et al.	UofL Hosp. named as defendant because they may have interest in property
96-CI-0721	Bankers Trust v. Bishop	Filed 2/1/96, file not in file room, no other info available at this time
CV94-0321-L(s)	USA v. John Binford, et al.	Default on mortgage, Galen had interest but waived its interest
CV95-60-LH	USA v. Thomas Queen, et al.	Default on mortgage, Galen had interest but waived
C-93-544L(m)	Jane Roberts, guardian v. Galen, et al.	Medical negligence, transferred patient to nursing home in unstable home

CASE NUMBER	CASE NAME	TYPE OF CASE
95-CI-1312	PNC v. Horton	Loan default - Galen named as defendant because they may claim an interest in property at issue
95-CI-1550	Davis, Tawanda v. Columbia Health Care Corp.	Medical negligence
95-CI-2119	Goering v. Galen	Negligence, resulting in injury
95-CI-2246	McCord v. US Corrections, et al.	Negligence, allowed patient to escape from hospital, moved to US Dist Court - WD of KY, (95CV00398) agreed order dismissing Galen 7/10/95, notice by Galen to take depo of Medical Records Custodian on 2/5/96 at 12:00 pm
95-CI-2451	Wofford v. Columbia	Age and race discrimination, KY Civil Rights, removed to US Dist Court (95cv00554), last pleading filed 10/27/95
95-CI-2484	Grant v. Board of Health	Negligence caused death - missing electrocardiogram
95-CI-2889	Hickerson v. Galen	Negligence - failure to properly diagnose
95-CI-3330	C.W. Terminals v. Surface, et al.	Hospital has judgment lien against Surface in foreclosure action
95-CI-3840	Woodside v. Galen	Negligence - wrongful death, patient suicide
95-CI-4078	Bromback v. Columbia	ERISA action - removed to US Dist Court, (95cv00563), file submitted to Judge Heyburn
95-CI-4855	Miller v. Galen	Negligence in delivering child

SCHEDULE 25.2.10

EMPLOYEE AND EMPLOYEE BENEFITS

To be supplemented.

SCHEDULE 25.2.11

ENVIRONMENTAL ISSUES

The University of Louisville Hospital has been a registered generator of hazardous waste since 1989 according to Kentucky Division of Waste Management records. They were also registered as a precious metals recycler in order to recover silver from photo processing fluids. This is a hazardous waste treatment that is exempt from permitting requirements. This exempt treatment is no longer subject to registration requirements so the University of Louisville Hospital deleted the recycler registration in accordance with state regulations. State records indicate that University of Louisville Hospital was in compliance with the hazardous waste management regulations for full quantity generators during their last inspection on 02/15/95.

Also, there were four underground tanks that were removed in 1994. The Kentucky Division of Waste Management indicated in a 01/25/96 letter to University of Louisville Hospital that all four tank sites have met closure requirements.

G:\JLC\UMC\ENVIRON.SCH

SCHEDULE 25.2.12

NONE

LEASE AGREEMENT

THIS LEASE AGREEMENT, made and entered into as of the 7th day of February, 1996, by and among the COMMONWEALTH OF KENTUCKY for the use and benefit of the UNIVERSITY OF LOUISVILLE, acting through its Secretary of the Finance and Administration Cabinet ("Lessor"); the UNIVERSITY OF LOUISVILLE, acting by and through its Board of Trustees ("University"); and UNIVERSITY MEDICAL CENTER, INC., a Kentucky nonprofit corporation ("Lessee").

W I T N E S S E T H:

1. LEASED PREMISES

Lessor does hereby grant, demise and lease unto Lessee, and Lessee does hereby lease and take from Lessor, for the term and upon the terms and conditions set forth in this Lease, the premises located in Louisville, Jefferson County, Kentucky, and described on Exhibit A attached hereto, together with all buildings and improvements, now or hereafter constructed thereon and all rights, privileges, easements and appurtenances belonging or pertaining thereto (the "Leased Premises"), which will be known as University of Louisville Hospital, together with all of Lessor's fixtures and personal property, whether owned or leased by Lessor, located on or used or useful or associated with, the Leased Premises (the "Fixtures and Personalty"), including but not limited to furnishings, machinery, apparatus, movable or non-movable equipment and materials, described in Exhibit B, attached hereto.

2. POSSESSION

Lessor shall deliver to Lessee on the Commencement Date (hereinafter defined) actual and exclusive possession of the Leased Premises, free and clear of all leases, tenancies, agreements, matters, liens and defects in title and in conformity with law, except for the matters set forth in Exhibit C attached hereto, together with exclusive possession of Fixtures and Personalty.

3. TERM

A. The initial term of this Lease shall commence on February 7, 1996, at 12:01 a.m. local time (the "Commencement Date") and shall end at 12:01 a.m. local time on the later of February 7, 2011 or the thirtieth (30th) day following the termination of the initial tax exempt bond issue, or similar financing (but in no event later than January 1, 2012) (the "Initial Term Expiration Date"), referenced in Section 11 of the Affiliation Agreement dated February 6, 1996, among Lessor, Lessee, University, Alliant Health System, Inc. and Jewish Hospital Healthcare Services, Inc. (the "Affiliation Agreement").

B. This Lease shall automatically renew, after the initial term, for up to three (3) successive five (5) year terms, provided

Lessee is not then in material default hereunder, unless Lessee shall have provided written notice to Lessor as provided herein at least eighteen (18) months prior to the expiration of the then current term of its intent not to renew, unless University agrees to a shorter notice period. The initial term of this Lease as described in Paragraph 3A hereof and any extended term of this Lease shall be referred to collectively as the Term. If Lessee elects not to renew this Lease or if this Lease is otherwise terminated for any reason, the parties' respective rights and obligations on termination shall be governed by Section 26 of the Affiliation Agreement.

4. RENTAL PAYMENTS

A. Lessee shall pay as rent to Lessor during the period of time from the Commencement Date to February 7, 2001 monthly rental payments of Four Hundred Sixteen Thousand Six Hundred Sixty-six Dollars and Sixty-seven Cents (\$416,666.67) each, payable monthly in advance.

B. Lessee shall pay as rent to Lessor during the period of time from February 7, 2001 to February 7, 2006, monthly rental payments of Four Hundred Fifty Eight Thousand Three Hundred Thirty-three Dollars and Thirty-three Cents (\$458,333.33) each, payable monthly in advance.

C. Lessee shall pay as rent to Lessor during the period of time from February 7, 2006 to the Initial Term Expiration Date, monthly rental payments of Five Hundred Thousand Dollars (\$500,000) each, payable monthly in advance.

D. During any extended term of this Lease, Lessee shall pay rent to Lessor as follows: (i) during the first five year extended term, monthly rental payments of Five Hundred Forty-one Thousand Six Hundred Sixty-six Dollars and Sixty-seven Cents (\$541,666.67) each, payable monthly in advance, (ii) during the second five year extended term, monthly rental payments of Five Hundred Eighty-three Thousand Three Hundred Thirty-three Dollars and Thirty-three Cents (\$583,333.33) each, payable monthly in advance, and (iii) during the third five year extended term, monthly rental payments of Six Hundred Twenty-five Thousand Dollars (\$625,000) each, payable monthly in advance.

E. With respect to Fixtures and Personalty, if any, leased by Lessor from others, all of which leases are listed on Exhibit B, during the Term Lessee shall sublease such Fixtures and Personalty and Lessee shall pay the amounts specified in, and assume and perform Lessor's obligations under, such leases. At the termination of this Lease such subleases shall terminate and Lessee shall have no further obligations thereunder.

F. The rent shall be paid to University as representative of Lessor for the collection of rent and performance of the ministerial acts required to effect this Lease.

G. All installments of rent shall be payable in advance on the first day of each month from and including the month in which the Commencement Date occurs (for such month, however, payable on the Commencement Date). Rent for any partial month shall be prorated based upon the actual number of days in such month.

H. Lessee covenants to pay and discharge when the same shall become due, subject to any good faith contest thereof and any payment grace period, as additional rent, all other amounts, liabilities and obligations which Lessee assumes or agrees to pay or discharge under this Lease, together with any fine, penalty, interest and cost which may be added for non-payment or late payment thereof. In the event Lessee fails to pay or discharge any of the foregoing as set forth above, Lessor shall have all rights, powers and remedies provided herein or by law for non-payment of rent.

I. This is a net lease and the monthly rent, additional rent and all other sums payable hereunder by Lessee shall be paid without notice (except as specifically provided herein) or demand, and, except as specifically provided herein, without set-off, counterclaim, abatement, suspension, deferment, diminution, deduction or defense.

J. If any installment of monthly rent is not paid within ten (10) after the due date thereof, or any amount of additional rent payable to Lessor is not paid within ten (10) days after the due date thereof (subject to good faith contest thereof), then Lessee shall pay to Lessor on demand interest on such overdue amounts at a rate per annum equal to the prime rate of interest of PNC Bank, Kentucky, Inc., as designated and announced from time to time, calculated from the expiration of such ten (10) day period until paid in full.

Notwithstanding any other provision contained herein, the payment of rent or any other amounts payable by Lessee to or on behalf of Lessor pursuant to this Lease is subject to setoff or reduction for any obligations of University to Lessee under Section 28.2.3 of the Affiliation Agreement.

5. SHORT FORM LEASE

Lessor and Lessee shall execute and deliver a short form lease or other document for recording purposes only, in form satisfactory to all parties hereto, setting forth such of the terms of this Lease as the parties deem appropriate, including but not limited to the rent, the initial term of this Lease and the options to extend the term of this Lease.

6. **TITLE AND QUIET ENJOYMENT**

A. Lessor represents, warrants and covenants that it has good and marketable fee simple title to the Leased Premises, free and clear of any and all material mortgages, pledges, security interests, liens, charges, claims, restrictions, and other encumbrances except as listed on Exhibit C. Lessor further covenants that there are no restrictive covenants, zoning or other local ordinances or regulations which will prevent Lessee from using and occupying the Leased Premises for, and from operating, an acute-care teaching general hospital and related medical facilities as set forth in the Affiliation Agreement.

B. Lessor represents, warrants and covenants that it has good and marketable title to (or, as applicable and as identified on Exhibit B, a valid leasehold interest in) all Fixtures and Personalty, free and clear of any and all material mortgages, pledges, security interests, liens, charges, claims, restrictions, and other encumbrances.

C. Lessor covenants and agrees that during the Term, Lessee shall, upon paying the rent and performing the covenants of this Lease on its part to be performed, peaceably and quietly have, hold and enjoy the Leased Premises and Fixtures and Personalty and all rights granted Lessee in this Lease.

7. **USES OF PREMISES**

A. The Leased Premises shall be used solely for the conduct and operation of an acute-care teaching general hospital and related medical facilities as set forth in the Affiliation Agreement. No other uses are permitted without the prior written consent of University.

B. During the Term, Lessee shall, in all material respects, comply with and conform to all legal requirements concerning the use, occupancy and condition of the Leased Premises and all machinery, equipment, furnishings, fixtures and improvements therein, including obtaining and maintaining any occupancy or use permit, license, special exception, or other local, state or federal agency certification.

C. The Leased Premises shall be operated under the name "University of Louisville Hospital" and no other name shall be permitted to be used in lieu of or in addition to such name without the prior written consent of University.

8. **CONDITION OF LEASED PREMISES; FIXTURES AND EQUIPMENT; REPAIRS**

A. Lessor warrants that the Leased Premises are constructed substantially in compliance with all applicable building codes and regulations in effect at the time of construction and substantially

in accordance with the plan and specifications approved by the Commonwealth of Kentucky Department of Finance and Lessor covenants that it shall be solely responsible for correcting any defects in design and construction of the Leased Premises as of the time of construction which may be found to exist and shall bear all related costs of correcting such defects during the Term and, in addition, Lessee shall have the rights with respect thereto as set forth in Section 28.2 of the Affiliation Agreement.

B. Lessee shall make and pay for all normal repairs, replacements and maintenance (in a good and workmanlike manner) which are necessary for normal operation of the Leased Premises, as otherwise required by and subject to the Affiliation Agreement, and to comply, in all material respects, with applicable law, including but not limited to:

- a) all repairs or replacements, structural or otherwise, to the elevators, HVAC, plumbing, electrical wiring and cabling and life safety systems;
- b) all repairs or replacements to the exterior of the buildings located on the Leased Premises including the roof, windows, gutters, downspouts, walls and foundations thereof and the curbs, sidewalks and parking areas in and about the Leased Premises; and
- c) all repairs, structural or otherwise, to the interior of said buildings.

C. Lessee, at its expense, shall perform all necessary maintenance, replacements and repairs to the Fixtures and Personalty as required by the Affiliation Agreement.

D. Except as provided in Paragraph 14, or otherwise required by the Affiliation Agreement, at the expiration or earlier termination of this Lease, Lessee shall return the Leased Premises in as good a condition as originally received, except for normal wear and tear, and as a fully functional hospital.

E. Lessor and University, their engineers and other agents, shall have the right to enter the Leased Premises for the purpose of inspection and may request Lessee to undertake necessary repairs and maintenance.

9. REMODELING OF LEASED PREMISES

Lessee may, at its own expense, from time to time during the Term, make such structural alterations, additions, replacements and changes, in and to the Leased Premises, and any buildings thereon, as it finds reasonably necessary or desirable including, without limitation, as required by the Affiliation Agreement. All

such alterations, additions, replacements and changes shall be made in accordance with plans and specifications prepared by Lessee and approved by University (which approval shall not be unreasonably withheld), in conformity with applicable building laws and regulations and with the approval of the Board of Directors of Lessee. Lessee shall provide University with as-built drawings for any such material alterations, additions, replacements and changes and current schematics and related documents for major systems and equipment included therein. Except for Personalty acquired by Lessee pursuant to Paragraph 10, such alterations, additions, replacements and changes shall become a part of the Leased Premises, shall be maintained and kept in repair in accordance with the provisions of Paragraph 8, and at the expiration or termination of this Lease shall become the property of Lessor upon compliance with, and without the payment of any money or other consideration except as provided in, the Affiliation Agreement. Subject to good faith contest thereof, Lessee shall pay when due all costs and expenses of any such alterations, additions, replacements and changes and shall discharge or bond all liens filed against the Leased Premises with respect thereto within sixty (60) days after the filing thereof.

10. FIXTURES AND PERSONALITY

A. Lessee may, at its own expense, from time-to-time during the term of this Lease, install, replace and operate in the Leased Premises such removable equipment and personal property ("Lessee's Personalty") as it shall deem necessary or desirable in the conduct of its business, provided all laws, rules and regulations of governmental bodies with respect thereto shall be in all material respects complied with by Lessee. Fixtures and Personalty which were originally purchased and placed in the Leased Premises by Lessor, shall be returned to Lessor when replacement Lessee's Personalty are acquired by Lessee. Lessee's Personalty shall be the property of Lessee until purchased by Lessor pursuant to Paragraph 10.B of this Lease.

B. Upon termination of this Lease, Lessor shall, (i) assume post assumption obligations under the leases for any Lessee's Personalty in the Leased Premises entered into in the ordinary course of business at then fair value rentals, and (ii) purchase any Lessee's Personalty in the Leased Premises, for an amount as determined pursuant to Section 26.3.4 of the Affiliation Agreement.

11. UTILITIES AND TAXES

Lessee (i) shall pay all charges for water, laundry, sewer, garbage removal, gas, light, heat, power and other utilities required and used by Lessee, (ii) shall reimburse University for separately-metered electricity used by Lessee in and about the Leased Premises and (iii) shall pay all taxes and other governmen-

tal assessments or charges assessed against the Leased Premises or the operation thereof, if any, subject to the right to contest such taxes, assessments or charges in good faith.

The parties acknowledge that University is a participant with other hospitals in a laundry, chilled water and steam plant (the "Service Facilities"). Lessor represents and warrants to Lessee that Lessee may succeed to University's rights to use the Service Facilities in connection with Leased Premises for the Term. A description of the Service Facilities and the terms of such succession are set forth in Exhibit D attached hereto.

Lessor represents and warrants that succession to University's rights to use the Service Facilities will not result in any breach or violation of any material contract, agreement or other obligation to which University or Lessor is a party and that such succession will not result in any acceleration of indebtedness incurred to finance the Service Facilities nor will such succession result in any interest on revenue bonds issued to finance the Service Facilities becoming subject to federal income taxation to bondholders or subject to state income taxation to bondholders residing in the Commonwealth of Kentucky.

At the time that Lessee succeeds to University's rights to use the Service Facilities, it shall assume all of University's post-assumption obligations and duties in connection therewith, and shall, except as set forth in the immediately preceding paragraph, indemnify and hold University harmless from any cost, claim or damages related to the performance of the duties and obligations. At the termination of this Lease, University will re-assume all rights, duties and obligations in connection with the use of the Service Facilities, and Lessee will have no further rights, duties, obligations or liability therefor.

12. ENVIRONMENTAL MATTERS

A. As used in herein, the following items shall have meanings set forth below:

- a) "CAA" shall mean the Clean Air Act, codified at 42 U.S.C. §§7401, et seq., as amended.
- b) "CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, codified at 42 U.S.C. §§9601 et seq., as amended.
- c) "CWA" shall mean the Clean Water Act, codified at 33 U.S.C. §§1251, et seq., as amended.
- d) "Environmental Laws" shall mean CERCLA, HMTA, RCRA, CAA, CWA, TSCA, RHA and the Right-to-Know Act and all other federal, local and municipal laws, stat-

utes, ordinances and codes relating to health, safety, sanitation, and the protection of the environment or governing the use, storage, treatment, generation, transportation, processing, handling, production or disposal of Hazardous Materials or medical wastes, including, without limitation, laws and regulations regarding discharge into waterways, and the rules and regulations of federal, local and municipal governmental agencies, authorities and courts with respect thereto presently in effect or hereafter enacted, promulgated or implemented.

- e) "Environmental Permits" shall mean all permits, licenses, approvals, authorizations, consents or registrations required by any applicable Environmental Laws, on either an individual or group basis, in connection with the ownership, use or operation of the Leased Premises, or the storage, treatment, generation, transportation, processing, handling, production or disposal of Hazardous Materials related to the Leased Premises.
- f) "Hazardous Materials" shall mean, without limitation, flammables, explosives, radioactive materials, asbestos, urea formaldehyde foam insulation, polychlorinated byphenyls, petroleum or petroleum based or related substances, hydrocarbons or like substances and their additives or constituents, and any substances now or hereafter defined as "hazardous substances," "extremely hazardous substances," "hazardous wastes," "infectious wastes" or "toxic chemicals" in CERCLA, HMTA, RCRA, CAA, CWA, TSCA, RHA, the Right-to-Know Act, or any so-called "superfund" or "superlien" law or the regulations promulgated pursuant thereto, or any other applicable federal, state or local law, code, rules, regulation, or ordinance, presently in effect or hereafter enacted, promulgated or implemented.
- g) "HMTA" shall mean the Hazardous Materials Transportation Act, codified at 49 U.S.C. §§1801, et seq., as amended.
- h) "RCRA" shall mean the Resource Conservation and Recovery Act of 1976, codified at 42 U.S.C. §§6901, et seq., as amended.
- i) "Release" shall have the same meaning as given to that term in CERCLA, as amended, and the regulations promulgated thereunder.

