

23. [INTENTIONALLY OMITTED]

24. REPRESENTATIONS AND WARRANTIES

24.1 Representations and Warranties of UMC

UMC represents and warrants to University and Commonwealth as follows:

24.1.1 Organization and Standing. UMC is a nonprofit corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Kentucky, and has full and unrestricted corporate power and authority to carry on its business as currently conducted, to execute and deliver this Agreement, the Ancillary Agreements and all other documents contemplated hereby and to carry out the transactions contemplated hereby.

24.1.2 Authority. The execution, delivery and performance by UMC of this Agreement, the Ancillary Agreements and all other documents contemplated hereby, the fulfillment of and the compliance with the respective terms and provisions hereof and thereof, and the consummation by UMC of the transactions contemplated hereby and thereby have been duly authorized by its Board of Directors (which authorization has not been modified or rescinded and is in full force and effect), and will not: (a) conflict with, or violate any provision of, any term or provision of the Articles of Incorporation or Bylaws of UMC or (b) conflict with, or result in any breach of, or constitute a default under, any agreement to which UMC is a party or by which UMC is bound. No other corporate action is necessary for UMC to enter into this Agreement, the Ancillary Agreements and all other documents contemplated hereby and to consummate the transactions contemplated hereby and thereby.

24.1.3 Binding Obligation. This Agreement, the Ancillary Agreements and all other documents to be executed by UMC constitute valid and binding obligations of UMC enforceable in accordance with the respective terms hereof and thereof. This Agreement, the Ancillary Agreements and all other documents to be executed by UMC pursuant hereto, when executed and delivered in accordance with the provisions hereof, shall be valid and binding obligations of UMC, enforceable in accordance with the respective terms hereof and thereof.

24.2 Representations and Warranties of University

24.2.1 Organization and Standing. University is a public institution of higher education and an agency of the Commonwealth. University and the Commonwealth each have full and unrestricted power, to execute and deliver this Agreement, the Ancillary Agreements and all other documents contemplated hereby and to carry out the transactions contemplated hereby, including all power and authority necessary or appropriate under the laws of the Commonwealth of Kentucky.

24.2.2 Authority. The execution, delivery and performance by University of this Agreement, the Ancillary Agreements and all other documents contemplated hereby, the fulfillment of and the compliance with the respective terms and provisions hereof and thereof, and the consummation by University of the transactions contemplated hereby and thereby have been duly authorized by the Board of Trustees (which authorizations have not been modified or

rescinded and are in full force and effect), and will not: (a) conflict with, or violate any provision of, any term or provision of the University's organizational documents, or (b) conflict with, or result in any breach of, or constitute a default under, any agreement to which University is a party or by which University is bound. No other action is necessary for University or the Commonwealth to enter into this Agreement, the Ancillary Agreements and all other documents contemplated hereby and to consummate the transactions contemplated hereby and thereby.

24.2.3 Binding Obligation. This Agreement, the Ancillary Agreements and all other documents to be executed by University or the Commonwealth constitute valid and binding obligations of University enforceable in accordance with the respective terms hereof and thereof. The Agreement, the Ancillary Agreements and all other documents to be executed by University or the Commonwealth pursuant hereto, when executed and delivered in accordance with the provisions hereof, shall be valid and binding obligations of University or the Commonwealth, as the case may be, enforceable in accordance with the respective terms hereof and thereof.

24.2.4 Property. The Commonwealth and/or University has good and marketable title to (or, as applicable, a valid leasehold interest in) the Hospital and the assets of the Hospital (the Hospital and the Assets of the Hospital are collectively the "Assets") free and clear of any and all material mortgages, pledges, security interests, liens, charges, claims, restrictions, and other encumbrances, except as listed on Schedule 24.2.4. The tangible personal property included in the Assets (except inventory) is in good operating condition consistent with usual standards in hospitals and, to University's knowledge, the Assets conform with all applicable Laws; and the inventory included in the Assets is useable and saleable in the ordinary course of business of the Hospital and is not obsolete.

24.2.5 Leases and Contracts. Except as set forth on Schedule 25.2.5(b), each of the leases and contracts associated with the Hospital as listed on Schedule 25.2.5(a) (the "Leases and Contracts") is a valid and binding obligation of the parties thereto, enforceable in accordance with its terms, and Hospital is not in default under any of the leases or contracts (and no event has occurred which, with the passage of time, the giving of notice, or both, would constitute a default); and none of the transactions contemplated by this Agreement creates in any party to such leases or contracts the right to revise the terms of, to terminate, to accelerate any obligation, or otherwise declare that any such leases or contracts have been breached. To the best knowledge of University, all parties with which Hospital has contractual arrangements are in compliance therewith and are not in default (and no event has occurred which, with the passage of time, the giving of notice, or both, would constitute a default) thereunder; and no event has occurred which (whether with or without notice, lapse of time or the happening or occurrence of any other event) would constitute a default under the Leases or Contracts; and University has obtained all necessary consents of the parties to such Leases and Contracts for the assignment thereof to UMC. Any exceptions to the foregoing are listed on Schedule 25.2.5(b).

