

**INTEGRATION AGREEMENT**

**by and between**

**HARTFORD HEALTH CARE CORPORATION**

**and**

**THE UNIVERSITY OF CONNECTICUT**

**Dated \_\_\_\_\_, 2009**

**TABLE OF CONTENTS**

	<u>Page</u>
ARTICLE I - INTEGRATION .....	2
Section 1.1 Integration .....	2
Section 1.2 Transfer of Certain Assets to UH-FC .....	5
Section 1.3 Transfer of Certain Assets to UP .....	6
Section 1.4 Assignment of Certain JDH Leases and Contracts .....	6
Section 1.5 Assignment of Certain UMG Leases and Contracts .....	7
Section 1.6 Assumption of Certain JDH and UMG Liabilities. ....	7
Section 1.7 Assignment of Certain HH Leases and Contracts .....	8
Section 1.8 Assumption of Certain HH Liabilities. ....	9
Section 1.9 JDH and UMG Straddle Patients. ....	9
Section 1.10 Purchased Services.....	11
Section 1.11 Names .....	11
Section 1.12 Certain Other Hospital Relationships .....	11
ARTICLE II - GOVERNANCE OF SYSTEM PARTICIPANTS .....	11
Section 2.1 HHC .....	11
Section 2.2 UConn .....	11
Section 2.3 UH.....	11
Section 2.4 UH-HC (Hartford Campus) .....	12
Section 2.5 UH-FC (Farmington Campus) .....	12
Section 2.6 UP. ....	13
ARTICLE III - INTEGRATION OF ACADEMIC MISSION .....	15
Section 3.1 Operation of UH as an Academic Medical Center .....	15
Section 3.2 Educational Vision and Plan.....	16
Section 3.3 Connecticut Health Education and Research Collaborative .....	16
ARTICLE IV - INTEGRATION OF CLINICAL MISSION.....	16
Section 4.1 Farmington Campus Facility.....	16
Section 4.2 Farmington Campus Replacement Facility and Related Improvements. ....	16
Section 4.3 Hartford Campus Faculty.....	17
Section 4.4 Clinical Faculty .....	17
Section 4.5 Medical Staff Matters .....	17
Section 4.6 Leadership of Clinical Departments. ....	18
Section 4.7 Teaching Services .....	18
Section 4.8 SODM Clinical Programs .....	18
ARTICLE V - INTEGRATION OF RESEARCH MISSION .....	19
Section 5.1 CICATS .....	19
Section 5.2 UHSOM Ventures.....	19

ARTICLE VI - FINANCIAL MATTERS .....	19
Section 6.1 Academic Mission Support.....	19
Section 6.2 Medical Directorships.....	20
Section 6.3 Clinical Mission Support .....	20
Section 6.4 Research Mission Support .....	20
Section 6.5 State Financing of Farmington Campus Replacement Facility .....	20
Section 6.6 State Financial Assistance.....	21
Section 6.7 Indebtedness and Obligations .....	21
Section 6.8 Fundraising .....	21
 ARTICLE VII - EMPLOYEE MATTERS.....	 21
Section 7.1 Employment of Clinical Faculty.....	21
Section 7.2 Employment of Support Staff .....	22
Section 7.3 Union Matters .....	22
 ARTICLE VIII - STATE LEGISLATION.....	 23
Section 8.1 Special Legislation.....	23
 ARTICLE IX - REPRESENTATIONS AND WARRANTIES .....	 23
Section 9.1 Representations and Warranties of HHC.....	23
Section 9.2 Representations and Warranties of UConn.....	28
 ARTICLE X - ADDITIONAL PRE-CLOSING AGREEMENTS.....	 34
Section 10.1 Conduct of Business Prior to the Closing .....	34
Section 10.2 Access to Information.....	36
Section 10.3 Regulatory and Other Authorizations; Notices and Consents. ....	36
Section 10.4 Notice of Developments .....	38
Section 10.5 Confidentiality and Exclusivity. ....	38
Section 10.6 Further Assurances.....	39
 ARTICLE XI - CLOSING AND CONDITIONS TO CLOSING .....	 39
Section 11.1 Closing .....	39
Section 11.2 Conditions to HHC's Obligation to Close.....	39
Section 11.3 Conditions to UConn's Obligation to Close.....	42
 ARTICLE XII - OTHER COVENANTS .....	 44
Section 12.1 Tax-Exempt Status.....	44
Section 12.2 Non-Compete and Exclusivity.....	45
Section 12.3 Hospital Status .....	45
Section 12.4 Record Retention. ....	45
Section 12.5 Amendment of Corporate Documents .....	46
Section 12.6 Information Requests.....	46
Section 12.7 Cost Reports.....	46
 ARTICLE XIII - TERMINATION.....	 47
Section 13.1 Term.....	47
Section 13.2 Terminating Party; Nonterminating Party .....	47

Section 13.3	Outside Closing Date .....	47
Section 13.4	Termination on or Prior to Closing Due to Order .....	47
Section 13.5	Termination on or Prior to Closing Due to Inaccuracy of Representations and Warranties.....	47
Section 13.6	Termination on or Prior to Closing Due to Non-Fulfillment of Agreement.....	47
Section 13.7	Termination on or Prior to Closing Due to Material Adverse Effect .....	48
Section 13.8	Termination After Closing for Material Breach .....	48
Section 13.9	Termination After Closing for Violation of Law.....	48
Section 13.10	Termination for Insufficient Ongoing Funding .....	49
Section 13.11	Termination for Financial Condition .....	49
Section 13.12	Termination for Bankruptcy .....	49
Section 13.13	Notice of Termination.....	50
Section 13.14	Consequences of Termination.....	50
Section 13.15	Dissolution of UH. ....	51
ARTICLE XIV - INDEMNIFICATION .....		53
Section 14.1	Indemnification by HHC.....	53
Section 14.2	Indemnification by UConn .....	53
Section 14.3	Indemnification by UP.....	54
Section 14.4	Limitations on Indemnifiable Damages.....	54
Section 14.5	Survival of Representations and Warranties.....	54
Section 14.6	Procedure for Making Claims.....	55
Section 14.7	Third Party Claims.....	55
Section 14.8	Survival.....	56
ARTICLE XV - DISPUTE RESOLUTION.....		56
Section 15.1	Presidents .....	56
Section 15.2	Appointment of Ad Hoc Committee.....	56
Section 15.3	Role of Ad Hoc Committee .....	57
Section 15.4	Action by the Board Chairs.....	57
Section 15.5	Non-Binding Mediation.....	57
Section 15.6	Binding Arbitration.....	57
Section 15.7	Disputes Prior to Closing.....	57
Section 15.8	Other Disagreements.....	57
ARTICLE XVI - GENERAL PROVISIONS.....		58
Section 16.1	Amendment.....	58
Section 16.2	Waiver.....	58
Section 16.3	Notices .....	58
Section 16.4	Expenses .....	59
Section 16.5	Counterparts.....	59
Section 16.6	Entire Transaction.....	59
Section 16.7	Governing Law .....	59
Section 16.8	Headings .....	59
Section 16.9	Articles.....	60
Section 16.10	Partial Invalidity.....	60

Section 16.11 Binding Agreement.....	60
Section 16.12 Third Party Beneficiaries .....	60
Section 16.13 No Assignment.....	60
Section 16.14 Public Statements.....	60
Section 16.15 Enforcement of this Agreement .....	60
Section 16.16 Disclosure Schedules. ....	60
 ARTICLE XVII - DEFINITIONS .....	 61
Section 17.1 Definitions.....	61
Section 17.2 Other Definitional Provisions .....	64
Section 17.3 Index of Other Defined Terms.....	64

Schedules:

Schedule 1.2	JDH Assets
Schedule 1.3	UP Assets
Schedule 1.4	JDH Assigned Contracts
Schedule 1.5	UMG Assigned Contracts
Schedule 1.7	HH Assigned Contracts
Schedule 9.1(j)	Properties and Assets - HHC System Participants
Schedule 9.2(j)	Properties and Assets - UConn System Participants
Schedule 11.2(c)	Required Consents and Approvals - UConn System Participants
Schedule 11.3(c)	Required Consents and Approvals - HHC System Participants
Schedule 12.2	Businesses, Enterprises and Activities - UConn System Participants

Exhibits:

Exhibit A	Vision and Principal Partner Relationship
Exhibit B	Amended HHC Certificate
Exhibit C	Amended HHC Bylaws
Exhibit D	UCHC Bylaws
Exhibit E	UH Certificate
Exhibit F	UH Bylaws
Exhibit G	Amended UH-HC Certificate
Exhibit H	Amended UH-HC Bylaws
Exhibit I	UH-FC Certificate
Exhibit J	UH-FC Bylaws
Exhibit K	Form of UH-HC and UH-FC Medical Staff Bylaws
Exhibit L	UP Certificate
Exhibit M	UP Bylaws
Exhibit N	Master Lease Agreement
Exhibit O	Support Staff Agreement
Exhibit P	Clinical Teaching Agreement
Exhibit Q	Clinical Research Agreement
Exhibit R	Faculty Provider Services Agreement