- j) "RHA" shall mean the Rivers and Harbors Appropriation Act, codified at 33 U.S.C. §§401, et seq., as amended.
- k) "Right-To-Know Act" shall mean the Emergency Planning and Community Right-To-Know Act, codified at 42 U.S.C. §§11001, et seq.
- l) "TSCA" shall mean the Toxic Substances Control Act, codified at 15 U.S.C. §§2601, et seq., as amended.

B. Lessee shall comply at all times and in all material respects with the provisions of all Environmental Laws and Environmental Permits, and shall not commit any actions or omissions that result in the incurrence of any material liability under such Environmental Laws and Environmental Permits. Lessee will not cause any Hazardous Materials to be deposited on or under the Leased Premises, or otherwise Released or threatened to be Released from or on the Leased Premises, except as normally and properly used in the operation of the Leased Premises and in material compliance with all Environmental Laws. Lessee shall conduct all of its activities on the Leased Premises, including, without limitation, the off-site disposal of any Hazardous Materials originating on or from the Leased Premises, in material compliance with all Environmental Laws. Lessee shall obtain, whenever necessary and in its own name, appropriate Environmental Permits for its operations and shall comply in all material respects with the requirements of such Environmental Permits.

C. Lessee hereby agrees to indemnify, hold harmless and defend Lessor from and against any and all claims, losses, damages, liabilities, penalties, costs, assessments, expenses, demands or fines in any way relating to or arising out of the violation by Lessee of any applicable Environmental Laws or Environmental Permits with respect to the Leased Premises. The provisions of this Paragraph 12.C shall survive the expiration or any other termination of this Lease.

13. **INSURANCE**

A. During the Term, Lessee shall maintain such insurance as required by and in conformity with Section 28.1 of the Affiliation Agreement and including, at its sole expense, (i) property insurance (either through third party insurers or through self insurance reasonably acceptable to University) covering the improvements on the Leased Premises and all Fixtures and Personalty at replacement cost value, without coinsurance provisions, against fire and such other hazards as included within extended coverage and against earthquake and flood damage (where reasonably available), which insurance shall also include major mechanical system repair and replacement coverage, and (ii) professional and general liability insurance (either through third party insurers or through

self insurance, reasonably acceptable to University) against claims for bodily injury or death occurring in or about the Leased Premises, such insurance to provide coverage not less than \$5,000,000 in respect of bodily injury or death of any one person and of not less than \$10,000,000 per occurrence, and of not less than \$1,000,000 in respect of property damage to any one item of property and of not less than \$5,000,000 in respect of any one occurrence. All such policies of insurance obtained by Lessee pursuant to this Paragraph 13 shall name Lessor, Lessee and University as additional insureds, as their interests may appear, and any such policy shall provide that it may not be cancelled or substantially modified without at least thirty (30) days prior written notice to Lessor and University of the intended cancellation or modification and shall contain a provision waiving the insurers' right of subrogation against Lessor and University.

B. Any requirement that Lessor and University be named as additional insureds under the liability insurance required under the Affiliation Agreement shall in no way constitute a waiver of the protection afforded Lessor and University under the doctrine of sovereign immunity.

14. DAMAGE TO LEASED PREMISES

Except as otherwise provided in this Paragraph, if less than seventy-five percent (75%) of the improvements upon the Leased Premises are damaged or destroyed by fire or other casualty at any time after the Commencement Date of this Lease and if repairs to the Leased Premises can be completed within one hundred eighty (180) days after such destruction, Lessee shall, to the extent that such damage is covered by insurance (or required to be covered by insurance), repair or restore the same to the same condition as existed before such damage or destruction, and in so doing the proceeds of any insurance provided for in Paragraph 13.A hereof shall be applied to the costs thereof. During the period of such repair, if all or a portion of the Leased Premises cannot be operated as an acute-care general hospital, the rental payment shall be abated in proportion to such unusable portion of the Leased Premises but Lessee shall remain obligated to pay all other expenses with respect to the Leased Premises required by this Lease to be paid by Lessee, including utilities and maintenance. In the event seventy-five percent (75%) or more of said improvements are damaged or destroyed, if the damage or destruction to the Leased Premises is not covered by insurance (and not required to be covered by insurance) or if repairs to the Leased Premises cannot be completed within one hundred eighty (180) days, Lessee shall not be obligated to, but may at its option, repair or restore the same, which election to repair or restore must be made by Lessee within thirty (30) days of the casualty. If Lessee shall undertake to repair or restore the Leased Premises, Lessee shall seek Lessor's and University's prior approval of plans and specifications, which approval shall not be unreasonably withheld. If Lessee is not

obligated or does not elect to repair or restore said improvements under the foregoing provisions, any insurance proceeds payable by reason of such damage or destruction shall be paid to Lessor and Lessee, as their respective interests may appear, and this Lease and all rights and obligations of the parties hereunder (except enforcement of rights then accrued) shall terminate.

15. **EMINENT DOMAIN**

A. If Lessor shall, through exercise of its power of eminent domain, change the use of the Leased Premises from that of not less than a three hundred eighty (380) bed acute-care general hospital and related uses set forth in Paragraph 7 with adequate parking area and vehicular and pedestrian access to the Leased Premises, this Lease shall terminate for all purposes (except enforcement of rights then accrued) at the time of such change Lessee shall be adequately compensated for the value of its remaining leasehold interest in the Leased Premises and the value of additions or improvements to the Leased Premises made by Lessee pursuant to Paragraph 9.

B. If the entire Leased Premises, or such part thereof as renders the remaining portion unsuitable for use as not less than a three hundred eighty (380) bed acute care general hospital and related uses set forth in Paragraph 7 with adequate parking area and vehicular and pedestrian access to the Leased Premises, is acquired by governmental or quasi-governmental authorities other than Lessor by the exercise of the power of eminent domain, then, upon written notice of Lessee's election so to do, given by Lessee to Lessor within thirty (30) days after receipt by Lessee of notice from Lessor that proceedings or negotiations with respect to such acquisition have begun, this Lease shall terminate for all purposes (except enforcement of rights then accrued) at the time possession must be surrendered to such authority, and the amount of the award shall be divided among Lessor and Lessee and the holders of any mortgages on the subject property, as their respective interests may appear, including the value of additions or improvements to the Leased Premises made by Lessee pursuant to Paragraph 9.

C. In the event such acquisition or change of use by eminent domain does not leave the remaining portion of the Leased Premises in a condition unsuitable for use as a three hundred eighty (380) bed general hospital and related uses set forth in Paragraph 7, as stated above, the rent provided for herein shall continue, subject to the following. In such case, the award for such taking or change of use shall be used by Lessor to promptly make all necessary alterations and repairs which may be required to restore the remaining portion(s) of Leased Premises and the improvements thereon to a safe and tenantable condition suitable for use by Lessee as not less than a three hundred eighty (380) bed general hospital and related uses set forth in Paragraph 7 as stated above. If any of the award remains after all necessary alterations and

repairs to the Leased Premises have been made, any such remainder shall be the property of Lessor. Such restoration shall be in accordance with plans and specifications approved by Lessee. If Lessee is unable to occupy any portion of the Leased Premises during such period of restoration, the rent shall be abated on a pro-rata monthly basis.

16. ASSIGNING, MORTGAGING OR SUBLETTING

A. Except as provided herein, Lessee shall not assign, mortgage, pledge or encumber this Lease or sublet the Leased Premises without first obtaining the written consent of Lessor and University.

B. Except as provided herein, Lessee shall not permit a lien or encumbrance to be placed upon the Leased Premises or Fixtures and Personalty; provided, however, that Lessee reserves the right to contest any asserted or alleged lien or encumbrance in appropriate proceedings, and Lessee shall satisfy such lien or encumbrance in the event of a final adverse determination.

C. Lessee shall not have the right to mortgage or otherwise encumber this Lease and/or Lessee's interest in the Leased Premises to provide financing for any improvement to, or expansion of, the Leased Premises, or for any financing, required or permitted under the Affiliation Agreement, without first obtaining the written consent of Lessor and University.

17. LESSEE'S RIGHT TO CURE LESSOR'S DEFAULTS

In the event that Lessor fails to pay any liens, charges, encumbrances or debts, the non-payment of which would adversely affect Lessee's right to use and possession of the Leased Premises (including but not limited to repayment of funds to the United States government) when any of the same become due, and Lessor is not then contesting such lien, charge, encumbrance or debt in appropriate proceedings, or if Lessor in any other material respect fails to perform any covenant or agreement to be performed by it under this Lease, then, and in any such event, Lessee, after the continuation of any such failure or default for thirty (30) days after written notice thereof by Lessee to Lessor, may at its sole option, pay or satisfy such liens, charges, encumbrances or debts or cure such defaults on behalf of and at the expense of Lessor, and make all payments in connection therewith, including but not limited to the payment of any reasonable counsel fees, costs or charges incurred in connection therewith. Thereafter Lessor shall promptly pay to Lessee any amount so paid by Lessee, together with interest thereon at the prime rate of interest then being charged by PNC Bank, Kentucky, Inc. If Lessor fails to promptly make such payment Lessee may withhold up to eighty percent (80%) of the rent thereafter becoming due to Lessor pursuant to the provisions of this Lease and may apply the same to the payment of such indebted-

ness of Lessor to Lessee until such indebtedness is fully paid with interest thereon as herein provided.

18. **REMEDIES OF LESSOR IN EVENT OF DEFAULT BY LESSEE**

A. Any of the following occurrences or acts shall constitute an "Event of Default" under this Lease:

- a) Subject to Lessee's set-off rights under Sections 4 and 17 hereof, Lessee fails to pay, on the date on which the same is due and payable, any installment of monthly rent, within ten (10) days after Lessor notifies that such payment is overdue and due and owing.
- b) Lessee fails to observe or perform any other provision hereof for thirty (30) days after Lessor shall have delivered to Lessee notice of such failure (provided that in the case of any default referred to in this clause (b) which cannot with diligence be cured within such thirty (30) day period, if Lessee shall proceed promptly to cure the same and thereafter shall prosecute the curing of such default with diligence, the time within which such failure may be cured shall be extended for such additional period as may be necessary to complete the curing of the same with diligence, not to exceed ninety (90) days in the aggregate).
- c) The filing of a petition in bankruptcy under Title 11 of the United States Code, as amended, or the commencement of a proceeding under any other applicable law concerning insolvency, reorganization or bankruptcy, by or against Lessee as debtor, or Lessee becomes generally unable to pay its debts as they become due; provided, however, if a proceeding with respect to a bankruptcy is filed or commenced against Lessee, the same shall not constitute an Event of Default if such proceeding is dismissed within ninety (90) days from the date of such filing.
- d) The Leased Premises shall have been abandoned.
- e) The estate or interest of Lessee in the Leased Premises or any part shall be levied upon or attached in any proceeding and such process shall not be vacated or discharged within ninety (90) days after such levy or attachment.

- f) Lessee is in default under the Affiliation Agreement.

B. Upon the occurrence of an Event of Default, Lessor shall have the right, at its option, to:

- a) enter upon and take possession of the Leased Premises as Lessee's agent, and, without terminating this Lease, sublease the premises at the best price obtainable by reasonable efforts without advertisement and by private negotiations and for any term Lessor deems proper. Lessee shall thereupon be liable and indebted to Lessor for the difference between the amount of the rent herein specified and the amount of rent which shall be collected and received from the Leased Premises for each month during the remainder of the current term of this Lease after such subleasing by Lessor; or
- b) forthwith cancel and terminate this Lease by written notice to Lessee; and, if such notice shall be given, all rights of Lessee to the use and occupancy of the Leased Premises shall terminate as of the date set forth in such notice, and Lessee shall surrender possession of, and any right to, the Leased Premises to Lessor including any Fixtures and Personalty, and Lessor may forthwith re-enter the Leased Premises and repossess itself thereof. No termination of this Lease prior to the normal expiration thereof shall affect Lessor's right to collect rent for the period prior to termination thereof.

19. LIMITATION ON LIABILITY OF LESSOR

Lessor and University, and their respective employees and agents shall not be liable to Lessee, or any invitee, agent, employee, sublessee, assignee, contractor, client, family member, licensee, customer or guest of Lessee (collectively, "Invitees" and each individually, an "Invitee") or any other person or entity for any damage (including indirect and consequential damage), injury, loss or claim (including claims for the interruption of or loss to business) based on or arising out of Lessee's occupancy or operation of the Leased Premises during the Term, except as otherwise provided in the Affiliation Agreement. Lessee shall indemnify and hold Lessor and University, and their respective employees and agents harmless from and against all costs, damages, claims, liabilities and expenses (including reasonable attorneys' fees), losses and costs suffered by or claimed against such persons based on or arising out of, in whole or in part, Lessee's use and occupancy of the Leased Premises or conduct of business therein during the Term.

20. **ADDITIONAL RIGHTS OF LESSOR AND LESSEE**

A. No right of remedy herein conferred upon or reserved to Lessor or Lessee is intended to be exclusive of any other right or remedy given hereunder or now or hereafter existing at law or in equity. The failure of either party to insist at any time upon the strict performance of any covenant or agreement or to exercise any option, right, power or remedy contained in this Lease shall not be construed as a waiver or a relinquishment thereof for the future. A receipt by Lessor of any monthly rent, additional rent or any other sum payable hereunder with knowledge of the breach of any covenant or agreement contained in this Lease shall not be deemed a waiver of such breach, and no waiver of any provision of this Lease shall be deemed to have been made unless expressed in writing and signed by the waiving party. In addition to other remedies provided herein, Lessor and Lessee shall be entitled, to the extent permitted by applicable law, to injunctive relief in case of the violation, or attempted or threatened violation, of any of the covenants, agreements, conditions or provisions of this Lease, or to a decree compelling performance of any of the covenants, agreements, conditions or provisions of this Lease, or to any other remedy allowed at law or in equity.

B. In the event either Lessor or Lessor shall be in default in the performance of any of its obligations under this Lease, and an action shall be brought for the enforcement thereof in which it shall be determined that such defaulting party was in default, Lessee or Lessor, as the case may be, shall pay to the other all expenses incurred in connection therewith, including reasonable attorneys fees. In the event Lessor or Lessee shall, without fault on its part, be made a party to any litigation commenced against the other, and if Lessee or Lessor, as the case may be, at its expense, shall fail to provide such party with counsel reasonably approved by it, Lessee or Lessor, as the case may be, shall pay all costs and reasonable attorneys' fees incurred or paid by the other in connection with such litigation.

C. In the event a default of a material provision of this Lease has occurred and is continuing, Lessor may, but shall not be obligated to, make any payment or perform any act required hereunder to be made or performed by Lessee which has not been performed within the time period specified herein for such performance, with the same effect as if made or performed by Lessee, provided that no entry by Lessor upon the Leased Premises for such purpose shall create any liability to Lessee on the part of Lessor or shall constitute or shall be deemed to be an eviction of Lessee, and no such entry shall waive or release Lessee from any obligation or default hereunder. All sums so paid by Lessor and all costs and expenses (including reasonable attorneys' fees and expenses) incurred by Lessor in connection with the performance of any such act shall constitute additional rent payable by Lessee hereunder.

21. **OTHER TERMINATION OF LEASE**

This Lease shall terminate effective as of any termination of the Affiliation Agreement.

22. **ESTOPPEL CERTIFICATE**

At any time and from time to time, upon not less than ten (10) days' prior written notice, Lessee and Lessor shall execute, acknowledge and deliver to the other and/or any other person or entity designated by the other, a written statement certifying: (a) that this Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease is in full force and effect as modified and stating the modifications); (b) the dates to which the rent and any other charges have been paid; (c) whether or not it is in default in the performance of any obligation, and if so, specifying the nature of such default; (d) the address to which notices are to be sent; and (e) such other matters as reasonably requested.

23. **OTHER MATTERS**

The following items shall be delivered or have been satisfied at or prior to the Commencement Date:

A. **Lessor's Authority to Execute This Lease.** Lessor or University shall deliver to Lessee an opinion of counsel reasonably acceptable to Lessee, in form and substance satisfactory to Lessee, and upon which Lessee may rely, to the effect that Lessor possesses the lawful power and authority to execute and deliver this Lease and perform the terms and conditions of this Lease; that by so doing it Lessor has not violated, is not and will not be in violation of, the Constitution of the Commonwealth of Kentucky or any state, local or federal, rule, regulation or statute; that it has performed any and all necessary acts authorizing the execution and delivery of this Lease and consummation of the transactions contemplated hereby; and this Lease, when executed and delivered, will constitute a valid and legally binding obligation of Lessor, enforceable in accordance with its terms.

B. **Governmental Approvals.** If applicable, Lessee shall have received all required governmental approvals for its leasing of the Leased Premises and the Fixtures and Personalty on the terms herein provided prior to the Commencement Date hereof.

C. **Licenses and Permits.** Lessee shall have obtained all licenses and permits or written commitments for delivery of same prior to or at the Commencement Date hereof, as may be required by any government or agency thereof in order for Lessee to operate the Leased Premises and related medical facilities. Lessor shall advise the Louisville and Jefferson County Planning and Zoning

Commission in writing of the existence of this Lease, and its term, and will identify Lessee as the operator of the Leased Premises.

D. **No Adverse Change.** During the period of time beginning on the date of the execution of this Lease and ending on the Commencement Date, there shall not have been any change of a material adverse nature in the physical condition, assets and properties of the Leased Premises or Fixtures and Personalty; and no litigation, administrative proceeding or investigation shall have been initiated by any party which might reasonably be expected to interfere with the leasing of the Leased Premises and fixtures and Personalty by Lessee or the operation of the Leased Premises as a three hundred eighty (380) bed acute-care general hospital or which might be expected, if successfully prosecuted, to impose liability of any type upon Lessee, or any of its employees, officers or directors. For purposes of this section, any casualty loss in excess of Fifteen Thousand Dollars (\$15,000), which is not reimbursed by insurance proceeds or which interferes with the normal business operation of the Leased Premises, shall be deemed adverse unless waived by Lessee in writing, and any casualty loss under such amount shall not be deemed adverse.

E. **Delivery of Certificates Upon Execution.** Lessee shall have been furnished with all such certificates of officials of Lessor, in form satisfactory to Lessee, as Lessee shall reasonably request, to evidence the compliance by Lessor as of the date of execution of this Lease with all the material terms and conditions of this Lease and the accuracy as of the date of execution of this Lease in all material respects of the representations and warranties of Lessor contained in this Lease or in any written statement delivered by Lessor to Lessee as though such representations and warranties had been made as of the date of execution of this Lease. Such certificates shall, for all purposes of this Lease, constitute a representation by Lessor as to the facts set forth or referred to therein.

