

EXHIBIT R
FACULTY PROVIDER SERVICES AGREEMENT

This FACULTY PROVIDER SERVICES AGREEMENT (the “Agreement”) dated as of _____, 2009, is by and between The University of Connecticut (“UConn”), a constituent unit of the Connecticut state system of public higher education, acting through its School of Medicine (“SOM”), and University Physicians, Inc. (“UP” or the “Company”), a Connecticut nonstock corporation.

RECITALS

WHEREAS, on the date hereof, Hartford Health Care Corporation (“HHC”) and UConn have consummated a transaction to integrate the functions of Hartford Hospital, John Dempsey Hospital (“JDH”) and the UConn Medical Group (“UMG”) in accordance with the terms of that certain Integration Agreement by and between HHC and UConn dated _____, 2009 (the “Integration Agreement”); and

WHEREAS, consistent with terms of the Integration Agreement, UP desires that UConn, acting through its SOM, contract certain of its employed physicians and other non-physician providers who, as of the date set forth above, have elected to remain solely employees of the State of Connecticut (the “State”), to provide Clinical Services (as defined below) to UP, and UConn has agreed to contract such employees to UP on the terms and conditions contained herein.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, and for good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound hereby, the parties agree as follows:

1. Scope.

(a) UConn hereby grants to UP the right, subject to the terms of this Agreement and all applicable laws, to utilize the professional services of those employees of UConn, including physicians and psychologists, as described herein and listed on Exhibit A hereto (the “Providers”) for the provision of clinical and related administrative services (the “Clinical Services”) to UP at University Hospital-Farmington Campus, Inc. (“UH-FC”), University Hospital-Hartford Campus, Inc. (“UH-HC”), those offices and clinics where UMG was operating immediately prior to the date hereof, and/or such other offices, clinics and locations in the greater Hartford area as UP shall designate from time to time (collectively, the “Locations”). All Providers are, and at all times during the term of this Agreement shall remain, employees of the State through UConn’s SOM. For purposes of this Agreement, “Clinical Services” includes, but is not limited to: (i) all activities for which a professional fee is generated; (ii) any other patient care activities regardless of whether a professional fee is generated; (iii) participation on UH-FC and/or UH-HC Medical Staff committees and UP boards and committees; and (iv) all other administrative Clinical Services relating to UP, UH-FC, UH-HC and/or University Hospital, Inc. As a condition to providing Clinical Services hereunder and subject to the transition plan

attached as Schedule 1 to this Agreement (the “Transition Plan”), each Provider shall sign a Joinder to this Agreement in the form of Exhibit B attached hereto.

(b) The parties shall agree on the expectations, allocation of effort and compensation for each Provider with respect to the provision of the Clinical Services hereunder; such expectations, allocation of effort and compensation to be set forth on Exhibit A. The parties agree to follow the annual reappointment procedures that are set forth in Section 4.10 of the UP Bylaws for purposes of reestablishing expectations regarding such performance and/or allocation of effort and/or level of compensation for each Provider. If as a result of such procedures, a Provider is not “reappointed” as provided in Section 4.10(d) of the UP Bylaws, the Provider shall be deleted from Exhibit A and this Agreement shall no longer apply to such Provider, except as expressly set forth in this Agreement. The parties agree that no new Providers shall be added to this Agreement or Exhibit A; it being the intention of the parties that all new providers shall be employees of UP, and not employees of the State.

(c) UP, through its Board of Directors, President and Chief Executive Officer (“CEO”) and Operating Board, is and shall continue to be responsible for establishing all UP operational policies, including determining the scope, staffing, and location of the Clinical Services to be provided hereunder.

(d) UP shall not, directly or indirectly, pay the Providers any remuneration or other consideration. UConn, through the State Comptroller, shall be solely responsible for paying wages and providing benefits to the Providers, and for the collection and payment of payroll taxes on the Providers’ compensation, without regard to payment by UP to UConn. UConn, through the State Comptroller, shall be fully responsible for all payroll, payroll taxes, and other withholdings, unemployment insurance, the administration of benefits and other administrative functions typically performed by an employer for its employees with regard to the Providers while they are providing the Clinical Services hereunder. In the event that UP or any of its Affiliates is held liable for such taxes or withholdings, UConn, through the State Comptroller, shall indemnify and hold harmless UP or its Affiliate from and against such liability.

(e) UP understands and agrees that the right to direct and control the Providers shall remain with UConn. However, UP shall retain sufficient direction and control over each Provider’s day-to-day conduct as is necessary to conduct its business efficiently and cost-effectively and to comply with any applicable licensure, regulatory, statutory or accreditation standards applicable to UP.