Exhibit S	UConn/UH-FC Bill of Sale
Exhibit T	UConn/UH-FC Assignment and Assumption Agreement
Exhibit U	UConn/UP Bill of Sale
Exhibit V	UConn/UP Assignment and Assumption Agreement
Exhibit W	HH/UP Bill of Sale
Exhibit X	HH/UP Assignment and Assumption Agreement
Exhibit Y	State Funding and Support Agreement
Exhibit Z	Project Funding and Development Agreement
Exhibit AA	Purchased Services Agreement
Exhibit BB	Provider Employment Agreement
Exhibit CC	Amended SOM Bylaws
Exhibit DD	Second Master Lease Agreement
Exhibit EE	SODM Agreement
Exhibit FF	Opinion of UConn's Counsel
Exhibit GG	Opinion of HHC's Counsel

## INTEGRATION AGREEMENT

THIS INTEGRATION AGREEMENT (this "Agreement") is entered into this \_\_\_\_ day of \_\_\_\_\_, 2009 (the "Effective Date"), by and between HARTFORD HEALTH CARE CORPORATION ("HHC"), a Connecticut nonstock corporation, and THE UNIVERSITY OF CONNECTICUT ("UConn"), a constituent unit of the Connecticut state system of public higher education. The foregoing are hereinafter referred to collectively as the "Parties" and individually as a "Party." Unless otherwise defined herein, capitalized terms are used herein with the respective meanings set forth in Section 17.1.

### RECITALS:

WHEREAS, HHC is exempt from federal income tax as an organization described in Section 501(c)(3) of the Code;

WHEREAS, HHC is the parent organization of an integrated health care delivery system based in Hartford, Connecticut, that includes, among other components, Hartford Hospital ("HH"), a Connecticut nonstock corporation that is exempt from federal income tax as an organization described in Section 501(c)(3) of the Code and that owns and operates an 867-bed tertiary care hospital located in Hartford, Connecticut;

WHEREAS, UConn operates under the central authority of the Connecticut Board of Governors of Higher Education, and is governed by a Board of Trustees established pursuant to §10a-103 of the General Statutes of Connecticut;

WHEREAS, the University of Connecticut Health Center ("UCHC") is a constituent unit of the Connecticut state system of public higher education that includes, among other components, John Dempsey Hospital, a 204-licensed bed, 20-licensed bassinette general acute care hospital located in Farmington, Connecticut ("JDH"); the University of Connecticut School of Medicine (the "SOM"); the University of Connecticut School of Dental Medicine (the "SODM"); and the UConn Medical Group ("UMG"), which operates as a faculty practice plan within the SOM;

WHEREAS, the UConn Board of Trustees, in conjunction with the Board of Directors of UCHC, governs the operations of UCHC;

WHEREAS, HHC and UConn desire to integrate the functions of HH, JDH and UMG and certain of their respective Affiliates so that they are operated as an integrated academic medical center that is part of a larger healthcare delivery system (the "System") that is operated by HHC, among other things, so as to: (i) establish University Hospital, Inc. ("UH") as a nationally recognized academic medical center on two campuses located in Hartford (the "Hartford Campus") and Farmington (the "Farmington Campus") with a combined medical staff consisting of HH and UMG employed faculty physicians and private practice physicians; (ii) strengthen access to high quality health care in the State of Connecticut (the "State") through robust clinical programs on each of the two campuses of UH; (iii) elevate the SOM's ranking to "top tier" status among medical schools in the United States and increase the number of students

enrolling in both the SOM and the SODM; (iv) embody through the System and its constituent parts an organization with an enduring commitment to strengthening academic and research activities in health and medicine with a mission and vision that is consistent with these goals; (v) improve existing patient care services and levels of care and effectively manage the cost of such services; (vi) create new patient care services and levels of patient care that more efficiently and effectively meet the needs of the communities served by UH and the System; and (vii) facilitate future health workforce enhancement, economic development and improved health care outcomes for the residents of the State; all in accordance with and as more fully detailed in this Agreement; and

WHEREAS, HHC and UConn envision the integrated academic medical center as a "Principal Partner Relationship" in education, research and patient care, that will include the key elements and attributes set forth in Exhibit A attached hereto;

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties and undertakings set forth below and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound hereby, agree as follows:

## ARTICLE I INTEGRATION

### Section 1.1 Integration.

(a) Exhibit A attached hereto describes the vision underlying the relationship of the Parties that is set forth in this Agreement. A number of key elements and attributes of the vision are reflected as terms in this Agreement, including without limitation, those related to: (i) the formation of UH as a major destination academic medical center that will operate acute care short-term general hospitals with significant inpatient and outpatient services and capital investment on each of two campuses located in Farmington and Hartford and that will serve as the flagship academic referral center for complex tertiary and quaternary care within the System, (ii) the formation of a new Connecticut nonstock corporation to be called "University Physicians, Inc." ("UP") to serve as the new faculty practice plan for the Employed Clinical Faculty (as defined below) and (iii) the provision of significant financial support to enhance the academic and research missions of UConn and its SOM and SODM as further described herein. The Parties acknowledge and agree that, although Exhibit A is not a binding part of this Agreement, it reflects the shared vision and aspirations of the Parties for their ongoing collaborative efforts pursuant to this Agreement.

(b) More specifically, the Parties agree that their vision for the System shall be achieved through an integration involving HHC, UConn, HH and UCHC and its SOM and SODM. The integration will be implemented through the formation of a newly created Connecticut nonstock corporation, UH, the sole member and parent of which will be HHC. UH will be the sole member and parent of two licensed hospital affiliates: HH, which will change its name to "University Hospital-Hartford Campus, Inc." ("UH-HC"), and a newly created Connecticut nonstock corporation to be named "University Hospital-Farmington Campus, Inc." ("UH-FC"). UH-HC will own and operate the Hartford Campus. UH-FC will lease (for a

nominal fee) and operate the Farmington Campus. The integration will also involve the creation of UP, the two members of which will be UH and UConn, which shall delegate authority to the SOM to act on all matters relating to UP. HHC, UConn, UCHC and its SOM and SODM, UH, UH-HC, UH-FC and UP are collectively referred to herein as the "System Participants." In order to implement the integration, the Parties shall take, or cause to be taken, the following actions on or prior to the Closing Date:

(i) The Certificate of Incorporation and Bylaws of HHC shall be amended and restated in their entirety in the forms of Exhibit B attached hereto (the "Amended HHC Certificate") and Exhibit C attached hereto (the "Amended HHC Bylaws"), respectively.

(ii) UConn shall cause the Bylaws of UCHC to be adopted in the form of Exhibit D attached hereto (the "UCHC Bylaws").

(iii) HHC shall cause UH to be formed as a Connecticut nonstock corporation and to adopt a Certificate of Incorporation in the form of Exhibit E attached hereto (the "UH Certificate") and Bylaws in the form of Exhibit F attached hereto (the "UH Bylaws"). HHC shall serve as the sole member of UH.

(iv) HHC shall cause UH to become the sole member of HH, and UH shall cause HH to change its name to "University Hospital-Hartford Campus," and shall cause UH-HC to amend and restate its Certificate of Incorporation and Bylaws in their entirety in the forms of Exhibit G attached hereto (the "Amended UH-HC Certificate") and Exhibit H attached hereto (the "Amended UH-HC Bylaws"). UH-HC shall hold the Permits to operate an acute care hospital on the Hartford Campus.

(v) HHC shall cause UH to form UH-FC as a Connecticut nonstock corporation. UH shall serve as the sole member of UH-FC and shall cause UH-FC to adopt a Certificate of Incorporation in the form of Exhibit I attached hereto (the "UH-FC Certificate") and Bylaws in the form of Exhibit J attached hereto (the "UH-FC Bylaws"). UH-FC shall hold the Permits to operate an acute care hospital on the Farmington Campus.

(vi) UH shall establish the credentialing standards for the medical staffs of UH-HC and UH-FC and shall cause each of UH-HC and UH-FC to adopt Medical Staff Bylaws substantially in the form set forth in Exhibit K attached hereto (the "Medical Staff Bylaws"). The medical staffs of UH-HC and UH-FC shall be composed of: (i) those physicians and psychologists who are employed by HH and UMG as of the Closing Date and those physicians and psychologists who are hired by UP after the Closing Date (collectively, the "Employed Clinical Faculty"), and (ii) private practice physicians (the "Voluntary Physicians").