F. **Real Estate Survey.** Lessor shall deliver to Lessee prior to or within a reasonable period of time after the Commencement Date a survey of the Leased Premises, the cost of which shall be paid by Lessee.

G. **The Affiliation Agreement.** The Affiliation Agreement shall have been executed and delivered by the parties thereto.

24. **WARRANTIES AND COVENANTS OF LESSEE**

Lessee warrants and covenants to Lessor the following:

A. Lessee is a nonprofit corporation duly organized, validly existing and in good standing under the laws of Kentucky and is not prohibited by its Articles of Incorporation from operating an acute-care hospital.

B. The execution of this Lease by Lessee, and its delivery to Lessor, have been duly authorized by the Board of Directors of Lessee, and no further corporate action will be necessary on the part of Lessee to make this Agreement valid and binding upon Lessee in accordance with its terms.

C. Lessee shall obtain and maintain, at its cost and expense, all licenses and other governmental approvals necessary for the operation of Leased Premises, and shall maintain accreditation for Leased Premises by the Joint Commission on Accreditation of Healthcare Organizations, or an equivalent successor accrediting agency, and upon termination or expiration of this Lease to the extent permitted by law shall provide for transfer of same to Lessor. Provided that if any such licenses, governmental approvals or accreditations are revoked or lost, and all available appeals of such revocation or loss shall have been exhausted, Lessee shall not be in breach or violation of this warranty unless such revocation or loss is caused solely by some action or failure to act by Lessee.

25. ASSIGNMENT OF WARRANTIES

To the extent assignable, Lessor hereby assigns to Lessee all of Lessor's rights, if any, under guaranties and warranties from architects, contractors or subcontractors as to design and construction of the Leased Premises, and from all manufacturers, vendors and lessors of the Fixtures and Personalty.

26. NOTICES

All notices, demands, requests, consents, approvals, certificates or other communications required under this Lease shall be in writing, shall be sufficiently given and shall be deemed to have been properly given (i) if delivered by hand, when written confirmation of delivery is received by the sender, (ii) three days after the same is mailed by certified mail, postage prepaid, return receipt requested, (iii) if sent by overnight courier, 24 hours after delivery to such overnight courier, or (iv) by facsimile transmission, when confirmation of such transmission is received by the sender, addressed to Lessee, Lessor or to any other person to whom any such notice, demand, request, consent, approval, certificate or other communication is to be given, as follows:

TO LESSOR AT: Secretary of Finance and
Administration Cabinet
Room 383
Capitol Annex
Frankfort, Kentucky 40601
Facsimile No. (502) 564-6785

TO UNIVERSITY AT: Office of the President
103 Grawemeyer Hall
University of Louisville
Louisville, Kentucky 40292
Attn: President
Facsimile No. (502) 852-5682

TO LESSEE AT: Chief Executive Officer
University of Louisville Hospital
530 South Jackson Street
Louisville, Kentucky 40202
Attn: Patricia Davis
Facsimile No. (502) 562-3670

or to such other address or to such other person as may be designated by notice.

27. NO OTHER AGREEMENTS; AMENDMENTS

A. This Lease and the Affiliation Agreement constitute the entire agreement by the parties with respect to the subject matter hereof and no prior understandings, representations, inducements, promises or agreements, oral or otherwise, of the parties hereto, shall be effective for any purpose. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest. To the extent of any inconsistency between any provision of this Lease or the Affiliation Agreement, the Affiliation Agreement shall govern.

28. GOVERNING LAW

This Lease has been executed and delivered in the Commonwealth of Kentucky and all the terms and provisions hereof and the rights and obligations of the parties hereto shall be construed and enforced in accordance with the laws thereof.

29. PARAGRAPH HEADINGS

The paragraph headings in this Lease are for convenience only and are not a part of this Lease and do not in any way limit or amplify the terms and provisions hereof and in no way shall be

held to explain, modify or aid in the interpretation, construction or meaning of the provisions of this Lease.

30. SEVERABILITY

Each paragraph of this Lease is severable from all other paragraphs. In the event that any court of competent jurisdiction determines that any paragraph or subparagraph of this Lease is invalid or unenforceable for any reason, all remaining paragraphs and subparagraphs will remain in full force and effect.

31. NON-DISCRIMINATION

A. Lessee will not discriminate against any employee or applicant for employment because of race, religion, color, national origin, sex or age and will not discriminate against otherwise qualified handicapped individuals; however, the filing of any such claim of discrimination, or successful prosecution thereof by the filing party, shall not be deemed a default under this Lease.

B. Lessee shall provide care to patients at the Leased Premises in compliance with the Title VI of the Civil Rights Act of 1964, and Section 504 of the Rehabilitation Act of 1973, as amended.

32. SIGNAGE ON LEASED PREMISES

Lessee shall, at its own expense, erect all exterior and interior signage at the Leased Premises.

33. RIGHT OF FIRST REFUSAL

To the extent permitted by applicable law, if University or Lessor enters into any Agreement (including a letter of intent) to convey all or a substantial portion of the Leased Premises (through sale or a financing lease for substantially the remaining useful life of the Leased Premises) within twelve (12) months after the termination of this Lease, Lessee shall have a nontransferable right of first refusal to enter into a similar transaction on terms no less favorable than are contained in such agreement, provided that this right of Lessee shall not exist in the event of a material breach of this Lease, the Affiliation Agreement or the Member Agreement of Lessee dated February 6, 1996, or a material breach of the Guaranty dated February 6, 1996 by Jewish Hospital Healthcare Services, Inc. and/or Alliant Health System, Inc. University and Lessor shall take all actions permitted by law necessary to give effect to this right of first refusal, including making it a condition of any request for proposal. University and Lessor shall provide Lessee with written notice of any such transaction (along with a description of the terms thereof) and Lessee shall have sixty (60) days after receipt of such notice in which to exercise its right of first refusal by delivering to

University a firm offer to such terms as are reasonably deemed by University to be no less favorable than those in the prior offer described in the notice to Lessee.

34. INDEPENDENT CONTRACTOR

Lessee shall lease and operate the Leased Premises as an independent contractor, and shall not be considered an agent, employee of, partner of or joint venturer with University or Lessor.

35. LESSOR AND UNIVERSITY

Whenever under this Lease a consent or approval is required to be obtained from Lessor, the parties agree that University shall act as the representative of Lessor with respect thereto and such consent or approval shall not need to be separately obtained from Lessor. In addition, to the extent University owns or has an interest in any of the Leased Premises or Fixtures and Personalty the term "Lessor" as used herein shall be deemed to include University.

IN WITNESS WHEREOF, the parties hereto, by its duly authorized officers in the case of Lessee, and by its authorized officials in the case of Lessor and University, have duly executed this Lease as of the duly, month and year first above written.

Approved as to
form and legality:

Thomas H. Lyon
University Counsel

UNIVERSITY OF LOUISVILLE

James Stewart, President

Approved as to
form and legality:

Loren A. Powell
General Counsel
Cabinet for Finance and
Administration

COMMONWEALTH OF KENTUCKY

John P. McArthur
Secretary
Cabinet for Finance and
Administration

Have Seen and
Approved:

Debra D. ...
General Counsel to
the Governor

Approved:

Paul E. Patton
Governor

UNIVERSITY MEDICAL CENTER, INC.

By: John ...
Title: CHAIRMAN

EXHIBIT A

PARCEL 1 *CCB*

Beginning at the intersection of the former South line of Madison Street as closed in Action #79CI-05313, Jefferson Circuit Court, with the East line of Jackson Street; thence South 74 degrees 47 minutes 05 seconds West along the East line of Jackson Street, 341.29 feet to the intersection with the North line of Chestnut Street; thence South 82 degrees 04 minutes 45 seconds East 525.20 feet to the intersection of the West line of Hancock Street; thence North 7 degrees 51 minutes 35 seconds East 342.15 feet to the intersection with the former South line of Madison Street, as closed by the Judgment in the aforesaid action; thence North 7 degrees 46 minutes 13 seconds East 30.05 feet to a point in the former center line of Madison Street as closed by the Judgment in the aforesaid action; thence West along the former center line of Madison Street as closed by the Judgment in the aforesaid action, approximately 521 feet, more or less, to the intersection with the East line of Jackson Street; thence South 8 degrees 10 minutes 18 seconds West 30.05 feet to the point of beginning.

The Commonwealth of Kentucky having acquired title for the use and benefit of the University of Louisville, by Deeds as follows:

dated April 12, 1974, recorded in Deed Book 4721, Page 171; dated April 12, 1974, recorded in Deed Book 4721, Page 167; dated April 12, 1974, recorded in Deed Book 4721, Page 174; dated April 25, 1974, recorded in Deed Book 4723, Page 996 and Quit-Claim Deed of Conveyance dated March 9, 1976, recorded in Deed Book 4843, Page 137 and by Deed of Correction dated March 19, 1976, recorded in Deed Book 4843, Page 141; dated March 19, 1974, recorded in Deed Book 4713, Page 405; dated April 16, 1974, recorded in Deed Book 4722, Page 189; dated August 2, 1974, recorded in Deed Book 4743, Page 115; dated June 6, 1974, recorded in Deed Book 4731, Page 977; dated February 28, 1974, recorded in Deed Book 4708, Page 291; dated July 11, 1974, recorded in Deed Book 4738, Page 491; dated March 14, 1974, recorded in Deed Book 4712, Page 143; dated July 26, 1974, recorded in Deed Book 4741, Page 605; dated October 24, 1975, recorded in Deed Book 4816, Page 943; dated February 28, 1974, recorded in Deed Book 4708, Page 58; dated March 30, 1976, recorded in Deed Book 4845, Page 317; dated December 19, 1975, recorded in Deed Book 4828, Page 167; dated December 15, 1975, recorded in Deed Book 4832, Page 8; dated March 25, 1975, recorded in Deed Book 4779, Page 602; dated July 11, 1974, recorded in Deed Book 4738, Page 430; dated July 18, 1974, recorded in Deed Book 4739, Page 882; dated March 26, 1974, recorded in Deed Book 4716, Page 49; dated June 3, 1974, recorded in Deed Book 4731, Page 986; dated July 25, 1974, recorded in Deed Book 4741, Page 312; dated February 28, 1974, recorded in Deed Book 4708, Page 61; dated May 7, 1974, recorded in Deed Book 4726, Page 663, all in the Office of the Clerk of Jefferson County, Kentucky, and by Judgment in Action #227146 Jefferson Circuit Court closing alleys; and by Judgment in Action #79-CI-05313, in said court closing Madison Street.

EXHIBIT A
(CONTINUED)

PARCEL 2

Beginning at the Northeast corner of Jackson Street and Madison Street; thence Northwardly with the East line of Jackson Street, 342 feet to the Southeast corner of Jackson Street and Walnut Street (now Muhammad Ali Boulevard); thence Eastwardly with the South line of Walnut Street (now Muhammad Ali Boulevard) 244.5 feet to the Northwest corner of the tract conveyed to Commonwealth of Kentucky, for the use and benefit of the University of Louisville, by Deed of record in Deed Book 4865, Page 963, in the Office of the Clerk of Jefferson County, Kentucky; thence Southwardly with the West line of said tract 171 feet to the center line of the 12 foot alley closed in Action No. 5326, Jefferson Circuit Court; thence Eastwardly with the center line of said alley as closed aforesaid; being a line of the aforesaid tract conveyed to Commonwealth of Kentucky, 88.67 feet to a corner of said tract; thence Southwardly with the West line of said tract 171 feet to the North line of Madison Street; thence Northwardly with the North line of Madison Street, 333 feet 2 inches, more or less, to the beginning.

Being the same property acquired by Commonwealth of Kentucky for the use and benefit of the University of Louisville, by Deed dated April 10, 1987, of record in Deed Book 5675, Page 243, in the Office of the Clerk of Jefferson County, Kentucky.

EXHIBIT A
(CONTINUED)

PARCEL 3 ACB

Beginning at the Northwest corner of Chestnut and Jackson Streets; thence with the North line of Chestnut Street, North 82 degrees 05 minutes 46 seconds West 322.67 feet to a point; thence departing said line of Chestnut Street with a line parallel with the West line of Jackson Street, North 7 degrees 49 minutes 14 seconds East 402.00 feet to an iron pin in the original North line of Madison Street, now closed (Action No. 99251, Jefferson Circuit Court); thence with said line of Madison Street, South 82 degrees 03 minutes 20 seconds East 67.93 feet to a point; thence South 7 degrees 47 minutes 12 seconds West 29.99 feet to an iron pin; thence with a line in the original Madison Street and parallel to the South line of Muhammad Ali Boulevard (formerly Walnut Street), South 82 degrees 04 minutes 50 seconds East 254.92 feet to a point in the West line of Jackson Street; thence with said line of Jackson Street, South 7 degrees 56 minutes 28 seconds East 30.29 feet to its intersection with the Southern line of the abovementioned Madison Street; thence continuing with said West line of Jackson Street, South 7 degrees 49 minutes 14 seconds West 341.59 feet to the point of beginning.

Being a portion of that property conveyed to the University of Louisville, by Deed dated January 19, 1970, recorded in Deed Book 4327, Page 576, and by Deed dated October 4, 1967, recorded in Deed Book 4148, Page 443, both in the Office of the Clerk of Jefferson County, Kentucky, and being a portion of Madison Street which was closed April 22, 1966, by Civil Action No. 99251, Jefferson County Circuit Court.

TRACT 2:

Beginning at the Southwest corner of Muhammad Ali Boulevard (formerly Walnut Street) and Jackson Street; thence with the South line of Muhammad Ali Boulevard, North 82 degrees 04 minutes 50 seconds West 255.00 feet to an iron pin; thence departing said line of Muhammad Ali Boulevard, South 7 degrees 47 minutes 12 seconds West 372.00 feet to an iron pin in the original Madison Street, now closed (Action No. 99251, Jefferson Circuit Court); thence with a line in the original Madison Street and parallel to the South line of Muhammad Ali Boulevard, South 82 degrees 04 minutes 50 seconds East 254.92 feet to a point in the West line of Jackson Street; thence with said line of Jackson Street, North 7 degrees 56 minutes 28 seconds East 29.86 feet to its intersection with the North line of the abovementioned Madison Street; thence continuing with said West line of Jackson Street, North 7 degrees 47 minutes 12 seconds East 342.14 feet to the point of beginning.

Being a part of Tract "A" conveyed to the University of Louisville, by Deed dated April 25, 1966, and of record in Deed Book 4034, Page 236, in the Office of the Clerk of Jefferson County, Kentucky; and being a portion of Madison Street which was closed April 22, 1966 by the aforesaid action.

EXHIBIT B

All fixtures and personal property, whether owned or leased by the Lessor, located on or used or useful or associated with, the Leased Premises, including but not limited to furnishings, machinery, apparatus, movable or non-movable equipment and materials.

This Exhibit will be supplemented by Lessor and the University when the inventory of the Hospital is completed and agreed to by the parties.

G:\JLC\UMC\EXHIBIT.B

EXHIBIT C

NONE

EXHIBIT D

ASSIGNMENT

This assignment agreement is made and entered into the 6th day of February, 1996 by and between the Board of Trustees of the University of Louisville, a body corporate created and existing under and by virtue of the laws of the Commonwealth of Kentucky ("University") for and on behalf of its University of Louisville Hospital, formerly operated by Galen of Virginia, Inc. ("Galen") a Virginia for-profit and University Medical Center, Inc. ("UMC") a non-profit corporation with its principal place of business in Louisville, Kentucky. This agreement is intended by the parties to be a part of Exhibit "D" to certain leases dated February 6, 1996 pertaining to the operation of University's hospital premises by UMC.

WHEREAS various parties have entered into a contract first made as of January 1, 1970 regarding a common central laundry plant for the medical center area of Louisville, to which the University became a party as successor to the interests of Louisville General Hospital as memorialized in the Second Supplemental Contract, and which original contract and all supplemental contracts thereto are together known as Louisville Medical Center Laundry Contract ("Contract"); and

WHEREAS Jefferson County has issued certain tax exempt government bonds to facilitate the Contract; and

WHEREAS the University is leasing a portion of its Medical Center property to UMC for operation of the University's teaching hospital, such property being a user of services provided under the Contract; and

WHEREAS this assignment is due to unexpected circumstances not previously foreseen by the University or other parties to the Contract;

NOW THEREFORE, the parties agree as follows:

1. The University hereby assigns to UMC, all of its rights, benefits, duties and obligations under the Contract for University's interest for the duration of UMC's lease of the University's hospital and certain related facilities under the Lease agreements dated February 6, 1996 between the parties, to which this assignment constitutes Exhibit "D".

2. UMC hereby agrees to indemnify, save and hold harmless the University from any costs, charges, obligations, assessments, claims or duties (including legal costs owing on account thereof) owing or alleged to be owing as a result of this assignment and that interest in the Contract conveyed or purported to be conveyed by this assignment.

UMC is not responsible for any matters growing out of or connected with the Contract prior to February 7, 1996, and it is not responsible or liable for any loss, costs, damages or liability which may inure to or be suffered by University as a result of the execution, delivery and acceptance of this assignment; UMC will be responsible for performing the obligations of University

under the Contract as they relate to the operation of University Hospital.

3. The University hereby delegates to UMC the power to nominate persons for the committees and boards functioning in relation to the Contract, and the University agrees to appoint such nominees as its representatives.

4. As of the date of termination or expiration of UMC's leases for the University's teaching hospital and related facilities this assignment shall then terminate and all rights, benefits and obligations hereby assigned shall revert to the University. UMC agrees to pay promptly any sum owing on account of its operations related to this assignment.

IN TESTIMONY WHEREOF, the parties agree to be so bound and have therefore caused this agreement to be executed, each in its name by a duly authorized officer signing below.

UNIVERSITY OF LOUISVILLE

UNIVERSITY MEDICAL CENTER, INC.


John W. Shumaker

The Louisville Medical Center, Inc. hereby acknowledges receipt of a copy of this Assignment Agreement and consent thereto.

Date

Louisville Medical Center, Inc.

LMCLCF

ASSIGNMENT

This assignment agreement is made and entered into the 6th day of February, 1996 by and between the Board of Trustees of the University of Louisville, a body corporate created and existing under and by virtue of the laws of the Commonwealth of Kentucky ("University") for and on behalf of its University of Louisville Hospital, formerly operated by Galen of Virginia, Inc. ("Galen") a Virginia for-profit and University Medical Center, Inc. ("UMC") a non-profit corporation with its principal place of business in Louisville, Kentucky. This agreement is intended by the parties to be a part of Exhibit "D" to certain leases dated February 6, 1996 pertaining to the operation of University's hospital premises by UMC.

