

MINUTES OF A JANUARY 24, 2020 SPECIAL MEETING
OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ALABAMA

The Board of Trustees of The University of Alabama held a special meeting on Friday, January 24, 2020 at 12:00 p.m. President Pro tempore Ronald W. Gray chaired the meeting. Mark D. Foley, Jr. served as Secretary.

On roll call, the following Trustees were present:

The Honorable Harris V. Morrissette, Trustee from
the First Congressional District;

The Honorable Marietta M. Urquhart, Trustee from
the First Congressional District;

The Honorable Joseph C. Espy III, Trustee from
the Second Congressional District;

The Honorable W. Davis Malone III, Trustee from
the Second Congressional District;

The Honorable Kenneth L. Vandervoort, M.D., Trustee from
the Third Congressional District;

The Honorable James W. Wilson, III Trustee from
the Third Congressional District;

The Honorable Evelyn VanSant Mauldin, Trustee from
the Fourth Congressional District;

The Honorable Scott M. Phelps, Trustee from
the Fourth Congressional District;

The Honorable Ronald W. Gray, President pro tempore and Trustee
from the Fifth Congressional District;

The Honorable William Britt Sexton, Trustee from
the Fifth Congressional District;

The Honorable Vanessa Leonard, Trustee from
the Sixth Congressional District;

The Honorable W. Stancil Starnes, Trustee from
the Sixth Congressional District;

The Honorable Karen P. Brooks, Trustee from
the Seventh Congressional District;

The Honorable John H. England, Jr., Trustee from
the Seventh Congressional District;

The Honorable Barbara Humphrey, Trustee from
the Seventh Congressional District;

The meeting was also attended by Chancellor Finis E. St. John IV; Vice Chancellor for Governmental Affairs and Economic/Workforce Development Clay Ryan; General Counsel and Senior Vice Chancellor Sid Trant; Vice Chancellor for Finance and Administration Dr. Dana S. Keith; Senior Vice Chancellor for Communications and Community Relations Kellee Reinhart; Director of Risk and Compliance and System Counsel Katie Osburne; Assistant to the Secretary of the Board of Trustees-Board/Trustee Administrative Support Teresa Embry; UAB Deputy General Counsel and Chief University Counsel John Daniel; UAB Health System CEO Dr. William Ferniany; and UAB Health System and UAB School of Medicine Chief Financial Officer Dawn Bulgarella.

Pro tem Gray stated that the meeting was called in accordance with Section 16-47-32 of the Code of Alabama and pursuant to a written application, with which he concurred, from Trustees Espy, Brooks, and England that read as follows:

January 16, 2020

Mr. Ronald G. Gray
20 Ledge View Drive
Huntsville, AL 35802
Rwgray41@gmail.com

President pro tempore,

Pursuant to Article II, Section II of the Bylaws of the Board of Trustees of the University of Alabama, we request a special telephonic meeting on Friday, January 24, 2020 to consider authorizing the execution of an Affiliation Agreement with Ascension Health and establishing the UAB Health System Authority.

Respectfully,

The Honorable Joseph C. Espy III, Trustee from the Second Congressional District
The Honorable Karen P. Brooks, Trustee from the Seventh Congressional District
The Honorable John H. England, Jr., Trustee from the Seventh Congressional District

Cc: Chancellor Finis St. John IV

Pro tem Gray said that notice of the special meeting was sent to each member of the Board on January 17, 2020.

Senior Vice Chancellor for Communications and Community Relations Kellee Reinhart introduced Ty West with the *Birmingham Business Journal*; Grace Campbell with *WVUA*; Bill Thornton with *al.com*; and Jim Bakken with UAB Media Relations.

Pro tem Gray welcomed the media and thanked them for attending.

Pro tem Gray said a meeting agenda was provided in advance of this meeting. He asked if there was any objection to the agenda as presented. Hearing none, the agenda was unanimously adopted.

Pro tem Gray said there were two items of business. The first item was consideration of a resolution approving the affiliation agreement with Ascension Health. Pro tem Gray called for a motion to consider this resolution. On the motion of Trustee Wilson, seconded by Trustee Brooks, the Board opened discussion on the resolution.

Pro tem Gray recognized Dr. William Ferniany to present the item.

Dr. Ferniany explained that the resolution approves the affiliation agreement with Ascension Health, which was attached to the resolution, and authorizes Dr. Ray Watts to execute it.

Pro tem Gray thanked Dr. Ferniany and asked if there were questions or comments. There were none.

Pro tem Gray then called for a vote, and, with Trustee Starnes abstaining, the Board approved the resolution.

RESOLUTION

WHEREAS, the University of Alabama at Birmingham proposes that The Board of Trustees of The University of Alabama on behalf of the University of Alabama at Birmingham (“The Board of Trustees”) and Ascension Health, a Missouri nonprofit corporation (“Ascension”), enter into that certain Affiliation Agreement, a copy of which is attached as **Exhibit A**;

WHEREAS, the purposes of executing the Affiliation Agreement and consummating the transactions described therein include: (i) creating a strong regional health care delivery network, with expanded geographic coverage, designed to offer population care management and improve the health of the regional community, (ii) combining operations to realize economies of scale and reduce costs for patients and purchasers of health care services, (iii) achieving sufficient economic and clinical integration so as to lawfully engage in joint negotiations, pricing and strategic planning, and (iv) facilitating the sharing of medical expertise, specialties and resources for enhanced care models, all in accordance with their missions;

WHEREAS, The Board of Trustees deems it to be in its best interest, as well as the best interest of its affiliated clinical enterprises, to enter into the Affiliation Agreement and subject to the terms and conditions in the Affiliation Agreement, to consummate the transactions described therein.

NOW, THEREFORE, BE IT RESOLVED, that The Board of Trustees, does hereby: adopt, approve and authorize (i) the execution and delivery of the Affiliation Agreement by and on behalf of The Board of Trustees, together with any and all ancillary agreements, documents, certificates and other instruments relating thereto, in such form and with such changes, modifications, additions and/or amendments thereto as Dr. Ray L. Watts, President of UAB or such other authorized signatories, may deem reasonable and necessary, and (ii) the performance by The Board of Trustees of the obligations, covenants, agreements and undertakings required of The Board of Trustees pursuant to or in connection with the Affiliation Agreement.

Pro tem Gray said the next item was consideration of a resolution incorporating the UAB Health System Authority. Pro tem Gray called for a motion to consider this resolution. On the motion of Trustee Wilson, seconded by Trustee Brooks, the Board opened discussion on the resolution.

Pro tem Gray recognized Dr. Ferniany to present the item.

Dr. Ferniany explained that the resolution approves the incorporation of the UAB Health System Authority and its articles of incorporation. By approving the resolution, the Board would elect the following individuals to serve as the UAB Health System Authority Board of Directors:

Directors with Term Expiring September 30, 2021	Directors with Term Expiring September 30, 2021	Directors with Term Expiring September 30, 2021
Ray L. Watts, MD	James Wilson III	Ronald Gray
Selwyn M. Vickers, MD	Vanessa Leonard	W. Stancil Starnes
		Finis St. John IV

Dr. Ferniany said the Board would also elect the following individuals to the Board of Directors to the Joint Operating Company between UAB and Ascension Health:

Finis St. John IV	Ray L. Watts, MD	Selwyn M. Vickers, MD
Kenneth Vandervoort, MD	John H. England, Jr.	W. Stancil Starnes

Pro tem Gray thanked Dr. Ferniany and asked if there were questions or comments. There were none.

Pro tem Gray then called for a vote, and, with Trustee Starnes abstaining, the Board approved the resolution.

RESOLUTION

WHEREAS, a written application has been filed with The Board of Trustees of The University of Alabama (the “Board”) requesting the incorporation of a university authority (the “Authority”) under the provisions of the University Authority Act of 2016, Act No. 2016-201 enacted at the 2016 Regular Session of the Legislature of Alabama (the “Enabling Act”). The Authority is to be named “UAB Health System Authority”. The application was accompanied by a form of articles of incorporation for the Authority; and

WHEREAS, the application and form of the articles of incorporation are attached to this resolution as *Exhibit B*; and

WHEREAS, the Board has reviewed the contents of the application and the accompanying form of articles of incorporation; and

WHEREAS, the Board believes that the creation of the Authority is necessary to further the Board’s mission of promoting and supporting the health and educational interests of the people of the State of Alabama; and

WHEREAS, the Board has found and determined that the Authority will perform essential public functions on behalf of the State of Alabama, the Board and other governmental entities in the State of Alabama and hereby declares its intent that, to the maximum extent permitted by law, the Authority shall enjoy all privileges and immunities

available to the Board under the laws of the State of Alabama and all powers, privileges and immunities available to authorities incorporated under the Enabling Act.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ALABAMA, as follows:

1. The Board does hereby find and declare that it is necessary, desirable, and in the best interests of the Board that the Authority be incorporated and does hereby (i) approve the form of the Authority's articles of incorporation in a form that is the same as or substantially similar to the articles of incorporation attached hereto as **Exhibit B**; and (ii) authorize the applicants or their designees to proceed to form the Authority by executing and filing for record the articles of incorporation in accordance with the provisions of Section 4 of the Enabling Act.

2. The directors of the Authority shall be elected by the Board and shall serve for such term of office as provided in the proposed form of articles of incorporation. The Board hereby elects the following persons to serve as the initial directors of the Authority:

Directors with Term Expiring September 30, 2021	Directors with Term Expiring September 30, 2022	Directors with Term Expiring September 30, 2023
Ray L Watts, MD	James Wilson III	Ronald Gray
Selwyn M. Vickers, MD	Vanessa Leonard	W. Stancil Starnes
		Finis St. John IV

The successors to the initial directors shall be elected as provided in the form of articles of incorporation.

3. Any person or persons designated and authorized by any officer of the Board to act in the name and on behalf of the Board, or any one or more of them, are authorized to do and perform or cause to be done and performed in the name and on behalf of the Board such other acts, to pay or cause to be paid on behalf of the Board such related costs and expenses, and to execute to deliver or cause to be executed and delivered in the name and on behalf of the Board such other notices, requests, demands, directions, consents, approvals, orders, applications, certificates, agreements, further assurances, or other instruments or communications, under the corporate seal of the Board, or otherwise, as they or any of them may deem necessary, advisable, or appropriate in order to carry into effect the intent of the provisions of this resolution.

4. In accordance with the Affiliation Agreement between the Board and Ascension Health and approved by the Board immediately prior to this Resolution, the Board hereby appoints

the following individuals to the board of directors of the Joint Operating Company (as defined under the Affiliation Agreement):

Finis St. John IV

Ray L Watts, MD


Selwyn M. Vickers, MD

Kenneth Vandervoort, MD

John H. England, Jr.

Pro tem Gray thanked everyone and congratulated Dr. Ferniany and his team.

There being no further business to come before the Board, the meeting was adjourned.



Mark D. Foley, Jr.
Secretary of The Board of Trustees

AFFILIATION AGREEMENT

Dated January __, 2020

Between

**THE BOARD OF TRUSTEES OF
THE UNIVERSITY OF ALABAMA**

and

ASCENSION HEALTH

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AFFILIATION AGREEMENT

This **AFFILIATION AGREEMENT** (the “**Agreement**” or “**this Agreement**”) is made and entered into this ___ day of January, 2020 (the “**Effective Date**”), between **The Board of Trustees of The University of Alabama**, a public corporation and instrumentality of the State of Alabama (“**UA Board**”), acting through its operating division University of Alabama at Birmingham (“**UAB**”) for the benefit of **University of Alabama Hospital** and related health care delivery facilities (collectively, “**University Hospital**”), and **Ascension Health**, a Missouri nonprofit corporation (“**Ascension**”) (each of UA Board and Ascension are sometimes referred to herein individually as a “**Party**” or collectively as the “**Parties**”).

RECITALS

WHEREAS, University Hospital is the primary teaching hospital of the **University of Alabama School of Medicine** (“**UASOM**”); **University of Alabama Health Services Foundation, P.C.**, an Alabama professional corporation (“**HSF**”), employs physicians who have teaching appointments at UASOM and who provide clinical services at University Hospital, HSF clinical facilities, and related facilities; **UAB Health System**, an Alabama nonprofit corporation (“**UABHS**”), was organized by UA Board and HSF to manage and supervise the health care delivery systems of UA Board and HSF, which operate in the Joint Operating Company Service Area (defined below) under the d/b/a “**UAB Health System**” or “**UAB Medicine**”; University Hospital, HSF and UABHS are included in the UABHS Covered Affiliates identified in this Agreement; and

WHEREAS, UA Board conducts a system of higher education through three separate operating divisions operating on three campuses, including (i) UAB, which operates the higher education facilities of UA Board on the Birmingham, Alabama campus, (ii) **University of Alabama** (“**UA**”), which operates the higher education facilities of UA Board on the Tuscaloosa, Alabama campus, and (iii) **University of Alabama in Huntsville** (“**UAH**”), which operates the higher education facilities of UA Board located on the Huntsville, Alabama campus; UASOM, UAB, UA and UAH will not be included in the UABHS Covered Affiliates; and

WHEREAS, UA Board has Affiliates that do not provide clinical services but whose operations are related to health care and are conducted in the Joint Operating Company Service Area, including (i) **VIVA Health, Inc.** (“**VIVA**”), a health maintenance organization that directly, or through affiliated entities provides managed care and third party administration services and (ii) **Triton Health Systems, L.L.C.** (“**Triton**”), which owns and controls VIVA; neither VIVA nor Triton will be included in the UABHS Covered Affiliates; and

WHEREAS, to facilitate the transactions provided for in this Agreement, UA Board will organize a new university authority (“**University Authority**”) under the University Authority Act of 2016, codified as Section 16-17A-1 *et seq.* of the Code of Alabama 1975 (the “**University Authority Act**”); University Authority will organize a new Alabama nonprofit corporation (the “**Joint Operating Company**”) that will be a charitable organization under Section 501(c)(3) of the Internal Revenue Code and a “university affiliate” of University Authority under the provisions of the University Authority Act; and

WHEREAS, Joint Operating Company: (i) qualifies as and constitutes a “university affiliate” of University Authority under the University Authority Act because (A) University Authority has the right and power to appoint a majority of the members of the board of directors of Joint Operating Company, (B) has the right to distribution of a majority of the assets of Joint Operating Company upon dissolution of Joint Operating Company, (C) no individual or for-profit entity owns any interest in Joint Operating Company or has the right or power to appoint any member of Joint Operating Company’s board of directors and (D)

the mission of Joint Operating Company is consistent with the public health mission of UA Board; and (ii) will serve as the entity providing common management and operation of the health care facilities and operations of Covered Affiliates described in this Agreement and have University Authority and Ascension as its sole members; and

WHEREAS, UA Board, acting through its UAB operating division for the benefit of University Hospital, is a member of the Obligated Group (the “**UABHS Obligated Group**”) established under that certain Master Trust Indenture dated October 1, 2016, as amended and supplemented (the “**UABHS Master Trust Indenture**”) with Regions Bank, as trustee; the current members of the UABHS Obligated Group are (i) UA Board, acting through its operating division UAB for the benefit of University Hospital, (ii) UABHS, (iii) HSF, and (iv) **UAB Callahan Eye Hospital**, a public corporation organized by UA Board under the University Authority Act (“**Callahan**”); the obligation of UA Board under the UABHS Master Trust Indenture is a limited obligation payable solely out of the assets and revenues of University Hospital; all current members of the UABHS Obligated Group will be included in the UABHS Covered Affiliates identified in this Agreement; and

WHEREAS, **Medical West Hospital Authority, an Affiliate of UAB Health System**, a public corporation organized by UA Board under the University Authority Act (“**Med West**”), owns and operates an acute care hospital in Bessemer, Alabama and related health care facilities; Med West is not a member of the UABHS Obligated Group; Med West will be included in the UABHS Covered Affiliates under this Agreement; and

WHEREAS, Ascension is, directly or indirectly, the sole corporate member of St. Vincent’s Health System, an Alabama nonprofit corporation (“**SVHS**”); SVHS and the SVHS Covered Affiliates (defined below) operate a regional health system of health care providers and ancillary organizations in the Joint Operating Company Service Area; SVHS also operates a hospital and related operations in the Mobile, Alabama area (“**Providence Hospital**”); Providence Hospital will not be included in the SVHS Covered Affiliates; and

WHEREAS, Ascension, SVHS, and certain SVHS Covered Affiliates identified in **Exhibit 2.2**, together with certain other affiliates of Ascension, are members of the Senior Obligated Group and Subordinate Obligated Group (collectively, the “**Ascension Obligated Group**”) established under a Senior Master Trust Indenture dated November 1, 1999, as amended and supplemented, with U.S. Bank National Association, as trustee, and a Subordinate Master Trust Indenture dated February 1, 2005, as amended and supplemented, with U.S. Bank National Association, as trustee (collectively, the “**Ascension Master Trust Indenture**”); Ascension, SVHS, and certain SVHS Covered Affiliates identified in **Exhibit 2.2**, together with certain other affiliates of Ascension, are members of the Ascension Senior Credit Group and Ascension Subordinate Credit Group (collectively, the “**Ascension Credit Group**”) established under the Ascension Master Trust Indenture; and

WHEREAS, UA Board and Ascension share a common and unifying mission to provide effective, efficient quality health care and health care related services in the Joint Operating Company Service Area; and

WHEREAS, the Parties have witnessed a period of profound and unprecedented change in the health care industry, including accelerating demand for health care cost containment, quality accountability and innovative delivery models that efficiently and effectively coordinate the delivery of health care across broad populations, all of which have encouraged health care providers to create health care affiliations in order to preserve and enhance their ability to fulfill their missions in an increasingly challenging environment; and

WHEREAS, in response to the evolution of healthcare delivery and design, the Parties have agreed to enter into this Agreement to set forth the terms and conditions upon which they will affiliate for the purpose of (i) creating a strong regional health care delivery network, with expanded geographic coverage, designed to offer population care management and improve the health of the regional community, (ii) combining operations to realize economies of scale and reduce costs for patients and purchasers of health care services, (iii) achieving sufficient economic and clinical integration so as to lawfully engage in joint negotiations, pricing and strategic planning, and (iv) facilitating the sharing of medical expertise, specialties and resources for enhanced care models, all in accordance with their missions; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement, the Parties agree as follows:

ARTICLE I DEFINITIONS

In addition to the words and terms defined elsewhere in this Agreement, the following words and terms as used in this Agreement shall have the meanings attributed to them below:

- 1.1 **“Accommodated Transaction”** shall have the meaning assigned in Section 3.1(d)(ii).
- 1.2 **“Affiliate”** when used in connection with a particular entity means any Person directly or indirectly controlled by, or under common control with, such entity. For this purpose, “control” (including, with its correlative meanings, “controlled by” and “under common control with”) shall mean the possession, directly or indirectly, of the power to appoint a majority of the board of directors, board of managers, board of trustees or similar body, whether through the ownership of securities or partnership or other ownership interests, by contract or otherwise.
- 1.3 **“Affiliation”** means a material relationship or a material arrangement of any kind to: (i) merge with any Person, (ii) consolidate with any Person, (iii) enter into a contract with any Person for the management and operation of any health care facility, (iv) lease any health care facility (i.e., the entire premises) to or from any Person (but not any office suites or other medical practice space, such as physician leases within a medical office building); (v) become an Affiliate of any Person, (vi) enter into any joint venture or other arrangement which involves the granting of one or more reserved powers or the sharing of profits and/or losses with any Person, or (vii) enter into any arrangement with any Person by which such Person becomes a controlling entity.
- 1.4 **“Agreement” or “this Agreement”** shall have the meaning assigned in the Preamble.
- 1.5 **“Approved Transaction”** shall have the meaning assigned in Section 3.1(d)(iii).
- 1.6 **“Ascension”** shall have the meaning assigned in the Preamble.
- 1.7 **“Ascension Credit Group”** means those organizations that from time to time are members of the Ascension Senior Credit Group and Ascension Subordinate Credit Group established under the Ascension Master Trust Indenture. Ascension, SVHS and certain SVHS Covered Affiliates identified in Exhibit 2.2 currently are members of the Ascension Credit Group.
- 1.8 **“Ascension Master Trust Indenture”** means: (i) the Ascension Master Trust Indenture described in the Recitals to this Agreement and (ii) any successor agreements or indentures of the same or similar effect as the Ascension Master Trust Indenture, as the same may be amended from time to time.