2. Fees; Payment Bond.

(a) Fees. In consideration of the Clinical Services provided by the Providers, UP shall pay fees (“Fees”) to UConn in the amounts set forth on Exhibit A, as amended from time to time, which Fees shall include an amount equal to (i) an agreed upon portion of the Providers’ salary and benefits (based on the agreed upon allocation of work effort determined in accordance with Section 4.10 of the UP Bylaws), including, without limitation, workers’ compensation insurance and long-term disability insurance; and (ii) the market rate for securing malpractice insurance covering the Providers, but such Fees shall exclude any state

benefits differential (as defined on Schedule 2 hereto), and shall be paid on the payment terms set forth on Exhibit C hereto. Except as the parties otherwise specifically agree in writing, UConn agrees that neither it, nor any of the Providers, shall seek reimbursement from patients or from any third party healthcare payor, including Medicaid or Medicare, for the Clinical Services rendered pursuant to this Agreement.

(b) If any payment provided for in this Agreement is not timely submitted to UConn in accordance with the terms of this Agreement, in addition to any other rights or remedies available to UConn under this Agreement or applicable law (subject, however, to compliance with the requirements of Article XV of the Integration Agreement), UP shall be liable on the past due amounts of such payment (from and including the date it was due until the date it is paid) at the prime rate of interest as published in The Wall Street Journal for the date such amount was due, plus 2%, but in no event higher than the highest rate of interest permitted by law.

(c) All patients receiving Clinical Services from a Provider pursuant to this Agreement shall be considered UP patients. Accordingly, UP shall be solely responsible for billing patients and/or third party payors for all Clinical Services rendered by the Providers hereunder and shall retain all payments so collected. If a third party payor requires the Providers to bill directly for Clinical Services rendered hereunder, UConn and/or the Providers, as applicable, shall assign any payments to UP. Each Provider shall act diligently and cooperate fully with UP in facilitating such assignment and billing, including completing all forms necessary for the billing of such claims by UP. Charitable or free professional services rendered by the Providers shall be reported as such to UP. The Providers shall cooperate with UP in the completion of any forms and the submission of any information necessary for UP to receive third party reimbursement for Clinical Services rendered by the Providers, including, without limitation, submitting accurate, complete and timely documentation in order to substantiate the Clinical Services provided by the Providers hereunder.

(d) UP shall, on or before the Effective Date, furnish to UConn or its designee a payment bond, irrevocable letter of credit or other similar instrument in the amount of \$_____, which shall guarantee the prompt payment by UP of all amounts owed to UConn hereunder. The form of the payment bond, letter of credit or other instrument shall be as reasonably required by UConn or its designee. UP shall be required to maintain the payment bond or alternate security in full force and effect throughout the first year of the term of this Agreement. UP shall have an affirmative duty to notify UConn, in writing, in the event the relevant payment bond or alternate security lapses or otherwise expires, in which case UP shall replace or replenish such payment bond or alternate security.

(e) Notwithstanding the foregoing, if UP, acting in good faith, disputes any amount that is included in an invoice from UConn, UP may withhold such payment until the dispute is resolved. However, if it is later determined that such amount is owing to UConn, UP shall pay UConn interest on such amount until it is paid, at the prime rate of interest as published in The Wall Street Journal for the date such amount was due, plus 2%.

3. Provider Clinical Services.

(a) All Providers shall be required to: (i) possess a valid and unrestricted license to practice a health care profession in the State of Connecticut; (ii) apply for, be awarded, and maintain membership in good standing on the Medical Staff of UH-HC, UH-FC and any other health care facilities at which the Provider may treat patients with the consent of UP; (iii) maintain any and all current board certifications, remain eligible for such board certification(s), or obtain a written waiver of such requirement in accordance with the UH-HC and UH-FC Medical Staff Bylaws; (iv) possess a valid federal Drug Enforcement Administration ("DEA") registration and a valid Connecticut Controlled Substance Registration, or obtain a written waiver of such requirement in accordance with the UH-HC and UH-FC Medical Staff Bylaws; (v) be, and remain, a participating provider in the Medicare and Medicaid programs (Titles XVIII and XIX of the Social Security Act, respectively); (vi) comply with UP's policies regarding indigent clinical care; (vii) be, or agree to be, a participating physician in any insurance coverage accepted by UP, UH-HC and UH-FC, including, without limitation, contractual relationships with preferred provider organizations and health maintenance organizations; and (viii) be, or agree to be, credentialed with any other third party payor contracting entity or network as designated from time to time by UP, UH-HC and UH-FC.

