

FIRST AMENDMENT TO MASTER AFFILIATION AGREEMENT

THIS FIRST AMENDMENT TO MASTER AFFILIATION AGREEMENT (“**Amendment**”) is entered into this 17th day of December 2015 by and between the University of Louisville on behalf of its School of Medicine (the “**University**”) and Norton Healthcare, Inc (“**NHC**”). Any of the foregoing may be hereinafter referred to individually as a “**Party**” or together as the “**Parties.**”

RECITALS

WHEREAS, the University and NHC are parties to that certain Master Affiliation Agreement dated as of July 1, 2008 (the “**Master Affiliation Agreement**”), which primarily governs the relationship between the University and NHC relating to, among other things, (1) the University’s clinical services and research at Kosair Children’s Hospital located at 231 East Chestnut Street, Louisville, Kentucky, which facility, and only that facility, shall hereinafter be referred to as “**Kosair Children’s Hospital**” and (2) NHC’s support of the training of students and residents and the University’s research programs at Kosair Children’s Hospital;

WHEREAS, on September 6, 2013, Norton filed the lawsuit styled *Norton Healthcare, Inc. v. University of Louisville*, Case No. 13-CI-1060 (the “**Lawsuit**”) in Franklin Circuit Court seeking declaratory relief in a Complaint, as amended;

WHEREAS, the University has filed Counterclaims, as amended, and Norton has filed Reply Counterclaims, as amended, in the Lawsuit;

WHEREAS, the Commonwealth of Kentucky, Finance and Administration Cabinet (“**Commonwealth**”) has intervened as a defendant in the Lawsuit;

WHEREAS, the University and NHC have entered into that certain “Settlement Agreement,” effective December 17, 2015, in which they have resolved their respective claims and counterclaims and agreed to dismiss the Lawsuit;

WHEREAS, as part of the consideration provided in the Settlement Agreement, the University and NHC have amended the Master Affiliation Agreement as set forth in the Amendment;

WHEREAS, as part of the consideration provided in the Settlement Agreement, the University and NHC have amended that certain lease dated December 8, 1981 by and between NHC and the Commonwealth, for the use and benefit of the University, pursuant to which NHC leases from the Commonwealth certain real property located in Jefferson County, Kentucky, as more particularly described in the lease, upon which NHC has constructed and currently owns and operates Kosair Children’s Hospital at 231 East Chestnut Street, Louisville, Kentucky (as amended, the “**Lease**”); and

WHEREAS, University of Louisville Physicians, Inc., a Kentucky nonprofit corporation (“**ULP**”) is an affiliate of the University.

NOW, THEREFORE, in consideration of the preliminary statements above, the settlement of litigation, and other good and valuable consideration, the receipt and sufficiency of which are hereby

acknowledged, the University and NHC hereby agree to the Recitals and that the Master Affiliation Agreement is amended as follows:

1. Section 1 of the Master Affiliation Agreement is hereby deleted in its entirety and replaced with the following text:

“1. TERM. The restated term of this agreement shall be from January 1, 2016 to December 31, 2023. The agreement will thereafter be automatically renewed for one-year periods commencing on January 1 of each year. If the agreement is not renewed by either party, notice will be given to the other party with six months (by June 30 of the year of termination).”

2. Section 5 of the Master Affiliation Agreement is hereby deleted in its entirety and replaced with the following text:

“5. ACADEMIC AND CLINICAL PROGRAMS. The University has the authority and responsibility to design, schedule, implement, and manage the training programs of its students and residents assigned to NHC.

The University’s Chair of Pediatrics (or designee) may be the Chief of Staff at Kosair Children’s Hospital, with responsibilities for research programs and undergraduate, graduate, and continuing medical education programs at Kosair Children’s Hospital. The Medical Director of Kosair Children’s Hospital shall be appointed by the PAMCC, as referenced in Section 16. The Chief of Staff and Medical Director positions are subject to approval by the Board of Trustees of NHC, but approval shall not be withheld for arbitrary, financial, or competitive reasons.

For facilities other than Kosair Children’s Hospital, the University’s chairs with responsibilities for the University’s research programs in various services are the academic chairs of the various services, with responsibilities for research programs and undergraduate, graduate, and continuing medical education programs pertaining to the University’s students, residents, and faculty.

NHC and its medical staff will assist in evaluating the performance of students and residents as required.”

3. Section 6 of the Master Affiliation Agreement is amended by adding the following sentence as the second sentence of Section 6: “The University shall not impose qualification requirements that are any more stringent than used to offer *gratis* faculty membership to other non-University physicians.”

4. The following text is hereby inserted into the Master Affiliation Agreement as Sections 16:

“16. GOVERNANCE AND LEADERSHIP. The parties shall establish a standing advisory committee (which shall not be a formal committee of NHC), to be called the Pediatric Academic Medical Center Committee (“PAMCC”), to oversee their affiliation under this agreement. The PAMCC shall be comprised of three representatives from NHC and a total

of three representatives combined from the University and ULP, and shall act by majority vote. The PAMCC shall provide recommendations with respect to the following matters at Kosair Children's Hospital:

- A. Relationship management;
- B. Addressing concerns about access and quality of care;
- C. Negotiating additional contracts and ensuring accountability of performance and transparency;
- D. Changes and expansion of services at Kosair Children's Hospital;
- E. Approving a Medical Director and Chief of Staff; and
- F. Defining the scope and responsibilities of the Medical Director and Chief of Service assignments.”

5. All terms and conditions of the Master Affiliation Agreement not expressly amended by this Amendment shall remain in full force and effect and are hereby ratified and confirmed by the University and NHC. To the extent this Amendment is inconsistent with any term of the Master Affiliation Agreement, this Amendment shall govern.

6. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute one and the same instrument.

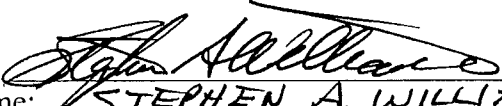
7. This Amendment shall be binding upon and inure to the benefit of the University and NHC and their respective successors and assigns.

8. This Amendment shall be construed by and enforced under the laws of the Commonwealth of Kentucky (without regard to the conflict-of-laws principles thereof).

[signatures appear on next two pages]

IN WITNESS WHEREOF, the parties by their duly authorized officers have executed this Amendment as of the date first above written.

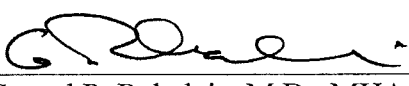
NORTON HEALTHCARE, INC.

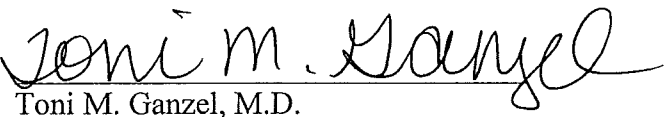
By: 
Name: STEPHEN A. WILLIAMS
Title: CEO

Date: 12-17-2015

Recommended:


UNIVERSITY OF LOUISVILLE SCHOOL OF MEDICINE

By: 
Gerard P. Rabalais, M.D., MHA
Chairman, Department of Pediatrics

By: 
Toni M. Ganzel, M.D.
Dean, School of Medicine

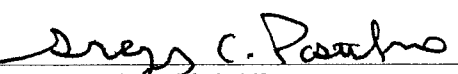
Date: 12/17/15

Date: 12-17-15

By: 
Jennifer L. Elliott, Associate University Counsel
University of Louisville

Date: 12/17/15

Execution Approval:

By: 
Gregory C. Postel, M.D.
Interim Executive Vice President for Health Affairs
University of Louisville

Date: 12/17/15