- 1.9 **“Ascension Obligated Group”** means those organizations that from time to time are members of the Ascension Senior Obligated Group and Ascension Subordinate Obligated Group established under the Ascension Master Trust Indenture. Ascension, SVHS, and certain SVHS Covered Affiliates identified in **Exhibit 2.2** currently are members of the Ascension Obligated Group.
- 1.10 **“Board”** means the Board of Directors of Joint Operating Company.
- 1.11 **“Board Vote”** means a vote of the Board in accordance with the Corporate Documents of Joint Operating Company, including, to the extent applicable, provisions relating to “supermajority” voting or “reserved rights” of the members. For the avoidance of doubt, the Corporate Documents may not be amended without the consent of both Parties.
- 1.12 **“Callahan”** shall have the meaning assigned in the Recitals.
- 1.13 **“Candidate”** shall have the meaning assigned in **Section 6.2**.
- 1.14 **“CERCLA”** shall have the meaning assigned in **Section 8.19**.
- 1.15 **“Closing”** shall mean the closing of the transactions contemplated by this Agreement, which shall be effective as of 12:00:01 a.m. on the Closing Date.
- 1.16 **“Closing Date”** shall mean such date that is the first day of the month following the last to be fulfilled or waived of the regulatory approvals and conditions precedent to Closing (other than those conditions that by their nature cannot be satisfied until the Closing, but subject to the fulfillment or waiver of those conditions) in accordance with this Agreement, or at such other date as mutually agreed to by the Parties.
- 1.17 **“Code”** means the Internal Revenue Code of 1986, as amended from time to time or, any successor internal revenue law.
- 1.18 **“Competing Business”** shall have the meaning assigned in **Section 6.1(b)**.
- 1.19 **“Contribution”** shall have the meaning assigned in **Section 4.3**.
- 1.20 **“Corporate Documents”** means an entity’s articles of incorporation, code of regulations, delegation agreement, corporate bylaws, partnership agreement, operating agreement, and comparable documents, as appropriate given the entity’s form of legal organization.
- 1.21 **“Covered Affiliates”** means and includes UABHS Covered Affiliates and SVHS Covered Affiliates.
- 1.22 **“CPI”** shall have the meaning assigned in **Section 13.2(c)(i)(1)**.
- 1.23 **“De Minimis Disposition”** shall have the meaning assigned in **Section 3.1(c)(iii)**.
- 1.24 **“Deadlock”** shall have the meaning assigned in **Section 5.3(a)**.
- 1.25 **“Directives”** means the Ethical and Religious Directives for Catholic Health Care Services as approved, issued and amended from time to time, by the United States Conference of Catholic Bishops, and

as implemented by the Ordinary (bishop or archbishop) of the diocese in which the respective Ascension facility or provider operates. A copy of the Directives is attached hereto as **Exhibit 1.18** hereto.

1.26 “Director(s)” means the person(s) serving on the Board.

1.27 “Effective Date” means the effective date of this Agreement, which shall be the date set forth in the Preamble.

1.28 “Financial Integration Plan” shall have the meaning assigned in **Section 4.1(a)**.

1.29 “Fiscal Year” means (i) with respect to the Parties and the Covered Affiliates, the fiscal year of such entities as adopted by their respective governing bodies and (ii) with respect to Joint Operating Company, the 12-month period ending each September 30th, or such other twelve-month period as shall be designated by Board Vote.

1.30 “GAAP” means generally accepted accounting principles of the United States, as amended from time to time, applied (solely with respect to the calculations to be made in **Article IV**) as agreed upon by the Parties prior to Closing.

1.31 “HSF” shall have the meaning assigned in the Recitals.

1.32 “Income Tax” means any tax based on income assessed by federal, state, county and local taxation authorities.

1.33 “Indebtedness” shall mean, with respect to any Person, all obligations (including all obligations in respect of principal, accrued interest, penalties, expenses, fees and premiums) of such Person for any: (a) indebtedness for borrowed money (including overdraft facilities); (b) deferred price of property, goods or services; (c) reimbursement and other obligations for surety bonds, letters of credit and bankers acceptances; (d) obligations evidenced by notes, bonds, debentures or similar contracts; (e) capital lease obligations; (f) contracts relating to interest rate protection, swap agreements and collar agreements (including any breakage or similar costs payable in connection with any of the foregoing); (g) guaranties of any of the foregoing; and (h) any amendment, renewal, extension, revision or refunding of any such liability or obligation; provided that Indebtedness shall not include any of the items listed above made or incurred by one Person in favor of an affiliate of such Person.

1.34 “Indemnified Party” shall have the meaning assigned in **Section 14.2**.

1.35 “Indemnifying Party” shall have the meaning assigned in **Section 14.2**.

1.36 “Initial Value” shall have the meaning assigned in **Section 13.3(a)**.

1.37 “Intellectual Property” shall mean patents, trademarks, service marks, trade names and other such intellectual property rights necessary or intended for operations.

1.38 “Joint Operating Company” shall have the meaning assigned in the Recitals.

1.39 “Joint Operating Company Assets” means all assets owned by Joint Operating Company but not the assets owned by the Parties or the Covered Affiliates.

1.40 “Joint Operating Company Executives” shall have the meaning assigned in **Section 3.6**.

- 1.41** “**Joint Operating Company Service Area**” shall mean all of the counties listed on **Exhibit 1.3**.
- 1.42** “**Knowledge**” shall mean, with respect to UA Board, the actual knowledge after reasonable investigation of the individuals listed on **Exhibit 1.25(a)** and, with respect to Ascension and/or SVHS, the actual knowledge after reasonable investigation of the individuals listed on **Exhibit 1.25(b)**.
- 1.43** “**Law**” or “**Laws**” shall mean all federal, state and local statutes, laws, ordinances, regulations, rules, resolutions, orders, determinations, writs, injunctions, awards (including, without limitation, awards of any arbitrator), judgments and decrees applicable to the specified Persons or entities and to the businesses and assets thereof (including, without limitation, laws relating to securities registration and regulation; the sale, leasing, ownership or management of real property; employment practices, terms and conditions, and wages and hours; building standards, land use and zoning; safety, health and fire prevention; and environmental protection).
- 1.44** “**Legacy Assets**” shall mean assets or other rights to payment or financial remuneration of any nature, arising from an act, omission or contractual arrangement that either occurs before the Closing Date, or begins before the Closing Date and continues after the Closing Date (whether known or unknown and whether absolute, accrued, contingent or otherwise) except to the extent the assets, rights to payment or other financial remuneration are reflected or provided for on the balance sheet as of the Closing Date. For avoidance of doubt, Legacy Assets are solely those received by, or provided to, a Party or its respective Covered Affiliate by a third party and shall not reflect any actual or potential financial impact on the other Party or its respective Covered Affiliates.
- 1.45** “**Legacy Liabilities**” shall mean liabilities or obligations of any nature, including any legal or consulting fees incurred in connection therewith, or out-of-pocket expenses related to any corresponding settlement or similar governmental agency agreement requiring audit reporting or other compliance oriented obligations, arising from an act, omission or contractual arrangement that either occurs before the Closing Date, or begins before the Closing Date and continues after the Closing Date, (whether known or unknown and whether absolute, accrued, contingent or otherwise) except to the extent the liabilities or obligations are reflected or reserved against on the balance sheet as of the Closing Date. For avoidance of doubt, Legacy Liabilities are solely those charged against, or incurred by, a Party or its respective Covered Affiliate by a third party and shall not reflect any actual or potential financial impact on the other Party or its respective Covered Affiliates.
- 1.46** “**LEIE**” shall have the meaning assigned in **Section 8.22**.
- 1.47** “**Loss**” shall have the meaning assigned in **Section 13.2(c)(i)(2)**.
- 1.48** “**Management Level**” shall have the meaning assigned in **Section 3.5**.
- 1.49** “**Master Indentures**” means the UABHS Master Trust Indenture and the Ascension Master Trust Indenture.
- 1.50** “**Med West**” shall have the meaning assigned in the Recitals.
- 1.51** “**Nonprofit Corporation Act**” shall have the meaning assigned in **Section 2.2(g)**.
- 1.52** “**OIG**” shall have the meaning assigned in **Section 8.22**.
- 1.53** “**Management Agreement**” shall have the meaning assigned in **Section 3.1(c)**.

1.54 “Ordinary Course of Business” shall mean an action taken by a Person only if that action: (i) is consistent in nature, scope and magnitude with the past practices of such Person and is taken in the ordinary course of the normal, day-to-day operations of such Person, (ii) does not require special or separate authorization by the governing body or owners of such Person (or by any Person or group of Persons exercising similar authority) and does not require any other separate or special authorization of any nature, and (iii) is similar in nature, scope and magnitude to actions customarily taken, without any separate or special authorization, in the ordinary course of the normal, day-to-day operations of other Persons that are in the same line of business as such Person.

1.55 “Party or Parties” shall have the meaning assigned in Preamble.

1.56 “Permissible Assignee Transaction” shall have the meaning assigned in **Section 3.1(c)(i)**.

1.57 “Permitted Encumbrances” means (i) encumbrances for Taxes not yet due and payable or being diligently contested in good faith and for which appropriate reserves have been established in accordance with GAAP (provided that Permitted Encumbrances shall not apply to omitted or reassessed Taxes imposed due to incorrect, false or misleading real estate tax exemption applications or annual exemption certifications filed pursuant to 35 ILCS 200/15-10), (ii) liens for inchoate mechanics’ and materialmen’s liens for construction in progress and workmen’s, repairmen’s, warehousemen’s and carriers’ liens arising in the Ordinary Course of Business, (iii) easements, restrictive covenants, rights of way and other similar restrictions of record that do not impair in any material respect the value of the assets or the continued conduct of the business of any Party or its continued use of its assets in the manner currently used, (iv) zoning, building and other similar restrictions that do not impair in any material respect the value the asset or the continued conduct of the business of any Party or its continued use of its assets in the manner currently used, (v) encumbrances, encroachments and other imperfections of title, licenses or encumbrances, if any, of record that do not impair in any material respect the value of the asset or the continued conduct of the business of any Party or its continued use of its assets in the manner currently used, (vi) encumbrances arising under original purchase price conditional sales contracts and equipment leases with third parties entered into in the Ordinary Course of Business, (vii) in the case of leased property, all matters, whether or not of record, affecting the title of the lessor (and any underlying lessor) of the leased property that do not impair in any material respect the value of its asset or the continued conduct of the business of any Party or its continued use of its assets in the manner currently used and (viii) encumbrances permitted by or arising under the Ascension Master Trust Indenture or the UABHS Master Trust Indenture.

1.58 “Person” means any individual, partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative, or other association, and the heirs, executors, administrators, legal representatives, successors, and assigns of such individual, entity, or association where the context so requires.

1.59 “Presumptive Split” shall be the basis upon which UA Board and Ascension share, respectively, in free cash flow as set forth in **Article IV** and further developed in the Financial Integration Plan referenced therein, and divide, respectively, the Joint Operating Company Assets upon dissolution, as described in **Section 13.6**. The Presumptive Split shall be based on an analysis conducted by Deloitte that shall be conducted prior to Closing and subject to adjustment only by mutual agreement of the Parties pursuant to **Section 6.4** below.

1.60 “Proceeding” shall mean any action, arbitration, audit, hearing, investigation, litigation or suit (whether civil, criminal, administrative, judicial or investigative, whether formal or informal, whether public or private) commenced, brought, conducted or heard by or before, or otherwise involving any Governmental Entity or arbitrator.

- 1.61 “RCRA” shall have the meaning assigned in **Section 8.19**.
- 1.62 “Senior Executives” shall have the meaning assigned in **Section 3.5**.
- 1.63 “SVHS” shall have the meaning assigned in Recitals.
- 1.64 “SVHS Covered Affiliate” means (i) SVHS and an Affiliate of Ascension identified in **Exhibit 2.2** and (ii) any additional Affiliate of SVHS that the Parties in the future agree should be a SVHS Covered Affiliate through a written amendment of **Exhibit 2.2** signed by the Parties.
- 1.65 “SVHS Employees” shall have the meaning assigned in **Section 9.14**.
- 1.66 “SVHS Financial Statements” shall have the meaning assigned in **Section 9.8**.
- 1.67 “SVHS Interim Financial Statements” shall have the meaning assigned in **Section 9.8**.
- 1.68 “SVHS Real Property” shall have the meaning assigned in **Section 9.5**.
- 1.69 “SVHS Returns” shall have the meaning assigned in **Section 9.18(a)**.
- 1.70 “SVHS Unaudited Financial Statements” shall have the meaning assigned in **Section 9.8**.
- 1.71 “System Fees” shall mean any fees or assessments by UA Board or Ascension against their respective Covered Affiliates as members of the applicable Party’s health care delivery system. Each Party shall be entitled to determine the amount of the respective Party’s System Fee, provided that the methodology applied by each Party to determine such amount is the same methodology applied by each Party to determine the amount assessed against other health care facilities it sponsors that are not managed by Joint Operating Company, and is consistent with the practice utilized in deriving the Presumptive Split.
- 1.72 “Target” shall have the meaning assigned in **Section 6.1**.
- 1.73 “Transaction” shall have the meaning assigned in **Section 6.1(c)**.
- 1.74 “Transaction Party” shall have the meaning assigned in **Section 3.1(c)(ii)**.
- 1.75 “True-Up” shall have the meaning assigned in **Section 4.1(a)**.
- 1.76 “UA Board” shall have the meaning assigned in the Recitals.
- 1.77 “UA Entities” means UA Board, University Authority, UAB, UASOM and the UABHS Covered Affiliates.
- 1.78 “UAB” shall have the meaning assigned in the Recitals.
- 1.79 “UABHS Covered Affiliate” means (i) an Affiliate of UA Board, UABHS or HSF identified in **Exhibit 1.7** and (ii) any additional Affiliate of UA Board, UABHS or HSF that the Parties in the future agree should be a UABHS Covered Affiliate through a written amendment of **Exhibit 1.7** signed by the Parties.
- 1.80 “UABHS Employees” shall have the meaning assigned in **Section 8.14**.

- 1.81 “UABHS Financial Statements” shall have the meaning assigned in Section 8.8.
- 1.82 “UABHS Interim Financial Statements” shall have the meaning assigned in Section 8.8.
- 1.83 “UABHS Real Property” shall have the meaning assigned in Section 8.5.
- 1.84 “UABHS Returns” shall have the meaning assigned in Section 8.18(a).
- 1.85 “UABHS Unaudited Financial Statements” shall have the meaning assigned in Section 8.8.
- 1.86 “UABHS” shall have the meaning assigned in the Preamble.
- 1.87 “UABHS Master Trust Indenture” means: (i) the UABHS Master Trust Indenture described in the Recitals to this Agreement and (ii) any successor agreements or indentures of the same or similar effect as the UABHS Master Indenture, as the same may be amended or restated from time to time.
- 1.88 “UABHS Obligated Group” means those organizations that from time to time are members of the Obligated Group established under the UABHS Master Trust Indenture. The current members of the UABHS Obligated Group are (i) UABHS, (ii) UA Board, acting through its UAB operating division for the benefit of University Hospital, (iii) HSF and (iv) Callahan.
- 1.89 “UASOM” shall have the meaning assigned in the Recitals.
- 1.90 “University Authority” shall have the meaning assigned in the Recitals.
- 1.91 “University Authority Act” shall have the meaning assigned in the Recitals.
- 1.92 “University Hospital” shall have the meaning assigned in the Recitals.

ARTICLE II DESCRIPTION OF JOINT OPERATING COMPANY AND ITS OBJECTIVES

2.1 Function of Joint Operating Company as a Joint Operating Company. Joint Operating Company shall function as a joint operating company, and, as such, shall manage and have authority over the Covered Affiliates pursuant and subject to the terms of this Agreement. Joint Operating Company represents the common and unifying commitment of the Parties to work together for the good of the communities and customers served by their respective health care facilities and other providers in the Joint Operating Company Service Area. The Parties share a common commitment to caring for the whole person through programs such as charity care, community wellness, health education, and health care for the indigent. This common commitment shall be continued and enhanced through the operations of Joint Operating Company. However, at all times, (i) governance and management of the SVHS Covered Affiliates shall be conducted in a manner that is respectful of and preserves the distinct identity, values, philosophy and faith tradition as Catholic and (ii) governance and management of the UABHS Covered Affiliates shall be conducted in a manner that is respectful of and preserves the mission as public instrumentalities or charitable organizations that support the public mission of the UASOM and the public mission to provide teaching, research and clinical services related to medicine and the health sciences.