24.2.6 Taxes. To the best knowledge of the University, all federal income tax returns and all other federal, state or local tax returns which are required to be filed in connection with the operation of the Hospital have been filed and all taxes shown on said returns or on any assessment therefor and any other taxes or assessments required to be paid or withheld in connection with the operation of the Hospital have been paid.

24.2.7 Licenses and Permits; Compliance with Laws. After due inquiry, to the best knowledge of the University, the Hospital has all material state, federal, special or local governmental authorizations, licenses or permits and accreditations from third parties required to conduct its operations as presently being conducted and for the use and occupancy of its facilities; neither the operation of the Hospital, nor the Assets as used in the operation of the Hospital violate or fail to comply in any material respect with any applicable codes, laws or ordinances, rules or regulations; the conduct of the Hospital as presently conducted, and the use and occupancy of the Assets comply in all material respects with all requirements of all governmental bodies or agencies having jurisdiction over it or them; there is no material act or omission on the part of Hospital which would subject Hospital to the likelihood of any fine or suspension; no notice not heretofore complied with has been received, from any federal, state, or other governmental authority or agency having jurisdiction over the Hospital or the Assets, that Hospital or any of the Assets fail to comply in any material respect with any applicable law, ordinance, regulation, building or zoning law, or requirement of any public authority or body.

24.2.8 Prohibited Transactions. After due inquiry, to the best knowledge of the University, Hospital, including its employees, have not engaged in any activities which are prohibited under the federal Medicare and Medicaid statutes, including without limitation 42 U.S.C. § 1320a-7b, or under 42 U.S.C. 1395nn, or the regulations promulgated pursuant to such statutes or related state or local statutes or regulations or which are prohibited by rules of professional conduct.

24.2.9 Litigation. To the best knowledge of the University, except as set forth on Schedule 25.2.9 attached hereto, Hospital and the Assets are not subject to any pending or, to University's knowledge, threatened litigation, arbitration, governmental investigation or other legal, administrative or tax proceeding or any judgment, order or decree or other governmental restriction which would impede or prevent the consummation of the transactions contemplated by this Agreement or adversely affect UMC's operation of the Hospital after February 7, 1996, nor does University know of any basis for the same.

24.2.10 Employees and Employee Benefits. Schedule 25.2.10 is a substantially complete and accurate list of Hospital employees as of its date, and there are no employment or other agreements with any such persons; and Hospital is not a party or subject to any collective bargaining or similar labor agreement nor has Hospital encountered any labor union organizing activity or had any actual or threatened employee strikes, work stoppages, slow downs or lockouts.

- [i] To the best knowledge of the University: Schedule 25.2.10 attached hereto lists each bonus, pension (as defined in the Employee Retirement Income Security Act of 1974, as amended ("ERISA")), profit sharing, deferred compensation, incentive compensation, stock ownership, stock purchase, stock option, phantom stock, retirement, vacation, severance, disability, death benefit, hospitalization, medical or other plan, arrangement or understanding (whether or not legally binding) providing benefits to any current or former employee, officer or director

of Hospital, and any employment, consulting, severance, termination or indemnification agreement, arrangement or understanding with any employee of Hospital (collectively, "Benefit Plans").

- [ii] To the best knowledge of the University: University has delivered to UMC true, complete and correct copies of (a) each Benefit Plan (or, in the case of any unwritten Benefit Plans, descriptions thereof), (b) the most recent summary plan description for each Benefit Plan for which such summary plan description is required, and (c) each trust agreement, group annuity contract or other funding arrangement relating to any Benefit Plan.
- [iii] To the best knowledge of the University: no Benefit Plan contains any provision that imposes any liability or obligation on UMC as a successor employer, or in any other manner, with respect to Hospital's obligations under such Benefit Plan, absent UMC's written consent and assumption of such Benefit Plans and obligations.
- [iv] To the best knowledge of the University: Hospital and any other entity that would be aggregated with Hospital under Code Section 414(b), (c), (m) or (o) (collectively, the "Hospital Affiliates") have substantially complied and will substantially comply with the continuation coverage provisions of ERISA Section 601-608 and Code Section 4980B with respect to all group health plans, as such term is defined in Code Section 5000(b)(1) ("COBRA Coverage"), of Hospital and the Hospital Affiliates, and there are no past or current violations of the continuation coverage provisions by Hospital and the Hospital Affiliates that could give rise to any material liability.