(vii) HHC and UConn shall together cause the formation of UP as a Connecticut nonstock corporation to function as a faculty practice plan for UH-HC and UH-FC. UH and UConn (acting through its SOM), shall be the two members of UP. UH and the SOM shall cause UH-FC to adopt a Certificate of Incorporation in the form of Exhibit L attached hereto (the "UP Certificate") and Bylaws in the form of Exhibit M attached hereto (the "UP Bylaws"). UP shall employ, or in certain cases purchase from the SOM the services of, the Employed Clinical Faculty to provide professional medical services. (Employed Clinical Faculty

members who are currently employed in the SOM may elect to remain so employed, in which case their professional medical services shall be purchased by UP from the SOM.) The Employed Clinical Faculty shall also be employed by the SOM to conduct their teaching and research activities. This dual member/dual employer model is designed to achieve economic alignment between UP and UH for the clinical patient care mission and with the SOM for the clinical education and clinical research missions.

(c) At or prior to the Closing, the Parties shall cause the applicable System Participants under their respective control to enter into the following agreements (the "Ancillary Agreements"):

(i) A Master Lease Agreement for the Farmington Campus including, but not limited to, the existing JDH hospital, ambulatory surgery center and medical office buildings, between UConn and UH-FC, in the form of Exhibit N attached hereto (the "Master Lease Agreement");

(ii) A Support Staff Services Agreement for the purchase of support staff services, among UConn, UH-FC and UP, in the form of Exhibit O attached hereto (the "Support Staff Agreement");

(iii) An Academic Affiliation Agreement among the System Participants in the form of Exhibit P attached hereto (the "Clinical Teaching Agreement");

(iv) A Research Affiliation Agreement among the System Participants in the form of Exhibit Q attached hereto (the "Clinical Research Agreement");

(v) A Faculty Provider Services Agreement for the purchase of physician clinical services, between UP and the SOM, in the form of Exhibit R attached hereto (the "Faculty Provider Services Agreement");

(vi) A Bill of Sale from UConn and any necessary Affiliates to UH-FC in the form of Exhibit S attached hereto (the "UConn/UH-FC Bill of Sale");

(vii) An Assignment and Assumption Agreement from UConn and any necessary Affiliates to UH-FC in the form of Exhibit T attached hereto (the "UConn/UH-FC Assignment and Assumption Agreement");

(viii) A Bill of Sale from UConn and any necessary Affiliates to UP in the form of Exhibit U attached hereto (the "UConn/UP Bill of Sale");

(ix) An Assignment and Assumption Agreement from UConn and any necessary Affiliates to UP in the form of Exhibit V attached hereto (the "UConn/UP Assignment and Assumption Agreement");

(x) A Bill of Sale from HH to UP in the form of Exhibit W attached hereto (the "HH/UP Bill of Sale");

(xi) An Assignment and Assumption Agreement from HH to UP in the form of Exhibit X attached hereto (the "HH/UP Assignment and Assumption Agreement");

(xii) A State Funding and Support Agreement among the State, UConn, UH and UH-FC in the form of Exhibit Y attached hereto (the "State Funding and Support Agreement");

(xiii) A Project Funding and Development Agreement among the State, UConn, UH and UH-FC in the form of Exhibit Z attached hereto (the "Project Funding and Development Agreement"); and

(xiv) A Purchased Services Agreement among UConn, UH-FC and UP in the form of Exhibit AA attached hereto (the "Purchased Services Agreement").

Section 1.2 Transfer of Certain Assets to UH-FC. At the Closing and subject to applicable law, pursuant to the UConn/UH-FC Bill of Sale, UConn and any necessary Affiliates shall convey, transfer and assign to UH-FC, free and clear of any Encumbrances, good and marketable title in and to all of the assets, properties and goodwill relating to JDH listed on Schedule 1.2 (the "JDH Assets"), which JDH Assets include:

- (a) All furniture, furnishings, equipment, computers and other tangible personal property;
- (b) All inventories and supplies;
- (c) If and to the extent that the same are assignable, all computer software and programs, including all source codes, object codes and documentation, and all licenses relating thereto;
- (d) All rights pursuant to all warranties, representations and guarantees made by manufacturers or other parties affecting the tangible personal property acquired by UH-FC at the Closing;
- (e) All records (including medical records) and databases owned or licensed by UConn or any UConn Affiliate that are necessary or useful to operate the existing JDH hospital, ambulatory surgery center and medical office buildings located on the Farmington Campus;
- (f) Subject to applicable laws and regulations, all transferable Permits necessary for or incident to the operation; and
- (g) All telephone numbers.

Notwithstanding the foregoing, there shall be excluded from the JDH Assets: (i) cash, cash equivalents and bank accounts; (ii) marketable securities; (iii) accounts and loans receivable; (iv) all real property, improvements, fixtures and any other property that will be leased to UH-FC pursuant to the Master Lease Agreement; (v) the computer equipment and telephone systems described in Schedule 1.2 that will be retained by UConn; (vi) personnel records for any

employees UConn or its Affiliates who are not hired by UH-FC or who are hired by UH-FC and have not consented to the transfer of such records to UH-FC; and (vii) all provider numbers and provider agreements with third party payors, except or otherwise provided in Section 1.4 below.

Section 1.3 Transfer of Certain Assets to UP. At the Closing and subject to applicable law, pursuant to the UConn/UP Bill of Sale and the HH/UP Bill of Sale, respectively, UConn and any necessary Affiliates shall, and HHC shall cause HH to, convey, transfer and assign to UP, free and clear of any Encumbrances, good and marketable title in and to all of the assets and properties (i) relating to UMG that are owned by UConn or its Affiliates, and (ii) relating to its employed physician practice that are owned by HH, as the case may be, which are intended to be used by UP in establishing and operating its faculty practice plan and are listed on Schedule 1.3 (the "UP Assets"), which UP Assets include:

- (a) Furniture, furnishings, equipment, computers and other tangible personal property;
- (b) Inventories and supplies;
- (c) If and to the extent that the same are assignable, all computer software and programs, including all source codes, object codes and documentation, and all licenses relating thereto;
- (d) All rights pursuant to all warranties, representations and guarantees made by manufacturers or other parties affecting the tangible personal property acquired by UP at the Closing;
- (e) All records (including medical records) and databases owned or leased by UConn or any UConn Affiliate and HH, respectively, that are necessary or useful for UP to establish and operate its faculty practice plan;
- (f) Subject to applicable laws and regulations, all transferable Permits necessary for or incident to the operation of UP; and
- (g) All telephone numbers.

Notwithstanding the foregoing, there shall be excluded from the UP Assets: (i) cash, cash equivalents and bank accounts; (ii) marketable securities; (iii) accounts and loans receivable; (iv) the computer equipment and telephone systems described in Schedule 1.3 that will be retained by UConn or HH, respectively; (v) personnel records for any UConn or UConn Affiliate or HH employees who are not hired by UP or who are hired by UP and have not consented to the transfer of such records to UP; and (vi) all provider numbers and provider agreements with third party payors, except as otherwise provided in Section 1.5 below.

Section 1.4 Assignment of Certain JDH Leases and Contracts. At the Closing, pursuant to the UConn/UH-FC Assignment and Assumption Agreement, UConn and any necessary Affiliates shall convey, transfer and assign to UH-FC, including the Medicare provider agreement, but excluding the Medicaid and any other provider agreements with third party payors, free and clear of any Encumbrances, all of UConn's or its Affiliate's right, title and

interest in and to all rights, claims and benefits under the leases and contracts relating to JDH and listed on Schedule 1.4 (the "JDH Assigned Contracts"). The foregoing assignment shall not be effective with respect to any JDH Assigned Contract which, by its terms, may not be assigned without the prior consent of any other party, until UConn or its Affiliate, as the case may be, has obtained a written consent from such other party.

Section 1.5 Assignment of Certain UMG Leases and Contracts. At the Closing, pursuant to the UConn/UP Assignment and Assumption Agreement, UConn and any necessary Affiliates shall cause UMG to convey, transfer and assign to UP, including the Medicare provider agreement, but excluding the Medicaid and any other provider agreements with third party payors, free and clear of any Encumbrances, all of UConn's or its Affiliate's right, title and interest in and to all rights, claims and benefits under the leases and contracts relating to UMG and listed on Schedule 1.5 (the "UMG Assigned Contracts"). The foregoing assignment shall not be effective with respect to any UMG Assigned Contract which, by its terms, may not be assigned without the prior consent of any other party, until UConn or its Affiliate, as the case may be, has obtained a written consent from such other party.

Section 1.6 Assumption of Certain JDH and UMG Liabilities.