WHEREAS the University and various other parties have entered into a contract made as of the first day of May, 1968 regarding a common steam and chilled water plant for the medical center area of Louisville, and six supplemental contracts thereto which together are known as the Louisville Medical Center Steam and Chilled Water Contract ("Contract");

WHEREAS Jefferson County has issued certain tax exempt government bonds to facilitate the Contract;

WHEREAS the University is leasing a portion of its Medical Center property to UMC for operation of the University's teaching hospital, such property being a user of services provided under the Contract, specifically that portion for which the University is a successor to the interest of the Louisville and Jefferson County Board of Health ("Hospital Share") under the terms of that portion of the contract styled the 1977 (Third) Supplemental Agreement; and

WHEREAS this assignment is due to unexpected circumstances not previously foreseen by the University or other parties to the Contract;

NOW THEREFORE, the parties agree as follows:

1. The University hereby assigns to UMC, all of its rights, benefits, duties and obligations under the Contract for the Hospital Share of the University's interest for the duration of UMC's lease of the University's hospital and certain related facilities under the Lease agreements dated February 6, 1996 between the parties, to which this assignment constitutes a portion of Exhibit "D".

2. UMC hereby agrees to indemnify, save and hold harmless the University from any costs, charges, obligations, assessments, claims or duties (including legal costs owing on account thereof) owing or alleged to be owing as a result of this assignment and that interest in the Contract conveyed or purported to be conveyed by this assignment.

UMC is not responsible for any matters growing out of or connected with the Contract prior to February 7, 1996, and it is not responsible or liable for any loss, costs, damages or liability which may inure to or be suffered by

University as a result of the execution, delivery and acceptance of this assignment; UMC will be responsible for performing the obligations of University under the Contract as they relate to the operation of University Hospital.

3. The University hereby delegates to UMC the power to nominate persons for the committees and boards functioning in relation to the Contract, and the University agrees to appoint such nominees as its representatives in regard to the Hospital Share.

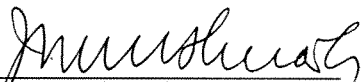
4. As of the date of termination or expiration of UMC's leases for the University's teaching hospital and related facilities, this assignment shall then terminate and all rights, benefits, duties and obligations hereby assigned shall revert to the University. UMC agrees to pay promptly any sum owing on account of its operations related to this assignment.

5. UMC and the University agree that this assignment pertains only to that portion of the Contract related to the Hospital's Share and the remaining portion of the University's interest in the Contract for its educational buildings shall not be affected or diminished in any way.

IN TESTIMONY WHEREOF, the parties agree to be so bound and have therefore caused this agreement to be executed, each in its name by a duly authorized officer signing below.

UNIVERSITY OF LOUISVILLE

UNIVERSITY MEDICAL CENTER, INC.



John W. Shumaker

The Louisville Medical Center, Inc. hereby acknowledges receipt of a copy of this Assignment Agreement and consent thereto.

Date

Louisville Medical Center, Inc.

LMCSCWCF

**AMENDED AND RESTATED
BYLAWS OF
UNIVERSITY MEDICAL CENTER, INC.**

Approved by the Board of Directors 1/29/08

ARTICLE I

NAME

The name of the corporation is University Medical Center, Inc.

ARTICLE II

OFFICES

Section 2.01 Principal Office. The principal office of the Corporation shall be located at any place within or outside the Commonwealth of Kentucky as designated in the Corporation's most current Annual Report filed with the Secretary of State of Kentucky. The Corporation may have such other offices, either within or without the Commonwealth of Kentucky, as the Board of Directors of the Corporation (the "Board") may deem advisable from time to time.

Section 2.02 Registered Office. The Corporation shall maintain a registered office in the Commonwealth of Kentucky as required by Kentucky law. The address of the registered office may be changed from time to time by the Board.

ARTICLE III

NO CAPITAL SHARES

The Corporation shall have no capital shares or shareholders, and its business and affairs shall not be conducted for private pecuniary gain or profit, nor shall any of the Corporation's gain, profit or property inure to the incorporators thereof, nor officer or director thereof, except as otherwise approved by the Board with respect to compensation for services rendered, but the Corporation's entire gain, profit, net earnings and property shall be devoted exclusively to the charitable and other uses and purposes set out in the Articles of Incorporation (the "Articles").

ARTICLE IV

BOARD OF DIRECTORS

Section 4.01 Powers and Number of Directors. All corporate power shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be managed under the direction of, the Board of Directors, subject to any limitations set forth in the Corporation's Articles of Incorporation. Upon the adoption of these Amended and Restated Bylaws, the Board shall consist of seventeen (17) voting directors.

Section 4.02 Composition and Qualifications.

(a) The Chairman of the Board (the "Chairman") shall be the person elected and serving as President of the University of Louisville (the "University") or his designee. The Chairman shall be an ex officio, voting member of the Board of Directors and shall appoint a minimum of four (4) and a maximum of seven (7) additional directors, one of whom shall be the Dean of the University's Medical School, another of whom shall be the University's Executive Vice President - Health Affairs, another of whom shall be the chair of one of the clinical departments of the University's Medical School, and another of whom shall be a member of the University of Louisville Board of Trustees (the "University Directors"). The remaining directors (the "Community Directors") shall consist of not less than nine (9) and not more than twelve (12) community leaders who have demonstrated an interest in health care issues, provided that none of such Community Directors (i) shall be officers, directors or employees of an entity which competes with the Corporation within the Louisville Metropolitan Statistical Area ("MSA"), or (ii) shall be a trustee, officer or employee of the University of Louisville. The determination of whether a nominee for Community Director "competes" with the Corporation within the Louisville MSA shall be made by the Directors, whose decision shall be final and not subject to appeal. Directors need not be residents of the Commonwealth of Kentucky. The Nominating Committee shall endeavor to recommend to the Directors candidates for Community Directors who represent the broad ranges of diversity within the community. (The University Directors and the Community Directors are sometimes each referred to as a "class" of directors.)

(b) The term of office of the Chairman (if he is the President of the University) shall be coextensive with his term as President of the University. If the Chairman is someone

other than the President of the University, he or she shall serve at the pleasure of the President of the University. The remaining 16 members of the Board of Directors shall be divided into three groups, designated as Group I, Group II and Group III. Each Group shall comprise a combination of Community Directors and University Directors, it being provided that Community Directors shall constitute a majority of each Group. Directors shall be identified to a Group by the Chairman. Group I directors shall be appointed for an initial term of two years and, at the expiration of the initial term, Group I directors shall be elected or appointed for successive three year terms. Group II directors shall be appointed for an initial term of three years and, at the expiration of the initial term, Group II directors shall be elected or appointed for successive three year terms. Group III directors shall be appointed for an initial term of four years and, at the expiration of the initial term, Group III directors shall be elected or appointed for successive three year terms.

Section 4.03 Powers and Duties of Directors. All Directors, other than Advisory Directors, as defined below, shall have the same rights, powers and duties with regard to Board membership, including, but not limited to, the right to vote on a matter before the Board as to which the director has no conflict of interest. The Board shall have charge of the policies, property, affairs, and funds of the Corporation, and shall have the power and authority to do and perform all actions or functions not inconsistent with these Bylaws, the Corporation's Articles, the Affiliation Agreement, or applicable law, including, without limitation, the power to implement the Corporation's strategic plans and its capital and operating budgets, if any. The Board may delegate any of the powers and duties herein granted, but such delegations shall not abrogate the responsibility of the Board. The Board shall implement all decisions made with respect to these matters either directly or through committees of the Board, in a manner consistent with the Corporation's budgets and strategic plan.

Section 4.04 Removal of Directors. Any Director, other than the Chairman and an ex-officio member, may at any time be removed from office, with or without cause, by a majority vote of the University Directors and the Community Directors, voting by class, upon written notice delivered to the director and to the Corporation. Removal of a director as a director shall also constitute removal as an officer of the Corporation and as a member of all committees of the Board. Removal of a director as a director shall be without prejudice to the contract rights, if

any, of the director so removed. Appointment of a director as a director, however, shall not in and of itself create contract rights.

Section 4.05 Resignation. Any Director may resign at any time by tendering a resignation in writing to the Chairman. The resignation shall become effective immediately upon receipt, or, if the resignation specifies a future date as its effective date, upon the date specified therein.

Section 4.06 Vacancies. In the event a vacancy occurs in the office of a director due to death, resignation, removal or otherwise, the vacancy shall be filled, in the case of a University Director, by the President of the University, in the case of a Community Director, by the Board of Directors from one or more candidates nominated by the Nominating Committee, and in the case of an Advisory Director, by the Board of Directors from one or more candidates nominated by the group who nominated the Advisory Director whose position is to be filled. The person appointed to fill a Board vacancy shall hold the office for the unexpired term of his/her predecessor, or, if there is no predecessor, until the next annual meeting of the Corporation.

Section 4.07 Annual Meeting of the Board. The annual meeting of the Board shall be held each year at the principal office of the Corporation, or at such place and at such hour as may be designated by the Chairman in the notice. The purposes of the annual meeting shall be to (i) appoint officers for those whose terms are expiring; (ii) receive annual reports; and (iii) transact such other business as may be desirable.

Section 4.08 Regular Meetings of the Board. In addition to the annual meeting described above, the Board shall hold regular meetings at a date and time to be fixed by resolution of the Board, or at such place and at such time as may be designated by the Chairman in the notice thereof.

Section 4.09 Special Meetings of the Board. Special meetings of the Board may be called by, or at the request of, the Chairman, or upon the written request of any three of directors, or in the case of the Chairman's absence or inability to act, by the Vice Chairman.

Section 4.10 Quorum. A majority of the Board (excluding Advisory Directors), more than half of whom are Community Directors, shall constitute a quorum of the Board. If a quorum is present at a meeting of the Board, any action taken at such meeting shall be the act of the Board. In the absence of a

quorum, the Board members present, by a majority vote, may adjourn the meeting to another date, time and place. Notice of an adjourned special meeting shall be given to the Board members who are not present at the time of adjournment. Directors may participate in and act at any meeting of the Board through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can communicate with each other. Participation in such meetings shall constitute attendance and presence in person at the meeting of the person or persons so participating.

Section 4.11 Manner of Acting. Unless otherwise required by law, the Articles or these Bylaws, the act of at least a majority of a quorum (excluding Advisory Directors) shall be the act of the Board.

Section 4.12 Notice and Waiver. Board members shall be given notice of each special meeting of the Board. Such notice shall set forth the date, time, place and purpose of the meeting and shall be signed by the Secretary of the Corporation (the "Secretary") or a duly-appointed assistant. Notice shall be delivered to each Board member either personally or by mail, telephone or telegram to the member's residence or place of business not less than three (3) business days prior to the meeting. A Board member may waive notice by the execution of a written waiver, either before or after the holding of the meeting. Such waiver shall be filed with or entered upon the records of the Corporation. The attendance of a Board member at a meeting without protest at the commencement of the meeting shall be deemed to be a waiver of notice.

Section 4.13 Informal Action by Board Members. Any action required to be taken at a meeting of the Board, or any other action which may be taken at a meeting of the Board, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Board members entitled to vote with respect to the subject matter thereof.

Section 4.14 Executive Session. The Board may adjourn to executive session at any time at the direction of the Chairman of the meeting or on motion of a Board member duly adopted by a majority of those Board members who are present.

Section 4.15 Attendance. Board members shall be expected to attend and participate in all Board meetings. Board members who are unable to attend for valid reasons shall contact the Chairman prior to the meeting and request an excused absence.

Section 4.16 Increase or Decrease in Number of Directors. The members of the Board may increase or decrease the number of directors on the Board by duly adopted resolution. If the Board changes the number of directors from that set forth in Section 4.01 hereof, the Secretary shall attach a copy of the Board resolution to these Bylaws.

Section 4.17 Chairman of the Board of Directors. The Chairman shall be entitled to attend and participate in all meetings of the Board and committees of the Board and shall serve ex officio on such committees.

Section 4.18 Chief Executive Officer of University of Louisville Hospital. The Chief Executive Officer of University of Louisville Hospital shall be the President of the Corporation and an ex-officio, non-voting member of the Board. The Chief Executive Officer of University of Louisville Hospital shall be entitled to attend and participate in all meetings of the Board and committees of the Board and to serve on such committees as the Board requests but shall not be counted for determining the existence or absence of a quorum.

ARTICLE V

ADVISORY DIRECTORS

Section 5.01 Advisory Directors. The Advisory Directors shall be appointed by the Board at its annual meeting to serve a term of one (1) year. The Advisory Directors shall be invited to attend and participate in meetings of the Board and to serve on such committees as the Board requests. Advisory Board members shall not vote on matters requiring a vote of the Board and shall not participate in any meeting, or part thereof, held in executive session, unless specifically requested to do so. Advisory Directors shall not be counted in determining the presence or absence of a quorum.

Section 5.02 Selection of Advisory Directors. Advisory Directors shall be elected by the Board from the following slates:

[1] The Executive Vice President-Health Affairs of the University of Louisville may nominate one person who is a practicing physician and who is not on the full-time faculty of the University School of Medicine. If the Executive Vice President-Health Affairs does not nominate such a person, then the number of Advisory Directors shall be reduced by one until

such time as the Executive Vice President-Health Affairs nominates such a person;

[2] The Clinical Department Chairs of the School of Medicine shall nominate one person who practices medicine, who is a full-time faculty member of the University School of Medicine and who is a University Department Chair;

[3] The Regional Cancer Center Corporation Board shall nominate one person;

[4] The University shall nominate one person who is a Dean in the Health Sciences Center other than the University School of Medicine;

[5] The Medical Staff of the University of Louisville Hospital shall nominate one person who is a practicing physician, who is a full-time faculty member of the University School of Medicine and who is not a Department Chair;

[6] The Chief of Staff, if such person is not otherwise a member of the Board or Advisory Board; and

[7] The Director of the James Graham Brown Cancer Center, if such person is not otherwise a member of the Board or Advisory Board

In the Board's discretion, it may increase the membership of the Advisory Board to include such additional persons as it deems advisable. The nominations shall be submitted to the Chairman sixty (60) days prior to the annual meeting of the Corporation.

The Board shall not be required to elect a person so nominated, and, if it does not, the group whose nominee was not elected may submit another nominee for selection, and may continue to do so until a person is elected to fill the vacancy.

ARTICLE VI

COMMITTEES

Section 6.01 Committees Generally.

A. The Board may create committees, each consisting of three (3) or more voting directors and such other persons as the Board may determine, to serve at the pleasure of the Board; provided that more than half of the committee membership

composed of voting Board members shall be Community Directors. Except as otherwise provided in these Bylaws, appointments to such committees shall be by the Chairman. Except as otherwise provided in these Bylaws or by law, any such committee shall, to the extent provided by resolution of the Board or in these Bylaws, have the authority of the Board; provided, however, that a committee shall only act as an advisory committee to the Board if it has voting committee members who are not voting directors of the Board.

B. Except as otherwise provided, the Chairman shall appoint all committee members at the annual meeting of the Board, or as soon as practicable or necessary thereafter, to hold office for a term of one (1) year, commencing immediately following the meeting at which they are appointed and ending after the close of the next annual meeting of the Board, until their successors are appointed and qualified, or until their death, resignation or removal.

C. Each committee may adopt rules for its own governance not inconsistent with the law, the Articles, or these Bylaws.

D. A majority of the members of a committee who are Community Directors shall constitute a quorum for the transaction of business at any meeting of such committee. The act of a majority of the members of a committee as a whole shall be the act of the committee.

E. Each committee may invite additional individuals with expertise in a pertinent area to meet with and assist it. Such individuals shall not vote or be counted in determining the existence of a quorum and may be excluded from any executive session of the committee.

F. Each committee shall record minutes of its deliberations, recommendations, and conclusions and shall promptly deliver a copy of such minutes to the Secretary.

G. Three (3) business days' notice of the meetings of any committee shall be given to the members thereof and to the Chairman and the President, each of whom shall have the right to attend and participate in the deliberations of the committees.

H. Each committee may operate through the establishment of one or more subcommittees to be composed of such members of the committee, and to have such duties and responsibilities, as shall be delegated to the subcommittees by the committee.

I. Director or non-director committee members may participate in and at any meeting of a committee through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can communicate with each other. Participation in such meetings shall constitute attendance and presence in person at the meeting of the person or persons so participating.

Section 6.02 Executive Committee. The Executive Committee shall, consist of the Chairman, one University Director and three Community Directors. The Executive Committee shall have and may exercise all of the authority of the Board, but shall not have the authority of the Board in reference to amending, altering, or repealing the By-Laws; electing, altering or removing any member of that Committee or any director or officer of the Corporation; amending or restating the Articles of Incorporation; adopting a plan of merger, or adopting a plan of consolidation, with another Corporation; authorizing the sale, lease, exchange or mortgage of substantially all of the property and assets of the Corporation; authorizing the voluntary dissolution of the Corporation, or revoking proceedings therefore; adopting a plan for the distribution of the assets of the Corporation or amending, altering, or repealing any Resolution of the Board which by its terms provides that it shall not be amended, altered or repealed by such Committee; or doing any other act forbidden by law or by the Articles of Incorporation.

Section 6.03 Nominating Committee. The Nominating Committee shall consist of the Chairman, who shall serve as Chairman of the Committee, one University Director and two Community Directors. The Nominating Committee shall select and recommend to the Directors candidates for election as Community Directors and for filling vacancies in any Directorships and for officers of the Board (other than the Chairman) and the Corporation.

ARTICLE VII

OFFICERS OF THE BOARD OF DIRECTORS

Section 7.01 Officers. There shall be the following officers of the Board: the Chairman of the Board of Directors, and the Vice Chairman and such other officers as the Board of Directors may appoint. Such officers shall be seated or appointed at the annual meeting of the Board.

Section 7.02 Terms. All officers of the Board, other than the Chairman, shall serve for a term of one (1) year and until their successors are appointed or elected and qualified. Vacancies in the office of Chairman shall be filled in accordance with Section 7.03 hereof. Vacancies in all other Board officer positions may be filled at any meeting of the Board.

Section 7.03 Chairman of the Board of Directors. The Chairman shall:

- A. Be, at all times, the sitting President of the University or his designee;
- B. Serve as an ex-officio, voting director of the Board;
- C. Preside at all meetings of the Board;
- D. Provide leadership to the Board and its committees in formulating, developing, and evaluating corporate policies and goals and ensure such policies and goals are consistent with the Articles of Incorporation;
- E. Ensure that there is appropriate communication between the Board and corporate staff, the Board of Directors and executive staff, physicians and administrative and other personnel;
- F. Call special meetings of the Board;
- G. Establish the agenda for all Board meetings; and
- H. Perform such other duties as are customary to a Board Chairman or assigned by the Board and not inconsistent with the Articles, these Bylaws, or the Affiliation Agreement.