24.2.11 Environmental Matters. Hospital is in material compliance with all applicable federal, state and local laws, rules, regulations, ordinances and requirements relating to the environment ("Environmental Laws"); except as set out on Schedule 25.2.11 attached hereto, [i] no "Hazardous Wastes" (as hereinafter defined) have ever been generated, transported, treated, stored, or disposed of on any real property owned or leased by Hospital, [ii] Hospital has not transported or disposed or caused or permitted any person to transport or dispose of any Hazardous Wastes other than in accordance with all Environmental Laws, and [iii] Hospital has not ever violated any of the Environmental Laws in any material respect. Without limiting the generality of the foregoing, no asbestos, PCBs or other Hazardous Wastes or any petroleum product or constituents thereof is present on, in or under any of the property of Hospital, whether owned or leased except for materials used in the ordinary course of hospital operations in compliance with Law, including radioactive materials, sharps, bio-hazards and infectious wastes. "Hazardous Wastes" for purposes of this Agreement shall include, without limitation: [i] hazardous substances or hazardous wastes, as those terms are defined by the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq., and any other applicable federal, state or local law, rule, regulation, ordinance or requirement, all as amended

or hereafter amended; [ii] petroleum, including without limitation crude oil or any fraction thereof which is liquid at standard conditions of temperature and pressure (60 degrees Fahrenheit and 14.7 pounds per square inch absolute); [iii] any radioactive material, including without limitation any source, special nuclear, or by-product material as defined in 42 U.S.C. Section 2011 et seq.; and [iv] asbestos or any asbestiform minerals in any form or condition.

24.2.12 Real Estate Title Matters. Except for Permitted Liens (hereinafter defined), The Commonwealth and/or University has good and marketable fee simple title to the real property included in the Assets (the "Real Property") free and clear of all material liens, security interests, assessments, mortgages, pledges, encumbrances, restrictions and charges of all kinds or claims of any nature whatsoever, direct or indirect, whether accrued, absolute, contingent or otherwise. No such encumbrances will impair the value or utility of the Real Property in any material respect. Title to the Real Property is insurable at standard and customary rates without any exceptions except for Permitted Liens. Adequate access is available for the present use of each parcel of the Real Property without substantial legal, financial or other impediments. "Permitted Liens" shall mean [i] liens for taxes not yet due and payable, [ii] zoning, building or other restrictions, variances, covenants, rights of way, encumbrances, easements, and other minor irregularities in title, none of which, individually or in the aggregate [a] interfere with the present use or occupancy of the Real Property, [b] have more than an immaterial effect on the value thereof or its present use, or [c] could impair the ability of UMC to use such property for its present use; [iii] the exceptions set forth on Schedule 25.2.12; and [iv] tenants in possession (the right of which shall terminate as of February 7, 1996). The Real Property is in the possession or control of University and no other person is entitled to possession of the Real Property except for tenants in possession (the right of which shall terminate as of February 7, 1996). To the best knowledge of the University: except for Permitted Liens, the Real Property is not subject to [i] any governmental decree or order (or threatened or proposed order known to the University) to be sold or taken by public authority, or [ii] any rights of way, building use restrictions, exceptions, variances, reservations or limitations of any nature whatsoever, in each case not of record. To the best knowledge of the Commonwealth and University, the structures on the Real Property are structurally sound and in conformity with prevailing industry standards and generally accepted standards of good engineering practice, with no material defects, are in good and safe operating condition and repair (ordinary wear and tear excepted) and are adequate for the uses to which they are being put.

25. TERM AND TERMINATION

25.1 Term

25.1.1 Initial Term. The term of this Agreement (the "Initial Term") shall be for an approximate period of fifteen (15) years commencing on February 7, 1996 and continuing through 12:01 AM on the date which shall be the thirtieth (30th) day following the termination of the initial tax exempt bond issue, or similar financing, referenced in Section 11 hereof. At the closing of such financing the parties shall execute a writing to be appended hereto that identifies the termination of the Initial Term.

25.1.2 Renewal Terms. The term of this Agreement shall automatically renew for up to three successive five year renewal terms unless (i) this Agreement shall have been

earlier terminated in accordance with Section 25 or (ii) UMC shall have notified the other parties in writing no later than eighteen months prior to the expiration of the Initial Term or the applicable renewal term, as the case may be, of its intent not to renew, unless University agrees to a shorter notice period.