2.2 Purposes of Joint Operating Company. The purposes of Joint Operating Company are to operate exclusively for charitable, educational, scientific and religious purposes within the meaning of Section 501(c)(3) of the Code, or any corresponding provision of any future United States internal revenue law, and to support and benefit or carry out some or all of the purposes and functions of the UA Parties, which are

public corporations or instrumentalities of the State of Alabama or an organization described in Section 501(c)(3) of the Code and exempt from taxation under Section 501(a) of the Code, and SVHS, which is an organization described in Section 501(c)(3) of the Code and exempt from taxation under Section 501(a) of the Code. Except as disclosed on **Exhibit 1.7** and **Exhibit 2.2**, each of the Covered Affiliates is a public corporation, instrumentality, or political subdivision of the State of Alabama or an organization described in Section 501(c)(3) of the Code. In furtherance of the foregoing, the specific purposes of Joint Operating Company include the following:

(a) To provide a financially and operationally integrated organization for the common management and operation of the health care facilities and operations of the UABHS Covered Affiliates and the SVHS Covered Affiliates, with the following specific goals:

- (i) to increase the quality of health care services in the Joint Operating Company Service Area;
- (ii) to improve the health status of communities served;
- (iii) to provide a broad scope and a continuum of health care services available through multiple outlets with a focus upon community health benefit;
- (iv) to improve cost effectiveness and efficiencies in the delivery of health care services;
- (v) to enable the Parties to meet healthcare needs in the market by eliminating unnecessary duplication of services, consolidating managerial decisions and offering third party payors unified access to cost effective services; and
- (vi) to assume and manage risk in the delivery of health care services.

(b) To establish, maintain, support and stimulate the development of a health care network, including, without limitation, hospitals, clinics and other facilities that provide inpatient or outpatient care, accommodation, diagnosis and treatment to persons suffering from injury, disease or any other condition where medical, surgical, rehabilitative, nursing and associated professional services may be required.

(c) To foster the conduct of such educational and research activities related to rendering care to the sick and injured or the protection of health, as, in the judgment of the Board, may be justified by the facilities, personnel, funds or other requirements that are or can be made available.

(d) To foster and/or participate in activities designed and carried on to promote the general health, rehabilitation and social needs of the community.

(e) To purchase, sell, transfer, distribute, receive, own, hold, use, lease, mortgage, pledge and otherwise deal in and with such real and/or personal property, whether tangible or intangible (including intellectual property), of whatever nature or kind and of whatever amount or value, including that which may be given, devised, bequeathed, granted or donated to Joint Operating Company and including shares or other interests in obligations of domestic or foreign corporations, trusts, associations, partnerships or individuals, as may be necessary, suitable or proper to serve any of the purposes of or to support and assist any Covered Affiliate of Joint Operating Company.

(f) To conduct quality management, quality assurance, risk management activities, and peer review of licensed health care professionals in accordance with the quality management programs established by licensed or certified health care facilities managed and operated by Joint Operating Company.

(g) To engage in any activity that may legally be engaged in by corporations (i) formed under the Alabama Nonprofit Corporation Law, codified as Section 10A-3-1.01 *et seq.* of the Code of Alabama 1975 (the “**Nonprofit Corporation Act**”) and (ii) functioning as a “university affiliate” within the meaning of the University Authority Act.

2.3 Separate Corporate Existence. Each of UA Board and its Covered Affiliates and Ascension and its Covered Affiliates shall preserve and retain its separate corporate existence. The members of each of the foregoing entities’ Boards of Trustees/Directors shall continue to be elected, appointed and removed by the Person, body or authority designated by such Party in its Corporate Documents.

2.4 Cooperation and Good Faith. In their dealings with each other, the Parties shall be guided by their joint commitment to the purpose and mission of Joint Operating Company, and, when differences arise, they shall act in good faith and use their best efforts to find innovative and fair approaches to reconcile their differences, guided always by the fundamental understanding that only through a clear, collective commitment can the objectives of Joint Operating Company be realized.

2.5 Catholic Identity, Values, and Ascension Membership of the SVHS Covered Affiliates. The SVHS Covered Affiliates shall continue to be Catholic organizations and Affiliates of Ascension. The SVHS Covered Affiliates shall carry out the mission of Ascension in a manner consistent with the core values of Ascension. As Affiliates of Ascension, the SVHS Covered Affiliates are obligated to comply with the Ascension mission, canonical and civil legal obligations. Joint Operating Company will not exercise any power or control which would cause the SVHS Covered Affiliates to violate the mission, canonical or legal obligations of Ascension or SVHS. The Parties agree to be bound by the following operating principle and acknowledge the implications of this principle on the operations of integrated health services: direct abortions, euthanasia, assisted suicide, and the destruction and/or cryopreservation of human embryos as described in the Directives, which will not be permitted by any Covered Affiliate or within any facility of an SVHS Covered Affiliate. Ascension shall have the right and obligation to monitor and review compliance with the terms of this Section 2.5 by the UABHS Covered Affiliates on an annual basis, and report the findings of that review to the Bishop of the Diocese of Birmingham, Alabama. Joint Operating Company shall act in good faith not to cause any SVHS Covered Affiliate to act in a way that is contrary to this Agreement.

2.6 Ethical Consideration Applicable to Ascension and its Covered Affiliates. Activities of Ascension and its Covered Affiliates, including their participation in Joint Operating Company, are subject to the Directives. If Ascension determines, in good faith, that any actions or proposed actions of Joint Operating Company cause any SVHS Covered Affiliate to violate the Directives, Ascension shall request a special meeting of the Parties. During such meeting, Party representatives shall work together in good faith to resolve the issue in a manner that does not violate the Directives. It is understood and agreed, however, that (i) Joint Operating Company will not be involved in providing, overseeing, managing, or directing any procedures or practices prohibited by the Directives, and (ii) Ascension’s determinations regarding Diocesan interpretation or application of the Directives are not subject to further analysis, interpretation or dispute resolution procedure and shall be controlling. No revenues earned by or expenses incurred by any Covered Affiliate for procedures or practices prohibited by the Directives shall be included in the calculation of free cash flow, which calculation is further addressed in **Article IV**. In addition, no funds related to procedures or practices prohibited by the Directives will be paid to Joint Operating Company or flow through Joint Operating Company.

2.7 Mission of the UA Entities. UA Board is a public instrumentality of the State of Alabama established by the Alabama Constitution and has responsibility for a public system of higher education in the State of Alabama. The UA Entities share a common mission to promote the public health of the

residents of Alabama through teaching, research and clinical services related to the diagnosis and treatment of sick or injured persons and the health sciences. This mission is an essential public function pursued through affiliation with the UASOM. Financial support or appropriations from the State of Alabama to University Hospital shall not be used to make any True-Up payment required of UA Board or the UABHS Covered Affiliates. In addition, the UABHS Covered Affiliates traditionally have provided financial assistance to UAB and UASOM in furtherance of their shared mission, and nothing in this Agreement shall prohibit or restrict the payment of expenses to UAB or UASOM or the continued financial support of UAB and UASOM if such payments and transfers comply with the provisions of **Section 2.7(b)**.

2.8 Excluded Assets and Activities. The Parties have certain assets and activities in the Joint Operating Company Service Area that are not intended to be part of the Covered Affiliates or the operations to be managed by Joint Operating Company. Those assets and activities are identified in **Exhibit 2.8**.

2.9 Reorganization of UABHS. The Parties acknowledge that UABHS currently manages and supervises the health care delivery operations of entities that will be UABHS Covered Affiliates and various entities that will not be UABHS Covered Affiliates. The assets and activities of the supervised and managed entities that are not UABHS Covered Affiliates will be part of the Excluded Assets and Activities identified in **Exhibit 2.8**. UABHS and the related UA Parties may elect to reorganize UABHS after this Agreement is delivered to divide its activities and responsibilities between two separate entities, one of which will be a UABHS Covered Affiliate and will manage and supervise the activities of the remaining UABHS Covered Affiliates and one of which will manage and supervise the health care delivery activities included in the excluded assets and activities.

2.10 Further Assurances. Each Party, for itself and its Covered Affiliates, agrees in good faith to work together and cooperate with the other Party and its Covered Affiliates and the Joint Operating Company to provide financial statements, information and related materials reasonably necessary to enable such other Party and/or its Covered Affiliates to conduct its or their respective business and otherwise operate consistent with past practices or future requirements.

ARTICLE III POWERS AND OBLIGATIONS CONCERNING JOINT OPERATING COMPANY AND THE COVERED AFFILIATES

3.1 Joint Operating Company Powers and Obligations Concerning the Covered Affiliates.

(a) The Joint Operating Company Corporate Documents shall be in the form as mutually agreeable to the Parties. The Corporate Documents of Joint Operating Company provide UA Board and Ascension with certain reserved powers with respect to the governance of Joint Operating Company, its facilities, subsidiaries and joint ventures and the Covered Affiliates. The form of the Corporate Documents of Joint Operating Company may not be amended or changed without the prior written consent of both Parties, and after such Corporate Documents are executed or adopted, such Corporate Documents may not be amended or changed without the prior written consent of both Parties.

(b) Notwithstanding the powers granted to Joint Operating Company, UA Board shall retain the ultimate authority for the policies and management of University Hospital. Joint Operating Company shall have the power to make recommendations related to the policies and management of University Hospital, and University Hospital shall be a UABHS Covered Affiliate.

(c) The Corporate Documents of Joint Operating Company, the UABHS Covered Affiliates, and the SVHS Covered Affiliates will be closing deliverables as indicated in **Article VII**; each of these

shall be incorporated by reference herein as set forth in **Section 7.2**. Joint Operating Company shall enter into a Management Agreement (the "**Management Agreement**") with the Covered Affiliates in the form mutually agreeable to the Parties. The form of the Management Agreement may not be amended or changed without the prior written consent of both Parties, and after such Management Agreement is executed, the Management Agreement may not be amended or changed without the prior written consent of both Parties. As of the Closing Date, Joint Operating Company shall serve as the operator and manager of the Covered Affiliates, and shall have the full and complete authority to carry out the mission of the Parties and to operate and manage the Covered Affiliates, but without ultimate control over University Hospital, subject only to (i) the terms and conditions of this Agreement, (ii) the powers and authority reserved to UA Board and Ascension under the Corporate Documents of Joint Operating Company, and (iii) the powers and authority reserved to the Covered Affiliates under the Management Agreement. To the extent that a Covered Affiliate maintains an interest in a joint venture, Joint Operating Company shall have the same authority as the existing Covered Affiliate in connection with the management of such joint venture. For the avoidance of doubt, Joint Operating Company shall not have any authority over facilities or other businesses operated by joint ventures and other entities in which a Covered Affiliate holds a non-controlling ownership or voting interest.

(d) Neither Party shall take or suffer any action that would have the effect of prohibiting the operation and management of the Covered Affiliates in accordance with this Agreement and the applicable Party shall and, as may be applicable, any Covered Affiliate shall, take any action (or cause any action to be taken) to permit such operation and management. For purposes of clarification:

(i) Either Party and each Covered Affiliate may enter into a transaction whereby it merges or consolidates with a third party, transfers all of its membership interest to a third party, or divests all of its assets to a third party if the merged entity or transferee assumes the obligations of such Party or Covered Affiliate (as applicable) under this Agreement (any such transaction, a "**Permissible Assignee Transaction**").

(ii) For any merger, consolidation, transfer or divestiture to a third party who for whatever reason cannot assume all of the duties and obligations of the merging, consolidating, transferring or divesting Party (such Party, the "**Transaction Party**"), either Party may at its sole discretion (i.e., dispute resolution will not apply to such decision) terminate this Agreement rather than accommodate the third party transaction. Such termination, irrespective of which Party initiates the termination, will result in termination penalties to the Transaction Party, as further provided in **Section 13.2(c)**. Any such transaction which is to be accommodated by the non-Transaction Party (i.e., neither Party serves notice of termination related thereto) shall be deemed an "**Accommodated Transaction**."

(iii) Any transaction whereby either Party sells part of its respective assets managed and operated pursuant to this Agreement to a third party, or transfers part of its membership interest in any of its respective Covered Affiliates to a third party, shall be subject to the Board Vote of the Joint Operating Company Board as further addressed in the Joint Operating Company Bylaws (any such transaction, an "**Approved Transaction**"); provided, however, that either Party may unilaterally direct the disposition of any particular asset within Joint Operating Company with a value not to exceed Five Million Dollars (\$5,000,000) whether in an individual transaction or a series of related transactions (the "**De Minimis Disposition**").

(e) Joint Operating Company shall employ, lease or contract with such qualified professional staff as may be necessary to carry out its duties and obligations under this Agreement. Joint Operating Company shall not have any right to receive any distribution of property or assets of UA Board, Ascension,

or any of their respective Affiliates upon the dissolution of any such entity or upon the closure of any facility owned by such entity. Except as provided in this Agreement, the delegation of powers to Joint Operating Company pursuant to the terms and conditions of this Agreement and the Corporate Documents shall be irrevocable during the term of this Agreement. Joint Operating Company shall manage the Covered Affiliates and, in good faith, shall exercise such powers and fulfill such obligations in furtherance of the commitment of the Parties and the purposes and mission of Joint Operating Company set forth in **Sections 2.1 and 2.2** of this Agreement and in accordance with the terms and conditions of this Agreement. In exercising such powers and fulfilling such obligations, Joint Operating Company shall consider each Covered Affiliate's respective identity, religious values, culture, mission, purposes, goals, and local responsibilities.

3.2 Medical Staff. As of the Closing Date, decisions on admitting and clinical privileges and medical staff memberships at the facility of any Covered Affiliate with a medical staff shall be a function delegated to the respective Covered Affiliate by the Board and shall be carried out in compliance with the standards of The Joint Commission or with the standards of any successor accreditation organization.

3.3 Purchased Services and Party Services. All services and supplies not provided by Joint Operating Company yet required for the operation of Joint Operating Company and the Covered Affiliates, including services to be provided by any Party, shall be provided in accordance with a plan to be developed and mutually agreed upon by the Parties. The Parties shall diligently and in good faith evaluate the services offered by Ascension and UAB as well as any impact on Free Cash Flow (as determined in the Financial Integration Plan) in arriving at such plan.

3.4 Use of Covered Affiliates' Resources and Employees. Each Party, on behalf of its Covered Affiliates, hereby grants to Joint Operating Company, pursuant to this Agreement: (i) the authority to use and direct the use of the Covered Affiliates, including but not limited to their facilities, equipment, supplies, and other resources as applicable; (ii) the authority to manage and operate the Covered Affiliates; and (iii) the authority to cause employees of each Covered Affiliate to serve on Joint Operating Company committees and task forces and to otherwise perform such functions as may be required by Joint Operating Company in support of managing and operating the Covered Affiliates. Notwithstanding the above, UA Board shall retain final approval power over the policies and management of University Hospital unless and until UA Board cedes such authority to Joint Operating Company pursuant to amendments to the board rules of UA Board.

3.5 Covered Affiliates Senior Executives and Human Resource Function. As of Closing, the senior executive team of the Covered Affiliates (the "**Senior Executives**") includes all C-suite officers, the director of human resources and such other executives as set forth on **Exhibit 3.5**. The CEO for UABHS and the CEO for SVHS shall be responsible for the appointment, retention and removal of the Senior Executives at their respective Covered Affiliate or hospital facility, as applicable, in consultation with the President of Joint Operating Company (or the Executive Vice President). Joint Operating Company shall ensure that human resources recruitment and employment functions preserve the respective culture and mission aspects which are reflected in the traditions of the UABHS Covered Affiliates and the SVHS Covered Affiliates.

3.6 Joint Operating Company Executives. As of Closing, the Joint Operating Company executive positions with senior management responsibility for Joint Operating Company are the President, the Executive Vice President and such other executives as set forth on **Exhibit 3.6** (the "**Joint Operating Company Executives**"). The initial President of Joint Operating Company shall be William Ferniany, Ph.D. The initial Executive Vice President of Joint Operating Company shall be Jason Alexander. Following the Closing Date, a Board Vote shall be required for the Board to appoint a new CEO or

Executive Vice President of Joint Operating Company. However, the President shall also be a senior executive of UABHS and the Executive Vice President shall also be a senior executive SVHS.

3.7 Compliance with Master Indentures.

(a) The Parties acknowledge that (i) Ascension and the SVHS Covered Affiliates are, or may be in the future, subject to certain obligations and covenants contained in the Ascension Master Trust Indenture or other documents evidencing or securing Indebtedness incurred by Ascension or the SVHS Covered Affiliates and (ii) the UABHS Covered Affiliates are, or may be in the future, subject to certain obligations and covenants contained in the UABHS Master Trust Indenture or other documents evidencing or securing Indebtedness incurred by the UABHS Covered Affiliates. The Parties further acknowledge and agree that the execution and delivery of this Agreement and the performance by the Parties (and the Covered Affiliates) of their respective obligations under this Agreement is not intended to, and shall not, (i) impair or accelerate their respective obligations under the Master Indentures or (ii) cause or result in a default under either of the Master Indentures.

(b) If the payment or performance by a Party or its respective Covered Affiliates of their respective obligations under this Agreement will violate the terms and conditions of the related Master Indenture, or cause or result in a default under the related Master Indenture, such Party (the "affected Party") shall notify the other Party (the "unaffected Party") in writing, and the affected Party shall have a period of six months (the "cure period") to take curative action that will allow payment or performance in accordance with the terms of this Agreement. During such cure period the affected Party and its Covered Affiliates shall not be required to make any payment or perform any obligation that would violate the related Master Indenture. If the affected Party has not taken curative action within the cure period, the unaffected Party shall have the right to terminate this Agreement in accordance with the terms of XIII. Such termination shall be a termination for cause.

ARTICLE IV FINANCIAL RELATIONSHIPS

4.1 Financial Integration Plan. The Parties shall abide by the financial integration plan (the "Financial Integration Plan") attached as **Exhibit 4.1**.

4.2 Growth Capitals's Effect on Presumptive Split. In the event that either UA Board or Ascension fails to contribute growth capital in accordance with the Financial Integration Plan, the Parties will determine, by mutual agreement in good faith, whether to modify or adjust the Presumptive Split or address such failure to contribute through such other mutually agreeable solution as determined by the Parties in good faith.

ARTICLE V DISPUTE RESOLUTION & DEADLOCKS

5.1 Dispute Resolution; Remedies.

(a) Any controversy or claim arising out of, under, or relating to this Agreement or the breach thereof, except for matters solely concerning ethical considerations under **Section 2.6** of this Agreement and valuation matters under **Section 13.8**, shall be subject to the processes and provisions set forth in **Section 5.2**. This provision shall survive any termination or expiration of this Agreement.