(a) At the Closing, HHC shall cause UH-FC and UConn and HHC shall cause UP to assume the liabilities and obligations arising out of events occurring on and after the Closing Date under the JDH Assigned Contracts or the UMG Assigned Contracts, as the case may be, but only to the extent that the JDH Assigned Contracts or the UMG Assigned Contracts, as the case may be, remain unperformed or unfulfilled on, or by their terms continue after, the Closing Date (collectively, the "JDH and UMG Assumed Liabilities").

(b) UConn or its Affiliates shall retain, and shall be responsible for paying, performing and discharging when due, and neither UH-FC nor any other HHC System Participant shall assume or have any responsibility for, any liabilities of any UConn System Participant as of the Closing, other than the JDH and UMG Assumed Liabilities, including, without limitation:

(i) any liability which may have been incurred by reason of any breach of, default under, or events occurring under the JDH Assigned Contracts or the UMG Assigned Contracts prior to the Closing;

(ii) any liability for any employee benefits payable to employees of any UConn System Participant, including, without limitation, liabilities arising under any retirement or welfare benefit plan; provided, however, that UH-FC and UP shall be responsible for reimbursing UConn for the cost of certain salary and employee benefits pursuant to the terms of the Support Staff Agreement and the Faculty Provider Services Agreement;

(iii) any liability arising under any express or implied contractual obligation with any employees or contractors of any UConn System Participant unless such liability is: (x) included in the JDH and UMG Assumed Liabilities, or (y) separately identified as a UH-FC or UP obligation pursuant to the terms of the Support Staff Agreement or the Faculty Provider Services Agreement;

(iv) except as may otherwise be required in connection with an assignment of the Medicare provider agreement(s), any liability arising under any agreement with any third party payor, including any governmental payor or program and any managed care agreement, based upon or arising out of any claims for services rendered by any UConn System Participant prior to the Closing Date, including any liability under a settlement agreement or Order entered into on or after the Closing Date;

(v) any liability based upon or arising out of any tortious or wrongful actions of any UConn System Participant or any employee or contractor of any UConn System Participant prior to the Closing Date; and

(vi) any liability based upon or arising out of an Environmental Condition occurring prior to the Closing Date.

(c) With respect to the Medicare provider agreement(s) included in the JDH Assigned Contracts and the UMG Assigned Contracts, the Parties agree that the liability to refund any payments received by UConn or any of its Affiliates for services rendered prior to the Closing Date shall remain the liability and obligation of UConn or its Affiliates. If UH-FC, UP or any other HHC System Participant receives a demand or similar letter from Medicare or any of its contractors related to a liability of UConn or its Affiliates pursuant to any such Medicare provider agreement(s), HHC agrees to deliver a copy of such letter to UConn within five (5) business days after such HHC System Participant's receipt of the same. If any amount otherwise due and payable to UH-FC or UP under such Medicare provider agreement(s) is withheld or offset by any amount that is the liability and obligation of UConn or any of its Affiliates hereunder (including without limitation, any refunds, interest and penalties), or if UH-FC and/or UP are otherwise required to pay any such amount, UConn agrees to pay to UH-FC and/or UP, as applicable, an amount equal to the withheld or offset amount or the amount otherwise paid by UH-FC and/or UP, within five (5) business days after UConn receives written notice from UH-FC and/or UP that such offset has occurred or such payment has been made. If UConn fails to pay any such amount on a timely basis, then UH-FC and/or UP, as applicable shall be entitled, by written notice to UConn, to offset such amount against any amounts owed by them to UConn pursuant to this Agreement or any of the Ancillary Agreements. Nothing herein is intended to prohibit or restrict the exclusive right of UConn or its Affiliates to object to and defend any claims for amounts allegedly owed by UConn or its Affiliates under the Medicare provider agreement(s) included in the JDH Assigned Contracts or the UMG Assigned Contracts. Furthermore, the Parties agree that UH-FC, UP or its Affiliates, as the case may be, will promptly deliver to UConn or its Affiliates any amounts received from Medicare or its contractors for services rendered prior to the Closing Date.

Section 1.7 Assignment of Certain HH Leases and Contracts. At the Closing, pursuant to the HH/UP Assignment and Assumption Agreement, HH shall convey, transfer and assign to UP, free and clear of any Encumbrances, all of HH's right, title and interest in and to all rights, claims and benefits under the leases and contracts listed on Schedule 1.7 (the "HH Assigned Contracts"). The foregoing assignment shall not be effective with respect to any HH Assigned Contract which, by its terms, may not be assigned without the prior consent of any other party, until HH has obtained a written consent from such other party.

Section 1.8 Assumption of Certain HH Liabilities.

(a) At the Closing, UP shall assume the liabilities and obligations arising on and after the Closing Date under the HH Assigned Contracts, but only to the extent that the HH Assigned Contracts remain unperformed or unfulfilled on, or by their terms continue after, the Closing Date (collectively, the "HH Assumed Liabilities").

(b) HH shall retain, and shall be responsible for paying, performing and discharging when due, and neither UConn nor any other UConn System Participant shall assume or have any responsibility for, any liabilities of any HHC System Participant as of the Closing, other than the HH Assumed Liabilities, including, without limitation:

(i) any liability which may have been incurred by reason of any breach of or default under the HH Assigned Contracts prior to the Closing;

(ii) any liability for any employee benefits payable to employees of any HHC System Participant, including, without limitation, liabilities arising under any retirement or welfare benefit plan;

(iii) any liability arising under any express or implied contractual obligation with any employees or contractors of any HHC System Participant;

(iv) any liability arising under any agreement with any third party payor, including any governmental payor or program and any managed care agreement, based upon or arising out of any claims for services rendered by any HHC System Participant prior to the Closing Date, including any liability under a settlement agreement or Order entered into on or after the Closing Date;

(v) any liability based upon or arising out of any tortious or wrongful actions of any HHC System Participant or any employee or contractor of any HHC System Participant; and

(vi) any liability based upon or arising out of an Environmental Condition occurring prior to the Closing Date.

Section 1.9 JDH and UMG Straddle Patients.

(a) The Parties agree that all inpatients who have been admitted to JDH prior to the Closing Date and who have not been discharged as of 11:59 p.m. on the day prior to the Closing Date ("Straddle Patients") shall be transferred by JDH to UH-FC as of 12:01 a.m. on the Closing Date.

(b) If any third party payor requires that it receive only one bill from either JDH or UH-FC (the "Billing Party") for inpatient services provided to a Straddle Patient by both JDH and UH-FC, then JDH or UH-FC, as applicable, shall provide the Billing Party with the appropriate information and documentation required to permit the Billing Party to submit a bill for all such inpatient services provided to the Straddle Patient, in accordance with the rules and regulations of such third party payor. Upon the Billing Party's receipt of payment from the third

party payor with respect to such inpatient services, the Billing Party shall: (i) retain as compensation for inpatient services provided by the Billing Party to such Straddle Patient an amount equal to the total payment received multiplied by a fraction, the numerator of which is the number of inpatient days of service provided by the Billing Party to such Straddle Patient at the Farmington Campus and the denominator of which is the total number of inpatient days of service provided to such Straddle Patient at the Farmington Campus; and (ii) pay to the other party that provided inpatient services to such Straddle Patient the balance of such payment, as compensation for inpatient services provided by such other party to such Straddle Patient.

(c) JDH shall be responsible for timely submitting bills and collecting accounts receivable with respect to all outpatient services, if any, that are provided to any patient by both JDH and UH-FC over a time interval that includes both pre-Closing and post-Closing periods (such as emergency room and observation services). Upon JDH's receipt of any payment with respect to any such outpatient services, JDH shall pay to UH-FC fifty percent (50%) of such payment as compensation for outpatient services provided by UH-FC to such patient, and shall retain the balance of such payment as compensation for outpatient services provided by JDH to such patient. UH-FC shall cause all employees of any UConn System Participant who become employed by UH-FC on or after the Closing Date, and who prior to the Closing Date performed clinical, coding or patient registration duties as employees of any UConn System Participant, to cooperate with JDH in the collection and processing of data necessary to permit JDH to submit the bills and collect the accounts receivable contemplated by this Section 1.9(c), without charge to JDH. This Section 1.9(c) shall not apply to any inpatient services that are provided to Straddle Patients.