(b) UConn shall instruct each Provider that when furnishing Clinical Services to UP patients, he/she is bound by UP's health care and relevant conduct policies and procedures, as amended from time to time, including, without limitation, policies establishing the scope, and schedule of the Clinical Services. UP shall provide each Provider with an orientation to all of UP's policies, standards, and practices relevant to providing the Clinical Services at the Locations. Subject to the above, Providers shall retain the right to exercise independent professional judgment in the determination of the appropriate healthcare to be rendered the patient in providing the Clinical Services hereunder.

(c) Each Provider shall devote his or her best efforts to the performance of Clinical Services as described in this Agreement. In the performance of each Provider's Clinical Services under this Agreement, such provider shall report to, and take direction from, the Chair (the "Chair") of the Department of UP to which such Provider is assigned from time to time (the "Department"), and the Chair's designee(s). It is acknowledged and agreed that each Provider shall provide Clinical Services to all types patients at the Locations, regardless of such patient's ability to pay for services and that the Providers' clinical practice shall not be limited to providing services, in the main, to those patients covered by Medicaid or who are otherwise underserved.

(d) UP, through its CEO, shall exercise general oversight authority over the Providers' performance of any obligations required by this Agreement, and shall exercise ultimate authority over:

- (i) determining whether a Provider meets UP's credentialing requirements;
- (ii) enforcing and interpreting applicability of each of UP's policies, procedures and standards to Providers; and

- (iii) determining each Provider's work schedule; provided that such schedule shall be determined following appropriate consideration of such Provider's other obligations as a member of the SOM faculty.

(e) Subject to the process set forth in the Transition Plan attached, the Clinical Services of a Provider may be terminated as a result of any of the following:

- (i) the Provider's license to practice a health care profession in the State of Connecticut, or any other state, or DEA registration or Connecticut Controlled Substance Registration (unless the Provider has obtained the written waiver referred to in Section 3(a)(iv) of this Agreement), is suspended, revoked or otherwise terminated;
- (ii) the Provider fails or refuses to renew or maintain, or is prohibited from renewing or maintaining, the Provider's Board certification, if applicable;
- (iii) the Provider is (A) convicted of a felony and/or a crime of moral turpitude; (B) permanently suspended or restricted from or otherwise not permitted to continue as a provider in the Medicare and/or Medicaid programs; or (C) rendered a "Sanctioned Person" as defined in Exhibit D hereto;
- (iv) the Provider loses the Provider's Medical Staff privileges at UH-HC or UH-FC for a period of more than [seven (7)] consecutive days;
- (v) the Provider ceases to be a member of SOM faculty for any reason;
- (vi) the Provider becomes disabled and is unable to perform the essential duties of the job as defined in this Agreement, with or without reasonable accommodation (in compliance with the provisions of the Americans With Disabilities Act, 42 U.S.C. §§ 12101, et seq.), for a period of three (3) consecutive months or longer;
- (vii) the Provider becomes ineligible for malpractice insurance due to the Provider's malpractice claim history and that Provider is deemed not eligible for the statutory immunity provided under C.G.S. § 4-165;
- (viii) the Provider becomes an Impaired Professional (as defined in the Medical Staff Bylaws of UH-HC and UH-FC) and is not participating in a UP-approved impaired physician program;
- (ix) the Provider violates any material provision of this Agreement and does not cure such violation within fifteen (15) days following the Provider's receipt of written notice of the violation from UP; provided, however, that in the case of a curable violation that with reasonable diligence cannot be cured within such fifteen (15) day period, if, in the reasonable discretion of UP, the Provider commences promptly and diligently pursues the

curing of the same, then the cure period shall be extended for up to fifteen (15) additional days as is necessary to attempt to cure the violation;

- (x) the Provider is not “reappointed” as provided in Section 4.10(d) of the UP Bylaws; or
- (xi) the Provider represents an immediate threat to the health or safety of UP’s patients.

(f) Subject to the process set forth in the Transition Plan, if UP believes that a Provider has violated a material provision of this Agreement, UP may, as an alternative to termination, and in its sole discretion, suspend the Provider with or without suspending the Fees related to such Provider for a specified period of time or provide the Provider with a specified period of time in which to cure the violation. These alternatives to termination are within the sole discretion of UP and are not entitlements of the Providers. The fact that UP may implement one or both of these alternatives on one or more occasions does not create the basis for a Provider to claim that he or she has a right to either or both alternatives.