(b) Subject to the terms of **Sections 13.2(c), 13.2(d), 13.2(e), 13.2(f)** and **13.3** of this Agreement (which Sections either preclude legal damages or penalties against either Party or provide for

liquidated damages or such other contract damages to be calculated pursuant to the specific terms of such applicable Sections) and the terms of **Section 5.2** of this Agreement, upon the occurrence of a breach of this Agreement, the Party not in breach shall be entitled to all remedies available at law or equity, including loss of profits, loss of business, and attorney's fees; provided, however, that in no event shall a Party be entitled to special, consequential or indirect damages or punitive damages. Notwithstanding the foregoing, in the event that a Party seeks injunctive or similar relief for a breach of this Agreement, such Party shall be entitled to seek such equitable relief without first resorting to mediation under **Section 5.2** of this Agreement.

5.2 Informal Dispute Resolution and Mediation.

(a) Either Party to this Agreement that has a controversy or claim subject to **Section 5.1(a)** shall provide written notice to the other Party of such controversy or claim and both Parties shall engage in good faith, informal dispute resolution for a period of thirty (30) days. If the Parties are unable to resolve the situation through informal dispute resolution during such period, the Parties shall proceed with **Section 5.2(b)** mediation.

(b) Any Party to this Agreement that has a controversy or claim subject to **Section 5.1(a)** which informal dispute resolution has not resolved, shall submit a demand for mediation in Birmingham, Alabama with a mediator that is mutually agreed to by the Parties. Any demand for mediation shall be made no later than thirty (30) days after the discovery of the dispute and the mediation shall occur no later than (90) days after the discovery of the dispute unless these timeframes are altered by the Parties' written agreement. The Parties agree that mediation of the dispute is required before either Party may initiate litigation.

(c) The Parties agree that the mediation process shall be confidential. Notwithstanding the foregoing, the Parties may disclose the matters subject to this confidentiality provision if compelled by court order, subpoena, or other legal requirement and may discuss the matters subject to this confidentiality provision internally with their present or future board members, officers, directors and auditors, with their spouses, attorneys, accountants, financial advisors, and tax preparers.

5.3 Definition of Deadlock; Procedure.

(a) Definition. "**Deadlock**" means the failure of the Board, or the UA Board and Ascension to agree in good faith on the exercise of any approval power identified in the Bylaws of Joint Operating Company which failure either UA Board or Ascension has certified in good faith to be such an issue that, without agreement, irreparable injury to the certifying Party's Covered Affiliates is threatened or being suffered, or the business or affairs of Joint Operating Company can no longer be conducted as contemplated herein because of the deadlock.

(b) Procedure for Deadlock. When a Deadlock occurs and has continued for a period of thirty (30) days, either Party may request that a special meeting of the Parties be called for the sole purpose of presenting the issue and the positions being taken on the issues to the Parties for discussion. The representatives of the Parties at such special meeting shall include individuals representing the Parties which are not members of the Board and have not otherwise been involved in the operations of the Covered Affiliates. Parties shall engage in good faith, informal dispute resolution for a period of thirty (30) days calendar days after such meeting. If the Parties are unable to resolve the situation following such period, the Parties agree to utilize the services of a non-binding mediator to resolve such matter. The mediator shall be chosen by mutual agreement of the Parties and shall attempt to resolve the dispute by reasonable means. If, after good faith efforts, the dispute remains unresolved after sixty (60) calendar days from the date of the meeting, Joint Operating Company shall recommend and the Parties agree to vote for voluntary dissolution under the Nonprofit Corporation Act. A Party may also seek judicial dissolution by a circuit

court under the Nonprofit Corporation Act if the deadlock resolution procedures in this **Section 5.3(b)** have failed. The Parties shall follow the dissolution provisions set forth in **Sections 13.4** through **13.8.**, etc.

ARTICLE VI EXPANSION OPPORTUNITIES

6.1 Corporate Opportunities. If a Party, or an Affiliate thereof, desires on its own or learns of an opportunity to affiliate with, acquire, construct, develop, own, invest in, operate, provide, manage and/or lease a licensed health care facility (e.g., a hospital or ambulatory surgery center) or other provider of direct patient care services in the Joint Operating Company Service Area, it shall promptly give to Joint Operating Company written notice of the opportunity, together with such relevant information as it may possess with regard to the opportunity, unless it learns of the opportunity on a confidential basis, and, acting reasonably and in good faith, believes that disclosure of such opportunity or information would constitute an improper disclosure under the circumstances. No Party nor any Affiliate thereof, either on its own behalf or on behalf of a third party, shall pursue such disclosed opportunity, initiate, enter into discussions with the party presenting the opportunity (the “**Target**”), if any, with respect to the opportunity, or solicit, entertain, support or make any inquiry, proposal or offer from or to the Target with respect to the opportunity except with the approval of the Board of Joint Operating Company, by Board Vote. The goal of the Parties is to include under Joint Operating Company every entity in the Service Area that provides direct patient care services and is either: (i) owned and operated by UA Board or Ascension, or (ii) in an affiliation with UA Board or Ascension. Notwithstanding the foregoing, the Parties further agree to the following:

(a) Neither Party shall be precluded from independently pursuing opportunities and activities that do not involve the delivery of direct patient care services within the Service Area, including but not limited to national corporate service line products (e.g., insurance, TPAs, etc.), unless the Parties otherwise agree; and

(b) Neither Party nor any of its Affiliates shall be precluded from any transaction that results in the ownership, control, operation or management of a business (the “**Transaction**”) that competes with Joint Operating Company (each, a “**Competing Business**”) within the Service Area after the Closing Date so long as: (i) such Competing Business was acquired as part of a larger transaction in which the net revenues allocable to such Competing Business during the Fiscal Year immediately preceding the Transaction is less than twenty-five percent (25%) of the total net revenues allocable to all businesses acquired in the Transaction during the Fiscal Year immediately preceding such Transaction, and (ii) total net revenues of such Competing Business from the Service Area during the immediately preceding Fiscal Year do not exceed six percent (6%) of total Net Revenues for Joint Operating Company and Covered Affiliates during the immediately preceding Fiscal Year.

6.2 Identification of Candidates. If a Party learns of an opportunity for admitting a Candidate (hereinafter defined) to Joint Operating Company, it shall promptly give notice to Joint Operating Company of the opportunity, together with such relevant information as it may possess with regard thereto. Joint Operating Company shall have the authority and the responsibility to initiate and conduct discussions with the Candidate and to solicit their application for admission. Joint Operating Company’s recommendation of admission of a Candidate will be based on the Candidate’s overall ability to complement the management and operation of the Covered Affiliates in achieving Joint Operating Company’s purpose and mission. “Candidate” means any multi-entity health care system, single hospital entity, or other provider of health care services that may, in the future, be considered for Affiliation with Joint Operating Company or with any Covered Affiliate, in accordance with this Agreement.

6.3 Admission of Candidates. Joint Operating Company may admit a Candidate, either as a sponsor or as a Covered Affiliate or otherwise, only if such action is approved by UA Board and Ascension in accordance with the requirements of the Corporate Documents of Joint Operating Company.

6.4 Effect on Presumptive Split. In the event that either UA Board or Ascension acquires or divests a significant asset managed by Joint Operating Company under this Agreement, the Parties will determine, by mutual agreement in good faith, whether to adjust the Presumptive Split.

ARTICLE VII CLOSING

7.1 Closing. The Parties shall close the transactions contemplated by this Agreement on the Closing Date. The delivery of the documents required to be delivered on the Closing Date by the respective Parties shall be done remotely through an exchange of documents and signatures in PDF format or by facsimile, with originals to follow, unless the Parties agree otherwise. All documents to be executed and actions to be taken pursuant to this Agreement at the Closing, shall be deemed to have been executed and to have been taken concurrently, and no action shall be deemed to be complete until all are completed. Unless the Parties otherwise agree in writing, the transactions contemplated herein to become effective as of the Closing, shall become so effective, provided, that as of the Closing Date, all of the Closing conditions (except for any Closing condition which has been waived in writing by the Party or Parties entitled to do so) set forth herein, including in **Article XI**, have occurred, including the delivery by each Party of each of the Closing documents required to be delivered by such Party hereunder.

7.2 Deliverables of the Parties at the Closing.

(a) **By UA Board.** At or prior to the Closing, unless otherwise waived in writing by Ascension, UA Board shall deliver:

- (i) A certificate of the President Pro Tem of UA Board, dated as of the Closing Date, certifying as to the continued accuracy and completeness in all material respects of the representations and warranties made by UA Board, and UA Board's performance in all material respects of the covenants set forth in this Agreement;
- (ii) A certificate of the Secretary of UA Board and each of its Covered Affiliates, dated as of the Closing Date, certifying as to the due adoption and continued effectiveness of and attaching a copy of the resolutions of the trustees of UA Board and each of its Covered Affiliates approving the actions and transactions required or contemplated by this Agreement;
- (iii) Such other instruments and documents as may be reasonably necessary to carry out the transactions contemplated or required by this Agreement and to comply with the terms hereof; and
- (iv) Its Corporate Documents referenced in **Section 3.1** which shall be incorporated herein by reference.

(b) **By Ascension.** At or prior to the Closing, unless otherwise waived in writing by UA Board, Ascension shall deliver:

- (i) A certificate of the President or Chief Executive Officer of Ascension, dated as of the Closing Date, certifying as to the continued accuracy and completeness in all material

respects of the representations and warranties of Ascension and Ascension's performance in all material respects of the covenants set forth in this Agreement;

- (ii) A certificate of the Secretary of each of Ascension and each of its Covered Affiliates, dated as of the Closing Date, certifying as to the due adoption and continued effectiveness of and attaching a copy of the resolutions of the board of directors of Ascension and each of its Covered Affiliates approving the actions and transactions required or contemplated by this Agreement;
- (iii) Such other instruments and documents as may be reasonably necessary to carry out the transactions contemplated or required by this Agreement and to comply with the terms hereof; and
- (iv) Its Corporate Documents referenced in **Section 3.1** which shall be incorporated herein by reference.

(c) By The Parties. At or prior to Closing, unless otherwise waived in writing by the Parties, Joint Operating Company's Corporate Documents referenced in **Section 3.1**, shall be mutually agreed upon, delivered at Closing and incorporated herein by reference.

ARTICLE VIII REPRESENTATIONS AND WARRANTIES OF UA BOARD

UA Board hereby makes, as of the Effective Date, and shall make, as of the Closing Date, the following representations and warranties to Ascension on behalf of itself and the UABHS Covered Affiliates. UA Board has not failed to disclose any material fact necessary to make the representations and warranties herein misleading. All representations and warranties herein are made only with respect to operations of the UABHS Covered Affiliates within the Joint Operating Company Service Area.

8.1 Corporate Capacity; Qualification to do Business. UA Board and each of the UABHS Covered Affiliates is duly organized and validly existing in good standing under the laws of the states in which each is organized. UA Board and each of the UABHS Covered Affiliates has the requisite corporate power and authority to enter into this Agreement, perform its obligations hereunder and to conduct its business as now being conducted.

8.2 Corporate Powers; Consents; Absence of Conflicts with Other Agreements, Etc.. The execution, delivery and performance of this Agreement by UA Board and each of the UABHS Covered Affiliates and all other agreements referenced herein or ancillary hereto to which each is a party and the consummation of the transactions contemplated herein and therein by UA Board and the UABHS Covered Affiliates:

(a) Are within UA Board's and each of the UABHS Covered Affiliate's corporate powers, are not in contravention of law or the terms of their Articles of Incorporation, Bylaws or any amendments thereto and have been duly authorized by all appropriate corporate action;

(b) Except as disclosed in writing by UA Board or otherwise expressly herein provided, do not require any approval or consent of, or filing with, any governmental agency or authority or the regulations of any such agency or authority;

(c) Shall not result in the creation of any lien, charge, or encumbrance of any kind or the termination or acceleration of any Indebtedness or other obligation of it, and is not prohibited by, does not

violate or conflict with any provision of, and does not constitute a default under or breach of any material contract, indenture, mortgage, material permit or license, approval or other commitment to which UA Board or any of the UABHS Covered Affiliates is a party or is subject or by which any such corporation is bound, or any applicable Law.

(d) Will not violate any statute, law, rule or regulation of any governmental authority to which UA Board or any of the UABHS Covered Affiliates is subject; and

(e) Will not violate any judgment, decree, writ or injunction of any court or governmental authority to which UA Board or any of the UABHS Covered Affiliates is subject.

8.3 Binding Agreement. This Agreement constitutes the valid and legally binding obligation of UA Board, enforceable against UA Board or, where applicable, the UABHS Covered Affiliates in accordance with its terms, except as enforceability may be limited by: (i) general principles of equity, regardless of whether enforcement is sought in a Proceeding in equity or at law; and (ii) bankruptcy, insolvency, reorganization, moratorium or other similar laws of general application now or hereafter in effect relating to or affecting the enforcement of creditors' rights generally.

8.4 No Joint Ventures. Except as set forth on **Exhibit 8.4**, no UABHS Covered Affiliate is a party to any joint venture or other shared ownership or investment arrangement with one or more of the members of the medical staff of any hospital facility of an UABHS Covered Affiliate. No UABHS Covered Affiliate has an investment in any other entity in the Joint Operating Company Service Area, other than as disclosed in writing by UA Board.

8.5 Real Property. The UABHS Covered Affiliates are vested with title to the real property within the Joint Operating Company Service Area disclosed in writing by UA Board (the "**UABHS Real Property**"), together with all buildings, improvements and fixtures thereon and all appurtenances and rights thereto (except as otherwise disclosed in writing by UA Board), and none of the UABHS Covered Affiliates has created any mortgages, liens, restrictions, agreements, claims or other encumbrances which cause title to the UABHS Real Property to be defeasible or which will materially interfere with the use by Joint Operating Company of the UABHS Real Property in a manner consistent with the current use by UA Board or the UABHS Covered Affiliates, other than the Permitted Encumbrances. The UABHS Real Property comprises all of the real property owned or leased by UA Board or the UABHS Covered Affiliates held for use in their operations, and:

(a) If any lien or liens, including, without limitation, mortgage liens, deed of trust liens, mechanics and materialmen's liens and judgment liens, are asserted against the UABHS Real Property by, through or under the UABHS Covered Affiliates which are not Permitted Encumbrances, the UABHS Covered Affiliates shall obtain the release of such liens(s);

(b) Other than as may be disclosed in writing by UA Board, neither UA Board nor any of the UABHS Covered Affiliates has received notice of a violation of any applicable ordinance or other law, order, regulation or requirement, and none have received notice of condemnation, lien, assessment or the like, relating to any part of the UABHS Real Property or the operation thereof;

(c) To the Knowledge of UA Board and the UABHS Covered Affiliates, the UABHS Real Property and its operations are in compliance with respect to all applicable zoning ordinances (excepting only instances of non-compliance which will not materially adversely affect the business of the UABHS Covered Affiliates), and the consummation of the transactions contemplated herein will not result in a violation of any applicable zoning ordinance or the termination of any applicable zoning variance now existing and, if the improvements on the UABHS Real Property are damaged or destroyed subsequent to

Closing, the repair or replacement of same to the condition existing immediately prior to Closing will not violate applicable zoning ordinances (assuming there has been no change in such zoning ordinances), and except as set forth herein the buildings and improvements on the UABHS Real Property comply with all building codes (excepting only instances of non-compliance which will not materially adversely affect the business of Joint Operating Company);

(d) Except as disclosed in writing by UA Board, the UABHS Real Property and improvements thereon are in good condition, reasonable wear and tear excepted.

8.6 Title to Assets. Except as disclosed in writing by UA Board, other than UABHS Real Property provided for in **Section 8.5**, UA Board or the UABHS Covered Affiliates hold good and defensible title to all of the assets of every kind, character and description, whether personal, tangible or intangible, used in connection with the management and operation of the Covered Affiliates, free and clear of all liens, mortgages, security interests, options, pledges, charges, covenants, conditions, restrictions and other encumbrances and claims of any kind or character whatsoever, other than Permitted Encumbrances.

8.7 Insurance. UA Board has delivered to Ascension an accurate disclosure of all insurance policies (or summaries thereof), including all self-funded plans or trusts, covering the ownership and operations of the UABHS Covered Affiliates, which schedules reflect the policies' numbers, identity of insurers or administrators, annual premiums or contributions, amounts and coverage. All of such policies and plans or trusts are as of the Effective Date and will be until the Closing Date in full force and effect with no premium or contribution arrearage. To the Knowledge of UA Board and the UABHS Covered Affiliates, each of the UABHS Covered Affiliates has given in a timely manner to its insurers or administrators all notices required to be given under such insurance policies and plans or trusts with respect to all covered claims and actions and, except as disclosed in writing by UA Board, no insurer or administrator has denied coverage of any such claims or actions or reserved its rights in respect of or rejected any of such claims. None of the UABHS Covered Affiliates has (i) received any notice or other communication from any such insurance company or administrator canceling or materially amending any of such insurance policies or plans or trusts, and no such cancellation or amendment is threatened; or (ii) failed to give any required notice or present any claim which is still outstanding under any of such policies or plans or trusts with respect to any of the UABHS Covered Affiliates. The self-insured program for general and professional liability coverages currently in effect for the UABHS Covered Affiliates has been in effect continuously for a period of at least ten (10) years prior to the Closing.

8.8 Financial Statements Disclosure. UA Board has disclosed in writing true and correct copies of audited financial statements of each of the UABHS Covered Affiliates, and their respective operations to be managed pursuant to this Agreement, for the three (3) years ended September 30, 2019 and for the interim period from September 30, 2019 through the most recent month end date for which financial statements were available prior to the Effective Date (the "UABHS Unaudited Financial Statements"). From the Effective Date to the Closing Date, by the fifteenth business day of the following month, UA Board shall provide monthly unaudited financial statements of the UABHS Covered Affiliates, and their respective operations to be managed pursuant to this Agreement, for the immediately preceding month (the "UABHS Interim Financial Statements", and together with the audited financial statements and the Unaudited Financial Statements, the "UABHS Financial Statements"). UA Board warrants such UABHS Financial Statements are: (a) true and correct in all material respects and present fairly in all material respects the financial position of the UABHS Covered Affiliates, and their respective operations to be managed pursuant to this Agreement, respectively, and the results of their respective operations at the dates and for the periods indicated; and (b) are in conformity with GAAP, applied consistently for the periods specified, including the consistent use of assumptions, practices, procedures and terminology (other than,

with respect to the Interim Financial Statements, the absence of notes and the absence of year end audit adjustments which would not be material in the aggregate).

8.9 Licenses and Permits. Each of the UABHS Covered Affiliates holds and is in compliance with all governmental licenses, permits, certificates, consents and approvals, noncompliance with which would result in a material adverse change in its business and operations, and all such are current, unrestricted and valid.