(d) UMG shall be responsible for timely submitting bills and collecting accounts receivable with respect to all professional medical services, if any, that are provided to any patient by both UMG and UP over a time interval that constitutes a single patient visit but includes both pre-Closing and post-Closing periods (such as obstetrical services). Upon UMG's receipt of any payment with respect to any such outpatient services, UMG shall pay to UP fifty percent (50%) of such payment as compensation for outpatient services provided by UP to such patient, and shall retain the balance of such payment as compensation for outpatient services provided by UMG to such patient. UP shall cause all employees of UMG who become employed by UP on or after the Closing Date, and who prior to the Closing Date performed clinical, coding or patient registration duties as employees of UMG, to cooperate with UMG in the collection and processing of data necessary to permit UMG to submit the bills and collect the accounts receivable contemplated by this Section 1.9(d), without charge to UMG. This Section 1.9(d) shall not apply to any inpatient services that are provided to Straddle Patients.

(e) All payments required by this Section 1.9 to be made by UH-FC, JDH or UMG shall be made within ten (10) business days of UH-FC's, JDH's or UMG's (as the case may be) receipt of payment from the applicable third party payor or patient, and shall be accompanied by copies of remittances and other supporting documentation as reasonably required by the other party. In the event that UH-FC and JDH or UMG and UP, as the case may be, are unable to agree on any amount to be paid under this Section 1.9, then such amount shall be determined by a mutually acceptable independent certified public accounting firm, at the joint equal expense of UH-FC and JDH or UMG and UP, as the case may be. In the event of a dispute relating to this

Section 1.9, either Party shall have the right, at its cost, to audit the payments received by the other Party or any of its Affiliates.

Section 1.10 Purchased Services. UH-FC and UP shall purchase certain services from UConn involving additional employees of the State through UConn, as provided in the Purchased Services Agreement. All such employees shall remain as members of their respective State-wide bargaining units.

Section 1.11 Names. Neither Party shall have the right to use the name, logo, trademark or other proprietary designation of the other Party or any of its Affiliates without the prior written agreement of the other Party; provided, however, that this prohibition shall not apply to the use of the name of the other Party to accurately describe the Integration, so long as such description is not being used to promote business or activities of the other Party unrelated to the Integration.

Section 1.12 Certain Other Hospital Relationships. Nothing contained in this Agreement shall be construed to preclude UH from entering into clinical joint ventures or programs with other hospitals or health systems, consistent with the other terms herein.

## ARTICLE II GOVERNANCE OF SYSTEM PARTICIPANTS

Section 2.1 HHC. Through a series of reserved powers sets forth in the Corporate Documents of HHC, UH, HH (to change its name to UH-HC), UH-FC and UP (collectively, the "HHC System Participants"), HHC shall serve as the entity that controls the strategic direction, capital and operating budgets, planning and resource allocation of and among the HHC System Participants. HHC's planning process shall involve the leadership of UH, UP and UConn. UConn's President and an appointee of UConn reasonably acceptable to HHC shall serve as *ex officio* members of HHC's Board of Directors with vote, and shall have certain approval rights as set forth in the Amended HHC Bylaws. For the first three (3) years following the Closing, the Dean of the SOM shall serve as UConn's appointee as an *ex officio* member of the HHC's Board of Directors. Thereafter, the Parties will consider whether to reappoint the Dean of the SOM to another term or to appoint a replacement *ex officio* member. HHC shall, and shall cause the other HHC System Participants to, comply with the terms of this Agreement.

Section 2.2 UConn. UConn shall, and shall cause UCHC, UMG, the SOM, the SODM and UP (collectively, the "UConn System Participants") to, comply with the terms of this Agreement. HHC's President & CEO and an appointee of HHC reasonably acceptable to UConn shall serve as *ex officio* members of UCHC's Board of Trustees with vote, and shall have certain approval rights as set forth in the UCHC Bylaws.

### Section 2.3 UH.

(a) UH shall serve as the academic medical center hub of HHC and as a vehicle to advance the concept of a single academic medical center on the Farmington Campus and the Hartford Campus. UH shall unify the culture, medical staffs, quality and performance of both campuses. UH's and the SOM's management teams shall hold regular meetings together to review programs and plans for UH.

(b) The President & CEO of HHC and an appointee of HHC, and the President of UConn and the Dean of the SOM, shall serve as *ex officio* members of UH's Board of Directors with vote.

(c) Subject to HHC's reserved powers, UH shall have certain delegated powers as set forth in the UH Bylaws, including strategic planning and service delivery by UH-HC and UH-FC. In addition, UConn shall have certain reserved powers requiring the approval of UConn's *ex officio* members of UH's Board of Directors, as set forth in the UH Bylaws.

(d) UH shall have a series of reserved powers over UH-HC and UH-FC. In exercising the following reserved powers over UH-HC and UH-FC, the agreement of the President of UH and/or the Dean of the SOM shall be required; and such reserved powers exist for the purposes of delineating final authority when there is an inability by the President of UH and the Dean of the SOM to achieve consensus following appropriate consultation and despite a good faith effort to do so:

(i) The President of UH shall have the power and authority to appoint and discharge any physician who will be or is (A) the clinical chair or clinical division chief of a clinical department or clinical program of UH-HC or UH-FC, or (B) the medical director of a clinical service or the program director of a clinical program of UH-HC or UH-FC, in each case following consultation with the applicable clinical chair. For purposes of clause (B) above, clinical program directors shall include persons who have broad financial and administrative authority and responsibility for directing a particular clinical program, but do not have concomitant broad academic authority and responsibility in connection with such program.

(ii) If a clinical program director has both broad financial and administrative authority and responsibility and broad academic authority and responsibility in connection with a particular clinical program, the President of UH and the Dean of the SOM shall jointly appoint such person; however, the President of UH may cause such person to be discharged from the clinical program financial and administrative authority and responsibility, or the Dean of the SOM may cause such person to be discharged from the academic authority and responsibility, if they cannot otherwise agree on whether to discharge such person from both authorities and responsibilities following appropriate consultation with each other and despite a good faith effort to do so.

(iii) The Dean of the SOM, in his capacity as such, has the power and authority to appoint and discharge any physician who will be or is the academic department chair or academic division chief of a clinical department or clinical division of UH-HC and UH-FC.

Section 2.4 UH-HC (Hartford Campus). UH-HC shall own the Hartford Campus and shall hold all Permits to operate the facility on the Hartford Campus. The Board of Directors of UH-HC shall be responsible for ensuring that UH-HC complies with all applicable Legal Requirements for operating the Hartford Campus.

Section 2.5 UH-FC (Farmington Campus). UH-FC shall lease the Farmington Campus from UConn (for a nominal fee) pursuant to the Master Lease Agreement and shall hold all Permits to operate the facility on the Farmington Campus. The Board of Directors of UH-FC

shall be responsible for ensuring that UH-FC complies with all applicable Legal Requirements for operating the Farmington Campus.

Section 2.6 UP.

(a) UP shall be a newly formed Connecticut nonstock corporation with UH and UConn (acting through its SOM) as its two members. UP shall serve as a multi-specialty faculty practice plan serving the Hartford Campus and the Farmington Campus and serving the SOM pursuant to the Clinical Teaching Agreement and the Clinical Research Agreement.

(b) The Corporate Documents of UP shall provide as follows:

(i) The President & CEO of UH and the Dean of the SOM shall serve as *ex officio* members of UP's Board of Directors with vote.

(ii) The President & CEO of UH and the Dean of the SOM (or their respective designees), representing the two members of UP, shall work together in a collaborative manner and in good faith to reach shared decisions and agreement regarding all key aspects of UP's activities and operations.

(iii) The President & CEO of UH and the Dean of the SOM (representing the two members of UP) shall jointly appoint the President (or other chief executive officer) of UP; and either of them may cause such individual to be discharged from such appointment if they cannot otherwise agree on whether to discharge such individual following appropriate consultation with each other and despite a good faith effort to do so.

(iv) In order to reflect the understanding of the Parties regarding the ultimate allocation of economic risks, responsibilities and authorities between the two members of UP, each member shall be allocated certain limited reserved powers as described in the UP Certificate, the UP Bylaws and such other Corporate Documents as applicable. Such limited reserved powers shall be exercised by the President & CEO of UH (on behalf of UH) and by the Dean of the SOM (on behalf of the SOM) in their capacities as directors of UP, and exist for the purposes of delineating final authority when there is an inability by the President & CEO of UH and the Dean of the SOM to achieve consensus.

(v) The President & CEO of UH shall have final authority, as a director of UP, following appropriate consultation and collaboration with the Dean of the SOM, to: (A) determine the clinical priorities and capacity requirements of the Employed Clinical Faculty, (B) establish the clinical care productivity standards and compensation plans and models for the Employed Clinical Faculty, (C) contract with third party payors for the professional clinical services of the Employed Clinical Faculty, establish fees, and bill and collect for all such professional clinical services, (D) control the costs of operating UP and its provider-based clinics, (E) contract for purchased administrative services, such as medical directors, (F) establish clinical care operating and quality standards, and (G) establish and approve operating and capital budgets for UP.