25.2 Termination

25.2.1 Termination for Cause. Either University or UMC may terminate this Agreement for cause in the event of a breach by the other party of any of its material performance obligations hereunder. Any such termination shall be subject to the following conditions:

- [i] The terminating party must give written notice to the other party specifying in reasonable detail the claimed breach.
- [ii] The other party shall have ninety (90) days following receipt of such notice in which to cure the breach or if the breach is subject to cure but not within ninety (90) days such reasonable time as is necessary to diligently cure the breach.
- [iii] If the claimed breach is not so cured within such period, the non-breaching party shall serve a second notice of termination, and this Agreement shall terminate effective at the end of the University's next full academic year following such second notice of termination but in no event less than twelve (12) months after the second notice of termination.

25.2.2 Special Termination Rights of University. University shall have the right to terminate this Agreement for (a) academic cause and/or (b) loss of accreditation which results directly from UMC's failure to support a material, current training program listed on Schedule 26.2.2. In such event this Agreement shall terminate effective at the end of the University's next full academic year following notice of termination, but in no event less than twelve (12) months after notice of termination.

25.2.3 Special Termination Rights of the Parties. Pursuant to Section 14.2, UMC or University shall have the right to terminate this Agreement for failure to fund the QCCT in accordance with its terms, upon ninety days written notice to the other parties hereto.

25.2.4 Cross Default. This Agreement shall terminate immediately upon any termination of the Lease Agreement.

25.3 Effect of Termination

25.3.1 Transition Period. In the event of termination or expiration of this Agreement, upon University's written request, UMC shall cooperate with University to formulate a transition plan, reasonably acceptable to UMC and University, to effectuate the orderly termination of this Agreement and UMC shall take all actions reasonably requested by University to facilitate the transition to operation and management by University or by another

third party. During the performance of the termination plan, each party shall provide to the other a level of support and cooperation, reasonably sufficient to complete and implement such transition plan and to satisfy each party's duties and obligations under the plan. As part of such cooperation, UMC shall provide University and its employees and advisors with (a) reasonable access to all UMC personnel and consultants (b) reasonable access to and the right to copy or replicate all UMC financial, medical, regulatory, and management records including all records relating to the ULH Facilities, all records relating to any matters arising hereunder, all records needed for governmental reporting or compliance with accrediting body requirements, as well as computer source codes, manuals, indexes, data systems, extracts and technical assistance to access such information, and to reload such records on a new system, and (c) specific notice of any matter known to be existing at such time as to which there may be an obligation under § 28. University shall not make unreasonable requests or impose unreasonable conditions with respect to such access (including, without limitation, a request which would result in UMC's violation of any law or breach any Agreement entered into in the ordinary course of business) and UMC shall not impose any unreasonable conditions or requirements with respect to such access by University. University shall reimburse UMC actual out-of-pocket expenses for staff overtime, computer service, or similar items incurred in providing the foregoing.

25.3.2 Return of Proprietary and Confidential Information. Upon expiration or termination of this Agreement, for any reason, (i) UMC shall promptly return to University all University Proprietary and Confidential Information (including all financial and operational records and reports relating to the operation of ULH under this Agreement) and (ii) University shall promptly return to UMC all UMC Proprietary and Confidential Information. UMC will also make available for the transition and future operation of the Hospital medical records, enrollment figures, provider payment arrangements and subject to appropriate restrictions on use, professional competence and practice patterns of Hospital, its employees and agents.

25.3.3 Assumption or Repayment of Debt. Upon the effective date of termination University shall assume, to UMC's reasonable satisfaction, or repay all debt of UMC that was duly approved by the UMC Board of Directors prior to termination or incurred in the ordinary course of business, and obtain a release, reasonably satisfactory to UMC, of UMC from any further obligations thereunder.

25.3.4 Settlement of Accounts. In the event of expiration or termination of this Agreement, the parties shall meet promptly, and in no event later than three (3) months prior to the effective date of termination, to address the settlement of outstanding amounts payable and receivable under this Agreement. At termination, University shall pay UMC in exchange for all equipment, fixtures, capital improvements, inventory or similar items an amount equal to the greater of (a) the undepreciated book values reflected in the books and records of UMC maintained in accordance with generally accepted accounting principles, consistently applied, or (b) the fair market value of such assets in the hands of the University as established by an appraisal of a national firm either agreed to by the parties or selected by a United States District Court Judge sitting in Louisville, Kentucky. University shall deposit in an escrow account, to be established at the time, such amount as is determined by the UMC Board as a reserve to pay for any contingent obligations of UMC relating to the operation of the Hospital that remain after the termination date.