(g) The Clinical Services of each Provider shall be at all times subject to, and the Providers shall comply in all respects with: all applicable federal, state and local laws, rules and regulations; the policies (including compliance) and Bylaws of UP; the bylaws, rules and regulations (including compliance) of the Medical Staff of UH-HC and UH-FC; Departmental policies, rules and regulations (including compliance, quality assurance and utilization review); and the policies of UH-HC and UH-FC, as each may be amended from time to time. The Clinical Services shall at all times be rendered in a competent and professional manner, consistent with all applicable standards of The Joint Commission and then currently accepted and approved methods and practices applicable to the Clinical Services.

(h) Upon the termination of a Provider’s Clinical Services, the total amount of the Fees shall be reduced beginning on the date of termination by an amount equal to the Fees paid on account of such Provider.

(i) UConn shall promptly furnish UP with credentialing and any other information UP reasonably requests with respect to any Providers whose Clinical Services are (or are proposed to be) provided to UP pursuant to this Agreement. UConn shall promptly notify UP of the existence and basis of any action, event, claim, proceeding, or investigation of any Provider about which UConn is informed (including, without limitation, any report to the National Practitioner Data Bank) instituted by any plaintiff, government agency, healthcare facility, peer review organization or professional society which involves any allegation of negligent conduct raised against any of the Providers and/or that could result, in the revocation, termination, suspension, limitation or restriction of any Provider’s license, or authorization required to provide such Clinical Services in the Locations.

(j) UConn reasonably shall assist UP with patients’ or third party healthcare payors’ grievances and complaints related to the Providers pursuant to this Agreement. In addition, UConn, through its Vice President of Health Affairs and Dean of its School of Medicine (or his/her designee) shall assure that Providers fully cooperate with UP’s quality

improvement and peer review processes and assist implementation of UP's corporate compliance program or other regulatory certification or accreditation programs.

(k) The parties will work together to implement a coordinated risk management program, including, but not limited to, assignment of counsel, settlement authorities and arrangements for payment of attorney's fees. Each party will provide the other party, as soon as possible, notice of any adverse event or potential claim involving the Providers, and will share information and cooperate with the other party to enable the other party to investigate such adverse events and potential claims and defend against any claims. In the event of an actual or potential claim involving a Provider, each party will assist the other parties as it reasonably may request to evaluate and, if necessary, defend against the claim and prevent its recurrence.

(l) The Providers' responsibilities shall include taking call at Locations controlled by UP. A call schedule for the UP-controlled Locations shall be developed by UP so that call is distributed on a rotating and equitable basis among UP physicians (including the Providers). Call responsibility at both UH-FC and UH-HC as it applies to UP physicians (including the Providers) and non-UP physicians shall be determined in accordance with the Medical Staff Bylaws of UH-FC and UH-HC, respectively.

(m) Immediately upon a Provider's ceasing to provide Clinical Services hereunder, the Provider shall resign from the Medical Staff of UH-HC and UH-FC; and the Provider irrevocably appoints the Chair of his or her Department as the Provider's attorney-in-fact to submit such resignation on his or her behalf if the Provider fails to do so within seventy-two (72) hours after such termination. Each Provider hereby holds UP and such Chair harmless and releases them, their designees and UH-HC and UH-FC and their respective Boards of Directors and officers from any liability therefor, without such resignation of Medical Staff privileges being subject to any review, hearing or other due process rights under the Bylaws or other governing policies of UH-HC or UH-FC or by any court or otherwise, which review, hearing and rights (if any) such Provider hereby specifically waives. Such Provider shall have the right to reapply for Medical Staff privileges in accordance with the UH-HC and UH-FC Medical Staff Bylaws.

(n) UP represents and warrants that it shall use commercially reasonable best efforts to negotiate fair and reasonable technical and professional fees with its third party payors and that it shall not negotiate an increase in technical fees to the detriment of fair and reasonable professional fees.

4. Recordkeeping; Reporting.

(a) Each party shall maintain financial records and reports, supporting documents, statistical records, and all other books, documents, papers or other records related and pertinent to this Agreement for four (4) years from the date of this Agreement's expiration or termination. If an audit, litigation, or other action involving these records commences during this aforesaid four (4) years, each party shall maintain the records until the later of the four (4) years ending or until the audit, litigation, or other action is completed, whichever is later.

(b) Should the Secretary of DHHS or the Comptroller General of the United States or their respective representatives determine that this Agreement is a contract described in Section 1861(v)(1)(I) of the Social Security Act, until the expiration of four (4) years after the furnishing of Clinical Services pursuant to this Agreement, each party shall make available, upon written request, to the other party, the Secretary of DHHS, or, upon request, to the Comptroller General of the United States or to any of their duly authorized representatives, this Agreement and the party's books, documents and records that are necessary to certify the nature and extent of costs paid pursuant to this Agreement. In addition, consistent with Section 4(a) above, each party shall make available to the other party, DHHS and the Comptroller General of the United States, or any of their duly authorized representatives, upon appropriate notice, access to such financial records, reports, books, documents, and papers as may be necessary for audit, examination, excerpt, transcription, and copy purposes, for as long as such records, reports, books, documents and papers are retained. This right also includes timely and reasonable access to a party's personnel for the purpose of interview and discussion related to such documents.