(vi) The Dean of the SOM shall have final authority, as a director of UP, and following appropriate consultation and collaboration with the President & CEO of UH,

to: (A) determine the educational and research priorities of the Employed Clinical Faculty, (B) grant academic appointments to the Employed Clinical Faculty and Voluntary Physicians, (C) establish the clinical education and research productivity standards and compensation plans and models for the Employed Clinical Faculty, (D) contract with third parties for clinical research, and (E) establish educational and research operating and quality standards.

(vii) The Parties agree to work together in a collaborative manner and in good faith to reach agreement regarding all key aspects of UP's activities and operations. If a disagreement arises between the President & CEO of UH and the Dean of the SOM regarding any matter that causes either of them to consider the exercise of any reserved power, before such reserved power is exercised, the President & CEO of UH and the Dean of the School of Medicine shall first meet with the Chair and Vice Chair of the HHC Board and the Board Chair and the President of UConn in an attempt to resolve such disagreement.

(c) The dual member/dual employment model for UP and the Employed Clinical Faculty shall require collaboration, shared decision-making and agreement between the SOM and UH (the two members of UP), acting through the Dean of the SOM and the President & CEO of UH (or their respective designees) on the recruitment, hiring, reappointment, allocation of effort among the academic, clinical and research missions, overall compensation and benefits, as well as the funding sources for each Employed Clinical Faculty member.

(d) The relative duties (academic, clinical and research) and compensation and benefits for each Employed Clinical Faculty member shall be set forth in an initial employment agreement in the form of Exhibit BB attached hereto (each, a "Provider Employment Agreement"). Except as set forth in the following sentence, (i) each Provider Employment Agreement shall have three parties: the Employed Clinical Faculty member, the SOM and UP; and (ii) each member of the Employed Clinical Faculty shall have dual employment: by the SOM for the clinical teaching and clinical research missions, and by UP for the clinical care mission. The professional medical services of those Employed Clinical Faculty members who are employed by the SOM on the Closing Date and who elect to remain exclusively employed by the SOM following the Closing Date shall be provided to UP by the SOM pursuant to the Faculty Provider Services Agreement, and such Employed Clinical Faculty members shall not have dual employment.

(e) The President & CEO of UH and the Dean of the SOM (or their respective designees), with appropriate consultation with the applicable service chief (and the academic chairperson, if such individual is not the applicable service chief), shall on an annual basis assess each Employed Clinical Faculty member's performance and/or allocation of effort and/or level of compensation, and shall reestablish expectations regarding such performance and/or allocation of effort and/or level of compensation as they deem appropriate. If following this annual review and appropriate consultation with the applicable service chief, the President & CEO and the Dean are unable to agree on the reappointment and/or allocation of effort and/or level of compensation of any Employed Clinical Faculty member despite their good faith efforts to do so, then:

(i) The President & CEO of UH and the Dean of the SOM shall each indicate to the other the allocation of effort and level of compensation that UH and the SOM, respectively, is willing to support.

(ii) The President & CEO of UH shall then have a final opportunity (but not the obligation) to adjust the clinical allocation of effort and compensation, and the Dean of the SOM shall then have a final opportunity (but not the obligation) to adjust the academic and research allocation of effort and compensation of such Employed Clinical Faculty member.

(iii) If as a result of any such adjustments, the Employed Clinical Faculty member's aggregate allocation of effort and aggregate total level of compensation each equal 100%, inclusive of circumstances where the total allocation of effort and level of compensation is entirely supported by either UH or the SOM, such Employed Clinical Faculty member shall be reappointed with the new allocation of effort and level of compensation.

(iv) If as a result of the foregoing process, the Employed Clinical Faculty member's aggregate allocation of effort and aggregate level of compensation do not each equal 100%, such Employed Clinical Faculty member shall not be reappointed (unless the President & CEO of UH and the Dean of the SOM otherwise agree to reappointment and mutually agree to the conditions of such reappointment), and the Dean of the SOM (or the Dean's designee) shall inform such Employed Clinical Faculty member of such decision.

(f) The Parties agree that they shall cause the Medical Staff Bylaws and the Bylaws of UConn and the SOM, respectively, to accommodate Employed Clinical Faculty members and Voluntary Physicians substantially all of whose allocation of effort and level of compensation are attributable either to the clinical mission on the one hand, or to the academic and/or research mission on the other hand; provided, however, that (i) the Bylaws of UConn and the SOM shall include at least one category of faculty appointment that requires a minimum commitment to teaching and other academic activities, and (ii) the Medical Staff Bylaws shall provide that the hospital resources of UH-HC and UH-FC shall be made available to Employed Clinical Faculty whose allocation of effort and level of compensation is wholly or predominantly supported by the SOM. The Parties further agree that they shall cause UP to make its billing and collection services available, in consideration for a fair market value billing fee, to Employed Clinical Faculty whose allocation of effort and level of compensation is wholly or predominantly supported by the SOM.

### ARTICLE III INTEGRATION OF ACADEMIC MISSION

Section 3.1 Operation of UH as an Academic Medical Center. UH shall operate as an academic medical center pursuant to the Clinical Teaching Agreement and the Clinical Research Agreement. In this regard, UH shall constitute UConn's and the SOM's principal partner for clinical care, clinical teaching and clinical research activities of the combined Employed Clinical Faculty and Voluntary Physicians who receive SOM faculty appointments. UH's status as an academic medical center shall be further reinforced by the dual member/dual employment model established for the Employed Clinical Faculty through the SOM and UP. The entire medical staff of UH shall be required to have a faculty appointment from the SOM, either as an

Employed Clinical Faculty member or a Voluntary Physician faculty member. On the Closing Date, UConn shall cause the SOM to amend and restate the SOM Bylaws in the form of Exhibit CC attached hereto (the "SOM Bylaws").

Section 3.2 Educational Vision and Plan. The Parties and their Affiliates shall support the goal to advance the educational ranking of the SOM and SODM through the expansion and enhancement of undergraduate and graduate medical educational programs at UH and other HHC System Participants. UH shall function as the primary teaching hospital for the SOM and SODM by supporting programs aimed at the discovery of new scientific knowledge and excellence in patient care while also respecting the status of the SOM, SODM and UConn as valued State resources dedicated to meeting the health care needs of State residents by providing quality clinical care, as well as broad based education and training for future physicians, dentists and other members of the health care workforce.

Section 3.3 Connecticut Health Education and Research Collaborative. UConn and its teaching hospital affiliates shall collaborate to advance medical education and research in the State through the Connecticut Health Education and Research Collaborative ("CHERC") made up of the following members: Bristol Hospital, Connecticut Children's Medical Center ("CCMC"), The Hospital of Central Connecticut, Saint Francis Hospital and Medical Center, UH, UH-HC and UH-FC and such other hospitals as may become participants in CHERC. CHERC shall (i) support the educational and research missions of all of its members by expanding their interaction with medical and dental students, interns and residents, and enhancing their access to emerging science with a systematic transfer of state-of-the-art knowledge to the collaborating hospitals; (ii) support UConn's efforts to secure a Clinical and Translational Science Award ("CTSA") through the NIH for purposes of funding the Connecticut Institute for Clinical and Translational Science ("CICATS") consortium and expanding and deepening biomedical research in the region; and (iii) support public health initiatives that enhance the health status of the State's residents by using research to develop and disseminate new and successful models of care, with a focus on underserved populations.

#### ARTICLE IV INTEGRATION OF CLINICAL MISSION

Section 4.1 Farmington Campus Facility. On the Closing Date, UConn and UH-FC shall enter into the Master Lease Agreement, pursuant to which UH-FC shall lease the JDH Facility for use as UH's Farmington Campus, for a nominal fee.

Section 4.2 Farmington Campus Replacement Facility and Related Improvements.

(a) The Parties shall cooperate to obtain State funding for the development and construction of a 250-bed replacement hospital (the "Replacement Hospital") on the Farmington Campus in the manner described in Section 6.4. UH-FC shall obtain the right to use and operate the Replacement Hospital for a nominal annual fee through a second Master Lease Agreement (the "Second Master Lease Agreement"), substantially in the form attached hereto as Exhibit DD. Once the Replacement Hospital is operational, the Master Lease Agreement for the JDH Facility shall be terminated according to its terms.

(b) The Parties agree that development and construction of the Replacement Hospital will be governed by the Special Legislation (as defined below) and the Project Funding and Development Agreement, pursuant to which UConn, acting through a Replacement Hospital project team (the "Project Team"), will have the authority and responsibility to undertake development and construction of the Replacement Hospital, including without limitation, to:

- (i) Determining the Replacement Hospital site;
- (ii) Selecting and engaging architects, engineers and other professionals for the Replacement Hospital; and
- (iii) Planning, designing, developing, constructing, furnishing and equipping the Replacement Hospital.