25.4 Right of First Refusal After Termination

To the extent permitted by applicable Law, if University enters into any agreement (including a Letter of Intent) to convey all or a substantial portion of the ULH Facilities (through sale or a financing lease for substantially the remaining useful life of the ULH Facilities) within twelve (12) months after termination of this Agreement, UMC 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 UMC shall not exist in the event of material breach of this Agreement or the Lease or Member Agreement by UMC, or material breach of the Guarantee of JHHS and/or AHS. University 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 shall provide UMC with written notice of any such transaction (along with a description of the terms thereof) and UMC 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 UMC.

26. [INTENTIONALLY OMITTED]

27. RESOLUTION OF DISPUTES

27.1 Generally

The parties shall act promptly to mutually resolve any disputes that may arise with respect to this Agreement. All such disputes shall be subject to the provisions of this Section 27. The parties agree that, the existence and details of a dispute notwithstanding, the parties shall, pending the completion of the dispute resolution procedures described in this Section 27, continue without delay their performance hereunder.

27.2 Dispute Resolution Procedure

Any dispute arising between the parties relating to or involving the application, interpretation or performance of this Agreement shall be settled, if possible, as follows:

- [i] In the event of any dispute between the parties with respect to this Agreement, the matter shall initially be submitted promptly to the Vice President for Health Affairs of the University and the Chief Executive Officer of UMC for the purpose of endeavoring to resolve such dispute.
- [ii] In the event of any dispute that cannot be resolved at the administrative level within fifteen (15) business days after the date of submission of the dispute to them, then the matter shall be submitted promptly to a Special Committee of UMC's Board composed of three directors appointed by the University, and one director, not an employee of the University, and not a physician, selected by the above appointed directors for further consideration and discussion to attempt to resolve the dispute.

- [iii] In the event that such persons are unable to resolve the dispute within fifteen (15) business days after the day of submission of the dispute to them, then the matter shall be submitted promptly to the University's President for further consideration and discussion to attempt to resolve the dispute. These persons shall have fifteen (15) business days to attempt to resolve the dispute.

28. INSURANCE, PRE TAKEOVER RESPONSIBILITY AND SETOFF

28.1 Insurance

UMC shall maintain in full force and effect at all times during the Term of this Agreement commercial general all risk insurance coverage with combined limits of not less than \$20,000,000 per occurrence and [\$20,000,000] in the aggregate] and other customary and reasonable insurance coverages or self insurance arrangements reasonably acceptable to University. Self insurance arrangements that meet the conditions of tax exempt, or similar financing arrangements are deemed to be reasonably satisfactory to University. All insurance policies carried by UMC shall (i) be issued by an insurance company reasonably acceptable to University; (ii) be in form acceptable to University; (iii) designate the University as an additional insured; (iv) provide for thirty (30) days' prior written notice to University of any material change or cancellation or other expiration of such policy or any defaults thereunder. UMC shall promptly pay all premiums for insurance policies required under this Section 28.1. UMC shall provide evidence of current satisfaction of this condition to University upon request.

28.2 Incurred Liabilities

28.2.1 Breach of Representations. If any party incurs any liability, loss, damage, cost or expense (the "Non-Breaching Party") as a result of the any misrepresentation or breach of the representations and warranties set forth in this Agreement by another party (the "Breaching Party") or the Breaching Party's officers, directors, employees, contractors, subcontractors or agents, the Breaching Party agrees, upon the reasonable request of the Non-Breaching Party, to renegotiate this Agreement or take such other actions as are reasonable and equitable such that the Non-Breaching Party is returned to a financial position substantially the same as the financial position the Non-Breaching Party would have been in had the Breaching Party not so breached this Agreement. If the parties are unable to renegotiate this Agreement within ninety (90) days of the Non-Breaching Party's request, the Non-Breaching Party may institute suit to recover such amount as will return it to the same financial position as it would have been but for the breach.

28.2.2 Pre-Takeover Responsibility. The Commonwealth and the University acknowledge that neither UMC nor JHHS or AHS has responsibility or liability for the operation of the Hospital prior to February 7, 1996. In the event UMC, JHHS, or AHS should be subject to any loss, cost, damages, liability or expense, of whatever nature or kind, including attorneys' fees (collectively "loss") arising from the operations of the Hospital prior to February 7, 1996, they, and each of them shall have the same setoff rights, as are described in Section 28.2.3 hereof. The amount set forth in a notice of the loss, which may be updated from time to time,

shall be deposited in an interest bearing account of UMC until it is finally determined, by agreement or by court order, that UMC, AHS or JHHS, as the case may be, has suffered a loss for which University is liable, and the amount of the loss. If the amount of the loss is less than the amount in the account, the balance, together with interest actually earned, shall be paid to University. If the amount required to be paid to University at the time the notice, as amended from time to time, is delivered to University is insufficient to liquidate the loss, additional amounts shall be deposited in the account at the time payment would otherwise be required to be made to University until the full amount of the loss is deposited in the account.