8.10 Certificates of Need. Except for the Certificates of Exemption from the Alabama State Planning and Development Agency referenced as a condition to closing in **Section 11.1**, and except as otherwise disclosed in writing by UA Board, no application for any Certificate of Need, Exemption Certificate or Declaratory Ruling has been made by the UABHS Covered Affiliates or is needed in association with the establishment of Joint Operating Company or the transactions contemplated by this Agreement.

8.11 Medicare Participation/Accreditation. Each of the UABHS Covered Affiliates that provide health care services is qualified for participation in the Medicare and Medicaid programs, maintains current and valid provider contracts with the Medicare and Medicaid programs, and is in material compliance with the conditions of participation in such programs. Except as disclosed in writing between the Parties, the UABHS Covered Affiliates have not received notice from either the Medicare or Medicaid programs, their fiscal intermediaries or any other agency of any pending or threatened investigations or surveys with respect to the UABHS Covered Affiliates and UA Board and the UABHS Covered Affiliates have no reason to believe that any such investigations or surveys are pending or threatened.

8.12 Regulatory Compliance. Except as disclosed in writing by UA Board, to the Knowledge of UA Board and the UABHS Covered Affiliates, the UABHS Covered Affiliates are in compliance in all material respects with all applicable statutes, rules, regulations and requirements of all federal, state and local commissions, boards, bureaus and agencies having jurisdiction over the UABHS Covered Affiliates.

8.13 Agreements and Commitments. To the Knowledge of UA Board and the UABHS Covered Affiliates, UA Board has made available to Ascension accurate copies of all commitments, contracts, leases and agreements which do or may materially affect the operations of the UABHS Covered Affiliates to which any UABHS Covered Affiliate is a party or by which any UABHS Covered Affiliate is bound, including:

(a) Any contracts or commitments involving any obligation which materially affect the UABHS Covered Affiliates and which cannot, or in reasonable probability will not, be performed or terminated before ninety (90) days after the Closing Date without payment of penalty or equivalent thereof;

(b) Any contracts or commitments materially affecting ownership of, title to, use of, or any interest in the UABHS Covered Affiliates' real property;

(c) Any patent licensing agreement or any other agreements, licenses or commitments with respect to patents, patent applications, trademarks, trade names, service marks, copyrights or other like terms affecting the UABHS Covered Affiliates;

(d) Any contract, license or commitment relating to data processing programs, software or source codes utilized in connection with the UABHS Covered Affiliates;

(e) Any collective bargaining agreements or other contracts or commitments to or with any labor unions or other employee representatives or groups of employees materially affecting or which could materially affect the UABHS Covered Affiliates;

(f) Any employment contracts or any other contracts, agreements or commitments to or with individual employees or agents materially affecting or which could materially affect the UABHS Covered Affiliates;

(g) Any contracts or commitments providing for payments based in any manner on the revenues or profits of the UABHS Covered Affiliates; or

(h) Any contract or commitment, whether in the Ordinary Course of Business or not, which involves future payments, performance or services or delivery of goods or materials, to or by UA Board of any amount or value in excess of \$250,000 affecting or which could affect the UABHS Covered Affiliates.

8.14 Employee Relations. The employee relations of the UABHS Covered Affiliates are satisfactory, including relations with respect to those employees who may be employed by any of the UABHS Covered Affiliates, but who work at any of their respective facilities (collectively referred to herein as the “UABHS Employees”). There is no pending or threatened employee strike, work stoppage or labor dispute concerning the UABHS Employees. Except as disclosed in writing by UA Board, no union “representation question” exists respecting any UABHS Employees. No collective bargaining agreement exists or is currently being negotiated by any of the UABHS Covered Affiliates concerning the UABHS Employees, no demand has been made for recognition by a labor organization by or with respect to any UABHS Employees, no union organizing activities by or with respect to any UABHS Employees are taking place, and none of the UABHS Employees is represented by any labor union or organization. There is no unfair practice claim against any of the UABHS Covered Affiliates before the National Labor Relations Board or any strike, dispute, slowdown, or stoppage pending or threatened against or involving the UABHS Covered Affiliates and none has occurred. To the Knowledge of UA Board and the UABHS Covered Affiliates, the UABHS Covered Affiliates are in material compliance with all federal and state laws respecting employment and employment practices, terms and conditions of employment, and wages and hours concerning the UABHS Employees. To the Knowledge of UA Board and the UABHS Covered Affiliates, none of the UABHS Covered Affiliates are engaged in any unfair labor practices concerning the UABHS Employees. Except as disclosed in writing by UA Board, there are not and will not as of the Closing Date be any pending or threatened EEOC claims, wage and hour claims, unemployment compensation claims, or workers’ compensation claims concerning the UABHS Employees which will have been made on or before the Closing Date.

8.15 Litigation or Proceedings. UA Board or the UABHS Covered Affiliates have made available to Ascension an accurate list and summary description of all material litigation or Proceedings with respect to the UABHS Covered Affiliates. To the Knowledge of UA Board and the UABHS Covered Affiliates, the UABHS Covered Affiliates are not in default under any law or regulation material to the operations of the UABHS Covered Affiliates or under any order of any court or federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality wherever located. Except as disclosed in writing by UA Board, there are no claims or investigations pending or, to the Knowledge of UA Board and the UABHS Covered Affiliates, threatened against or affecting the UABHS Covered Affiliates with respect to their operations, at law or in equity, or before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality wherever located.

8.16 Third Party Payor Cost Reports. The cost reports for the UABHS Covered Affiliates, or their respective operations prior to Closing, for the government programs (i.e., Medicare and Medicaid) for the Fiscal Years through September 30, 2019, required to be filed on or before the date hereof have been timely filed. All of such cost reports are in material compliance with governmental filing requirements. True and correct copies of such reports for the two (2) most recent years have been made available to Ascension. Neither UA Board nor the UABHS Covered Affiliates have Knowledge that the UABHS Covered Affiliates

have received reimbursement in excess of the amount provided by law resulting in an overpayment with respect to the Covered Affiliates, or their respective operations prior to Closing, except as disclosed in writing by UA Board. UA Board has disclosed in writing which of such cost reports for the UABHS Covered Affiliates, or their respective operations prior to Closing, have been audited and finally settled, the status of such cost reports which have not been audited and finally settled and a brief description of any and all notices of program reimbursement, proposed or pending audit adjustments, disallowances, appeals of disallowances and any and all other unresolved claims or disputes in respect of such cost reports.

8.17 Medical Staff Matters. UA Board or the UABHS Covered Affiliates have heretofore made available to Ascension true, correct, and complete copies of the bylaws and rules and regulations of the medical staff of any hospital facility of an UABHS Covered Affiliate. With regard to the medical staff of such facilities, and except as disclosed in writing by UA Board, there are no pending or, to the Knowledge of UA Board or the UABHS Covered Affiliates, threatened disputes with applicants, medical staff members or health professional affiliates and all appeal periods in respect of any medical staff member or applicant against whom an adverse action has been taken have expired.

8.18 Tax Liabilities Disclosures. To the Knowledge of UA Board and the UABHS Covered Affiliates:

(a) All informational or tax returns, including, without limitation, employee payroll tax returns, employee unemployment tax returns and franchise tax returns, for periods through and including the Closing Date which are required to be filed by UA Board or the UABHS Covered Affiliates in respect of the Covered Affiliates (collectively “**UABHS Returns**”) have been filed or will be filed in the manner provided by law, and all UABHS Returns are or will be true and correct and accurately reflect the tax liabilities of the UABHS Covered Affiliates for the periods or other matters covered by such tax returns;

(b) All taxes, penalties, interest, and any other statutory additions, including Income Taxes, estimated taxes, alternative minimum taxes, excise taxes, sales taxes, use taxes, value added taxes, gross receipts taxes, franchise taxes, capital stock taxes, employment and payroll related taxes, withholding taxes, stamp taxes, transfer taxes, windfall profit taxes, environmental taxes and property taxes, which have become due by the UABHS Covered Affiliates pursuant to the UABHS Returns, and any assessments received by the UABHS Covered Affiliates have been paid when due or adequately provided for, except for amounts that have been contested in good faith;

(c) There are no tax liens on any of the operations of the Covered Affiliates; and

(d) Proper and accurate amounts have been withheld by the UABHS Covered Affiliates from the UABHS Employees for all periods in full and complete compliance with the tax and other withholding provisions of all applicable laws and all of such amounts have been duly and validly remitted to the proper taxing authority.

8.19 Environmental Laws Disclosures. To the Knowledge of UA Board and the UABHS Covered Affiliates, (i) the UABHS Real Property is not subject to any environmental liabilities; and (ii) no part of the UABHS Real Property is in violation of any federal, state or local statutes, regulations, laws or orders pertaining to environmental matters now in effect, including, without limitation, the Comprehensive Environmental Response Compensation and Liability Act (“**CERCLA**”) and the Resource Conservation and Recovery Act (“**RCRA**”). To the Knowledge of UA Board and the UABHS Covered Affiliates, no Hazardous Substances (which for purposes of this **Section 8.19** shall be defined as in CERCLA) have been, and through the Closing Date no Hazardous Substance will be, improperly disposed of on or released or discharged from (including groundwater contamination) or in respect of any part of the UABHS Real Property, except as disclosed in writing by UA Board. Prior to Closing, the UABHS Covered Affiliates

shall not allow any Hazardous Substances to be discharged, possessed, managed, processed or otherwise handled on any part of the UABHS Real Property in a manner which is in violation of applicable law.

8.20 Asbestos Disclosures. Except as disclosed in writing by UA Board, to the Knowledge of UA Board and the UABHS Covered Affiliates, none of the facilities of the UABHS Covered Affiliates contain any asbestos in any form.

8.21 No Material Omissions. The representations and warranties by UA Board contained in this Agreement, and each Exhibit, certificate or other document delivered at Closing by it pursuant to this Agreement, are accurate, correct and complete in all material respects, do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements and information contained therein not misleading. UA Board shall cause the UABHS Covered Affiliates to comply with the representations and warranties contained in this Agreement.

8.22 Exclusion from Health Care Programs. The UABHS Covered Affiliates perform monthly monitoring, including review of the List of Excluded Individuals and Entities (“LEIE”) pursuant to Office of Inspector General (“OIG”) guidance, to determine whether any employees, agents or independent contractors of the UABHS Covered Affiliates have been: (a) excluded from participating in any Federal Health Care Program (as defined in 42 U.S.C. § 1320a 7b(f)); (b) subject to sanction or been indicted or convicted of a crime, or pled nolo contendere or to sufficient facts, in connection with any allegation of violation of any Federal Health Care Program requirement or Health Care Law; (c) debarred or suspended from any federal or state procurement or non-procurement program by any government agency; or (d) designated a Specially Designated National or Blocked Person by the Office of Foreign Asset Control of the U.S. Department of Treasury. The UABHS Covered Affiliates maintain accurate documentation of such monthly LEIE searches.

8.23 Compliance With Laws. To the Knowledge of UA Board and the UABHS Covered Affiliates, the UABHS Covered Affiliates are in compliance in all material respects with all applicable Laws as they relate to the operations of the UABHS Covered Affiliates.

8.24 Absence of Changes Since Financial Statement Date. Except for matters expressly permitted or authorized by this Agreement and except as may otherwise be disclosed in writing between the Parties prior to Closing, there has not been, after the date of the most recent UABHS Financial Statements:

(a) any material adverse change in the UABHS Covered Affiliates, or their respective operations to be managed pursuant to this Agreement, in the aggregate;

(b) any damage, destruction or loss, whether or not covered by insurance, which has had or could have, in the aggregate, a materially adverse effect on any facility of an UABHS Covered Affiliate;

(c) any disposition by an UABHS Covered Affiliate of any material property, rights or other assets owned by or employed in an UABHS Covered Affiliate, except for dispositions in the Ordinary Course of Business of an UABHS Covered Affiliate, and other dispositions contemplated by this Agreement;

(d) any amendment or termination of any material contract which has had or could reasonably be expected to have, in the aggregate, a materially adverse effect on a UABHS Covered Affiliate, or their respective operations to be managed pursuant to this Agreement; and

(e) any new material contract, or any material amendment to an existing material contract between a UABHS Covered Affiliate and a physician.

8.25 Absence of Intellectual Property Infringement. To the Knowledge of UA Board and the UABHS Covered Affiliates, no proceedings are pending or threatened that challenge the validity of the ownership by UA Board or the UABHS Covered Affiliates of any Intellectual Property. Neither UA Board nor the UABHS Covered Affiliates has licensed anyone to use such Intellectual Property and neither UA Board nor the UABHS Covered Affiliates has Knowledge of the use or infringement or any such Intellectual Property.

8.26 Tax Exempt Status. Except as set forth on **Exhibit 1.7**, each of the UABHS Covered Affiliates is a public corporation or an exempt organization under Section 501(c)(3) of the Internal Revenue Code and is not a “private foundation” within the meaning of Section 509(a) of the Internal Revenue Code. The IRS has not taken, or proposed to take, any action to revoke the tax-exempt status of the UABHS Covered Affiliates, and has not announced, or proposed to announce, that any tax-exempt UABHS Covered Affiliate is a “private foundation” within the meaning of Section 509(c) of the Internal Revenue Code. UA Board is not aware of any change in the organization or operation of any tax-exempt UABHS Covered Affiliate which would result in a loss of any of such entity’s status as an organization described in Section 501(c)(3) of the Internal Revenue Code, which would cause such entity to be treated as a “private foundation” within the meaning of Section 509(a) of the Internal Revenue Code or which could cause the facilities in which exempt operations are conducted to become other than fully exempt from property taxation.

ARTICLE IX REPRESENTATIONS AND WARRANTIES OF ASCENSION

Ascension hereby makes, as of the Effective Date, and shall make, as of the Closing Date, the following representations and warranties to UA Board on behalf of itself and the SVHS Covered Affiliates. Ascension has not failed to disclose any material fact necessary to make the representations and warranties herein misleading. All representations and warranties herein are made only with respect to Ascension operations within the Joint Operating Company Service Area through the SVHS Covered Affiliates.

9.1 Corporate Capacity; Qualification to do Business. Ascension and each of its Covered Affiliates is duly organized and validly existing in good standing under the laws of the states in which each is organized. Ascension and each of the SVHS Covered Affiliates has the requisite corporate power and authority to enter into this Agreement, perform its obligations hereunder and to conduct its business as now being conducted. Ascension and each of its Covered Affiliates is duly qualified to do business in the state of Alabama.

9.2 Corporate Powers; Consents; Absence of Conflicts with Other Agreements, Etc. The execution, delivery and performance of this Agreement by Ascension and each of its Covered Affiliates and all other agreements referenced herein or ancillary hereto to which each is a party and the consummation of the transactions contemplated herein and therein by Ascension and its Covered Affiliates:

(a) Are within Ascension’s and each of its Covered Affiliate’s corporate powers, are not in contravention of law or the terms of their Articles of Incorporation, Bylaws or any amendments thereto and have been duly authorized by all appropriate corporate action;

(b) Except as disclosed in writing by Ascension or otherwise expressly herein provided, do not require any approval or consent of, or filing with, any governmental agency or authority or the regulations of any such agency or authority;

(c) Shall not result in the creation of any lien, charge, or encumbrance of any kind or the termination or acceleration of any Indebtedness or other obligation of it, and is not prohibited by, does not violate or conflict with any provision of, and does not constitute a default under or breach of any material

contract, indenture, mortgage, material permit or license, approval or other commitment to which Ascension or any of its Covered Affiliates is a party or is subject or by which any such corporation is bound, or any applicable Law.

(d) Will not violate any statute, law, rule or regulation of any governmental authority to which Ascension or any of its Covered Affiliates is subject; and

(e) Will not violate any judgment, decree, writ or injunction of any court or governmental authority to which Ascension or any of its Covered Affiliates is subject.

9.3 Binding Agreement. This Agreement constitutes the valid and legally binding obligation of Ascension, enforceable against Ascension or, where applicable, its Covered Affiliates in accordance with its terms, except as enforceability may be limited by: (i) general principles of equity, regardless of whether enforcement is sought in a Proceeding in equity or at law; and (ii) bankruptcy, insolvency, reorganization, moratorium or other similar laws of general application now or hereafter in effect relating to or affecting the enforcement of creditors' rights generally.

9.4 No Joint Ventures. Except as set forth on **Exhibit 9.4**, no SVHS Covered Affiliate is a party to any joint venture or other shared ownership or investment arrangement with one or more of the members of the medical staff of any hospital facility of an SVHS Covered Affiliate. No SVHS Covered Affiliate has an investment in any other entity in the Joint Operating Company Service Area, other than as disclosed in writing by Ascension.

9.5 Real Property. The SVHS Covered Affiliates are vested with title to the real property within the Joint Operating Company Service Area disclosed in writing by Ascension (the "**SVHS Real Property**"), together with all buildings, improvements and fixtures thereon and all appurtenances and rights thereto (except as otherwise disclosed in writing by Ascension), and none of the SVHS Covered Affiliates has created any mortgages, liens, restrictions, agreements, claims or other encumbrances which cause title to the SVHS Real Property to be defeasible or which will materially interfere with the use by Joint Operating Company of the SVHS Real Property in a manner consistent with the current use by Ascension or its Covered Affiliates, other than the Permitted Encumbrances. The SVHS Real Property comprises all of the real property owned or leased by Ascension or its Covered Affiliates held for use in their operations, and:

(a) If any lien or liens, including, without limitation, mortgage liens, deed of trust liens, mechanics and materialmen's liens and judgment liens, are asserted against the SVHS Real Property by, through or under the SVHS Covered Affiliates which are not Permitted Encumbrances, the SVHS Covered Affiliates shall obtain the release of such liens(s);

(b) Other than as may be disclosed in writing by Ascension, neither Ascension nor any of its Covered Affiliates has received notice of a violation of any applicable ordinance or other law, order, regulation or requirement, and none have received notice of condemnation, lien, assessment or the like, relating to any part of the SVHS Real Property or the operation thereof;

(c) To the Knowledge of Ascension and its Covered Affiliates, the SVHS Real Property and its operations are in compliance with respect to all applicable zoning ordinances (excepting only instances of non-compliance which will not materially adversely affect the business of the SVHS Covered Affiliates), and the consummation of the transactions contemplated herein will not result in a violation of any applicable zoning ordinance or the termination of any applicable zoning variance now existing and, if the improvements on the SVHS Real Property are damaged or destroyed subsequent to Closing, the repair or replacement of same to the condition existing immediately prior to Closing will not violate applicable zoning ordinances (assuming there has been no change in such zoning ordinances), and except as set forth

herein the buildings and improvements on the SVHS Real Property comply with all building codes (excepting only instances of non-compliance which will not materially adversely affect the business of Joint Operating Company);

(d) Except as disclosed in writing by Ascension, the SVHS Real Property and improvements thereon are in good condition, reasonable wear and tear excepted.