(c) The Project Team shall consist of three (3) designees of the President of HHC, one (1) designee of the President of UConn, one (1) designee of the Dean of the SOM and one (1) designee of the Secretary of the Office of Policy and Management of the State. The Project Team shall act by majority vote of all of its members. In the event of a tie vote, the dispute resolution provisions set forth in Article XV shall apply; provided, however, that the President of UH shall have the ultimate authority in the event of a tie vote to (i) select or replace the architect or the project manager for the Replacement Hospital, and (ii) approve the design, plans and specifications (including equipment) of the Replacement Hospital.

(d) The Parties agree to use their commercially reasonable best efforts to develop a mutually acceptable business plan on or before the Closing Date relating to the development and construction of a multi-purpose building (the "Multi-Purpose Building") on the Farmington Campus to be used by UH-FC and UP for a variety of clinically related purposes. None of the Bond proceeds or other State funds shall be used for purposes of developing or constructing the Multi-Purpose Building.

Section 4.3 Hartford Campus Faculty. On the Closing Date, the name "Hartford Hospital" shall be changed to "University Hospital-Hartford Campus" and UH shall become the sole member of UH-HC. UH-HC shall own and operate the facility which shall serve as UH's Hartford Campus.

Section 4.4 Clinical Faculty. On the Closing Date, the Employed Clinical Faculty of UP shall consist of the clinical faculty then employed by HH and the SOM, each of whom (except for the Employed Clinical Faculty members whose services are provided to UP by the SOM) shall enter into a three-party Provider Employment Agreement among such Employed Clinical Faculty member, UP and the SOM. All Employed Clinical Faculty who are first hired after the Closing Date shall be similarly employed by both UP and the SOM and shall also enter into a similar three-party Provider Employment Agreement. The Voluntary Physicians shall not be employees of either UP or the SOM, but shall be engaged by the SOM and/or UH-HC and/or UH-FC to provide clinical teaching services and other related services at UH, as appropriate.

Section 4.5 Medical Staff Matters. The medical staff of UH-HC and UH-FC shall have uniform credentialing requirements and Medical Staff Bylaws. The medical staff of UH-HC and UH-FC shall consist of the Employed Clinical Faculty and the Voluntary Physicians,

each of whom shall have a faculty appointment at the SOM and reciprocal medical staff privileges at UH-HC and UH-FC. The granting or withholding of such a faculty appointment shall be at the reasonable discretion of the Dean of the SOM in keeping with the UConn Bylaws and SOM Bylaws.

Section 4.6 Leadership of Clinical Departments.

(a) The Dean of the SOM and the President & CEO of UH, acting through the UConn Bylaws, the SOM Bylaws, the applicable Corporate Documents, as well as the medical staff structure and Medical Staff Bylaws of UH-HC and UH-FC, shall jointly appoint academic chairpersons of clinical departments of the SOM as well as the service chiefs of clinical departments at UH-HC and UH-FC; however, either of them may cause any of such individuals to be discharged from such appointments if they cannot otherwise agree on whether to discharge any such individual following appropriate consultation with each other and despite their good faith efforts to do so. Absent special circumstances, the academic chairperson for each clinical department within the SOM and the service chief of UH-HC and UH-FC in the corresponding clinical department shall be the same individual. Such individuals may include Voluntary Physicians, in appropriate circumstances.

(b) The Dean of the SOM and the President & CEO of UH, acting through the UConn Bylaws, the SOM Bylaws, the applicable Corporate Documents, as well as the medical staff structure and Medical Staff Bylaws of UH-HC and UH-FC, and following appropriate consultation with the applicable service chief, shall jointly appoint the academic division chairs of clinical departments of the SOM and division chiefs of clinical departments of UH-HC and UH-FC; however, either of them may cause any of such individuals to be discharged from such appointments if they cannot otherwise agree on whether to discharge any such individual following appropriate consultation with each other and with the applicable service chief and despite their good faith efforts to do so. Such individuals may include Voluntary Physicians, in appropriate circumstances.

Section 4.7 Teaching Services. The Employed Clinical Faculty and the Voluntary Physicians shall provide teaching services for medical students, residents, interns and fellows at UH, pursuant to the Clinical Teaching Agreement and the UConn and SOM Bylaws.

Section 4.8 SODM Clinical Programs. The SODM shall remain an important component of UCHC and an essential part of UCHC's mission of producing the health care workforce for the State. UH-FC shall continue to serve as the primary hospital site for the clinical education of SODM students and residents. The operations of UH-FC shall continue to include the SODM's ambulatory clinics. Funding for SODM residency positions shall continue to be generated through the clinics, and the SODM shall continue to maintain management responsibilities for operations of the clinics consistent with applicable accreditation requirements as set forth in the SODM Agreement attached hereto as Exhibit EE.

ARTICLE V  
INTEGRATION OF RESEARCH MISSION

Section 5.1 CICATS. UConn shall continue to control and operate the CICATS research consortium following the Closing Date. On the Closing Date, the clinical research activities of UH, UH-HC and UH-FC and of the Employed Clinical Faculty shall be combined within CICATS and/or the SOM. The SOM shall use its commercially reasonable best efforts to achieve a CTSA with the support and collaboration of UH, UH-HC, UH-FC and the other regional hospitals, state agencies, and community health care organizations affiliating with UConn in CICATS.

Section 5.2 UHSOM Ventures. The Parties agree to negotiate in good faith on the basis for organizing and funding UHSOM Ventures as a joint venture to be established by UH and UConn, acting through its SOM. HHC agrees to set aside \$25,000,000 for UHSOM Ventures. The Parties agree to use their commercially reasonable best efforts to raise additional funds from third parties to adequately capitalize UHSOM Ventures. UHSOM Ventures shall act as a vehicle to complete the transfer and exploitation of technology arising out of certain SOM research activities, with the goal of producing a reasonable rate of return for the participants. The Parties further agree to use their commercially reasonable best efforts to develop a mutually agreed upon business plan on or before the Closing Date for organizing and funding UHSOM Ventures after the Closing Date.

ARTICLE VI  
FINANCIAL MATTERS

Section 6.1 Academic Mission Support.

(a) For each of the first five (5) fiscal years, commencing with the fiscal year beginning October 1, 2009 and ending with the fiscal year ending on September 30, 2014, HHC shall provide to the SOM funds to support the academic mission of the SOM, to be spent to support the academic mission as determined by UConn, in its sole discretion, equal to \$7,000,000 per fiscal year, or \$35,000,000 in total. Payments required under this paragraph shall be made in equal quarterly installments on October 1, January 1, April 1 and July 1 of each year.

(b) For each of the fiscal years thereafter during the term of this Agreement, commencing with the fiscal year beginning October 1, 2014, HHC shall cause UH to provide to the SOM funds to support the academic mission of the SOM, to be spent to support the academic mission as determined by UConn, in its sole discretion, in an amount equal to twenty percent (20%) of the consolidated operating margin of UH and its subsidiaries, including UH-HC, UH-FC and UP, per fiscal year, up to a four percent (4%) operating margin per fiscal year (i.e., amounts in excess of a four percent (4%) net operating margin in any fiscal year shall not be included in such calculation), but in no event less than \$3,000,000 per fiscal year. The minimum academic support payment of \$3,000,000 per fiscal year shall be increased as of October 1 of each fiscal year, commencing on October 1, 2014, by the percentage increase over the preceding fiscal year in the Consumer Price Index for all urban consumers, U.S. city average for all items (the "CPI"). For purposes of calculating the consolidated operating margin of UH and its subsidiaries, including UH-HC, UH-FC and UP, the amounts payable by UH to the SOM

pursuant to this Section 6.1(b) shall not be included in the operating expenses of UH. Except as set forth in the preceding sentence, the consolidated operating margin of UH and its subsidiaries, including UH-HC, UH-FC and UP, shall be determined using generally accepted accounting principles, consistently applied, normalized for the effect of extraordinary items, including the unusual receipt of one-time items (e.g., favorable cost reports). The minimum payments required to be made under this paragraph shall be made in equal quarterly installments as provided in paragraph (a) above, and any additional amounts owing based on the calculation of the consolidated operating margin of UH and its subsidiaries shall be made in a lump sum no later than sixty (60) days following the close of UH's fiscal year.