(c) Each Provider Physician, on behalf of UP and UH-HC and UH-FC, shall maintain appropriate medical records for all clinical patients seen by such Provider, and shall use his or her best efforts to ensure that his or her notations in the medical records are complete, accurate and legible in all respects. All such records shall be and remain the property of UP, UH-HC and UH-FC, as applicable, and shall be maintained in compliance with all laws and regulations pertaining to medical records. If this Agreement expires or is terminated for any reason whatsoever, each Provider shall be entitled to a copy of the medical records of any patient who provides UP with a proper written consent, requesting that such records be furnished to such Provider; provided that UP may charge such provider or the requesting party a reasonable photocopying fee for any such copies. In addition, each Provider shall be entitled to (i) access, at reasonable times and upon reasonable notice, to billing records relating to professional services rendered by such Provider on behalf of UP, and (ii) receive, upon reimbursement of reasonable photocopying expenses, copies of medical records pertaining to Clinical Services performed by such Provider for UP, in order to aid the Provider in the defense of any malpractice or liability claim instituted against the Provider as a result of such Clinical Services.

5. Compliance with Applicable Law; Renegotiation.

(a) This Agreement is made pursuant to and shall be governed by the laws of the State of Connecticut, as well as all applicable Federal laws, regulations, and policies. Should such laws be amended as to modify this Agreement, such amendment shall be incorporated herein and be immediately effective between the parties.

(b) Notwithstanding anything contained herein, the parties understand and agree that the terms of this Agreement are subject to reexamination and renegotiation if at any time a change in regulatory requirements beyond UP's control makes it legally impermissible or impractical for UP to comply with existing terms of this Agreement that are affected by such change. For purposes of the preceding sentence, "impractical" shall mean UP's determination in

good faith that because of a change in regulatory requirements, compliance with the provisions of this Agreement will expose UP to a material risk of civil or criminal liability.

6. The Parties' Relationship. Except for the employment relationships between UConn and the Providers and the ownership interest in UP held by UConn, nothing herein shall be deemed to create any employer-employee, principal-agent, partner or joint venturer relationship, and nothing herein shall be construed to make a party liable for another party's expenses or obligations except as herein described.

7. Term and Termination.

(a) This Agreement shall become effective when, and shall remain in force for so long as, the Integration Agreement remains in effect, unless otherwise terminated as provided for herein.

(b) This Agreement shall terminate automatically at such time that there are no longer any Providers who are providing Clinical Services hereunder.

(c) Upon termination of this Agreement for any reason, UP shall promptly pay UConn all Fees due hereunder with respect to the period prior to the date of termination.

(d) Upon termination, Providers shall continue to treat any patient then receiving care or for whom medically appropriate continuation of care otherwise has not been arranged until such patient either is discharged or appropriately transferred to another provider; provided that such continuing treatment will not jeopardize such patient's health, welfare and/or safety.

8. Dispute Resolution. Any dispute arising under this Agreement first shall be resolved, if possible, by informal discussions among the parties, subject to good cause exceptions, including, without limitation, disputes determined by any party to require immediate relief (*i.e.*, circumstances under which an extended resolution procedure might endanger patients' health and safety). Disputes not resolved in accordance with the foregoing sentence shall be resolved pursuant to the dispute resolution provisions set forth in Article XV of the Integration Agreement.

9. Insurance.

(a) UP shall secure and maintain at all times during the term of this Agreement General Liability insurance or coverage with limits of liability no less than [\$_____] combined single limit, naming UConn as additional insured, and policies of malpractice insurance or a formal program of self-insurance covering UP and its professional employees other than the Providers; provided, however all policies of professional liability (malpractice, errors and omissions) insurance and/or self-insurance shall provide coverage of at least \$1,000,000 per incident and \$3,000,000 aggregate against professional liabilities.

(b) UConn shall secure and maintain at all times during the term of this Agreement workers' compensation insurance in amounts required by applicable law, covering all of the Providers, and policies of malpractice insurance or a formal program of self-insurance covering

the Providers and naming UP as additional insured; provided, however all policies of professional liability (malpractice, errors and omissions) insurance and/or self-insurance shall provide coverage of at least \$1,000,000 per incident and \$3,000,000 aggregate against professional liabilities.