Section 7.04 Vice Chairman. The Vice Chairman shall perform the duties of Chairman of the Board of Directors in the absence of the Chairman and such other duties as the Chairman may direct.

ARTICLE VIII

OFFICERS OF THE CORPORATION

Section 8.01 Officers. The Corporation shall have the officers described in these Bylaws or appointed by the Board in accordance with these Bylaws. The officers of the Corporation shall be a President, such number of Vice Presidents as the

Board determines are necessary, a Secretary, and such other officers as the Board may appoint.

Section 8.02 Appointment and Term of Office. The officers of the Corporation shall be appointed by the Board at its annual meeting. Vacancies may be filled or new offices created and filled by the Board at any meeting of the Board. Each officer shall take office when appointed and shall hold office until the next annual meeting of the Board and until such officer's successor shall be duly appointed or until such officer's death or until such officer shall resign or shall have been removed in the manner hereinafter provided.

Section 8.03 Removal and Resignations. Any officer elected or appointed by the Board may be removed by the Board with or without cause whenever in its judgment the best interest of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. If an officer is an employee of the Corporation and the employment is terminated, the position as an officer of the Corporation shall terminate with the termination of employment. An officer of the Corporation may resign at any time by delivering written notice to the Board. A resignation shall be effective when the notice is delivered unless the notice specifies a later effective date.

Section 8.04 Contract Rights of Officers. Appointment of an officer or agents shall not of itself create contract rights. An officer's removal shall not affect the officer's contract rights, if any, with the Corporation. An officer's resignation shall not affect the Corporation's contract rights, if any, with the officer.

Section 8.05 President of the Corporation. Subject to the authority of the Board, the President shall:

- A. Serve as the chief executive officer of the Corporation and shall in general supervise and control the day-to-day business and affairs of the Corporation, including general supervision over its officers, employees and agents;
- B. Exercise control over the business, affairs and property of the Corporation and provide general supervision over its officers, employees and agents;
- C. Monitor the effectiveness of policies, programs and activities of the Corporation and make reports to the Board with

respect thereto, including recommendations as to changes which might improve performance of same;

D. Develop a long-range strategic plan focusing and directing the Corporation's future activities for approval by the Board;

E. Develop and maintain relationships with local, state and federal government agencies, with professional groups and planning organizations;

F. Furnish staff support to the Board and maintain a close relationship with the Chairman and Vice Chairman;

G. Be responsible for the employment, supervision and determination of compensation benefits and working conditions (within guidelines approved by the Board) for all other employees of the Corporation;

H. Have the option to delegate the day-to-day responsibilities to one or more operating officers; and

I. Perform in general all duties incident to the office of President of the Corporation and such other duties as may be prescribed by the Board from time to time.

Section 8.06 Vice President. Each Vice President shall perform such duties as from time to time may be assigned by the President or by the Board.

Section 8.07 Secretary. The Secretary shall:

A. Be the custodian of the corporate records and of the seal, if any, of the Corporation;

B. Be responsible for authenticating records of the Corporation;

C. Keep the minutes of the Board's meetings in one or more books provided for that purpose;

D. Issue notice of all regular and special meetings of the Board in accordance with the provisions of these Bylaws, the Articles or as required by law;

E. Keep a register of the post office address designated by each Board member for receipt of notices; and

F. Perform in general all duties incident to the office of Secretary of the Corporation and such other duties as from time to time may be assigned by the President or by the Board.

ARTICLE IX

FISCAL YEAR

The fiscal year of the Corporation shall be the calendar year.

ARTICLE X

CONTRACTS, LOANS, CHECKS AND DEPOSITS

The Board shall, from time to time, adopt such policies and procedures as it deems appropriate, including delegation of authority to particular corporate officers or agents, regarding the execution and delivery of contracts, loans, or other evidences of indebtedness, on behalf of the Corporation and regarding the deposit of corporate funds and regarding the signing of checks, drafts or other orders for payment of money on behalf of the Corporation. The Board may authorize any officer or agent to enter into any contract or execute and deliver any instruments in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

ARTICLE XI

WAIVER OF NOTICE

Whenever any notice is required to be given under the provisions of these Bylaws, or under the provisions of the Articles, or under the provisions of the Corporation laws of the Commonwealth of Kentucky, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XII

INDEMNIFICATION

The Corporation shall indemnify and may advance expenses to all directors, committee members, trustees, officers or employees (including his or her heirs, executor, administrator or other personal representative) of the Corporation, whether

elected, appointed or serving at the request of the Corporation, who are, were, or are threatened to be made a defendant or respondent to any threatened, pending, completed action, suit, or proceeding (whether civil, criminal, administrative, or investigative) by reason of the fact that he or she is or was a director, committee member, trustee, officer or employee of the Corporation (hereinafter a "proceeding"), to the fullest extent that is expressly permitted or required by the statutes of the Commonwealth of Kentucky and all other applicable law, (including attorney fees, monetary or other judgments, fines, excise taxes, or penalties and amounts paid or to be paid in settlement); provided, however, no such person shall be indemnified against any such liability, cost, or expense incurred in connection with any proceeding in which such person shall have been adjudged to have engaged in knowingly wrongful conduct or was held liable on the basis that personal benefit was improperly received by such person, or if such indemnification would be prohibited by law.

In addition to the foregoing, the Corporation shall, by action of the Board, have the power to indemnify and to advance expenses to all directors, committee members, trustees, officers or employees (including his or her heirs, executor, administrator or other personal representative) of the Corporation who are, were, or are threatened to be made a defendant or respondent to any proceeding, in such amounts, on such terms and conditions, and based upon such standards of conduct as the Board may deem to be lawful and in the best interest of the Corporation; provided, however, that such advance payment of expenses shall be made only after delivery to the Corporation of an undertaking by or on behalf of such person to repay all amounts so advanced if it shall be determined that such person is not entitled to such indemnification.

The Corporation may maintain insurance, at its own expense, to protect itself and any such person against any such liability, cost, or expense, whether or not the Corporation would have the power to indemnify such person against such liability, cost, or expense under the Kentucky Nonprofit Corporation Act or under these Bylaws, but it shall not be obligated to do so. The indemnification provided by these Bylaws shall not be deemed exclusive of any other rights which those seeking indemnification may have or hereafter acquire under any bylaw, agreement, statute, vote of the Board, or otherwise. If these Bylaws or any portion thereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify

each such person to the full extent permitted by any applicable portion of these Bylaws that shall not have been invalidated or by any other applicable law. Any repeal or modification of these Bylaws shall not adversely affect any rights or obligations existing at the time of such repeal or modification.

ARTICLE XIII

CONFLICTS OF INTEREST

Section 13.01 Disclosure of All Conflicts. All members of the Board and all officers of the Corporation shall disclose all real or apparent conflicts or dualities of interest which they discover or which have been brought to their attention in connection with the Corporation's activities. Serving on the Board of, or being employed by, the University, or an affiliate of the University, while serving on the Board of the Corporation is not a conflict of interest. "Disclosure" as used herein shall mean providing promptly to the appropriate persons a written description of the material facts comprising the real or apparent conflict or duality of interest. An annual disclosure statement shall be circulated to directors and officers to assist them in considering such disclosures, but disclosure is appropriate whenever conflicts or dualities of interest may occur. The written notices of disclosure of conflicts or dualities of interest shall be filed with the President or any other person designated from time to time to receive such notifications.

Section 13.02 Proscribed Activity by Persons Having Conflicts. Where an individual director or officer believes that he/she or a member of his/her immediate family might have or does have a real or apparent conflict of interest, he/she should, in addition to filing the notice of disclosure required hereunder, abstain from making motions, voting, executing agreements, or taking any other similar direct action on behalf of the Corporation where the conflict of interest might pertain by law, agreement or otherwise.

ARTICLE XIV

MEDICAL STAFF

Section 14.01 Organization and Governance. In connection with the Corporation's operation of University of Louisville Hospital (the "Hospital"), the Corporation shall maintain an organized, self-governing Medical Staff that provides oversight of care, treatment and services provided by practitioners with

privileges, provides for uniform quality of patient care, treatment and services, and reports to and is accountable to the Board. In this regard, the Medical Staff shall be organized, and it shall be required to function, in a manner that complies with the applicable standards of the accrediting agencies to which the Corporation may submit and with the applicable Medicare/Medicaid conditions of participation.

Section 14.02 Medical Staff Bylaws. The Medical Staff shall maintain separate Medical Staff Bylaws that define the Medical Staff's role within the context of the Hospital and its responsibilities in the oversight of care, treatment and services. The Medical Staff shall periodically review its bylaws and amend them as appropriate to assure ongoing compliance with applicable accreditation standards, licensing requirements and Medicare/Medicaid conditions of participation. The Board must approve the Medical Staff Bylaws, rules and regulations, all amendments thereto. The Medical Staff Bylaws, rules and regulations, and Medical Staff policies shall not conflict with the Corporation's Bylaws. Neither the Medical Staff nor the Board may unilaterally amend the Medical Staff Bylaws or rules and regulations.

Section 14.03 Executive Committee. The Medical Staff shall appoint an Executive Committee to carry out Medical Staff responsibilities. The Medical Staff Executive Committee shall have primary authority for activities related to self-governance of the Medical Staff and for performance improvement of the professional services provided by licensed independent practitioners and other practitioners privileged through the Medical Staff process.

Section 14.04 Guiding Principles. This Article XIV shall be interpreted and administered in accordance with applicable accreditation standards to which the Hospital may be submit from time to time.

CONTINUED ON NEXT PAGE

ARTICLE XV

AMENDMENTS

These Bylaws and the Articles may be amended by a vote of a majority of the University Directors and the Community Directors, voting by class, at the annual meeting or any regular or special meeting of the Board, provided that a description of the proposed amendment(s) shall have been published in or with the notice of the meeting.

Adopted

January 29, 2008

Norma Haine
Secretary

H:\NORMA\WPFILES\board after 7107\Bylaws, UMC\12908.doc

EXHIBIT A TO UNANIMOUS WRITTEN CONSENT

AMENDED AND RESTATED

BYLAWS OF

UNIVERSITY MEDICAL CENTER, INC.

ARTICLE I

NAME

The name of the corporation is University Medical Center, Inc.

ARTICLE II

OFFICES

Section 2.01 Principal Office. The principal office of the Corporation shall be located at any place within or outside the Commonwealth of Kentucky as designated in the Corporation's most current Annual Report filed with the Secretary of State of Kentucky. The Corporation may have such other offices, either within or without the Commonwealth of Kentucky, as the Board of Directors of the Corporation (the "Board") may deem advisable from time to time.

Section 2.02 Registered Office. The Corporation shall maintain a registered office in the Commonwealth of Kentucky as required by Kentucky law. The address of the registered office may be changed from time to time by the Board.

ARTICLE III

NO CAPITAL SHARES

The Corporation shall have no capital shares or shareholders, and its business and affairs shall not be conducted for private pecuniary gain or profit, nor shall any of the Corporation's gain, profit or property inure to the incorporators thereof, nor officer or director thereof, except as otherwise approved by the Board with respect to compensation for services rendered, but the Corporation's entire gain, profit, net earnings and property shall be devoted exclusively to the charitable and other uses and purposes set out in the Articles of Incorporation (the "Articles").

ARTICLE IV

BOARD OF DIRECTORS

Section 4.01 Powers and Number of Directors. All corporate power shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be managed under the direction of, the Board of Directors, subject to any limitations set forth in the Corporation's Articles of Incorporation. Upon the adoption of these Amended and Restated Bylaws, the Board shall consist of fifteen (15) voting directors.

Section 4.02 Composition and Qualifications.

(a) The Chairman of the Board (the "Chairman") shall be the person elected and serving as President of the University of Louisville (the "University") or his designee. The Chairman shall be an ex officio, voting member of the Board of Directors and shall appoint six (6) directors, one of whom shall be the Dean of the University's Medical School, another of whom shall be the University's Executive Vice President - Health Affairs and another of whom shall be the chair of one of the clinical departments of the University's Medical School (the "University Directors"). The remaining eight (8) directors (the "Community Directors") shall be community leaders demonstrating an interest in health care issues, provided that none of such Community Directors (i) shall be officers, directors or employees of an entity which competes with the Corporation within the Louisville Metropolitan Statistical Area ("MSA"), or (ii) shall be a trustee, officer or employee of the University of Louisville. The determination of whether a nominee for Community Director "competes" with the Corporation within the Louisville MSA shall be made by the Directors, whose decision shall be final and not subject to appeal. Directors need not be residents of the Commonwealth of Kentucky. The Nominating Committee shall endeavor to recommend to the Directors candidates for Community Directors who represent the broad ranges of diversity within the community. (The University Directors and the Community Directors are sometimes each referred to as a "class" of directors.)

(b) The term of office of the Chairman (if he is the President of the University) shall be coextensive with his term as President of the University. If the Chairman is someone other than the President of the University, he or she shall serve at the pleasure of the President of the University. The remaining 14 members of the Board of Directors shall be divided

into three groups, designated as Group I, Group II and Group III. Group I shall consist of two University Directors and three Community Directors. Group II shall consist of two University Directors and three Community Directors. Group III shall consist of two University Directors and two Community Directors. Directors shall be identified to a Group by the Chairman. Group I directors shall be appointed for an initial term of two years and, at the expiration of the initial term, Group I directors shall be elected or appointed for successive three year terms. Group II directors shall be appointed for an initial term of three years and, at the expiration of the initial term, Group II directors shall be elected or appointed for successive three year terms. Group III directors shall be appointed for an initial term of four years and, at the expiration of the initial term, Group III directors shall be elected or appointed for successive three year terms.

Section 4.03 Powers and Duties of Directors. All Directors, other than Advisory Directors, as defined below, shall have the same rights, powers and duties with regard to Board membership, including, but not limited to, the right to vote on a matter before the Board as to which the director has no conflict of interest. The Board shall have charge of the policies, property, affairs, and funds of the Corporation, and shall have the power and authority to do and perform all actions or functions not inconsistent with these Bylaws, the Corporation's Articles, the Affiliation Agreement, or applicable law, including, without limitation, the power to implement the Corporation's strategic plans and its capital and operating budgets, if any. The Board may delegate any of the powers and duties herein granted, but such delegations shall not abrogate the responsibility of the Board. The Board shall implement all decisions made with respect to these matters either directly or through committees of the Board, in a manner consistent with the Corporation's budgets and strategic plan.

Section 4.04 Removal of Directors. Any Director, other than the Chairman and an ex-officio member, may at any time be removed from office, with or without cause, by a majority vote of the University Directors and the Community Directors, voting by class, upon written notice delivered to the director and to the Corporation. Removal of a director as a director shall also constitute removal as an officer of the Corporation and as a member of all committees of the Board. Removal of a director as a director shall be without prejudice to the contract rights, if any, of the director so removed. Appointment of a director as a

director, however, shall not in and of itself create contract rights.

Section 4.05 Resignation. Any Director may resign at any time by tendering a resignation in writing to the Chairman. The resignation shall become effective immediately upon receipt, or, if the resignation specifies a future date as its effective date, upon the date specified therein.

Section 4.06 Vacancies. In the event a vacancy occurs in the office of a director due to death, resignation, removal or otherwise, the vacancy shall be filled, in the case of a University Director, by the President of the University, in the case of a Community Director, by the Board of Directors from one or more candidates nominated by the Nominating Committee, and in the case of an Advisory Director, by the Board of Directors from one or more candidates nominated by the group who nominated the Advisory Director whose position is to be filled. The person appointed to fill a Board vacancy shall hold the office for the unexpired term of his/her predecessor, or, if there is no predecessor, until the next annual meeting of the Corporation.

Section 4.07 Annual Meeting of the Board. The annual meeting of the Board shall be held each year at the principal office of the Corporation, or at such place and at such hour as may be designated by the Chairman in the notice. The purposes of the annual meeting shall be to (i) appoint officers for those whose terms are expiring; (ii) receive annual reports; and (iii) transact such other business as may be desirable.

Section 4.08 Regular Meetings of the Board. In addition to the annual meeting described above, the Board shall hold regular meetings at a date and time to be fixed by resolution of the Board, or at such place and at such time as may be designated by the Chairman in the notice thereof.

Section 4.09 Special Meetings of the Board. Special meetings of the Board may be called by, or at the request of, the Chairman, or upon the written request of any three of directors, or in the case of the Chairman's absence or inability to act, by the Vice Chairman.

Section 4.10 Quorum. A majority of the Board (excluding Advisory Directors), more than half of whom are Community Directors, shall constitute a quorum of the Board. If a quorum is present at a meeting of the Board, any action taken at such meeting shall be the act of the Board. In the absence of a quorum, the Board members present, by a majority vote, may

adjourn the meeting to another date, time and place. Notice of an adjourned special meeting shall be given to the Board members who are not present at the time of adjournment. Directors may participate in and act at any meeting of the Board through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can communicate with each other. Participation in such meetings shall constitute attendance and presence in person at the meeting of the person or persons so participating.

Section 4.11 Manner of Acting. Unless otherwise required by law, the Articles or these Bylaws, the act of at least a majority of a quorum (excluding Advisory Directors) shall be the act of the Board.

Section 4.12 Notice and Waiver. Board members shall be given notice of each special meeting of the Board. Such notice shall set forth the date, time, place and purpose of the meeting and shall be signed by the Secretary of the Corporation (the "Secretary") or a duly-appointed assistant. Notice shall be delivered to each Board member either personally or by mail, telephone or telegram to the member's residence or place of business not less than three (3) business days prior to the meeting. A Board member may waive notice by the execution of a written waiver, either before or after the holding of the meeting. Such waiver shall be filed with or entered upon the records of the Corporation. The attendance of a Board member at a meeting without protest at the commencement of the meeting shall be deemed to be a waiver of notice.

Section 4.13 Informal Action by Board Members. Any action required to be taken at a meeting of the Board, or any other action which may be taken at a meeting of the Board, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Board members entitled to vote with respect to the subject matter thereof.

Section 4.14 Executive Session. The Board may adjourn to executive session at any time at the direction of the Chairman of the meeting or on motion of a Board member duly adopted by a majority of those Board members who are present.

Section 4.15 Attendance. Board members shall be expected to attend and participate in all Board meetings. Board members who are unable to attend for valid reasons shall contact the Chairman prior to the meeting and request an excused absence.

Section 4.16 Increase or Decrease in Number of Directors. The members of the Board may increase or decrease the number of directors on the Board by duly adopted resolution. If the Board changes the number of directors from that set forth in Section 4.01 hereof, the Secretary shall attach a copy of the Board resolution to these Bylaws.

Section 4.17 Chairman of the Board of Directors. The Chairman shall be entitled to attend and participate in all meetings of the Board and committees of the Board and shall serve ex officio on such committees.