28.2.3 Set Off. In the event any claim is made by a third party against UMC which, if sustained, would (a) result in any loss, cost, damage or liability (collectively "loss") to UMC, and (b) which claim results from and which loss would be caused by a breach of a representation or warranty or other breach of this Agreement or Ancillary Agreements by University. University hereby consents to the setting aside of an amount reasonably sufficient to cover the claim, as amended from time to time, from any funds that UMC would otherwise be obligated to pay University under the terms of this Agreement or any Ancillary Agreement, including the Lease or the Guaranty. Said amount shall be deposited in an interest bearing account of UMC, and if the claim results in a required payment, such payment shall be made from the account up to the full amount in the account. If the amount in the account is more than is required to pay the claim, the balance, together with interest actually earned, shall be paid to University. If the amount required to be paid to University at the time the claim is made, or as amended from time to time, is insufficient to liquidate the claim, additional amounts shall be deposited in the account at the time they would otherwise be required to be paid to University until the full amount of the claim is deposited in the account. UMC shall promptly provide University with a copy of the claim.

28.2.4 Survival. This Section 28.2.4 shall survive termination or expiration of this Agreement for a period of three (3) years after the effective date of such termination or expiration; provided, however, that with respect to any Claim or other matter (including actual and direct damages incurred other than as a result of a third party claim) for which notice has been timely given within such three (3) year period, the period shall be extended until the final resolution of such Claim or other matter (including actual and direct damages incurred other than as a result of a third party claim).

28.2.5 Notices. A Breaching Party having reason to believe that it may be entitled to benefit under this Section 28.2.5 shall give reasonably prompt written notice to the other Party specifying in reasonable detail the nature and basis of any such matter but such notice shall not be a condition of any obligation of any party under this Section 28.2.5 and failure of the Non-Breaching Party to provide such notice shall not relieve the Breaching Party of its obligations under this Section 28.2.5 unless the delay or failure to provide such notice prejudices the Breaching Party in a manner that demonstrably results in actual and direct damages to the Breaching Party, in which event the Breaching Party shall be relieved of such obligations but only to the extent such actual and direct damages can be proved.

29. PROPRIETARY AND CONFIDENTIAL INFORMATION

29.1 UMC Proprietary and Confidential Information

The UMC Proprietary and Confidential Information and all copies and modifications thereof are the property of UMC. University acknowledges that the UMC Proprietary and Confidential Information constitutes valuable assets and trade secrets of UMC. During the term of this Agreement and at all times thereafter, University agrees that, except as required by Law or order of court:

- [i] it will hold the UMC Proprietary and Confidential Information in strict confidence with at least the same degree of care as it uses for University Proprietary and Confidential Information;
- [ii] it will not, and will instruct its employees and agents not to, directly or indirectly, voluntarily or involuntarily, use, sell, lease, assign, transfer, disclose or otherwise make available any part of the UMC Proprietary and Confidential Information to others, except with the express written consent of UMC;
- [iii] it will not copy or duplicate by any means, in whole or in part, the UMC Proprietary and Confidential Information, except with the express written consent of UMC; and
- [iv] except with respect to third parties approved in advance in writing by UMC (which approval shall not be unreasonably withheld or delayed), University will limit access to the UMC Proprietary and Confidential Information to only those of its employees and agents who need access to the UMC Proprietary and Confidential Information, and, if requested by UMC, it will require its employees, agents and approved third parties to execute nondisclosure agreements.

29.2 University Proprietary Information

University's Proprietary and Confidential Information and all copies thereof are the property of University. UMC, acknowledge that the University Proprietary and Confidential Information constitute valuable assets and trade secrets of University. Accordingly, during the term of this Agreement and at all times thereafter, UMC, JHHS and AHS each individually agree that, except as required by Law or order of court:

- [i] it will hold the University Proprietary and Confidential Information in strict confidence with at least the same degree of care as it uses for its own Propriety and Confidential Information;
- [ii] it will not, and will instruct its employees and agents not to, directly or indirectly, voluntarily or involuntarily, use, sell, lease, assign, transfer, disclose or otherwise make available any part of the University Proprietary

and Confidential Information to others, except with the express written consent of University;

- [iii] it will not copy or duplicate by any means, in whole or in part, the University Proprietary and Confidential Information, except with the express written consent of University; and
- [iv] except with respect to third parties approved in advance in writing by University (which approval shall not be unreasonably withheld or delayed), UMC, JHHS and AHS will limit access to the University Proprietary and Confidential Information to only those of its employees and agents who need access to the University Proprietary and Confidential Information, and, if requested by University, it will require its employees, agents and approved third parties to execute nondisclosure agreements.