10. Safe Work Environment.

(a) UP agrees that it will comply with all health and safety laws, regulations, ordinances, directives and rules imposed by controlling federal, state, and local government, and that it will promptly report all accidents and injuries relating to the Providers to UConn.

(b) UP shall have a right of direction and control over management of safety, risk and hazard control at the work-site or sites affecting the Providers while such Providers are providing Clinical Services to UP. UP shall maintain environmental factors, equipment, machinery and all other matters which affect employee health and safety in compliance with applicable law. UP represents and warrants that each work-site or sites, over which it exercises control, where the Providers provide Clinical Services to UP will be maintained in compliance with all applicable legal standards for the duration of this Agreement. UP agrees that it shall be responsible for any violations of law occurring within any work-site over which it exercises control.

(c) UConn and UConn's workers' compensation carrier shall have the right to inspect all relevant Locations, including any replacement hospital facility, during normal business hours and to make reasonable recommendations pertaining to job safety in order to comply with industry standards. It is agreed that UConn, by inspecting said premises or by not inspecting said premises, assumes neither liability nor responsibility for any unsafe working condition which may exist.

11. Confidentiality.

(a) Except as necessary in this Agreement's performance, or as authorized in writing by a party or by law, the parties (and their employees, agents, and contractors) shall not disclose to any person, institution, entity, company, or any other party, any proprietary business information directly or indirectly related to a party that another party (or its employees, agents, and contractors) receives under this Agreement, or about which it otherwise is aware. The parties (and their employees, agents, and contractors) also agree not to disclose, except to each other, another party's proprietary information, professional secrets or other information obtained under this Agreement ("Confidential Information"), unless a party receives prior written authorization to do so from another party or as authorized by law. Nothing contained herein shall be construed to prohibit any DHHS or other appropriate government official from obtaining, reviewing, and auditing any information, record, data, and data elements to which he/she or his/her agency lawfully is entitled. Each party shall ensure that its employees or agents cease using any other party's Confidential Information and return any Confidential Information in its/his/her/their possession to the appropriate party immediately upon termination of its/his/her/their participation hereunder. Each party hereto acknowledges and agrees that upon this Section's breach by another party, neither it nor its successor will have any adequate remedy at law and, therefore, each party, and/or its successor, is entitled to

injunctive relief in addition to any other available remedies. This Section shall survive this Agreement's termination.

(b) The Providers and each party shall comply with all requirements established by HIPAA regarding safeguarding and protecting individually identifiable health information from unauthorized disclosure, including any patients' individually identifiable health information. The Providers and each party agree to protect any individually identifiable health information that they may access in the performance of this Agreement. The Providers and each party shall also maintain the confidentiality of all patient information in accordance with all applicable state laws and regulations regarding the confidentiality of such information.

(c) With the exception of third party payors, UP shall not release to any third party information related to the performance of any Provider hereunder except with the express written permission of UConn or as otherwise required by law.

(d) The parties shall require their respective employees, agents, and contractors to be aware of and to comply with the aforementioned obligations.

12. Non-Compete and Non-Solicitation. Subject to the provisions of the Transition Plan:

(a) Each Provider recognizes that the successful practice of UP, both with respect to the quality and availability of patient care and the financial stability of UP, depends in large part upon the loyalty of each of UP's independent contractors, including the Providers, and upon the relationship of UP with its independent contractors and with others. Accordingly, each Provider agrees that during the period in which such Provider is providing Clinical Services pursuant to this Agreement and for a period of one (1) year thereafter (the "Restricted Period"):

(i) the Provider will not engage in the profession for which he or she is licensed, directly or indirectly, or own, manage, operate, control, or be employed or otherwise engaged by, any person or entity engaged in the practice of such profession or rendering healthcare services within any of the cities and towns listed on Schedule 3 hereto on the date on which such Provider ceases to provide Clinical Services pursuant to this Agreement. Schedule 3 shall be updated by UP during the Term of this Agreement as additional offices of UP are established and in the event any of the offices of UP are terminated;

(ii) the Provider will not solicit any patients of UP, nor remove or copy any medical records or patient mailing lists without the prior written permission of UP; provided, however, that upon the Provider's ceasing to provide Clinical Services pursuant to this Agreement, UP and the Provider shall work cooperatively to facilitate the transfer to the Provider of those of UP's patients who wish to continue to receive professional care from the Provider; and

(iii) the Provider will not directly or indirectly hire, seek to hire or assist in hiring any employee, agent or independent contractor of UP, or induce or seek to induce, or take action that results in the termination of employment or other arrangements between UP and such

employee, agent or independent contractor, or that otherwise interferes with such employment or contractual arrangements.