Section 4.18 Chief Executive Officer of University of Louisville Hospital. The Chief Executive Officer of University of Louisville Hospital shall be the President of the Corporation and an ex-officio, non-voting member of the Board. The Chief Executive Officer of University of Louisville Hospital shall be entitled to attend and participate in all meetings of the Board and committees of the Board and to serve on such committees as the Board requests but shall not be counted for determining the existence or absence of a quorum.

ARTICLE V

ADVISORY DIRECTORS

Section 5.01 Advisory Directors. Advisory Directors shall be appointed by the Board at its annual meeting to serve a term of one (1) year. The Advisory Directors shall be invited to attend and participate in meetings of the Board and to serve on such committees as the Board requests. Advisory Board members shall not vote on matters requiring a vote of the Board and shall not participate in any meeting, or part thereof, held in executive session, unless specifically requested to do so. Advisory Directors shall not be counted in determining the presence or absence of a quorum.

Section 5.02 Selection of Advisory Directors. Advisory Directors shall be elected by the Board from the following slates:

[1] The Executive Vice President-Health Affairs of the University of Louisville may nominate one person who is a practicing physician and who is not on the full-time faculty of the University School of Medicine. If the Executive Vice President-Health Affairs does not nominate such a person, then the number of Advisory Directors shall be reduced by one until

such time as the Executive Vice President-Health Affairs nominates such a person;

[2] The Clinical Department Chairs of the School of Medicine shall nominate one person who practices medicine, who is a full-time faculty member of the University School of Medicine and who is a University Department Chair;

[3] The Regional Cancer Center Corporation Board shall nominate one person;

[4] The University shall nominate one person who is a Dean in the Health Sciences Center other than the University School of Medicine;

[5] The Medical Staff of the University of Louisville Hospital shall nominate one person who is a practicing physician, who is a full-time faculty member of the University School of Medicine and who is not a Department Chair; and

[6] The Chief of Staff, if such person is not otherwise a member of the Board or Advisory Board.

In the Board's discretion, it may increase the membership of the Advisory Board to include such additional persons as it deems advisable. The nominations shall be submitted to the Chairman sixty (60) days prior to the annual meeting of the Corporation.

The Board shall not be required to elect a person so nominated, and, if it does not, the group whose nominee was not elected may submit another nominee for selection, and may continue to do so until a person is elected to fill the vacancy.

ARTICLE VI

COMMITTEES

Section 6.01 Committees Generally.

A. The Board may create committees, each consisting of three (3) or more voting directors and such other persons as the Board may determine, to serve at the pleasure of the Board; provided that more than half of the membership of each such committee shall be a Community Director. Except as otherwise provided in these Bylaws, appointments to such committees shall be by the Chairman. Except as otherwise provided in these Bylaws or by law, any such committee shall, to the extent provided by

resolution of the Board or in these Bylaws, have the authority of the Board; provided, however, that a committee shall only act as an advisory committee to the Board if it has voting committee members who are not voting directors of the Board.

B. Except as otherwise provided, the Chairman shall appoint all committee members at the annual meeting of the Board, or as soon as practicable or necessary thereafter, to hold office for a term of one (1) year, commencing immediately following the meeting at which they are appointed and ending after the close of the next annual meeting of the Board, until their successors are appointed and qualified, or until their death, resignation or removal.

C. Each committee may adopt rules for its own governance not inconsistent with the law, the Articles, or these Bylaws.

D. A majority of the members of a committee who are Community Directors shall constitute a quorum for the transaction of business at any meeting of such committee. The act of a majority of the members of a committee as a whole shall be the act of the committee.

E. Each committee may invite additional individuals with expertise in a pertinent area to meet with and assist it. Such individuals shall not vote or be counted in determining the existence of a quorum and may be excluded from any executive session of the committee.

F. Each committee shall record minutes of its deliberations, recommendations, and conclusions and shall promptly deliver a copy of such minutes to the Secretary.

G. Three (3) business days' notice of the meetings of any committee shall be given to the members thereof and to the Chairman and the President, each of whom shall have the right to attend and participate in the deliberations of the committees.

H. Each committee may operate through the establishment of one or more subcommittees to be composed of such members of the committee, and to have such duties and responsibilities, as shall be delegated to the subcommittees by the committee.

I. Director or non-director committee members may participate in and at any meeting of a committee through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can communicate with each other. Participation in such meetings

shall constitute attendance and presence in person at the meeting of the person or persons so participating.

Section 6.02 Executive Committee. The Executive Committee shall, consist of the Chairman, one University Director and three Community Directors. The Executive Committee shall have and may exercise all of the authority of the Board, but shall not have the authority of the Board in reference to amending, altering, or repealing the By-Laws; electing, altering or removing any member of that Committee or any director or officer of the Corporation; amending or restating the Articles of Incorporation; adopting a plan of merger, or adopting a plan of consolidation, with another Corporation; authorizing the sale, lease, exchange or mortgage of substantially all of the property and assets of the Corporation; authorizing the voluntary dissolution of the Corporation, or revoking proceedings therefore; adopting a plan for the distribution of the assets of the Corporation or amending, altering, or repealing any Resolution of the Board which by its terms provides that it shall not be amended, altered or repealed by such Committee; or doing any other act forbidden by law or by the Articles of Incorporation.

Section 6.03 Nominating Committee. The Nominating Committee shall consist of the Chairman, who shall serve as Chairman of the Committee, one University Director and two Community Directors. The Nominating Committee shall select and recommend to the Directors candidates for election as Community Directors and for filling vacancies in any Directorships and for officers of the Board (other than the Chairman) and the Corporation.

ARTICLE VII

OFFICERS OF THE BOARD OF DIRECTORS

Section 7.01 Officers. There shall be the following officers of the Board: the Chairman of the Board of Directors, and the Vice Chairman and such other officers as the Board of Directors may appoint. Such officers shall be seated or appointed at the annual meeting of the Board.

Section 7.02 Terms. All officers of the Board, other than the Chairman, shall serve for a term of one (1) year and until their successors are appointed or elected and qualified. Vacancies in the office of Chairman shall be filled in accordance with Section 7.03 hereof. Vacancies in all other

Board officer positions may be filled at any meeting of the Board.

Section 7.03 Chairman of the Board of Directors. The Chairman shall:

- A. Be, at all times, the sitting President of the University or his designee;
- B. Serve as an ex-officio, voting director of the Board;
- C. Preside at all meetings of the Board;
- D. Provide leadership to the Board and its committees in formulating, developing, and evaluating corporate policies and goals and ensure such policies and goals are consistent with the Articles of Incorporation;
- E. Ensure that there is appropriate communication between the Board and corporate staff, the Board of Directors and executive staff, physicians and administrative and other personnel;
- F. Call special meetings of the Board;
- G. Establish the agenda for all Board meetings; and
- H. Perform such other duties as are customary to a Board Chairman or assigned by the Board and not inconsistent with the Articles, these Bylaws, or the Affiliation Agreement.

Section 7.04 Vice Chairman. The Vice Chairman shall perform the duties of Chairman of the Board of Directors in the absence of the Chairman and such other duties as the Chairman may direct.

ARTICLE VIII

OFFICERS OF THE CORPORATION

Section 8.01 Officers. The Corporation shall have the officers described in these Bylaws or appointed by the Board in accordance with these Bylaws. The officers of the Corporation shall be a President, such number of Vice Presidents as the Board determines are necessary, a Secretary, and such other officers as the Board may appoint.

Section 8.02 Appointment and Term of Office. The officers of the Corporation shall be appointed by the Board at

its annual meeting. Vacancies may be filled or new offices created and filled by the Board at any meeting of the Board. Each officer shall take office when appointed and shall hold office until the next annual meeting of the Board and until such officer's successor shall be duly appointed or until such officer's death or until such officer shall resign or shall have been removed in the manner hereinafter provided.

Section 8.03 Removal and Resignations. Any officer elected or appointed by the Board may be removed by the Board with or without cause whenever in its judgment the best interest of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. If an officer is an employee of the Corporation and the employment is terminated, the position as an officer of the Corporation shall terminate with the termination of employment. An officer of the Corporation may resign at any time by delivering written notice to the Board. A resignation shall be effective when the notice is delivered unless the notice specifies a later effective date.

Section 8.04 Contract Rights of Officers. Appointment of an officer or agents shall not of itself create contract rights. An officer's removal shall not affect the officer's contract rights, if any, with the Corporation. An officer's resignation shall not affect the Corporation's contract rights, if any, with the officer.

Section 8.05 President of the Corporation. Subject to the authority of the Board, the President shall:

- A. Serve as the chief executive officer of the Corporation and shall in general supervise and control the day-to-day business and affairs of the Corporation, including general supervision over its officers, employees and agents;
- B. Exercise control over the business, affairs and property of the Corporation and provide general supervision over its officers, employees and agents;
- C. Monitor the effectiveness of policies, programs and activities of the Corporation and make reports to the Board with respect thereto, including recommendations as to changes which might improve performance of same;
- D. Develop a long-range strategic plan focusing and directing the Corporation's future activities for approval by the Board;

E. Develop and maintain relationships with local, state and federal government agencies, with professional groups and planning organizations;

F. Furnish staff support to the Board and maintain a close relationship with the Chairman and Vice Chairman;

G. Be responsible for the employment, supervision and determination of compensation benefits and working conditions (within guidelines approved by the Board) for all other employees of the Corporation;

H. Have the option to delegate the day-to-day responsibilities to one or more operating officers; and

I. Perform in general all duties incident to the office of President of the Corporation and such other duties as may be prescribed by the Board from time to time.

Section 8.06 Vice President. Each Vice President shall perform such duties as from time to time may be assigned by the President or by the Board.

Section 8.07 Secretary. The Secretary shall:

A. Be the custodian of the corporate records and of the seal, if any, of the Corporation;

B. Be responsible for authenticating records of the Corporation;

C. Keep the minutes of the Board's meetings in one or more books provided for that purpose;

D. Issue notice of all regular and special meetings of the Board in accordance with the provisions of these Bylaws, the Articles or as required by law;

E. Keep a register of the post office address designated by each Board member for receipt of notices; and

F. Perform in general all duties incident to the office of Secretary of the Corporation and such other duties as from time to time may be assigned by the President or by the Board.

ARTICLE IX

FISCAL YEAR

The fiscal year of the Corporation shall be the calendar year.

ARTICLE X

CONTRACTS, LOANS, CHECKS AND DEPOSITS

The Board shall, from time to time, adopt such policies and procedures as it deems appropriate, including delegation of authority to particular corporate officers or agents, regarding the execution and delivery of contracts, loans, or other evidences of indebtedness, on behalf of the Corporation and regarding the deposit of corporate funds and regarding the signing of checks, drafts or other orders for payment of money on behalf of the Corporation. The Board may authorize any officer or agent to enter into any contract or execute and deliver any instruments in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

ARTICLE XI

WAIVER OF NOTICE

Whenever any notice is required to be given under the provisions of these Bylaws, or under the provisions of the Articles, or under the provisions of the Corporation laws of the Commonwealth of Kentucky, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XII

INDEMNIFICATION

The Corporation shall indemnify and may advance expenses to all directors, committee members, trustees, officers or employees (including his or her heirs, executor, administrator or other personal representative) of the Corporation, whether elected, appointed or serving at the request of the Corporation, who are, were, or are threatened to be made a defendant or

respondent to any threatened, pending, completed action, suit, or proceeding (whether civil, criminal, administrative, or investigative) by reason of the fact that he or she is or was a director, committee member, trustee, officer or employee of the Corporation (hereinafter a "proceeding"), to the fullest extent that is expressly permitted or required by the statutes of the Commonwealth of Kentucky and all other applicable law, (including attorney fees, monetary or other judgments, fines, excise taxes, or penalties and amounts paid or to be paid in settlement); provided, however, no such person shall be indemnified against any such liability, cost, or expense incurred in connection with any proceeding in which such person shall have been adjudged to have engaged in knowingly wrongful conduct or was held liable on the basis that personal benefit was improperly received by such person, or if such indemnification would be prohibited by law.

In addition to the foregoing, the Corporation shall, by action of the Board, have the power to indemnify and to advance expenses to all directors, committee members, trustees, officers or employees (including his or her heirs, executor, administrator or other personal representative) of the Corporation who are, were, or are threatened to be made a defendant or respondent to any proceeding, in such amounts, on such terms and conditions, and based upon such standards of conduct as the Board may deem to be lawful and in the best interest of the Corporation; provided, however, that such advance payment of expenses shall be made only after delivery to the Corporation of an undertaking by or on behalf of such person to repay all amounts so advanced if it shall be determined that such person is not entitled to such indemnification.

The Corporation may maintain insurance, at its own expense, to protect itself and any such person against any such liability, cost, or expense, whether or not the Corporation would have the power to indemnify such person against such liability, cost, or expense under the Kentucky Nonprofit Corporation Act or under these Bylaws, but it shall not be obligated to do so. The indemnification provided by these Bylaws shall not be deemed exclusive of any other rights which those seeking indemnification may have or hereafter acquire under any bylaw, agreement, statute, vote of the Board, or otherwise. If these Bylaws or any portion thereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each such person to the full extent permitted by any applicable portion of these Bylaws that shall not have been invalidated or

by any other applicable law. Any repeal or modification of these Bylaws shall not adversely affect any rights or obligations existing at the time of such repeal or modification.

ARTICLE XIII

CONFLICTS OF INTEREST

Section 13.01 Disclosure of All Conflicts. All members of the Board and all officers of the Corporation shall disclose all real or apparent conflicts or dualities of interest which they discover or which have been brought to their attention in connection with the Corporation's activities. Serving on the Board of, or being employed by, the University, or an affiliate of the University, while serving on the Board of the Corporation is not a conflict of interest. "Disclosure" as used herein shall mean providing promptly to the appropriate persons a written description of the material facts comprising the real or apparent conflict or duality of interest. An annual disclosure statement shall be circulated to directors and officers to assist them in considering such disclosures, but disclosure is appropriate whenever conflicts or dualities of interest may occur. The written notices of disclosure of conflicts or dualities of interest shall be filed with the President or any other person designated from time to time to receive such notifications.

Section 13.02 Proscribed Activity by Persons Having Conflicts. Where an individual director or officer believes that he/she or a member of his/her immediate family might have or does have a real or apparent conflict of interest, he/she should, in addition to filing the notice of disclosure required hereunder, abstain from making motions, voting, executing agreements, or taking any other similar direct action on behalf of the Corporation where the conflict of interest might pertain by law, agreement or otherwise.

ARTICLE XIV

AMENDMENTS

These Bylaws and the Articles may be amended by a vote of a majority of the University Directors and the Community Directors, voting by class, at the annual meeting or any regular or special meeting of the Board, provided that a description of the proposed amendment(s) shall have been published in or with the notice of the meeting.

Adopted _____

Secretary

UN013:000UN:588686:7:LOUISVILLE

MEMBER AGREEMENT

This Agreement (the "Agreement") is made and entered into as of the 6th day of February, 1996, by and among Alliant Health System, Inc., a Kentucky nonprofit corporation ("Alliant"), Jewish Hospital Healthcare Services, Inc., a Kentucky nonprofit corporation ("JHHS"), the University of Louisville, acting through its Board of Trustees ("University") and University Medical Center, Inc., a Kentucky nonprofit corporation ("UMC") (Alliant, JHHS and University are hereinafter sometimes individually or collectively referred to as the "Member" or "Members").

W I T N E S S E T H:

The parties believe that it is in the best interest of UMC and the Members to make provisions for matters relating to the responsibilities of the parties with respect to one another.

Now, therefore, in consideration of the premises and of the mutual covenants and conditions contained herein, the parties hereto agree as follows:

1. Purposes. Contemporaneously with the execution of this Agreement, the parties, together with the Commonwealth of Kentucky, have executed an Affiliation Agreement that deals with, among other things, the operation of University of Louisville Hospital (the "Affiliation Agreement"). UMC shall be operated: (a) for the purpose of implementing the Affiliation Agreement and (b) for such other purposes as the Members may unanimously agree to undertake.
2. Competition and Corporate Opportunity. Except as set forth in Section 10.5.3 of the Affiliation Agreement: (a) the

parties agree that during the term of this Agreement, each of the Members, UMC, and any affiliate of a Member or UMC, as the case may be, shall have the unrestricted right to compete with each other and with UMC and each Member shall have the right to engage in any business then engaged in or contemplated by UMC or any business which could be performed by UMC; in like turn, UMC or any affiliate of UMC shall have the right to engage in any business then engaged in or contemplated by any Member or any affiliate of a Member or any business which could be engaged in by any Member or any affiliate of a Member and (b) under no circumstances shall any Member, or any director appointed by a Member, be required to bring any business opportunity to UMC prior to such Member's entering into such business or the expansion of existing business.

3. Director's Conflicts or Dualities of Interest. Certain of UMC's directors may be employed by or on the governing Board of a Member or an affiliate of a Member. Such duality of interest shall be disclosed at the time of election or appointment to the UMC Board or when the affiliate arrangement arises or becomes relevant and need not again be disclosed absent a material change in that relationship. Such duality of interest constitutes an unavoidable indirect conflict of interest. The parties agree that except for agreements between a Member and UMC involving the purchase of goods or services from the Member, the existence of a duality of interest shall not preclude a member of the governing Board of UMC from voting on matters that affect both UMC and a Member. Members of the Board of Directors of UMC shall be required

to disclose direct conflicts of interest existing between the director and UMC regarding any matter submitted to the governing Board of UMC. A direct conflict of interest exists with regard to a transaction between (a) UMC and a director as an individual or (b) UMC and an entity (other than a Member) in which the director is an owner, shareholder, director, or officer or employee. A director with a direct conflict of interest shall not vote on the matter. No member of the governing Board of UMC, or any committee appointed by said Board, shall be expected or required to disclose to UMC any Member's confidential or proprietary information.

4. Renewal of Affiliation Agreement. Section 26.1.2 of the Affiliation Agreement provides for up to three options to renew in favor of UMC. Other agreements between the parties that are necessary to carry out the intent of the Affiliation Agreement contain similar options to renew ("Related Agreements"). If either Alliant or JHHS notify UMC, in writing, not to renew the Affiliation Agreement, UMC shall not renew the Affiliation Agreement and Related Agreements and shall notify the University, and all other necessary parties that it will not renew the Affiliation Agreement and/or any Related Agreements. If neither Alliant nor JHHS notify UMC not to renew the Affiliation Agreement, UMC shall take all action necessary to so renew the Affiliation Agreement and all Related Agreements.