9.6 Title to Assets. Except as disclosed in writing by Ascension, other than SVHS Real Property provided for in **Section 9.5**, Ascension or its Covered Affiliates hold good and defensible title to all of the assets of every kind, character and description, whether personal, tangible or intangible, used in connection with the operation of the businesses of the Covered Affiliates, free and clear of all liens, mortgages, security interests, options, pledges, charges, covenants, conditions, restrictions and other encumbrances and claims of any kind or character whatsoever, other than Permitted Encumbrances.

9.7 Insurance. Ascension has delivered to UA Board an accurate disclosure of all insurance policies (or summaries thereof), including all self-funded plans or trusts, covering the ownership and operations of the SVHS Covered Affiliates, which schedules reflect the policies' numbers, identity of insurers or administrators, annual premiums or contributions, amounts and coverage. All of such policies and plans or trusts are as of the Effective Date and will be until the Closing Date in full force and effect with no premium or contribution arrearage. To the Knowledge of Ascension and its Covered Affiliates, each of the SVHS Covered Affiliates has given in a timely manner to its insurers or administrators all notices required to be given under such insurance policies and plans or trusts with respect to all covered claims and actions and, except as disclosed in writing by Ascension, no insurer or administrator has denied coverage of any such claims or actions or reserved its rights in respect of or rejected any of such claims. None of the SVHS Covered Affiliates has (i) received any notice or other communication from any such insurance company or administrator canceling or materially amending any of such insurance policies or plans or trusts, and no such cancellation or amendment is threatened; or (ii) failed to give any required notice or present any claim which is still outstanding under any of such policies or plans or trusts with respect to any of the Covered Affiliates. The SVHS Covered Affiliates have been self-insured for general and professional liability coverages continuously for a period of at least ten (10) years prior to the Closing.

9.8 Financial Statements Disclosure. Ascension has disclosed in writing true and correct copies of unaudited financial statements of each of the SVHS Covered Affiliates, and their respective operations to be managed pursuant to this Agreement, for the three (3) years ended June 30, 2019 and for the interim period from June 30, 2019 through the most recent month end date for which financial statements were available prior to the Effective Date (the "**SVHS Unaudited Financial Statements**"). From the Effective Date to the Closing Date, by the fifteenth business day of the following month, Ascension shall provide monthly unaudited financial statements of the SVHS Covered Affiliates, and their respective operations to be managed pursuant to this Agreement, for the immediately preceding month (the "**SVHS Interim Financial Statements**"), and together with the Unaudited Financial Statements, the "**SVHS Financial Statements**"). Ascension warrants such Financial Statements are: (a) true and correct in all material respects and present fairly in all material respects the financial position of the Covered Affiliates, and their respective operations to be managed pursuant to this Agreement, respectively, and the results of their respective operations at the dates and for the periods indicated; and (b) are in conformity with GAAP, applied consistently for the periods specified, including the consistent use of assumptions, practices, procedures and terminology (other than, with respect to the Interim Financial Statements, the absence of notes and the absence of year end audit adjustments which would not be material in the aggregate).

9.9 Licenses and Permits. Each of the SVHS Covered Affiliates holds and is in compliance with all governmental licenses, permits, certificates, consents and approvals, noncompliance with which would result in a material adverse change in its business and operations, and all such are current, unrestricted and

valid. Ascension has delivered to UA Board an accurate list of such documents and has made available for inspections all such licenses and permits owned or held by Ascension or its Covered Affiliates and employed in connection with the ownership, development or operations of the SVHS Covered Affiliates, all of which shall be valid as of the Effective Date and as of the Closing Date.

9.10 Certificates of Need. Except for the Certificates of Exemption from the Alabama State Planning and Development Agency referenced as a condition to closing in **Section 11.1**, and except as otherwise disclosed in writing by Ascension, no application for any Certificate of Need, Exemption Certificate or Declaratory Ruling has been made by the SVHS Covered Affiliates or is needed in association with the establishment of Joint Operating Company or the transactions contemplated by this Agreement.

9.11 Medicare Participation/Accreditation. Each of the SVHS Covered Affiliates that provides health care services is qualified for participation in the Medicare and Medicaid programs, maintains current and valid provider contracts with the Medicare and Medicaid programs, and is in material compliance with the conditions of participation in such programs. Except as disclosed in writing between the Parties, the SVHS Covered Affiliates have not received notice from either the Medicare or Medicaid programs, their fiscal intermediaries or any other agency of any pending or threatened investigations or surveys with respect to the Covered Affiliates and Ascension and its Covered Affiliates have no reason to believe that any such investigations or surveys are pending or threatened.

9.12 Regulatory Compliance. Except as disclosed in writing by Ascension, to the Knowledge of Ascension and its Covered Affiliates, the SVHS Covered Affiliates are in compliance in all material respects with all applicable statutes, rules, regulations and requirements of all federal, state and local commissions, boards, bureaus and agencies having jurisdiction over the Covered Affiliates.

9.13 Agreements and Commitments. To the Knowledge of Ascension and its Covered Affiliates, Ascension has made available to UA Board accurate copies of all commitments, contracts, leases and agreements which do or may materially affect the operations of the Covered Affiliates, to which any SVHS Covered Affiliate is a party or by which any SVHS Covered Affiliate is bound, including:

(a) Any contracts or commitments involving any obligation which materially affect the SVHS Covered Affiliates and which cannot, or in reasonable probability will not, be performed or terminated before ninety (90) days after the Closing Date without payment of penalty or equivalent thereof;

(b) Any contracts or commitments materially affecting ownership of, title to, use of, or any interest in the SVHS Covered Affiliates' real property;

(c) Any patent licensing agreement or any other agreements, licenses or commitments with respect to patents, patent applications, trademarks, trade names, service marks, copyrights or other like terms affecting the SVHS Covered Affiliates;

(d) Any contract, license or commitment relating to data processing programs, software or source codes utilized in connection with the SVHS Covered Affiliates;

(e) Any collective bargaining agreements or other contracts or commitments to or with any labor unions or other employee representatives or groups of employees materially affecting or which could materially affect the SVHS Covered Affiliates;

(f) Any employment contracts or any other contracts, agreements or commitments to or with individual employees or agents materially affecting or which could materially affect the SVHS Covered Affiliates;

(g) Any contracts or commitments providing for payments based in any manner on the revenues or profits of the SVHS Covered Affiliates; or

(h) Any contract or commitment, whether in the Ordinary Course of Business or not, which involves future payments, performance or services or delivery of goods or materials, to or by Ascension of any amount or value in excess \$250,000 affecting or which could affect the SVHS Covered Affiliates.

9.14 Employee Relations. The employee relations of the SVHS Covered Affiliates are satisfactory, including relations with respect to those employees who may be employed by any of the SVHS Covered Affiliates, but who work at any of the facilities of the Covered Affiliates (collectively referred to herein as the “SVHS Employees”). There is no pending or threatened employee strike, work stoppage or labor dispute concerning the SVHS Employees. Except as disclosed in writing by Ascension, no union “representation question” exists respecting any SVHS Employees. No collective bargaining agreement exists or is currently being negotiated by any of the SVHS Covered Affiliates concerning the SVHS Employees, no demand has been made for recognition by a labor organization by or with respect to any SVHS Employees, no union organizing activities by or with respect to any SVHS Employees are taking place, and none of the SVHS Employees is represented by any labor union or organization. There is no unfair practice claim against any of the SVHS Covered Affiliates before the National Labor Relations Board or any strike, dispute, slowdown, or stoppage pending or threatened against or involving the SVHS Covered Affiliates and none has occurred. To the Knowledge of Ascension and its Covered Affiliates, the SVHS Covered Affiliates are in material compliance with all federal and state laws respecting employment and employment practices, terms and conditions of employment, and wages and hours concerning the SVHS Employees. To the Knowledge of Ascension and its Covered Affiliates, none of the SVHS Covered Affiliates are engaged in any unfair labor practices concerning the SVHS Employees. Except as disclosed in writing by Ascension, there are not and will not as of the Closing Date be any pending or threatened EEOC claims, wage and hour claims, unemployment compensation claims, or workers’ compensation claims concerning the SVHS Employees which will have been made on or before the Closing Date.

9.15 Litigation or Proceedings. Ascension or its Covered Affiliates have made available to UA Board an accurate list and summary description of all material litigation or Proceedings with respect to the SVHS Covered Affiliates. To the Knowledge of Ascension and its Covered Affiliates, the SVHS Covered Affiliates are not in default under any law or regulation material to the operation of any of the SVHS Covered Affiliates or under any order of any court or federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality wherever located. Except as disclosed in writing by Ascension, there are no claims or investigations pending or, to the Knowledge of Ascension and its Covered Affiliates, threatened against or affecting the SVHS Covered Affiliates with respect to their operations, at law or in equity, or before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality wherever located.

9.16 Third Party Payor Cost Reports. The cost reports for the SVHS Covered Affiliates, or their respective operations prior to Closing, for the government programs (i.e., Medicare and Medicaid) for the Fiscal Years through June 30, 2019, required to be filed on or before the date hereof have been timely filed. All of such cost reports are in material compliance with governmental filing requirements. True and correct copies of such reports for the two (2) most recent years have been made available to UA Board. Neither Ascension nor its Covered Affiliates have Knowledge that the SVHS Covered Affiliates have received reimbursement in excess of the amount provided by law resulting in an overpayment with respect to the SVHS Covered Affiliates, or their respective operations prior to Closing, except as disclosed in writing by Ascension. Ascension has disclosed in writing which of such cost reports for the SVHS Covered Affiliates, and their respective operations prior to Closing, have been audited and finally settled, the status of such cost reports which have not been audited and finally settled and a brief description of any and all notices of

program reimbursement, proposed or pending audit adjustments, disallowances, appeals of disallowances and any and all other unresolved claims or disputes in respect of such cost reports.

9.17 Medical Staff Matters. Ascension or its Covered Affiliates have heretofore made available to UA Board true, correct, and complete copies of the bylaws and rules and regulations of the medical staff of any hospital facility of an SVHS Covered Affiliate. With regard to the medical staff of the such facilities and except as disclosed in writing by Ascension, there are no pending or, to the Knowledge of Ascension or its Covered Affiliates, threatened disputes with applicants, medical staff members or health professional affiliates and all appeal periods in respect of any medical staff member or applicant against whom an adverse action has been taken have expired.

9.18 Tax Liabilities Disclosures. To the Knowledge of Ascension and its Covered Affiliates:

(a) All informational or tax returns, including, without limitation, employee payroll tax returns, employee unemployment tax returns and franchise tax returns, for periods through and including the Closing Date which are required to be filed by Ascension or its Covered Affiliates in respect of the Covered Affiliates (collectively “**SVHS Returns**”) have been filed or will be filed in the manner provided by law, and all SVHS Returns are or will be true and correct and accurately reflect the tax liabilities of Ascension for the periods or other matters covered by such tax returns;

(b) All taxes, penalties, interest, and any other statutory additions, including Income Taxes, estimated taxes, alternative minimum taxes, excise taxes, sales taxes, use taxes, value added taxes, gross receipts taxes, franchise taxes, capital stock taxes, employment and payroll related taxes, withholding taxes, stamp taxes, transfer taxes, windfall profit taxes, environmental taxes and property taxes, which have become due by the SVHS Covered Affiliates pursuant to the SVHS Returns, and any assessments received by the SVHS Covered Affiliates have been paid when due or adequately provided for, except for amounts that have been contested in good faith;

(c) There are no tax liens on any of the assets of the SVHS Covered Affiliates; and

(d) Proper and accurate amounts have been withheld by the SVHS Covered Affiliates from the SVHS Employees for all periods in full and complete compliance with the tax and other withholding provisions of all applicable laws and all of such amounts have been duly and validly remitted to the proper taxing authority.

9.19 Environmental Laws Disclosures. To the Knowledge of Ascension and its Covered Affiliates, (i) the SVHS Real Property is not subject to any environmental liabilities; and (ii) no part of the SVHS Real Property is in violation of any federal, state or local statutes, regulations, laws or orders pertaining to environmental matters now in effect, including, without limitation, CERCLA and RCRA. To the Knowledge of Ascension and its Covered Affiliates, no Hazardous Substances (which for purposes of this **Section 9.19** shall be defined as in CERCLA) have been, and through the Closing Date no Hazardous Substance will be, improperly disposed of on or released or discharged from (including groundwater contamination) or in respect of any part of the SVHS Real Property, except as disclosed in writing by Ascension. Prior to Closing, the SVHS Covered Affiliates shall not allow any Hazardous Substances to be discharged, possessed, managed, processed or otherwise handled on any part of the SVHS Real Property in a manner which is in violation of applicable law.

9.20 Asbestos Disclosures. Except as disclosed in writing by Ascension, to the Knowledge of Ascension and its Covered Affiliates, none of the facilities of the SVHS Covered Affiliates contain any asbestos in any form.

9.21 No Material Omissions. The representations and warranties by Ascension contained in this Agreement, and each Exhibit, certificate or other document delivered at Closing by it pursuant to this Agreement, are accurate, correct and complete in all material respects, do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements and information contained therein not misleading. Ascension shall cause its Covered Affiliates to comply with the representations and warranties contained in this Agreement.

9.22 Exclusion from Health Care Programs. The SVHS Covered Affiliates perform monthly monitoring, including review of the LEIE pursuant to the guidance, to determine whether any employees, agents or independent contractors of the SVHS Covered Affiliates have been: (a) excluded from participating in any Federal Health Care Program (as defined in 42 U.S.C. § 1320a 7b(f)); (b) subject to sanction or been indicted or convicted of a crime, or pled nolo contendere or to sufficient facts, in connection with any allegation of violation of any Federal Health Care Program requirement or Health Care Law; (c) debarred or suspended from any federal or state procurement or non-procurement program by any government agency; or (d) designated a Specially Designated National or Blocked Person by the Office of Foreign Asset Control of the U.S. Department of Treasury. The SVHS Covered Affiliates maintain accurate documentation of such monthly LEIE searches.

9.23 Compliance With Laws. To the Knowledge of Ascension and its Covered Affiliates, the SVHS Covered Affiliates are in compliance in all material respects with all applicable Laws as they relate to the operations of the SVHS Covered Affiliates.

9.24 Absence of Changes Since Financial Statement Date. Except for matters expressly permitted or authorized by this Agreement and except as may otherwise be disclosed in writing between the Parties prior to Closing, there has not been, after the date of the most recent SVHS Financial Statements:

(a) any material adverse change in the SVHS Covered Affiliates, or their respective operations to be managed pursuant to this Agreement, in the aggregate;

(b) any damage, destruction or loss, whether or not covered by insurance, which has had or could have, in the aggregate, a materially adverse effect on an SVHS Facility;

(c) any disposition by an SVHS Covered Affiliate of any material property, rights or other assets owned by or employed in an SVHS Covered Affiliate, except for dispositions in the Ordinary Course of Business of an SVHS Covered Affiliate, and other dispositions contemplated by this Agreement;

(d) any amendment or termination of any material contract which has had or could reasonably be expected to have, in the aggregate, a materially adverse effect on an SVHS Covered Affiliate, or their respective operations to be managed pursuant to this Agreement; and

(e) any new material contract, or any material amendment to an existing material contract between an SVHS Covered Affiliate and a physician.

9.25 Absence of Intellectual Property Infringement. To the Knowledge of Ascension and its Covered Affiliates, no proceedings are pending or threatened that challenge the validity of the ownership by Ascension or its Covered Affiliates of any Intellectual Property. Neither Ascension nor its Covered Affiliates has licensed anyone to use such Intellectual Property and neither Ascension nor its Covered Affiliates has Knowledge of the use or infringement of any such Intellectual Property.

9.26 Tax Exempt Status. Except as set forth on Exhibit 2.2, each of the SVHS Covered Affiliates is an exempt organization under Section 501(c)(3) of the Internal Revenue Code and is not a "private

foundation” within the meaning of Section 509(a) of the Internal Revenue Code. The IRS has not taken, or proposed to take, any action to revoke the tax-exempt status of the SVHS Covered Affiliates, and has not announced, or proposed to announce, that any tax-exempt SVHS Covered Affiliate is a “private foundation” within the meaning of Section 509(c) of the Internal Revenue Code. Ascension is not aware of any change in the organization or operation of Ascension, or any tax-exempt Covered Affiliate which would result in a loss of any of such entity’s status as an organization described in Section 501(c)(3) of the Internal Revenue Code, which would cause such entity to be treated as a “private foundation” within the meaning of Section 509(a) of the Internal Revenue Code or which could cause the facilities in which exempt operations are conducted to become other than fully exempt from property taxation.

ARTICLE X PRE-CLOSING COVENANTS

Each Party hereby agrees to keep, perform and fully discharge, or to cause to be kept, performed and fully discharged, as applicable, the following covenants and agreements, as applicable:

10.1 Interim Conduct of Business.

(a) From the Effective Date through the Closing Date, each Party shall and shall cause each of its Covered Affiliates to:

- (i) Operate its business within the Joint Operating Company Service Area as a going concern, consistent with prior practices and not other than in the Ordinary Course of Business;
- (ii) Preserve, protect and maintain its business, properties and assets within the Joint Operating Company Service Area;
- (iii) Preserve the goodwill of all individuals and entities having business or other relations with it or them, including, without limitation, physicians, employees, patients, customers and suppliers; and
- (iv) Obtain all documents called for by this Agreement and required to facilitate the consummation of the transactions contemplated by this Agreement.