(b) Each Provider acknowledges that the restrictions contained in this Section 12 are reasonable and necessary to protect the legitimate interests of UP and that any violation of such restrictions would result in irreparable injury to UP. Each Provider therefore agrees that UP shall be entitled to obtain injunctive relief against such breach in any court of competent jurisdiction without having to prove actual damages or to post a bond; and to any other rights or remedies to which UP may be entitled at law or in equity. In the event of a violation of any of the restrictions set forth in this Section 12, the Restricted Period shall be extended by a period of time equal to that period beginning with the commencement of such violation and ending when such violation shall have been finally terminated in good faith.

(c) If the scope, period of time or area of restriction set forth in this Section 12 should be adjudged unreasonable in any court proceedings, then the scope, period of time or area of restriction shall be reduced or limited in such aspects as to make said restriction reasonable, so that said restriction may be enforced in such scope, period of time and area as may be adjudged to be reasonable by the elimination of any unreasonable aspects thereof.

(d) UP AND EACH PROVIDER ACKNOWLEDGE THAT THE TERMS OF THIS SECTION HAVE BEEN NEGOTIATED AT ARMS' LENGTH. EACH PROVIDER REPRESENTS THAT SUCH PROVIDER UNDERSTANDS THE FULL EXTENT AND IMPLICATION OF THE TERMS OF THIS SECTION, AND SUCH PROVIDER WILLINGLY AND VOLUNTARILY AGREES TO BE BOUND HEREBY.

(e) The provisions of this Section 12 shall survive the expiration or termination of this Agreement.

13. Indemnification.

(a) UP agrees to indemnify, defend and hold harmless UConn, its Affiliates and the State, and their respective officers, members, employees, directors and agents (collectively, the "UConn Indemnitees") from and against any and all claims, grievances or other disputes, including any and all losses, liabilities, expenses (including court costs, out-of-pocket costs of binding arbitration and attorneys' fees relating to the foregoing) and claims for damage of any nature whatsoever, whether known or unknown, relating thereto (collectively, "Claims") (i) by third parties against a UConn Indemnitee arising from (A) the actual or alleged acts, errors or omissions of UP, its Affiliates or any Provider while providing Clinical Services to UP hereunder, (B) actual or alleged violations of any applicable federal, state or local law, regulation, ordinance or work-rule by UP or its Affiliates, or (C) a breach by UP of any of its obligations under this Agreement; or (ii) brought by or on behalf of any Provider arising from any actual or alleged job-related illness or injury occurring on or after the date of this Agreement, to the extent that such Claims are not covered by the workers' compensation coverage maintained by UConn pursuant to Section 9(b) of this Agreement.

(b) UConn agrees to indemnify, defend and hold harmless UP and its Affiliates, and their respective officers, members, employees, directors and agents (collectively, the "UP Indemnitees") from and against any and all Claims against a UP Indemnitee by third parties arising from (i) the actual or alleged acts, errors or omissions of UConn or its Affiliates; (ii) actual or alleged violations of any applicable federal, state or local law, regulation or ordinance by UConn or its Affiliates; (iii) UConn's breach of any of its obligations under this Agreement; or (iv) activities of the Providers while providing services in the scope of their employment by UConn, other than while providing Clinical Services to UP hereunder.

(c) In the event a claim, suit or proceeding by a third party is made or filed against any UConn Indemnitees or any UP Indemnitees, such indemnified party (the "Indemnified Party") shall, promptly after the receipt of written notice of such claim, suit or proceeding, notify the indemnifying party (the "Indemnitor") in writing of such claim, suit or proceeding and thereafter the Indemnified Party shall deliver to the Indemnitor, within five (5) business days after the Indemnified Party's receipt thereof, copies of all notices and documents (including court papers) received by the Indemnified Party relating to the third party claim; provided that the failure of the Indemnified Party to give timely notice of any such claim, suit or proceeding or to make timely delivery of any such notices or documents shall not relieve the Indemnitor of its indemnification obligations with respect to such claim, suit or proceeding except to the extent that the Indemnitor has been prejudiced thereby.