5. Termination and Winding Up of UMC. If UMC is dissolved, an accounting of UMC's assets, liabilities, and operations through the last day of the month in which the dissolution occurs shall be

made, and the affairs of UMC shall be wound up and terminated. The Members shall designate a liquidating trustee. If the Members are unable to agree on a trustee, they shall request a United States District Judge sitting in Louisville, Kentucky to appoint a liquidating trustee. The liquidating trustee shall be responsible for winding up and terminating the affairs of UMC and shall determine all matters in connection therewith (including, without limitation, the arrangements to be made with creditors, to what extent and under what terms the assets of UMC are to be sold, and the amount or necessity of cash reserves to cover contingent liabilities) as the liquidating trustee deems advisable and proper; provided, however, that all decisions of the liquidating trustee shall be made in accordance with the liquidating trustee's fiduciary duty to UMC and each of the Members. The liquidating trustee shall thereafter liquidate the assets of UMC as promptly as is consistent with obtaining the fair value thereof, and the proceeds therefrom, to the extent sufficient therefor, shall be applied and distributed in the following order:

A. First, to the payment and discharge of (i) all of UMC's debts and liabilities to persons other than Members or former Members and (ii) the expenses of liquidation and dissolution;

B. Next, to the payment and discharge of (i) any loans and advances made by Members or former Members to UMC and (ii) UMC's debts and past or future obligations or liabilities to Members or former Members;

C. Next, to the Members in accordance with the capital contribution of the Members; provided that if at the time of the dissolution a Member is not a tax exempt organization under Internal Revenue Code § 501(c)(3) or other applicable law, the assets to be distributed to such Member shall be distributed to a tax exempt organization designated by such Member.

6. Termination; Reserves. After all of the assets of UMC have been distributed, UMC shall dissolve; however, if at any time thereafter any funds in any cash reserve fund referred to in Paragraph 4 above are released because the need for such cash reserve fund has ended, such funds shall be distributed to the Members in the same manner as if such distribution had been made pursuant to Paragraph 4 above.

7. Affiliate. The term affiliate shall mean each person who is, directly or indirectly, controlled by, in control of, or under common control with a Member. Control of a person means the power to direct the affairs of such person by reason of ownership of an ownership interest, the ability to elect or appoint a majority of the person's governing board, contract or otherwise.

8. Governing Law. This Agreement and the rights of the parties hereunder shall be governed by, interpreted and enforced in accordance with the laws of the State of Kentucky.

9. Headings. All headings herein are inserted only for convenience and ease of reference and are not to be considered in the construction or interpretation of any provision of this Agreement.

10. Severability. If any provision of this Agreement is held to be illegal, invalid, or unenforceable under the present or future laws effective during the term of this Agreement, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part of this Agreement; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance from this Agreement. Furthermore, in lieu of such illegal, invalid, or unenforceable provision, there shall be added automatically as a part of this Agreement a provision similar in terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.

11. Counterparts. This Agreement may be executed in a number of identical counterparts each of which shall be deemed an original and all of which together shall constitute one and the same agreement.

12. Amendments. All amendments to this Agreement shall be in writing and signed by all parties hereto.

13. Informational Reports. Each Member shall be entitled to receive any reports concerning the operations or financial condition of UMC as such Member may, from time to time, reasonably request.

14. Duration of Agreement. This Agreement shall run in perpetuity until terminated as provided below, commencing on the

If to UMC:

Chief Executive Officer
University of Louisville
Hospital
530 South Jackson Street
Louisville, KY 40202
Attn: Patricia Davis
Facsimile: _____
Telephone: _____
Telex: _____

or to another address of which the addressee has notified the sender in writing in accordance with this Section 14. Notices given by certified mail will be deemed given at the time of certification, and notices given by any other permitted means will be deemed given at the time of receipt of the notice.

IN TESTIMONY WHEREOF, witness the signatures of the parties.

JEWISH HOSPITAL HEALTHCARE SERVICES, INC.

UNIVERSITY OF LOUISVILLE

By: John Mark
Its: PRESIDENT

By: [Signature]
Its: PRESIDENT

ALLIANT HEALTH SYSTEM, INC.

UNIVERSITY MEDICAL CENTER, INC.

By: William A. Brown
Its: Executive Vice President

By: [Signature]
Its: CHAIRMAN

REVISED QUALITY AND CHARITY CARE TRUST AGREEMENT

THIS REVISED QUALITY AND CHARITY CARE TRUST AGREEMENT is made and entered into this ____ day of April, 1996, by and among JEFFERSON COUNTY, KENTUCKY, acting by and through its County Judge/Executive; the CITY OF LOUISVILLE, KENTUCKY acting by and through its Mayor; the UNIVERSITY OF LOUISVILLE, acting by and through its Board of Trustees; THE COMMONWEALTH OF KENTUCKY, acting by and through its Governor; and UNIVERSITY MEDICAL CENTER, INC., a non-profit Kentucky corporation, with its principal place of business at 234 East Gray Street, Suite 225, P. O. Box 35070, Louisville, Kentucky 40232 (hereinafter "Corporation").

WITNESSETH:

WHEREAS the University, the Commonwealth and the Local Governments have operated the original Quality and Charity Care Trust from May 1, 1983 on substantially the terms set forth hereinafter with Galen (formerly Humana) of Virginia, Inc. ("Galen") as the company operating the Hospital, but that original agreement will terminate at 11:59 p.m. on February 6, 1996 with termination at that time of Galen's leases and affiliation agreement for the Hospital; and

WHEREAS Corporation was duly selected by the University and Commonwealth and awarded a subsequent affiliation to operate the Hospital with the condition that the Trust continue on substantially the same terms as offered to Galen, concurrent with the new Affiliation Agreement to which this document is an Exhibit except as specifically agreed in Paragraph 5C hereof per the terms of the Affiliation Agreement;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein and recognizing the benefits to be derived and the social purposes to be served by Corporation assuming and discharging the obligation to provide for the health care needs of economically disadvantaged persons who have historically been ministered to by University of Louisville as a public service in the course of its teaching programs, all as more fully set forth herein, the parties agree as follows:

1. TERM

The term of this Agreement shall be for a term equal to the term of the Affiliation Agreement between the University of Louisville and the Corporation dated February 6, 1996 ("Affiliation Agreement"). The Commencement Date of this Agreement shall be February 7, 1996.

2. DEFINITIONS

For all purposes of this Agreement, unless the context otherwise requires:

- A. "ANNUAL INCREASE" shall mean the amount by which government funding by the Commonwealth of Kentucky or either of the local Governments increases annually in the second, or any succeeding Trust Year.

- B. "BASE AMOUNT" shall mean, for the second full Trust Year and each succeeding Trust Year, the Total Government Funding for the prior Trust Year.
- C. "BILLED CHARGES" for Hospital Care furnished by Corporation shall mean fifty-eight percent (58%) of its usual and customary charges established by Corporation from time to time for Hospital Care, and for Hospital Care of a type not provided by the Corporation and furnished by any entity other than Corporation or its Affiliates (as defined in the Affiliation Agreement) shall mean one hundred percent (100%) of the charges made by such entity to Corporation. If, however, Corporation increases its usual and customary charges after July 1, 1996 by a percentage in excess of the percentage increase in the Consumer Price Index - Medical Care Component (hereinafter "Allowed Increase") from July 1, 1996, as published by the Bureau of Labor Statistics of the United States Department of Labor, Billed Charges shall be reduced to a percentage that equates to fifty-eight percent (58%) of usual and customary charges as of July 1, 1996, multiplied times one plus the Allowed Increase converted to a fraction.
- D. "CONSUMER PRICE INDEX" shall mean the Consumer Price Index for All Urban Consumers as established by the United States Department of Labor, Bureau of Labor Statistics or any entity which shall succeed to the right, duties and obligations of the federal agency.
- E. "CORPORATION" shall mean University Medical Center, Inc., a Kentucky non-profit corporation whose members are Jewish Hospital HealthCare Services, Inc. (JHHS), Alliant Health System, Inc. (AHS), and the University, with its principal place of business at 234 East Gray Street, Suite 225, P. O. Box 35070, Louisville, Kentucky, and its successors and assigns.
- F. "CORPORATION'S GUARANTEE" shall mean Corporation's commitment that, for each Trust Year for which the Trust receives Total Government Funding as herein provided, it will provide medically necessary Hospital Care, to the extent facilities are available, to all Indigents and Medically Needy who are residents of Jefferson County, for which it will be paid to the extent of ninety percent (90%) of Total Government Funding (see Section 6C) and thereafter will provide such Hospital Care at its own expense. An Indigent shall not be required to pay any deposit as a condition of receiving medically necessary Hospital Care at Hospital. However, nothing in this Agreement shall prohibit Corporation, after providing Hospital

Care, from billing and collecting any co-payment permitted to be billed and collected from an Indigent qualified as such under applicable Hill-Burton Guidelines then in effect. Corporation shall also have the right, after providing Hospital Care, to bill and collect from any Medically Needy the amount of the bill rendered in connection with his Hospital Care, to the extent of his income, resources, insurance benefits and other means of payment.

- G. "GUARANTY" shall mean the agreement entered into February 6, 1996 by JHHS and AHS. The Guaranty and this Agreement are both exhibits to the Affiliation Agreement.
- H. "HOSPITAL" shall mean University of Louisville Hospital which shall include the Concentrated Care Building, the Ambulatory Care Building, the Brown Cancer Center, the Institutional Services Building and the Lampton Building which are located in Louisville, Kentucky, as those terms are defined in the Affiliation Agreement between the University of Louisville and Corporation.
- I. "HOSPITAL CARE" shall mean those inpatient and outpatient services offered by Corporation at Hospital and, if requested by Corporation for a patient who has been discharged from Hospital, any other medically necessary services required to be rendered in another health care facility as defined in KRS 216B.015(10).
- J. "INDIGENT" shall mean for purposes of the Trust, an individual who:
- (1) Is not eligible for benefits under Titles V, XVIII or XIX of the Social Security Act;
 - (2) Is not eligible for any Government health insurance program, is not covered by a private insurance plan or whose coverage for Hospital Care from private insurance, Medicare or Medicaid is exhausted;
 - (3) Has income from all sources equal to or less than that required to qualify for free or reduced cost care under the Federal Hill-Burton Program using the current Office of Economic Opportunity Income Poverty Guidelines applicable to the Louisville, Kentucky-Indiana Standard Metropolitan Statistical Area. Current income levels which apply during the first twelve (12) months of this Agreement are listed in EXHIBIT "A" attached hereto and made a part hereof. Exhibit "A" be annually updated to reflect changes in the index cited herein.

Notwithstanding the foregoing "Indigent" shall not include an individual who is being transferred to Hospital from another health

care facility where he was admitted as an in-patient, except for an individual who is in need of medical services which are not available at the health care facility to which he was initially admitted but are only available at Hospital.

- K. "INITIAL TERM" shall mean that period of time beginning on the Commencement Date of this Agreement and ending on June 30, 1996.
- L. "MONTHLY FUNDING" for the first month of each full Trust Year of this Agreement shall mean one-sixth (1/6th) of the Total Government Funding which is provided during any Trust Year and for the second through the eleventh month of each full Trust Year shall mean one-twelfth (1/12th) of the Total Government Funding which is provided during the Trust Year; for the short first Trust Year shall mean one month's share of Total Government Funding.
- M. "PRIOR FISCAL YEAR" shall mean for the second full Trust Year and each succeeding Trust Year, the twelve month period ending on the thirtieth (30th) day of June of the preceding calendar year.
- N. "THE LOCAL GOVERNMENTS" shall mean the government of Jefferson County, Kentucky and the government of the City of Louisville, Kentucky, or any governmental entity which shall succeed to the rights, duties and obligations of either of the governments.
- O. "THE TRUST" shall mean the Quality and Charity Trust, Inc., a Kentucky non-profit corporation qualified as a public charity under Section 501(c)(3) of the United States Internal Revenue Code and established by the University of Louisville as an affiliated Corporation pursuant to KRS 164A.610 and KRS 273.060 et seq., for the purpose of funding Hospital care for Indigents and Medically Needy and enhancing the quality of University's health care programs.
- P. "THE UNIVERSITY" shall mean the University of Louisville or any entity which shall succeed to the rights, duties and obligations of such institution.
- Q. "TOTAL GOVERNMENT FUNDING" shall mean, for the first short Trust Year \$10,536,699 as calculated in accordance with Paragraph 3(B)(1), for the first full Trust Year \$27,193,812, and for each succeeding Trust Year the current Trust Year's Base Amount plus the current Trust Year's Annual Increase.
- R. "TRUST YEAR" for the first year shall mean that period beginning on the Commencement Date of this Agreement and ending on June 30, 1996, and thereafter shall mean any consecutive twelve-month period

beginning on the first day of July and ending on the last day of June.

- S. "OMBUDSMAN" shall mean a person from time-to-time selected by the Commonwealth and the Local Governments, with the approval of Corporation, who shall assist in the resolution of any disputes concerning an individual's classification as Indigent or Medically Needy at the time he presents himself for admission to Hospital. He shall, if requested by the individual asserting to be Indigent or Medically Needy, review Corporation's determination that such an individual will not be admitted to Hospital as Indigent or Medically Needy. In conducting such a review, he shall consider and adhere to the relevant provisions of this Agreement and the Corporation's application of the criteria set forth in **EXHIBIT "B"** attached hereto. The Ombudsman, following such review shall have the authority to require Corporation to admit and furnish Hospital Care to any individual determined by him to be Indigent or Medically Needy. The Ombudsman shall not act in an unreasonable, arbitrary and/or capricious manner in resolving disputes. The reasonable salary and related fringe benefits of such Ombudsman as agreed by Corporation and his employer shall be paid to his employer by Corporation.
- T. "MEDICALLY NEEDEY" means an individual who, at the time of presentation for admission (unless one of the criteria set forth in Exhibit "B" hereof, is determined by Corporation to apply to such individual, and such determination is not reversed by the Ombudsman), at the time of discharge, or thereafter, does not have sufficient income, resources, insurance benefits or other means of paying for all of the charges rendered or to be rendered in connection with his Hospital Care.

3. OPERATION OF QUALITY AND CHARITY CARE TRUST

- A. The Board of Trustees of the University of Louisville has created an affiliated corporation pursuant to KRS 164A.610 and KRS 273.060 et seq., which is known as "Quality and Charity Care Trust, Inc.," to receive funding as set forth herein. The Trust shall be administered by nine (9) directors. All directors shall be appointed by the Board of Trustees of the University of Louisville; provided, however that one (1) director shall be appointed from a list of three (3) nominees submitted by the Chairman of the Louisville and Jefferson County Board of Health; one (1) director shall be appointed from a list of three (3) nominees submitted by

the County Judge/Executive of Jefferson County; one (1) director shall be appointed from a list of three (3) nominees submitted by the Mayor of the City of Louisville; and one director from the nomination of the Governor of the Commonwealth of Kentucky.

- B. In furtherance of the continuing commitment to provide Hospital Care to Indigents and Medically Needy residing in Kentucky and Jefferson County and in consideration of Corporation's undertakings, The Commonwealth of Kentucky and the Local Governments agree to provide funding to the Trust as follows:

(1) **First Short Trust Year:**

During the first short Trust Year beginning on the Commencement Date of this Agreement and ending on June 30, 1996, the Total Government Funding shall be provided as follows:

- (a) Jefferson County's share shall be one million five hundred and fifty-eight thousand nine hundred thirty-three dollars (\$1,558,933).
- (b) The City of Louisville's share shall be one million two hundred and eighteen thousand four hundred forty-seven dollars (\$1,218,447).
- (c) The Commonwealth of Kentucky's share shall be seven million seven hundred fifty-nine thousand three hundred nineteen dollars (\$7,759,319).

(2) **First Full Trust Year:**

During the first full Trust Year, beginning July 1, 1996 and ending on June 30, 1997, the Total Government Funding shall be a total of \$27,193,812 to be provided as follows:

- (a) Jefferson County shall provide a total of four million forty-three thousand eight hundred seventy-four dollars (\$4,043,874).
- (b) The City of Louisville shall provide a total of three million one hundred sixty thousand six hundred fifty-four dollars (\$3,160,654).
- (c) The Commonwealth of Kentucky shall provide a total of nineteen million nine hundred eighty-nine thousand two hundred eighty-four dollars (\$19,989,284).

(3) **Second Full Trust Year and Each Succeeding Trust Year:**

During the second full Trust Year and each succeeding Trust Year, the Total Government Funding shall be ^ the Annual

Increase as determined in accordance with the formula set forth in Paragraph 3(C) plus the Base Amount.

C. Annual Increases

During the second full Trust Year and each succeeding Trust Year, each party's Annual Increase shall be determined as follows:

- (1) The City of Louisville's funding shall be increased by an amount which is equal to the product of (A) the lesser of (i) the Prior Fiscal year's percentage increase in the Consumer Price Index or (ii) the Prior Fiscal Year's percentage increase in the City of Louisville's general fund tax revenues multiplied by (B) the City of Louisville's prior year's funding required under this Agreement.
- (2) Jefferson County's funding shall be increased by an amount which is equal to the product of (A) the lesser of (i) the Prior Fiscal Year's percentage increase in the Consumer Price Index or (ii) the Prior Fiscal Year's percentage increase in the Jefferson County general fund tax revenues from all sources multiplied by (B) Jefferson County's prior year's funding required under this Agreement.
- (3) The Commonwealth's funding shall be increased by an amount which is equal to the product of (A) the lesser of (i) the Prior Fiscal Year's percentage increase in the Consumer Price Index or (ii) the Prior Fiscal Year's percentage increase in the Commonwealth of Kentucky's tax revenues from all sources multiplied by (B) a fraction whose numerator is (x) the prior Trust Year's Funding by the Commonwealth required under this Agreement minus Five Million Dollars (\$5,000,000), and whose denominator is (y) the prior Trust Year's Funding by the Commonwealth required under this Agreement multiplied by (C) the Commonwealth's prior year's funding required under this Agreement.

D. Funding of the Trust

The Commonwealth, on behalf of itself and Jefferson County and the City of Louisville, shall pay Monthly Funding to the Trust on or before the first day of the first month of this Agreement, and thereafter on or before the first day of each succeeding month.

E. University's Obligations

University as its only obligations under this Agreement shall maintain and operate the Trust referred to in Paragraph 3A above, shall appoint the directors for the Trust, and shall expend any

monies disbursed to it from the Trust in accordance with the terms of this Agreement.

F. Renegotiation Between Governments

Nothing in this Agreement is intended to prevent the Commonwealth and the Local Governments from renegotiating among themselves the amounts of their respective annual contributions to the Trust; provided however that no such agreement shall result in an amount of Total Government Funding which is less than that which is provided by this Agreement according to the formula set out in Paragraph (3)(C). Pursuant to this section the Local Governments have entered into an agreement dated June 24, 1986 which establishes their respective annual contributions to the Trust irrespective of what is written above.

4. CORPORATION'S OBLIGATION

In consideration of Total Government Funding by the Commonwealth and the Local Governments, Corporation shall provide Hospital Care to Indigents in accordance with Corporation's Guarantee but nevertheless shall have the rights of billing and collection described in Paragraph 2(F) hereof. Corporation shall also furnish all necessary emergency Hospital Care required by any individual without regard to his ability to pay, but shall nevertheless have the right of billing and collections described in Paragraph 2(F) hereof.