29.3 Survival

UMC's, and University's obligations under this Section 29 shall survive any termination of this Agreement.

30. MISCELLANEOUS PROVISIONS

30.1 Assignment; Change of Control

30.1.1 Assignment of Interest in Hospital. During the Term hereof neither UMC nor University shall sell, transfer, or assign (including by operation of Law) its interest in the Hospital without the consent of the other, subject to the Commonwealth's right to transfer the Hospital to another state entity, provided that this shall not reduce UMC's rights hereunder.

30.1.2 Assignment of Agreement. None of the parties shall sell, transfer or assign (including by operation of Law) its interest in this Agreement without the prior approval of the other parties.

30.2 Use of University Name

UMC shall have the reasonable opportunity to advertise its affiliation with University; provided, however, that (i) University has a prior opportunity to review and approve any new category of such use, which approval shall not unreasonably be withheld and (ii) that UMC takes reasonable steps to avoid any use of the University name that implies University affiliation or endorsement of UMC activities other than those activities related to the operation of the Hospital in accordance with this Agreement.

30.3 Entire Agreement; Amendment

This Agreement, including all Exhibits and Schedules hereto, contains the entire agreement between the parties relating to the subject matter herein and all prior proposals, discussions and writings by and among the parties and relating to the subject matter herein are

superseded hereby. None of the terms of this Agreement may be amended unless such amendment is in writing and signed by all parties hereto, and recites specifically that it is an amendment to the terms of this Agreement.

30.4 Waiver

No delay or failure on the part of any party hereto in exercising any right, power or privilege under this Agreement or under any other instrument given in connection with or pursuant to this Agreement shall impair any such right, power or privilege or be construed as a waiver of any event of default hereunder or any acquiescence therein. No single or partial exercise of any such right, power or privilege shall preclude the further exercise of such right, power or privilege, or the exercise of any other right, power or privilege. No waiver shall be valid against any party hereto unless made in writing and signed by the party against whom enforcement of such waiver is sought and then only to the extent expressly specified therein.

30.5 Severability

In the event that either (a) a court of competent jurisdiction holds that a particular provision or requirement of this Agreement is in violation of any applicable Law or (b) the parties are definitively advised by a government agency which has jurisdiction that a feature or provision of this Agreement violates Laws or regulations over which such department or agency has jurisdiction, then each such provision, feature or requirement shall be fully severable and: (i) this Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part hereof; (ii) the remaining provisions hereof shall remain in full force and effect and shall not be affected by the severable provision; (iii) the parties shall in good faith negotiate and substitute a provision similar in terms to such severable provision as may be possible and still be legal, valid and enforceable, unless the effect of such severance and substitution would be to deprive a party substantially of the benefits contemplated under this Agreement, in which case any party may terminate this Agreement upon thirty (30) days' written notice to the other parties of thirty (30) days or such greater period of notice as is acceptable to such court or governmental agency and is necessary to provide for an orderly transition in accordance with § 25.3 hereof.

30.6 Governing Law

This Agreement is deemed to have been entered into in the Commonwealth of Kentucky and its interpretation, its construction, and the remedies for its enforcement or breach are to be applied pursuant to and in accordance with the laws of the Commonwealth of Kentucky (excluding the choice of law rules thereof).

30.7 Notices

All notices, demands, requests, or other communications which may be or are required to be given, served, or sent by any party to any other party pursuant to this Agreement shall be in writing and shall be hand delivered (including delivery by courier or overnight delivery service), mailed by first-class, registered or certified mail, return receipt requested, postage prepaid, telegram, telex, or facsimile transmission, addressed as follows:

[i] If to Commonwealth:

Secretary of Finance and Administration Cabinet
Room 383
Capitol Annex
Frankfort, KY 40601
Facsimile No. (502) 564-6785

with a copy (which shall not constitute notice) to:

General Counsel
Office of Legal and Legislative Affairs
Room 374
Frankfort, KY 40601
Facsimile No. (502) 564-6785

[ii] If to University:
Office of the President
103 Grawemeyer Hall
University of Louisville
Louisville, Kentucky 40292
Attention: President
Facsimile No. (502) 852-5682

with a copy (which shall not constitute notice) to:

University Counsel
206 Grawemeyer Hall
University of Louisville
Louisville, Kentucky 40292
Facsimile No. (502) 852-5818

[iii] If to UMC:
Chief Executive Officer
University of Louisville Hospital
530 South Jackson Street
Louisville, Kentucky 40202

Each party may designate by notice in writing a new address to which any notice, demand, request or communication may thereafter be so given, served or sent. Each notice, demand, request, or communication which shall be mailed, delivered or transmitted in the manner described above shall be deemed sufficiently given, served, sent or received for all purposes at such time as it is delivered to the addressee with the return receipt, the delivery receipt, the affidavit of messenger or (with respect to a telex) the answer back being deemed conclusive, but not

exclusive, evidence of such delivery or at such time as delivery is refused by the addressee upon presentation.