(d) In the event of the initiation of any legal proceeding, claim or demand against the Indemnified Party by a third party for which indemnification is sought hereunder, the Indemnitor shall have the sole and absolute right after the receipt of notice, at its option and at its own expense, to be represented by counsel of its choice and to control, defend against, negotiate, settle or otherwise deal with such proceeding, claim or demand; provided, however, that the Indemnified Party may participate in any such proceeding with counsel of its choice and at its expense. The parties agree to cooperate fully with each other in connection with the defense, negotiation or settlement of any such legal proceeding, claim or demand. To the extent the Indemnitor elects not to defend such proceeding, claim or demand, and the Indemnified Party defends against or otherwise deals with any such proceeding, claim or demand, the Indemnified Party may retain counsel, at the expense of the Indemnitor, and control the defense of such proceeding, claim or demand. Neither the Indemnitor nor the Indemnified Party may settle any such proceeding, claim or demand if such settlement obligates the other party to pay money, to perform obligations or to admit liability without the consent of the other party, such consent not to be unreasonably withheld. Within thirty (30) days after (i) any final judgment or award shall have been rendered by a court or other governmental body of competent jurisdiction and the time in which to appeal therefrom has expired, (ii) a settlement shall have been consummated, or (iii) the Indemnified Party and the Indemnitor shall arrive at a mutually binding agreement with respect to each separate matter alleged by the Indemnified Party to be indemnified, the Indemnified Party shall forward to the Indemnitor notice of any sums due and owing by the Indemnitor with respect to such matter. The Indemnified Party shall (i) provide to the Indemnitor all information, assistance and authority reasonably requested, and (ii) cause its officers, trustees, directors, employees and agents to cooperate with the Indemnified Party in order to evaluate any third party claim, suit or proceeding and effect any defense, compromise or settlement.

and in any case at such other address as the addressee shall have specified by written notice. All periods of notice shall be measured from the date of delivery thereof.

15. Severability. This Agreement's provisions shall be deemed severable so if any provision is deemed invalid, illegal or unenforceable in any respect, such determination shall affect only the specific provision and not this Agreement's remaining terms which shall remain in full force and effect and binding upon the parties hereto.

16. Third Party Beneficiaries. Except as specifically provided herein, each party's obligations to this Agreement shall inure solely to the other party's benefit, and no person or entity shall be a third party beneficiary of this Agreement.

17. Successors and Assigns; Assignment. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and of their respective transferees, successors and assigns; provided that a party may not assign, delegate or transfer this Agreement, or its rights and obligations hereunder, without the other party's express, prior written consent.

18. Waiver. A party's failure to insist in any one or more instances upon performance of any terms or conditions of this Agreement shall not be construed as a waiver of future performance of any such term, covenant or condition, but the party's obligations with respect thereto shall continue in full force and effect.

19. Entire Agreement; Amendments. This Agreement represents the parties' complete understanding regarding the subject matter herein. Any amendment to this Agreement shall be in writing and signed by all parties. Except for any specific provision being amended, this Agreement shall remain in full force and effect after such amendment. This Agreement supersedes any other agreements or understandings between the parties, whether oral or written, relating to the subject matter of this Agreement except for the Integration Agreement and the Ancillary Agreements, as defined therein. No such other agreements or understandings may be enforced by any party nor may they be employed for interpretation purposes in any dispute involving this Agreement.

[signature page follows]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives.

THE UNIVERSITY OF CONNECTICUT

By: _____
Name:
Title:

UNIVERSITY PHYSICIANS, INC.

By: _____
Name:
Title:

Schedule 1

Transition Plan

Schedule 2

State Benefits Differential

[The parties are considering whether a state benefits differential will exist with respect to the Providers.]

Schedule 3

Cities and Towns Within a 12 Mile Radius of Any Office of UP

Exhibit A

Providers; Expectations, Allocation of Effort and Compensation

Exhibit B

Form of Provider Joinder

Exhibit C

Payment Methodology

Exhibit D

Definition of Sanctioned Person

A "Sanctioned Person" means a person or entity who:

(A) is currently the subject of prosecution for, or has been convicted of: (1) any offense relating to the delivery of an item or service under any Federal Health Care Program as defined in Section 1128B(f) of the Social Security Act (the Maternal and Child Health Clinical Services Program or the Block Grants to States for Social Clinical Services Program, respectively), (2) a criminal offense relating to neglect or abuse of patients in connection with the delivery of a health care item or service, (3) fraud, theft, embezzlement, or other financial misconduct in connection with the delivery of a health care item or service, (4) obstructing an investigation of any crime referred to in (1) through (3) above, or (5) unlawful manufacture, distribution, prescription, or dispensing of a controlled substance;

(B) has been required to pay any civil monetary penalty under 42 U.S.C. §1320a-7b, regarding false, fraudulent, or impermissible claims under, or payments to induce a reduction or limitation of health care Clinical Services to beneficiaries of, any state or federal health care program, or is currently the subject of any proceeding which may result in such payment; or

(C) has been excluded from participation in any Federal Health Care Program as defined in Section 1128B(f) of the Social Security Act.