Corporation and the Commonwealth and the Local Governments realize that many individuals who are not Indigent nevertheless need financial assistance in obtaining or paying for Hospital Care. The Corporation intends to treat any Medically Needy who requires medically necessary Hospital Care, unless one of the exceptions listed in Exhibit "B" attached hereto applies. If Corporation declines to treat any individual who claims to be Medically Needy, such individual may request the assistance of the Ombudsman. If the Ombudsman determines the individual to be Medically Needy and finds that none of the exceptions listed on Exhibit "B" apply, Corporation shall be required to furnish Hospital Care to such individual, in accordance with Corporation's Guarantee, but shall nevertheless have the right of billing and collections described in Paragraph 2(F) hereof.

5. TRUST'S OBLIGATIONS

A. Receipt, Investment and Disbursement

For each Trust Year, the Trust will receive, invest and disburse Total Government Funding as set forth herein, and such funding and the interest earned thereon after covering administration shall be disbursed exclusively to pay Corporation for the Hospital Care provided to Indigents and Medically Needy.

- (1) Except as provided in subparagraph (2) below, if there is a cash balance in the Trust at the end of any Trust Year, such balance shall remain in the Trust for use in the next succeeding Trust Year to pay for Hospital Care provided to Indigents and Medically Needy in accordance with the terms of this Agreement. Any cash balance remaining in the Trust at the end of any Trust Year shall not reduce Total Government Funding in any succeeding Trust Year.
- (2) Any balance remaining in the Trust (net of all adjustments per Paragraph 6B) at the end of the Initial Term or at the end of each subsequent four (4) year period and the end of the term of the Affiliation Agreement shall be returned to the Local Governments in the same proportion that the funding by each local government bore to the Total Government Funding for such prior four-year period or portion thereof, and the pro-rata share of the funding by the Commonwealth shall be disbursed to the University to enhance the quality and support of its hospital-based programs. At the same time as the parties determine whether there is a balance in the Trust, the parties agree to review the method of determining an Allowed Increase to determine if an equitable adjustment in the formula should be made. This review is totally independent from the determination of Trust balance.

B. Payments by the Trust

On the Commencement Date of this Agreement Trust shall pay to Corporation one million six hundred seventy-one thousand three hundred thirty-nine dollars (\$1,671,339). On the first day of each month during the remainder of the short trust year, which begins on the Commencement Date of this Agreement and ends on June 30, 1996, the Trust shall pay to Corporation two million two hundred sixteen thousand three hundred forty dollars (\$2,216,340).

On the first day of each month after the Initial Term of this Agreement, the Trust shall pay to Corporation an amount equal to one twelfth (1/12) of the Total Government Funding for the Trust Year.

C. Subsidy of Ambulatory Care Building Clinic Operations

Notwithstanding any other provision of this Agreement to the contrary, the Corporation shall make at least one million dollars (\$1,000,000) during the first Trust Year following the Initial Term from Corporation's receipts from the Trust available to subsidize Ambulatory Care Building clinic operations directly or via the

University. The Corporation in its sole discretion may decide upon additional subsidies of this type from the Trust, in any amount Corporation determines, in any subsequent Trust Year. The initial year of such subsidy under this Paragraph 5C and any subsequent such subsidies by Corporation shall not impose any obligation on the Corporation or University to document charges or provide further accountability under this Agreement, but such subsidies shall not reduce Corporation's Guarantee or other obligation in any year the Trust receives Total Government Funding.

6. ADMINISTRATION OF THE TRUST AND CORPORATION'S OBLIGATIONS IN CONNECTION THEREWITH

A. Reports to the Trust

Within fifteen (15) days after the discharge of each Indigent or Medically Needy individuals receiving Hospital Care, Corporation shall generate a bill setting forth Billed Charges for such Hospital Care provided, and shall retain such bill in the files of the Hospital. Within thirty (30) days following the end of the Trust Year, Corporation shall deliver to the Trust, the Local Governments and the Commonwealth a summary statement identifying each Indigent and Medically Needy by patient number, his county of residence and Billed Charges for such Indigent and Medically Needy.

B. Annual Adjustments

Within forty-five (45) days of the end of each Trust Year, the Trust and Corporation shall determine the difference between (i) the total monthly payments made to Corporation for the Trust Year and (ii) the total amount of Billed Charges for the Trust Year [net of cash collections made by Corporation from Indigents and Medically Needy pursuant to Paragraph 2(F)]. To the extent that net Billed Charges [net of cash collections made by Corporation from Indigents and Medically Needy pursuant to Paragraph 2(F)] exceed total monthly payments and to the extent that the Trust has funds remaining, the Trust will pay the amount of such difference to Corporation. If the Trust does not have funds available, the Trust shall pay such amount to Corporation as soon as the Trust receives Total Government Funding in the next Trust Year; provided, however that the obligation of the Trust to pay such amount shall not increase the Total Government Funding to be provided during any Trust Year nor obligate the Commonwealth of Kentucky and the Local Governments to provide any funding when Corporation has ceased providing Hospital Care in accordance with Corporation's Guarantee. To the extent that

total monthly payments made to Corporation exceed Billed Charges [net of cash collections made by Corporation from Indigents and Medically Needy pursuant to Paragraph 2(F) for the Trust Year, Corporation shall repay the overpayments to the Trust within forty-five (45) days of the end of the Trust Year.

C. Provision of Hospital Care

Corporation will provide Hospital Care to Indigents and Medically Needy who are not residents of Jefferson County. When up to ten percent (10%) of Total Government Funding and the interest earned thereon, has been used for such care, Corporation shall, unless the amount of the Trust has been increased, have no further obligation to provide Hospital Care to such Indigents and Medically Needy. During each Trust Year for which Total Government Funding is appropriated and paid to the Trust and such funding and interest thereon are available for payment to Corporation, Corporation shall provide Hospital Care to all residents of Jefferson County who are determined pursuant to the terms hereof, to be either an Indigent or Medically Needy consistent with the provisions of this Agreement. Corporation warrants and represents that no portion of funding provided by the Local Governments or the interest earned thereon shall be used to provide Hospital Care for Indigents and Medically Needy who are not residents of Jefferson County, Kentucky.

D. Emergency Care

In compliance with the provisions of KRS 216B.400, Corporation shall not deny admission to any individual determined to be in need of emergency care by any person with admitting authority, by reason only of his inability to pay for services to be rendered.

7. FAILURE TO PROVIDE TOTAL GOVERNMENT FUNDING

If the Monthly Funding is not made for any month or if Total Government Funding is not appropriated and paid to the Trust during any Trust Year, but nevertheless some lesser amount of government funding is appropriated and paid to the Trust for Hospital Care, Corporation's Guarantee shall be of no further effect, but Corporation shall furnish Hospital Care to Indigents and the Medically Needy under this Agreement and shall be paid its Billed Charges therefor until such funding has been expended. When such funding is expended, Corporation shall have no further obligations to furnish Hospital Care under this Agreement, any other provisions of this Agreement to the contrary notwithstanding.

8. DEFAULT BY CORPORATION

- A. If Corporation shall fail to provide Hospital Care to Indigents and the Medically Needy as required under the terms of this Agreement, the Commonwealth shall provide written notice to Corporation of the alleged failure to provide such care.
- B. If, within sixty (60) days following Corporation's receipt of the written notice of the alleged failure of Corporation to provide Hospital Care, the matter cannot be settled to the mutual satisfaction of the parties, it shall be submitted to and settled by binding arbitration in accordance with rules then obtaining of The American Arbitration Association, and judgment upon the award rendered by the Arbitrators may be entered in any court having jurisdiction thereof.

9. COMMONWEALTH'S REMEDIES

- A. If it is determined by the Arbitrators that Corporation has failed to provide Hospital Care, the remedies available to Commonwealth shall be limited to the following:
- (1) Monetary damages against the Corporation in an amount sufficient to make the Commonwealth whole; or
 - (2) Specific performance by Corporation of the action(s) required by the terms of this Agreement.
- B. If Corporation fails to abide by the judgment entered on the Arbitrator's award in a court having jurisdiction thereof upon thirty (30) days written notice provided by Commonwealth to Corporation, this Agreement and those certain Agreements of even date herewith, pertaining to the operation of Hospital, between the parties hereto shall terminate.

10. INCORPORATION OF PRIOR AGREEMENT: AMENDMENTS

This Agreement, the Affiliation Agreement, Amendment of Funding Responsibilities Between the City of Louisville and Jefferson County, Kentucky for the Quality and Charity Care Trust dated June 24, 1986, and the Guaranty contain all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Agreement, and no prior agreement or understanding entered into by all parties to this Agreement pertaining to any such matter shall be effective for any purpose. This Agreement may not be amended or added to except by a writing executed by Corporation, the University, and the Governments and any Guarantor of Corporation. This Agreement is not intended to preclude the Local Governments or the Commonwealth from entering into other agreements and arrangements pertaining to Hospital Care for Indigents and the Medically Needy; provided, however except as provided in Paragraph 3(F) no such agreements shall

amend or alter the terms of this Agreement without the written consent and agreement of Corporation and any Guarantor of the Corporation.

11. INDEPENDENT RELATIONSHIP

The Commonwealth of Kentucky, Jefferson County, the City of Louisville, the University of Louisville and Corporation are at all times acting and performing as independent contractors. Except as provided by statute, regulation or ordinance, the University of Louisville, the Commonwealth of Kentucky, and Local Governments, shall neither have nor exercise any control or direction over the methods by which Corporation shall provide Hospital Care to Indigents and the Medically Needy.

12. NOTICES

All notices which either party is required or permitted to give to the other under or in connection with this Agreement shall be in writing, and shall be given by addressing the same to such other parties at the address set forth on the signature page hereof, and by depositing the same so addressed, postage prepaid, in the United States mail by certified mail, return receipt requested, or by delivering the same personally to such other parties. Any notice mailed or telegraphed shall be deemed to have been given three (3) United States Post Office delivery days following the date of mailing or on the date of delivery to the telegraph company. Any party may change the address for the service of notice upon it by written notice given to the other parties in the manner herein provided for the giving of notice.

13. KENTUCKY LAW

This Agreement shall be construed and governed by the laws of the Commonwealth of Kentucky.

14. GENDER AND NUMBER

As used throughout this Agreement, the masculine includes the feminine and neuter and the singular includes the plural.

15. MEDICARE AND MEDICAID

Nothing in this Agreement shall be construed to permit Corporation to refuse to admit any individual covered by Medicare and Medicaid programs.

16. EQUAL EMPLOYMENT OPPORTUNITY

- A. The Corporation will not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, or national origin.
- B. The Corporation will take affirmative action in regard to employment, upgrading, demotion, transfer, recruitment, recruitment advertising, layoff, termination, rates of pay or other forms of compensation, and selection for training, so as to ensure that applicants are employed and that employees during employment are

treated without regard to their race, color, religion, sex, age or national origin; however, when layoffs occur, employees shall be laid off according to seniority with the youngest employee being laid off first. When employees are recalled, this shall be done in the reverse of the way the employees were laid off;

- C. The Corporation will state in all solicitations or advertisements for employees placed by or on behalf of the Corporation that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, age or national origin.
- D. The Corporation will post notices in conspicuous places, available to employees and applicants for employment, setting forth the provisions of the nondiscrimination clauses required by this section; and
- E. The Corporation will send a notice to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding advising the labor union or workers' representative of the Corporation's commitments under the above nondiscrimination clauses.
- F. The Corporation shall comply with all applicable provisions of KRS 45.560-640 in the operation of University of Louisville Hospital.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the day and year first above written.

WITNESS:

JEFFERSON COUNTY, KENTUCKY
Jefferson County Court House
Louisville, KY 40202
Attn: Jefferson County Judge/Executive

BY: Mary D. McCubbin

BY: [Signature]
County Judge/Executive

WITNESS:

CITY OF LOUISVILLE, KENTUCKY
City Hall
Louisville, KY 40202
Attn: Mayor

BY: Deanna Bergley

BY: [Signature]
Mayor

WITNESS:

RECOMMENDED BY:

CABINET FOR FINANCE AND ADMINISTRATION
Capitol Annex
Frankfort, KY 40601
Attn: Secretary of Finance & Administration

BY: Karen Powell

BY: John P. McFarley
Secretary of Finance & Administration

APPROVED BY:

WITNESS:

THE COMMONWEALTH OF KENTUCKY
Capitol Building
Frankfort, KY 40601
Attn: Governor

BY: Sally Carter Flynn

BY: Paul E. Patton
Governor

WITNESS:

UNIVERSITY OF LOUISVILLE
Grawemeyer Hall
Belknap Campus
Louisville, KY 40292
Attn: President

BY: Thomas Flynn

BY: James H. ...
President

WITNESS:

UNIVERSITY MEDICAL CENTER, INC.
234 East Gray Street, Suite 225
P. O. Box 35070
Louisville, KY 40232
Attn: _____

BY: Thomas Flynn

BY: Steve P. Gardner

RECEIVED AND ACKNOWLEDGED FOR THE QUALITY AND CHARITY CARE TRUST, INC.

Larry L. Osley
BY: Larry L. Osley, Its Chairman

RQCCTF

EXHIBIT "A"

*1995 - Poverty Income Guidelines for all states
Except Alaska and Hawaii

<u>Size of family unit</u>	<u>Poverty Guideline</u>
1	\$ 7,470
2	10,030
3	12,590
4	15,150
5	17,710
6	20,270
7	22,830
8	25,390

For family units with more than 8 members, add \$2,560 for each additional member.
(The same increment applies to smaller family sizes also, as can be seen in the
figures above.)

*Excerpt from: Federal Register/Vol. 60, No. 27/February 9, 1995

This Exhibit does not apply to Emergency Patients

EXHIBIT "B"

An individual is not Medically Needy if Corporation has determined that:

1. He has concealed any assets, and does not disclose the existence of or his interest in, such assets to Corporation in response to its inquiries concerning his financial status;
2. He has falsely given or refuses to give his name, family status, or any relevant information about his financial status;
3. He has the reasonable, demonstrated ability but has refused, and continues to refuse to pay any legally binding obligation owed Hospital as a result of prior Hospital Care;
4. He has conveyed any material asset for less than its fair market value to any person, and but for such conveyance he would not meet the definition of Medically Needy;
5. His parents, children or some other responsible party has all or part of the financial resources necessary to pay for his Hospital Care; provided, however, if the parents, children or other responsible party commits such resources to pay for Hospital Care, such individual shall then be Medically Needy;
6. He is a minor, unless his parents are Medically Needy;
7. He has established residency in Louisville or Jefferson County for the primary purpose of obtaining Hospital Care;
8. He has an alternative source of care available to him, but refuses to avail himself of it;
9. He is eligible for insurance or public assistance benefits which might pay for all or some of his Hospital Care but refuses to apply for it;
10. He has declined to obtain, or has canceled, any health insurance policy with the intention of becoming Medically Needy;
11. A reasonably prudent man would determine there is any other valid reason why such individual should not be accorded the benefits available to the Medically Needy under this Agreement;
12. He is being transferred to Hospital from another health care facility where he was admitted as an in-patient, except for an individual who is in need of medical services which are not available at the health care facility to which he was initially admitted but are only available at Hospital.

EXHIBIT 24

GUARANTY

The undersigned, ALLIANT HEALTH SYSTEM, INC. ("AHS") and JEWISH HOSPITAL HEALTHCARE SERVICES, INC. ("JHHS") hereby severally, on a 50/50 basis, absolutely and unconditionally guarantee to THE UNIVERSITY OF LOUISVILLE ("University"), the prompt payment when due, at all times hereafter of any and all amounts owed by UNIVERSITY MEDICAL CENTER, INC. ("UMC") to University pursuant to, and as this Guaranty is limited by, Sections 11.4.2, 11.5.3 and 11.6 of the Affiliation Agreement (the "Affiliation Agreement") dated February 6, 1996, among AHS, JHHS, University, UMC and the Commonwealth of Kentucky (the "Indebtedness").

University shall have the right of immediate recourse against AHS and JHHS for full and immediate payment of the Indebtedness at any time after the Indebtedness, or any part thereof, has not been paid in full when due. This is a guaranty of payment, not of collection, and AHS and JHHS therefore agree and acknowledge that University shall not be obligated, prior to seeking recourse against or receiving payment from AHS or JHHS, to take any of the following actions (although University may, at its option, do so, in whole or in part) all of which AHS and JHHS hereby unconditionally waive [i] take any steps whatsoever to collect from UMC or file any claim of any kind against UMC; take any steps whatsoever to accept, perfect a security interest in, or foreclose or realize on, collateral security, if any, for payment of the Indebtedness or any other guaranty of the Indebtedness; or [ii] in any other respect exercise any diligence in collecting or attempting to collect any of the Indebtedness by any means.

Except as specifically set forth below, AHS and JHHS unconditionally and irrevocably waive each and every defense which, under principles of guaranty or suretyship law, would operate to impair or diminish the liability of AHS and JHHS hereunder. Without limiting the foregoing, AHS and JHHS agree that the liability of AHS and JHHS hereunder shall not be diminished or impaired by any of the following (all of which may be done by University without notice to AHS or JHHS): [i] the voluntary or involuntary discharge or release of any of the Indebtedness, or of any of the persons liable therefor, by reason of bankruptcy or insolvency laws or otherwise; [ii] the acceptance or release, with or without substitution, by University of any collateral security or other guaranty, or any settlement, compromise or extension with respect to any collateral security or any other guaranty; [iii] the application or allocation by University of payments, collections or credits on any portion of the Indebtedness, regardless of what portion of the Indebtedness remains unpaid; or [iv] the making of a demand, or absence of demand, for payment of the Indebtedness or giving, or failing to give, any notice of dishonor or protest or any other notice. Notwithstanding the foregoing, any extension, modification, indulgence, compromise, settlement or variation of the terms of any of the Indebtedness by University or UMC shall require the prior written consent of AHS and JHHS.

AHS and JHHS unconditionally waive: [i] any subrogation to the rights of University against UMC, until all of the Indebtedness has been satisfied in full; and [ii] any acceptance of this Guaranty.

This Guaranty contains the entire agreement between the parties hereto with respect to the subject matter hereof, and no prior or collateral promises or conditions in connection with or with respect to the subject matter hereof not incorporated herein shall be binding upon the parties hereto. This Guaranty and the terms and provisions thereof shall be construed and enforced in accordance with the laws of the Commonwealth of Kentucky.

IN WITNESS WHEREOF, AHS and JHHS have executed this Guaranty as of February 6, 1996.

ALLIANT HEALTH SYSTEM, INC.

By: William A. Brown

Title: Executive Vice President

JEWISH HOSPITAL HEALTHCARE SERVICES, INC.

By: John H. Harkin

Title: PRESIDENT

I:\RAH\UNIV-GTY.RV1