(b) With respect to its respective Covered Affiliates from the Effective Date through the Closing Date, neither UA Board nor Ascension shall, nor allow any of its Covered Affiliates to do any of the following without the prior written consent of the other Party:

- (i) pay any bonus or make any profit-sharing or similar payment to, or increase the amount of the wages, salary, commissions, fees, fringe benefits or other compensation or remuneration payable to, any of its directors, managers, officers, employees or independent contractors other than severance plans adopted in connection with this transaction, other than in the Ordinary Course of Business (regularly scheduled merit increases or benefit changes shall not be considered a violation of this section);
- (ii) hire any employee or retain any independent contractor, other than in the Ordinary Course of Business;
- (iii) permit or allow any of its assets to become subjected to any encumbrance except a Permitted Encumbrance, other than in the Ordinary Course of Business;

- (iv) make any change in any method of accounting or accounting practice or policy, other than in the Ordinary Course of Business;
- (v) acquire by merging or consolidating with, or by purchasing a substantial portion of the assets or capital stock or other equity interest of, or by any other manner, any business or any Person or otherwise acquire any assets other than in the Ordinary Course (e.g., inventory), with a value in excess of one million dollars (\$1,000,000);
- (vi) make or incur capital expenditures (including entering into any capital lease) that are not currently budgeted and that, in the aggregate, are in excess of one million dollars (\$1,000,000);
- (vii) sell, lease, license or otherwise dispose of any of its assets that are material, individually or in the aggregate, to it and its business, including, but not limited to, the real property it owns, other than in the Ordinary Course of Business;
- (viii) amend or terminate any lease of real property or material tangible personal property, other than in the Ordinary Course of Business;
- (ix) terminate or allow to be terminated any insurance policy in effect as of the date hereof without simultaneous replacement with a similar policy, or fail to maintain, with financially responsible insurance companies, insurance on its tangible assets in such amounts and against such risks and losses as are consistent with past practice;
- (x) commence or settle any Proceeding other than medical malpractice Proceedings, other than in the Ordinary Course of Business, or except for Proceedings previously disclosed to the other Party;
- (xi) enter into any contract or transaction other than in the Ordinary Course involving payments of greater than one million dollars (\$1,000,000) unless part of the current budget for such Covered Affiliate;
- (xii) discontinue the payment of its accounts payable that are payable in the Ordinary Course of Business or materially deviate from or alter any of its practices, policies or procedures in paying accounts payable or collecting accounts receivable;
- (xiii) cancel, compromise, waive or release any right or claim (or series of related rights and claims) for an amount in excess of one million dollars (\$1,000,000);
- (xiv) make, amend or revoke any election to be taxed as a partnership; or
- (xv) agree, commit or offer (in writing or otherwise) to take any of the actions described in the preceding clauses of this **Section 10.1(b)**.

10.2 Preserve Accuracy of Representations and Warranties.

(a) Neither Party, and neither Party's Covered Affiliates, shall take any action that would render any material representation or warranty of such Party contained herein inaccurate or untrue as of the Closing Date. Each Party shall promptly notify the other Party in writing of any facts or circumstances that come to its attention and that cause, or through the passage of time may cause, any of the material representations and warranties of that Party contained herein to be untrue or misleading.

(b) Each Party shall promptly notify, and cause its Covered Affiliates to notify, the other Party of any lawsuits, claims, administrative actions or other Proceedings asserted or commenced against it, or its owners, directors, officers or employees involving in any material way the ability of the notifying Party to consummate the transactions contemplated or required by this Agreement.

(c) Each Party shall promptly notify, and cause its Covered Affiliates to notify, the other Party of any facts or circumstances that come to its attention and that cause, or through the passage of time may cause, any of the representations and warranties contained in this Agreement to be untrue or misleading at any time from the Effective Date through the Closing Date.

(d) Each Party and each Party's Covered Affiliates shall expeditiously obtain all consents, approvals and authorizations of third parties, whether governmental or private, make all filings, and give all notices which may be necessary or appropriate under applicable Laws and under all contracts, agreements and commitments to which it is a party or is bound, or to the extent necessary for the valid execution, delivery and performance of this Agreement by such Party.

10.3 Access to Information.

(a) From the Effective Date through the Closing Date, each Party, and each Party's Covered Affiliates, and the respective operations to be managed pursuant to this Agreement, shall give the other Party and their representatives full and free access, during normal business hours, to all properties, books, records, contracts and other materials pertaining to the Covered Affiliates, as may be reasonably requested (and in accordance with guidelines approved by the Parties' antitrust counsel), subject to reasonable advance notice and provided that no Party shall exercise such rights of access in such manner as would unduly interfere with the operations of the Covered Affiliates or the work of the Covered Affiliates' personnel or the activities of their patients or guests.

(b) Each Party, and each Party's Covered Affiliates, shall cooperate in keeping the other Party fully informed and shall promptly notify the other Party of any material adverse change in the normal course of business or prospects of any Covered Affiliate, and the respective operations to be managed pursuant to this Agreement.

10.4 Compliance with Laws. From the Effective Date through the Closing Date, the Parties shall each:

(a) Materially comply with all applicable Laws affecting the Covered Affiliates and their respective operations to be managed pursuant to this Agreement; and

(b) Keep, hold and maintain all material certificates, certificates of need, certificates of exemption, accreditation, licenses and other permits necessary for the Covered Affiliates and their respective operations to be managed pursuant to this Agreement.

10.5 Third Party Authorizations. From the Effective Date through the Closing Date, the Parties shall, and shall cause their Covered Affiliates to, obtain expeditiously all consents, approvals and authorizations of third parties, whether governmental or private, make all filings, and give all notices which may be necessary or appropriate under applicable Laws and under all contracts, agreements and commitments to which a Covered Affiliate is a party or is bound, or to the extent necessary for the valid execution, delivery and performance of this Agreement by the Parties.

10.6 Confidentiality. No public release or announcement concerning the transactions contemplated under this Agreement shall be issued by any Party unless the Party desiring to issue the public release or

announcement first consults with and obtains the prior written consent of the other Party as to the timing, form, and content of such public release or announcement, except as such release or announcement may be required by applicable Law.

ARTICLE XI CONDITIONS TO CLOSING

The obligations of each Party to consummate the transactions contemplated by this Agreement are, at the option of that Party, subject to the satisfaction, on the Closing Date, of the following conditions:

11.1 Regulatory Approvals. All regulatory consents and approvals required for the consummation of the transactions contemplated or required by this Agreement shall have been obtained on or before the Closing Date, including, without limitation, the Parties or their Covered Affiliates shall have obtained a certificate of exemption or certificate of need, as applicable, from the Alabama State Planning and Development Agency, to consummate the transactions contemplated hereby and shall have mutually agreed upon an approach with respect to any open certificate(s) of need of the Parties.

11.2 Accuracy of Warranties; Performance of Covenants. The representations and warranties of the Parties contained herein shall be accurate in all material respects as if made on and as of the Closing Date. Each of the Parties shall have performed all of the obligations and complied with each and all of the covenants, agreements and conditions required to be performed or complied with by them on or prior to the Closing Date.

11.3 No Pending Action. No Proceeding shall be pending or threatened wherein an unfavorable judgment, decree or order would prevent the carrying out of this Agreement or any of the transactions contemplated hereby, declare unlawful the transactions contemplated by this Agreement or cause such transactions to be rescinded.

11.4 No Bankruptcy. No Party, and no Covered Affiliate of any Party, shall: (a) be in receivership or dissolution; (b) have made any assignment for the benefit of creditors; (c) have admitted in writing its inability to pay its debts as they mature; (d) have been adjudicated bankrupt; or (e) have filed a petition in voluntary bankruptcy, a petition or answer seeking reorganization or an arrangement with creditors under the federal bankruptcy law or any other similar law or statute of the United States or any state, nor shall any such petition have been filed against any such Party or Covered Affiliate.

11.5 Consents. All consents, approvals and authorizations of third parties required for the consummation of the transactions contemplated or required by this Agreement shall have been obtained on or before the Closing Date.

11.6 Delivery of Other Agreements. Each of the Parties and Covered Affiliates shall have executed and delivered all other agreements reasonably determined by the Parties to be necessary or appropriate to be entered into as of the Closing Date to consummate the transactions contemplated by this Agreement, including but not limited to agreements regarding the apportionment of financial responsibility for any Legacy Liabilities.

11.7 Bond Counsel and External Auditor Review. Each of the Parties shall have engaged its respective bond counsel and external auditor to review the proposed affiliation described in this Agreement and received guidance satisfactory to such Party in order to proceed with such affiliation.

**ARTICLE XII
PRE-CLOSING TERMINATION**

12.1 Termination Events. Any of the Parties may, at or prior to the time set for Closing, terminate this Agreement under any one of the following circumstances:

(a) Legal Proceeding. If at the time of Closing: (a) a bona fide action or proceeding shall be pending against any Party wherein an unfavorable judgment, decree or order would prevent or make unlawful the carrying out of the transactions contemplated by this Agreement; or (b) any governmental agency shall have notified any Party that the consummation of the transactions contemplated herein would constitute a violation of applicable Law and such agency has not withdrawn such notice prior to such termination; or

(b) Conditions Precedent to Closing. If the conditions of this Agreement to be complied with or performed by any other Party at or before the Closing shall not have been complied with or performed on or before the Closing Date or such later date upon which the Parties shall mutually agree, and such noncompliance or nonperformance shall have not been waived by the Party giving notice of termination; or

(c) Material Adverse Change. If at any time prior to the Closing, there has been a 30% reduction in the earnings before interest, taxes, depreciation and amortization of the aggregate of either the SVHS Covered Affiliates or the UABHS Covered Affiliates, or their respective operations to be managed pursuant to this Agreement, measured from the end of the Party's respective fiscal year, and such change shall have not been waived by the Party giving notice of termination; or

(d) Closing Date Deadline. If, for any reason, the Closing shall not have occurred on or before June 30, 2020.

12.2 Effect of Termination. If there has been a termination under this **Article XII**, this Agreement shall be deemed terminated, and all further obligations of the Parties hereunder shall terminate, except those obligations specifically identified in this Agreement as surviving termination. Any termination under this **Article XII** shall be without liability to the Parties, except that such termination shall be without prejudice to the rights and remedies which any Party seeking to terminate this Agreement may have if: (a) a default shall be made by any other Party in the observance or in the due and timely performance by such Party of any of the covenants herein contained; or (b) there shall have been a breach by such other Party of any of the warranties and representations herein contained, and except for fraudulent acts by a Party, the remedies for which shall not be limited by this Agreement. Notwithstanding anything to the contrary, if a Party shall have made such default or breach, the other Party need not terminate this Agreement but may seek to specifically enforce the defaulting or breaching Party's obligations hereunder.

**ARTICLE XIII
POST-CLOSING TERMINATION**

13.1 Termination of the Agreement. After Closing, this Agreement shall continue in effect in perpetuity; provided, that the Parties do not terminate this Agreement pursuant to the provisions of **Article V** and this **Article XIII**.

13.2 Termination With Cause. Either Party may terminate this Agreement with cause and without penalty (except as otherwise provided for herein) to the terminating Party for any of the following reasons:

(a) Upon election of the non-defaulting Party by written notice to the other Party upon the occurrence of a material breach of the terms and conditions of this Agreement by such other Party or its Covered Affiliates (other than with respect to a breach that jeopardizes the unique sectarian identity or mission of the non-defaulting Party, including any breach of **Section 2.5 or 2.6**) which breach remains uncured for the greater of ninety (90) days or completion of the requisite dispute resolution process, including timely satisfaction and implementation of any resolution plan determined by the mediator or arbitrators as applicable, in accordance with **Article V** of this Agreement, which process shall commence with receipt of written notice of such breach. Such termination shall not preclude the non-defaulting Party from pursuing any and all additional remedies that it may have in law or at equity.

(b) Upon election of the non-defaulting Party by written notice to the other Party upon the occurrence of a material breach of the terms and conditions of this Agreement by such other Party or its Covered Affiliates which breach jeopardizes the unique sectarian identity or mission of the non-defaulting Party and is, therefore, subject to good faith efforts by both Parties to resolve such breach, if such breach remains uncured upon the expiration of the ninety (90) day period after receipt of written notice of such breach and corresponding good faith resolution. Such termination shall not preclude the non-defaulting Party from pursuing any and all additional remedies that it may have in law or at equity.

(c) Upon election of either Party to terminate in accordance with **Section 3.1(d)(ii)**, which termination shall result in penalties on the Transaction Party as such Party is defined in **Section 3.1(d)(ii)**.

(i) The non-Transaction Party shall withdraw its assets from Joint Operating Company and the Transaction Party shall pay the non-Transaction Party the greater of the following amounts.

(1) Liquidated damages of \$75,000,000, provided that such amount shall be adjusted at the time of termination without cause as follows: the liquidated damages amount shall be multiplied by such amount equal to the quotient of (x) an amount equal to the Consumer Price Index – All Urban Consumers (CPI-U) U.S. City Average (1982-1984=100) compiled and published by the Bureau of Labor Statistics and the Department of Labor for the United States of America (the “CPI”) for the month closest to the adjustment date for which final, adjusted CPI figures are available and (y) an amount equal to the final, adjusted CPI for the month twelve (12) months prior to such month. The resulting amount shall be the new liquidated damages amount.

If the manner in which the CPI as determined by the Department of Labor shall be substantially revised, or if the 1982–1984 average shall no longer be used as an index of 100, an adjustment shall be made in such revised index which would have been obtained if the CPI had not been so revised or if said average was still in use. If the CPI shall become unavailable to the public because publication is discontinued, or otherwise, the Parties shall reasonably agree to substitute therefor a comparable index based upon changes in the cost of living or purchasing power of the consumer dollar published by any other governmental agency or, if no such index shall then be available, a comparable index published by a major bank or other financial institution or by a university or a recognized financial publication; or

(2) The loss (the “Loss”) experienced at termination by the non-Transaction Party. The Loss shall be equal to the difference in the valuation of the assets of such Party and its Covered Affiliates as of the Closing Date (i.e., their Initial Value

(defined in **Section 13.3(a)**) and as of the date of termination of this Agreement. For the avoidance of doubt, there shall be no Loss if the assets of the non-Transaction Party and its Covered Affiliates are worth more at the time of termination than their assets were worth at the Closing Date.

(d) By either Party after ninety (90) days' written notice to the other Party, if such notifying Party loses its tax-exempt status, or is advised by its legal counsel that by reason of changes in applicable laws or the interpretations thereof by courts or governmental agencies, this Agreement or any provision hereof is unlawful or will jeopardize Joint Operating Company's, a Party's or a Covered Affiliate's tax exempt status under Section 501(c)(3) of the Code or the exclusion from gross income for federal income tax purposes of bonds under Section 103 of the Code, or incurrence of legally permitted private activity on such tax-exempt bonds which is deemed to be unacceptable to either Party, and the Parties are unable in good faith, to promptly revise this Agreement so as to be in compliance with all laws after consultation with the Internal Revenue Service or other appropriate agencies. Termination in accordance with this **Section 13.2(d)** shall be without penalty to either Party, and the assets of Joint Operating Company shall be distributed as set forth in **Section 13.6**.

(e) By Ascension after ninety (90) days' written notice to UA Board, if Ascension is advised that by reason of changes in the Directives, this Agreement or any provision hereof contradicts the Directives, and the Parties are unable in good faith, to promptly revise this Agreement so as to be in compliance with all such Directives. Termination in accordance with this **Section 13.2(e)** shall be without penalty to either Party, and the assets of Joint Operating Company shall be distributed as set forth in **Section 13.6**.

(f) By UA Board after ninety (90) days' written notice to Ascension, if UA Board is advised that by reason of changes in or to (i) the common essential public mission of the UA Entities to promote the public health of the residents of Alabama through teaching, research and clinical services related to the diagnosis and treatment of sick or injured persons and the health sciences, pursued their affiliation with UASOM mission or (ii) the requirements necessary for any of the UA Entities to fulfill and continue such essential common public mission, including without limitation, those requirements related to the right to operate as a public instrumentality and/or receive, appropriate and use support and funding from the State of Alabama, this Agreement or any provision hereof contradicts or jeopardizes the ability of any of the UA Entities to continue to maintain or carry out such essential public mission or operate as public instrumentality of the State of Alabama, and the Parties are unable in good faith, to promptly revise this Agreement so as to be in compliance with such essential common public mission of the UA Entities or the requirements necessary therefor. Termination in accordance with this **Section 13.2(f)** shall be without penalty to either Party, and the assets of Joint Operating Company shall be distributed as set forth in **Section 13.6**.

13.3 Termination Without Cause. Except with cause, no Party may terminate this Agreement and withdraw from Joint Operating Company prior to the thirtieth (30)-year anniversary of the Closing Date of this Agreement (the "**30-year Anniversary**"). Any Party may terminate this Agreement and withdraw from Joint Operating Company effective on the 30-year Anniversary by providing at least twelve (12) months' prior written notice of such Party's intent to so terminate and withdraw as of such anniversary. Following the 30-year Anniversary, any Party may terminate this Agreement and withdraw from Joint Operating Company effective on each subsequent ten (10)-year anniversary of the 30-year Anniversary by providing at least twelve (12) months' prior written notice of such Party's intent to so terminate and withdraw as of such anniversary. For the avoidance of doubt, the first available opportunity for any Party to terminate without cause and withdraw from Joint Operating Company shall be on the 30-year Anniversary of the Closing Date of this Agreement, and additional ten (10) year anniversaries of the 30-

year Anniversary of the Closing Date of this Agreement. If a Party terminates without cause pursuant to this **Section 13.3**, the non-terminating Party may elect one (1) of the following options:

(a) The non-terminating Party may sell its assets and the assets of its Covered Affiliates governed by Joint Operating Company to the terminating Party for the greater of the value of (i) the assets of the non-terminating Party and its Covered Affiliates on the Closing Date of this Agreement (for each Party, the “**Initial Value**”, the agreed upon dollar amount of which is set forth for each Party and its Covered Affiliates on **Exhibit 13.3(a)(i)** attached hereto), or (ii) the non-terminating Party’s Presumptive Split of all Covered Affiliates at the time of termination (for each Party, the “**Terminating Presumptive Split Value**”, the dollar amount of which shall be determined in accordance with **Section 13.8**; or

(b) The non-terminating Party may withdraw its assets from Joint Operating Company and elect to be paid by the terminating Party the greater of the following amounts:

- (i) Liquidated damages of \$75,000,000, provided that such amount shall be adjusted at the time of termination without cause as follows: the liquidated damages amount shall be multiplied by such amount equal to the quotient of (x) an amount equal to the CPI for the month closest to the adjustment date for which final, adjusted CPI figures are available and (y) an amount equal to the final, adjusted CPI for the month twelve (12) months prior to such month. The resulting amount shall be the new liquidated damages amount.

If the manner in which the CPI as determined by the Department of Labor shall be substantially revised, or if the 1982–1984 average shall no longer be used as an index of 100, an adjustment shall be made in such revised index which would have been obtained if the CPI had not been so revised or if said average was still in use. If the CPI shall become unavailable to the public because publication is discontinued, or otherwise, the Parties shall reasonably agree to substitute therefor a comparable index based upon changes in the cost of living or purchasing power of the consumer dollar published by any other governmental agency or, if no such index shall then be available, a comparable index published by a major bank or other financial institution or by a university or a recognized financial publication; or

- (ii) The Loss experienced at termination by the non-terminating Party. For the avoidance of doubt, there shall be no Loss if the assets of the non-terminating Party and its Covered Affiliates are worth more at the time of termination than their assets were worth at the Closing Date.

The non-terminating Party shall elect either option set forth above in this **Section 13.3** by providing written notice of such election to the terminating Party at least one hundred and eighty days (180) days prior to the date of the 30-year Anniversary or the date of such subsequent ten (10)-year anniversary thereof, as applicable.