30.8 Additional Actions and Documents

Each of the parties hereto hereby agrees to take or cause to be taken such further actions, to execute, deliver and file or cause to be executed, delivered and filed such further documents and instruments, and to use Best Efforts to obtain such consents (including regulatory approvals), as may be necessary or as may be reasonably requested in order to fully effectuate the purposes, terms and conditions of this Agreement.

30.9 Binding Effect

This Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns.

30.10 Survival

Neither expiration nor termination of this Agreement shall terminate those obligations and rights of the parties that have arisen from performance during the period in which this Agreement was in effect, or that by their express terms are intended to survive, and except as specifically limited herein, such rights, obligations and provisions shall survive the expiration or termination of this Agreement.

30.11 Benefit of Agreement

It is the explicit intention of the parties hereto that no person or entity other than the parties hereto is or shall be entitled to bring any action to enforce any provision of this Agreement against any of the parties hereto as third party beneficiary or otherwise, and that the covenants, undertakings, and agreements set forth in this Agreement shall be solely for the benefit of, and shall be enforceable only by, the parties hereto or their respective successors and assigns as permitted hereunder.

30.12 Construction

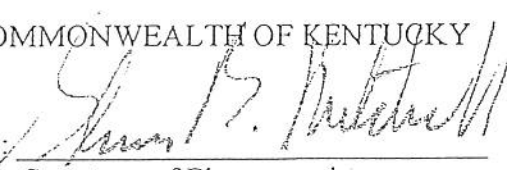
Each party hereto hereby acknowledges that it was represented by counsel and participated equally in the drafting and negotiation of this Agreement and that, accordingly, no court construing this Agreement shall construe it more stringently against one party than against the other.

30.13 Execution in Counterparts

To facilitate execution, this Agreement may be executed in as many counterparts as may be required. All counterparts shall collectively constitute a single agreement. It shall not be necessary in making proof of this Agreement to produce or account for more than a number of counterparts containing the respective signatures of, or on behalf of, all of the parties hereto.

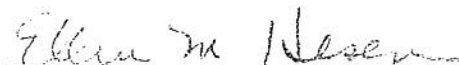
IN WITNESS WHEREOF, each of the parties hereto has caused this Affiliation Agreement to be duly executed in its name and on its behalf, on the respective date(s) stated below, but effective as of the date first indicated above.

COMMONWEALTH OF KENTUCKY

By: 
Secretary of Finance and
Administration Cabinet

Date: 3/11/09

HAVE SEEN AND APPROVED:

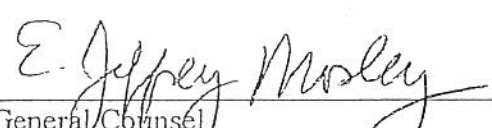

General Counsel to the Governor

Approved:

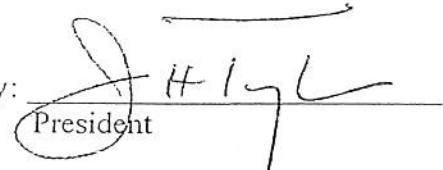

Governor

Date: _____

Approved as to Form and Legality:

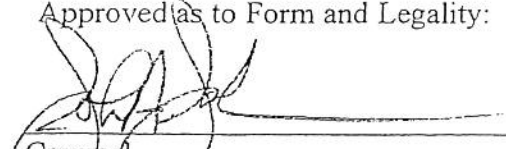

General Counsel
Finance and Administration Cabinet

UNIVERSITY MEDICAL CENTER,
INC.

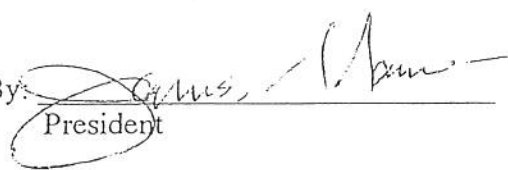
By: 
President

Date: _____

Approved as to Form and Legality:

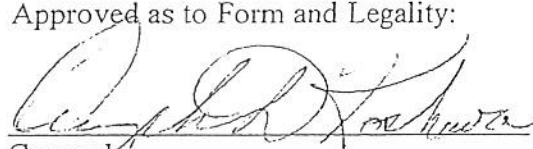

Counsel
University Medical Center

UNIVERSITY OF LOUISVILLE

By: 
President

Date: _____

Approved as to Form and Legality:


Counsel
University of Louisville