13.4 Dissolution Procedures. In the event of the dissolution of Joint Operating Company, the Board shall commence to wind up the affairs of Joint Operating Company pursuant to the provisions regarding dissolution set forth in the Corporate Documents of Joint Operating Company, this Agreement and the Nonprofit Corporation Act.

13.5 Distribution on Dissolution. Subject to **Section 13.2(c)** and **13.3(a)**, in general, upon the dissolution of Joint Operating Company, all Joint Operating Company assets remaining after payment or discharge of or adequate provision for all debts and obligations of Joint Operating Company, shall be distributed, in furtherance of Joint Operating Company’s charitable purposes, to the Parties in proportion

to their Presumptive Split at the time of dissolution; provided that at the time of the distribution the Party is exempt under Section 501(c)(3) of the Code or, if a Party is not then so exempt, to such organization(s) designated by that Party which is/are then so exempt and is permitted by the terms of the dissolution provision of the Corporate Documents of that Party. The provisions of **Section 13.6** shall guide Joint Operating Company in the allocation and distribution of assets. The Parties acknowledge and agree that the Covered Affiliates as of the Closing Date shall remain the assets of the applicable Party and shall not be subject to **Section 13.6**. The Parties acknowledge and agree that only those assets owned by Joint Operating Company are subject to the provisions of **Sections 13.6 and 13.7**.

13.6 Distribution Instructions. The Parties agree to use their best good faith efforts to divide those assets that are owned by Joint Operating Company (and any other assets that are not those of the Covered Affiliates as of the Closing Date) in accordance with the Presumptive Split. To the extent that the Parties cannot agree on the split of any such assets, the Parties shall use their best good faith efforts to sell any such assets for cash and distribute the net proceeds from such sale in accordance with the Presumptive Split.

13.7 Actions Following Dissolution. In the event of the dissolution of Joint Operating Company, the Parties agree to work together diligently, in good faith, to affect a smooth transfer of any Joint Operating Company facilities and operations to be transferred to Parties in connection with such dissolution. In addition, upon dissolution of Joint Operating Company, the following provisions shall apply:

(a) Corporate Documents. The Parties shall cause the Corporate Documents of the Parties, as applicable, to be amended appropriately to reflect such dissolution.

(b) Joint Operating Company Employees. Each Party (or its designee) shall be entitled to extend offers of employment to any employees of Joint Operating Company.

(c) Information Systems. If, upon dissolution of Joint Operating Company, one Party is granted ownership or control of Joint Operating Company's information systems materials, then, except as otherwise prohibited by the terms of any third party agreements governing the use of such materials, it shall grant the other Party the right to use the same at an arm's length, fair market value rate for a reasonable period of time to permit the other Party to replicate the materials or to obtain access to alternate materials of comparable utility, which period of time shall not be more than twenty four (24) months from the date of dissolution of Joint Operating Company, unless otherwise agreed to by the Parties.

(d) Confidentiality. Notwithstanding anything to the contrary herein, the Parties agree that upon dissolution of Joint Operating Company, each Party or its designee shall be entitled to (i) an original or copy of all Confidential Information of Joint Operating Company developed by or on behalf of Joint Operating Company during the term of this Agreement, including, but not limited to, the business plans, strategic plans, marketing plans and methods of doing business of Joint Operating Company and (ii) an original or copy of all information in the possession of Joint Operating Company relating to all patients of the Covered Affiliate providers or facilities that the Party, or its designee, shall continue to operate or manage after dissolution of Joint Operating Company.

(e) Joint Operating Company Payor Relationships. With respect to payor relationships through which multiple Covered Affiliates participate, the Parties agree to continue to provide services as required under the terms of any such relationship until the earliest date on which such relationship may be terminated by all Parties without penalty; provided, however, during the period commencing with the dissolution and expiring on such date, the Parties shall work together diligently and in good faith to negotiate the early termination of such relationship under terms and conditions which are reasonably acceptable to all Parties covered by the relationship. Upon termination, the Parties shall continue to provide services if and to the extent required by law.

13.8 Valuation.

(a) In order to establish the value of Joint Operating Company or particular assets or component operations of Joint Operating Company for the purposes of **Section 13.2(c)**, **Section 13.3**, **Section 13.6** or any other purpose under **Article XIII**, the provisions of this **Section 13.8** shall be applied. Whenever a valuation is desired or required, the Parties shall first meet to determine whether they can reach an agreement on valuation within sixty (60) days of the request for such a valuation by either Party. If the Parties cannot agree on a value within such sixty (60) day period, the Parties shall jointly select a single nationally recognized valuation firm to conduct the valuation.

(b) If the Parties cannot mutually agree upon a single nationally recognized valuation firm, then each Party shall within forty-five (45) days of such failure to mutually agree select and engage, at its sole cost and expense, its own nationally recognized valuation firm to determine the applicable value at issue and shall promptly send written notice of the identity of its selected valuation firm to the other Party in accordance with **Section 15.3**. Each Party's valuation firm shall prepare a written valuation report (each, an "**Initial Valuation**") of the applicable value at issue within thirty (30) days after its selection.

(c) If the values set forth in each of the Initial Appraisals are within ten percent (10%) of one another (as measured against the higher of the two numbers), then the final value shall equal the average of the values set forth in the Initial Appraisals. If the values set forth in the Initial Appraisals are not within ten percent (10%) of one another, then the Parties' nationally recognized valuation firms shall together appoint a third nationally recognized valuation firm. The third nationally recognized valuation firm shall prepare a written valuation report (the "**Third Valuation**") to determine the value at issue within thirty (30) days after its appointment. The final value shall equal the average of the values set forth in the two valuation reports that are nearest in amount with regard to the applicable value at issue; provided, however, that if the value in the Third Appraisal is within five percent (5%) of the average of the values in the Initial Appraisals, the Third Appraisal shall control and be used to determine the final value at issue between the Parties. The final value at issue as determined pursuant to the foregoing in this **Section 13.8** shall be final and binding on the Parties. Except as otherwise provided in this **Section 13.8**, the valuation shall be performed at the expense of Joint Operating Company.

(d) At any time during the valuation process, and before final determination of the applicable value at issue, UA Board and Ascension may negotiate a mutually agreeable value, whereupon the valuation process described herein shall terminate.

ARTICLE XIV INDEMNIFICATION

14.1 Indemnification. To the extent permitted by law, each Party hereby agrees to indemnify, defend, and hold harmless the other Party and their officers and directors from and against any and all loss, damage, expense (including court costs and reasonable attorney's fees), suit, action, claim, liability or obligation relating to, caused by, arising from or on account of any breach of such indemnifying Party's representations, warranties, covenants and agreements hereunder.

14.2 Procedure for Indemnification. In the event that any claim is asserted against a Party hereto as to which such Party is entitled to indemnification hereunder, such Party (the "**Indemnified Party**") shall, as promptly as possible and in any case within ten (10) business days after learning of such claim, notify the Party obligated to indemnify it (the "**Indemnifying Party**") thereof in writing. In the event the Indemnified Party shall fail to give notice of such claim as aforesaid, the Indemnifying Party shall have no obligation to indemnify the Indemnified Party with respect to such claim. The Indemnifying Party shall have the right,

upon written notice to the Indemnified Party within ten (10) business days after receipt from the Indemnified Party, to conduct the defense against such claim in its own name, or if necessary in the name of the Indemnified Party. In the event that the Indemnifying Party shall fail to give such notice, it shall be deemed to have elected not to conduct the defense of the subject claim, and in such event, the Indemnified Party shall have the right to conduct the defense of the subject claim and to compromise and settle the claim without prior consent of the Indemnifying Party and the Indemnifying Party shall reimburse the Indemnified Party for all reasonable expenses related to Indemnified Party's defense of such claim. In the event that the Indemnifying Party does elect to conduct the defense of the subject claim, the Indemnified Party will cooperate with and make available to the Indemnifying Party such assistance and materials as may be reasonably requested by it, all at the expense of the Indemnifying Party, and the Indemnified Party shall have the right at its expense to participate in the defense, provided that the Indemnified Party shall have the right to compromise and settle the claim only with the prior written consent of the Indemnifying Party; provided, further, that if counsel for the Indemnified Party shall reasonably determine that there is a conflict between the Indemnified Party and the Indemnifying Party, Indemnified Party shall have the option to select its own counsel and Indemnifying Party shall reimburse Indemnified Party for all reasonable expenses related to Indemnified Party's defense of such claim. Any judgment entered or settlement agreed upon in the manner provided herein shall be binding upon the Indemnifying Party, and shall conclusively be deemed to be an obligation with respect to which the Indemnified Party is entitled to indemnification hereunder.

ARTICLE XV GENERAL PROVISIONS

15.1 Amendment and Waiver. Except as otherwise provided in this Agreement, no amendment of any provision of this Agreement shall in any event be effective, unless the same shall be in writing and signed by the Parties. Any of the terms or conditions of this Agreement may be waived at any time by the Party which is entitled to the benefit thereof (on its own behalf and on behalf of its Covered Affiliates), but only by a written notice signed by the Party waiving such terms or conditions. The waiver of any term or condition of this Agreement shall not be construed as a waiver of any other term or condition of this Agreement.

15.2 Confidentiality. The Parties shall hold in confidence terms and conditions of this Agreement and all information regarding the Parties and the Covered Affiliates obtained in connection with the negotiation and performance of this Agreement, and shall not divulge to third parties or use in a manner detrimental to the other Covered Affiliates such information; provided, however, that the foregoing shall not apply to information that (a) was known by the Party when received, (b) is or hereafter becomes lawfully obtainable from other sources, or (c) is necessary to disclose by law. The Parties hereto agree that no Party will disclose any information relating exclusively to the Covered Affiliates that is intended to be available to investors or potential investors of bonds secured under the Ascension Master Trust Indenture or the UABHS Master Trust Indenture or can be reasonably expected to be available to such investors without affording the other Party the opportunity to review such information.

15.3 Notices. Any notice, request, demand, claim, or other communication to be given hereunder by either Party to the other Party shall be in writing (including telex, telecopier or similar writing) and shall be given to such Party at its address, telex, or telecopier number set forth below, or to such other address as the Party to whom notice is to be given may provide in a written notice to the Party giving such notice. Each such notice, request, demand, claim, or other communication shall be effective (i) if personally delivered, (ii) if given by telex or telecopy, when such telex or telecopy is transmitted to the telex or telecopy number specified in this **Section 15.3** and the appropriate confirmation of completed delivery is received, or (iii) if transmitted by pre-paid, overnight delivery with delivery tracking service delivered at the address specified in this **Section 15.3**.

If to UA Board:

University of Alabama System
UAB Office of Counsel
1720 2nd Avenue South, AB 820
Birmingham, AL 35294-0108
Attention: UAB Chief University Counsel

If to Ascension:

Ascension
101 S. Hanley Road, Suite 450
St. Louis, MO 63105
Attention: Executive V.P. & General Counsel

15.4 Expenses. Except as otherwise expressly provided in this Agreement, each Party shall pay its own costs and expenses in connection with the transactions contemplated hereby. If any action is brought by a Party to enforce any provision of this Agreement, the prevailing Party or Parties shall be entitled to recover court costs and reasonable attorneys' fees.

15.5 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

15.6 Entire Transaction. This Agreement and the documents referred to herein contain the entire understanding of the Parties with respect to the transactions contemplated hereby and supersedes all other agreements and understandings of the Parties on the subject matter hereof.

15.7 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Alabama.

15.8 Headings. Headings of articles and sections in this Agreement and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof, and shall not affect the meaning, construction, or effect hereof.

15.9 Articles. All references to "Articles" and "Sections" in this Agreement are to Articles and Sections of this Agreement, unless otherwise specifically provided.

15.10 Gender. Unless the context otherwise indicates, words importing the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine, or feminine gender.

15.11 Partial Invalidity. In case any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.

15.12 Exhibits. The Exhibits identified in this Agreement shall be construed with and as an integral part of this Agreement to the same extent as if the same had been set forth verbatim herein.

15.13 Assignment; Transfer of Interest. Neither Party may assign, sell, or transfer its interest in Joint Operating Company, or any portion thereof, without the consent of the other Party. Except as otherwise

expressly permitted by this Agreement, the rights and obligations of a Party to this Agreement may be assigned only with the prior written consent of the other Party. Any transfer not permitted under this **Section 15.13** shall be null and void and of no effect whatsoever.

15.14 Binding Agreement. This Agreement shall be binding upon and inure only to the benefit of the Parties hereto and their respective permitted assigns and permitted successors, and shall not inure to the benefit of or be enforceable by any other Person.

15.15 Third Party Beneficiaries. The Parties intend that no third party may rely upon the terms of this Agreement or have any rights or claims by reason of this Agreement.

IN WITNESS WHEREOF, UA Board and Ascension have caused this instrument to be duly executed by their duly authorized officers.

[Signature pages follow]

**THE BOARD OF TRUSTEES OF THE
UNIVERSITY OF ALABAMA**

By: _____

Name: _____

Title: _____

ASCENSION HEALTH

By: _____

Name: _____

Title: _____

**APPLICATION FOR INCORPORATION
OF A UNIVERSITY AUTHORITY**

The undersigned natural persons hereby make application for permission to incorporate a university authority pursuant to the provisions of the University Authority Act of 2016, Act No. 2016-201 enacted at the 2016 Regular Session of the Legislature of Alabama (the "Enabling Act"):

1. This application is being filed with The Board of Trustees of The University of Alabama (the "Board").


2. The undersigned applicants' purpose is to incorporate a university authority pursuant to the provisions of the Enabling Act.

3. The applicants hereby request that the Board adopt a resolution (i) declaring that it is necessary, desirable, and in the best interests of the Board that the university authority being proposed in this application be formed, (ii) approving the articles of incorporation of the university authority being proposed in this application in a form that is the same as or substantially similar to the form attached hereto as *Exhibit A*, and (iii) authorizing the applicants to proceed to form the university authority being proposed in this application by executing and filing for record these articles of incorporation in accordance with the provisions of Section 4 of the Enabling Act.

IN WITNESS WHEREOF, the undersigned applicants have executed this application on this 22nd day of January, 2020.



Ray L. Watts, M.D.



Selwyn M. Vickers, M.D.



Will Ferniany, Ph.D.

EXHIBIT A
ARTICLES OF INCORPORATION

**ARTICLES OF INCORPORATION OF
UAB HEALTH SYSTEM AUTHORITY**

KNOW ALL MEN BY THESE PRESENTS that the undersigned, in order to form a public corporation under and pursuant to the provisions of the University Authority Act of 2016, Ala. Code §16-17A-1 et seq., (the “Enabling Act”), do hereby make, sign, execute, acknowledge and file the following articles of incorporation:

ARTICLE ONE

The name of the public corporation shall be “UAB Health System Authority” (herein referred to as the “Authority”).

ARTICLE TWO

The duration of the corporate existence of the Authority is perpetual, subject to the provisions of §16-17A-23 of the Enabling Act.

ARTICLE THREE

The name of the sponsoring university authorizing the organization of the Authority is The Board of Trustees of The University of Alabama, a constitutionally created public university in the State of Alabama that operates a school of medicine (the “UA Board”). On the ___ day of _____, 2020, the UA Board adopted a resolution approving and authorizing the organization and incorporation of the Authority in accordance with the Enabling Act. A certified copy of the UA Board’s resolution is attached hereto as Exhibit A and made a part hereof.

ARTICLE FOUR

The name and address of the registered agent of the Authority is: W. John Daniel, Chief University Counsel, The University of Alabama System, Office of Counsel, 701 20th Street South, Suite 820, Birmingham, Alabama 35233.

ARTICLE FIVE

The Authority is organized pursuant to the provisions of the Enabling Act.

ARTICLE SIX

The Authority's purpose and mission are:

(a) To establish, maintain, support and stimulate the development of a health care network, including, without limitation, hospitals, clinics and other facilities that provide inpatient or outpatient care, accommodation, diagnosis and treatment to persons suffering from injury, disease or any other condition where medical, surgical, rehabilitative, nursing and associated professional services may be required. The Authority shall carry out its public health mission and perform essential public functions on behalf of the State of Alabama, the University of Alabama, and other governmental entities in the State. Moreover, the Authority and its affiliates shall act as agents or instrumentalities of the University of Alabama and as political subdivisions of the State.

(b) To foster the conduct of such educational and research activities related to rendering care to the sick and injured or the protection of health, as may be justified by the facilities, personnel, funds or other requirements that are or can be made available.

(c) To foster or participate in activities designed and performed to promote the general health, rehabilitation and social needs of the community.

The Authority shall have, and may exercise, all such powers granted by the Enabling Act and any other laws of the State of Alabama applicable to corporations organized under the Enabling Act necessary to fulfill this purpose.

ARTICLE SEVEN

Attached hereto as Exhibit B and made a part hereof is a certificate by the Secretary of State of the State of Alabama stating that the name proposed for the Authority is not identical to that of any other corporation organized under the laws of the State of Alabama or so nearly similar thereto as to lead to confusion and uncertainty.

ARTICLE EIGHT

The property, business and affairs of the Authority shall be managed under the direction and authority of its Board of Directors. The Board of Directors shall consist of seven (7) directors appointed by the UA Board.

The term of office for each successor director shall be two (2) years, commencing upon the expiration of the term of the appointed director being replaced or the expiration of such appointed director's prior term, as the case may be.

If the term of office being served by any appointed director expires prior to the appointment of his or her successor, such appointed director will continue to serve until his or her successor is appointed.

If at any time there should be a vacancy for an appointed director, whether by death, resignation, incapacity, or otherwise, a successor director shall be appointed by the UA Board.

Each appointed director shall be eligible for re-appointment upon expiration of his or her term.

An appointed director may be removed from his or her office by the UA Board at any time, with or without cause.

ARTICLE NINE

Upon dissolution of the Authority, the title to all of the assets and property of the Authority at the time of such dissolution shall be transferred to the UA Board.

[signatures continued on next page]

IN WITNESS WHEREOF, the undersigned incorporator has signed these articles of incorporation on this ____ day of _____, 2020.

W. John Daniel
Chief University Counsel
University of Alabama at Birmingham

STATE OF ALABAMA)
JEFFERSON COUNTY)

I, the undersigned, a notary public in and for said County in said State, hereby certify that W. John Daniel whose name is signed to the foregoing instrument and who is known to me, acknowledged before me this day that, being informed of the contents of the instrument, he executed the same voluntarily on the day the same bears date.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this ____ day of _____, 2020.

Notary Public

My commission expires:

Exhibit A
Resolution of The Board of Trustees of The University of Alabama

Exhibit B
Certificate of The Secretary of State