Section 6.2 Medical Directorships. No later than the fiscal year beginning October 1, 2014, and each fiscal year thereafter during the term of this Agreement, HHC shall cause UH to provide to UP no less than \$2,000,000 per fiscal year in clinical faculty funding for medical directorships and other similar physician leadership compensation ("Medical Directorship Funding"). For purposes of calculating the required \$2,000,000 in funding, Medical Directorship Funding shall not include (a) the amount provided to UP employed faculty as of the Closing Date for medical directorships and other similar physician leadership compensation (which amount shall be agreed to in writing by the Parties on the Closing Date), but shall include (b) the funding for medical directorships of Voluntary Physicians who become employed by UP after the Closing Date, provided that such funding for medical directorships and other similar physician leadership compensation continues to be provided to UP and its Employed Clinical Faculty upon any termination of employment with UP of such Voluntary Physicians. Payments required to be made under this paragraph shall be made quarterly in equal installments as provided in paragraph (a) above.

Section 6.3 Clinical Mission Support. HHC agrees to cause UH, UH-HC and UH-FC to allocate not less than fifty percent (50%) of all funds to be expended annually by UH, UH-HC and UH-FC for the recruitment of clinical faculty to be provided to UP for the recruitment of Employed Clinical Faculty members by UP. Such funds shall be used by UP in accordance with a clinical faculty recruitment plan to be developed and mutually agreed upon by UH and UP on an annual basis. The Parties agree to determine, in writing, on or before the Closing Date, the funding amount allocated to UP for faculty recruitment for the first full fiscal year of the term of this Agreement.

Section 6.4 Research Mission Support. HHC agrees to set aside \$25,000,000 for UHSOM Ventures as described in Section 5.2 above, which amount is expected to be supplemented with investments from other sources. In addition, at the Closing, HHC will cause UH, UH-HC and UH-FC to transfer to the SOM the administration of the clinical research programs and contracts for clinical research that is conducted at their facilities, including the right to receive the revenues and the responsibility to pay the expenses associated with the administration of such clinical research programs and contracts. The Parties further agree to develop a mutually agreed upon plan on or before the Closing Date for transferring and administering the clinical research programs and contracts for clinical research after the Closing Date.

Section 6.5 State Financing of Farmington Campus Replacement Facility. The Parties agree to request that the Special Legislation provide that:

(a) The State finance the Replacement Hospital through the issuance of \$475 million of State bonds (the "Bonds"), of which \$14 million will be issued effective July 1, 2009, \$14 million effective July 1, 2010 and \$447 million effective July 1, 2011, and that the Bonds be general obligations of the State, or such other form of Bonds as may be appropriate, in either case with the full faith and credit of the State pledged for the payment of principal and interest on the Bonds; and

(b) The foregoing obligations of the State be reflected in the Project Funding and Development Agreement.

Section 6.6 State Financial Assistance. The Parties agree to request that the Special Legislation provide:

(a) The State pay the differential, calculated as provided in the State Funding and Support Agreement, between the benefit costs attributable to state employees working for UH-FC and UP pursuant to the Support Staff Agreement, and the market rate costs in the private sector for similar positions;

(b) The State continue to grant funds to support the operations of the SOM at a level sufficient to cover its operating costs at levels no less than the funding amount provided for the fiscal year ending June 30, 2009, adjusted each fiscal year thereafter by an inflationary factor equal to the CPI; and

(c) The foregoing obligations of the State be reflected in the State Funding and Support Agreement.

Section 6.7 Indebtedness and Obligations. Unless otherwise expressly provided in this Agreement, its Exhibits or Schedules, nothing in this Agreement is intended to constitute an actual or implied assumption by either Party or any of its System Participants of the indebtedness or obligations of the other Party or any of the other Party's System Participants, other than the Assumed Liabilities; and all indebtedness and obligations of each Party and its System Participants to third parties, other than the Assumed Liabilities, shall remain the indebtedness and obligations of the Party and its System Participants that were indebted or obligated with respect thereto prior to the Closing Date.

Section 6.8 Fundraising. The Parties agree to coordinate and cooperate in any fundraising campaigns and activities related to the System Participants under their respective control. The Parties further agree to develop a set of mutually agreed upon fundraising principles on or before the Closing Date that will guide the fundraising campaigns and activities of UH (including UH-FC and UH-HC), UP and the SOM after Closing Date.

## ARTICLE VII EMPLOYEE MATTERS

Section 7.1 Employment of Clinical Faculty. The Employed Clinical Faculty are, or shall become, employees of the State in the SOM for their clinical teaching and clinical research missions. The Employed Clinical Faculty shall become employed by UP for their clinical care mission, except for those Employed Clinical Faculty members who elect to remain exclusively

employees of the State in the SOM and whose services are provided to UP by the SOM pursuant to the Faculty Provider Services Agreement.

Section 7.2 Employment of Support Staff. The support staff whose services are provided to UH-FC and UP pursuant to the Support Staff Agreement are employees of the State through UConn. As provided in the Support Staff Agreement, this support staff is divided into three categories, each of which shall be treated as follows:

(a) First, there are staff managers who are not members of any union and who may elect, as of the Closing Date, either to remain as employees of the State or to change their status as State employees and become employed directly by UH-FC or UP. All new staff managers on the Farmington Campus who are hired after the Closing Date shall be employed directly by UH-FC or UP and shall not be employees of the State.

(b) Second, there are staff supervisors and professional employees who are members of the local University Health Professions ("UHP") bargaining unit and who, from and after the Closing Date, shall remain as employees of the State. Such individuals shall also remain as members of the local UHP bargaining unit, including new hires in the same job classifications, except that from and after the Closing Date, the bargaining with those UHP represented State employees working on parts of the Farmington Campus operated by UH-FC and UP shall be conducted separately from bargaining with those UHP represented State employees not working on parts of the Farmington Campus operated by UH-FC and UP. Subject to the terms of the Support Staff Agreement, UH-FC and UP shall have appropriate participation and/or input in the negotiations with the local bargaining unit for the UHP represented State employees working on parts of the Farmington Campus which they operate.

(c) Third, there are the members of the State-wide bargaining units, consisting of the medical support employees, who are members of the State-wide 1199 unit, and the staff support employees, who are members of the State-wide CEUI and AFSCME units; all of whom, from and after the Closing Date, shall remain as employees of the State. Such individuals also remain as members of their respective State-wide bargaining units, including new hires in the same job classifications, except that from and after the Closing Date all "work-rule issues" shall be separately bargained by UCHC on a local basis for all members working at parts of the Farmington Campus operated by UH-FC and UP. For purposes hereof, the term "work-rule issues" shall mean all issues except for insurance benefits, retirement benefits, wage rates, overtime and other premium pay rates, shift and other wage differentials, paid time-off allowances, and similar economic benefits. Subject to the terms of the Support Staff Agreement, UH-FC and UP shall have appropriate participation and/or input in the negotiations of such work-rule issues.

Section 7.3 Union Matters. In the event that a court or an administrative agency determines that federal labor law applies with respect to any of the employees who are or who become members of any of the bargaining units referenced in Section 7.2 above, the Parties agree, pursuant to the terms of the Support Staff Agreement, to cause UH-FC and/or UP to recognize such employees' then current collective bargaining agent(s) as the exclusive representative(s) of the same employees in the same bargaining unit(s) under the National Labor Relations Act, to assume any then current collective bargaining agreement with respect to such

employees, and to offer such employees, by contract, the same rights and benefits that apply under and are conferred by the State Employees Relations Act, including binding interest arbitration in lieu of the right to strike and union representation of supervisory positions that are then represented by a collective bargaining agent. To the extent permitted by law, such employees shall continue to participate in State employee benefit plans.

## ARTICLE VIII STATE LEGISLATION

Section 8.1 Special Legislation. The Parties agree to request that the State enact special legislation (the "Special Legislation") dealing with the matters described in this Agreement, including, without limitation, the commitment of the State to (a) provide the funding for the Replacement Hospital through the issuance of the Bonds, (b) enter into the Project Funding and Development Agreement relating to the Replacement Hospital, (c) enter into the State Funding and Support Agreement relating to the State employee benefits differential costs and the annual grant of funds to support the operations of the SOM, and (d) establish inpatient and outpatient hospital and ambulatory surgery services rates for UH-FC that are, at a minimum, equal to the rates received by JDH as of the Closing, and to use their respective commercially reasonable best efforts to have the Special Legislation enacted during the 2009 legislative session ending prior to the Closing Date.

## ARTICLE IX REPRESENTATIONS AND WARRANTIES

Section 9.1 Representations and Warranties of HHC. Except as set forth in the disclosure schedule of HHC dated the Effective Date (the "HHC Disclosure Schedule") (it being understood that any matter disclosed in any section or subsection of the HHC Disclosure Schedule is deemed to be disclosed in any other section or subsection of the HHC Disclosure Schedule only to the extent that it is reasonably apparent from such disclosure that such disclosure is applicable to such other section or subsection), HHC hereby represents and warrants to UConn that as of the Effective Date (unless such statement expressly relates to an earlier date):

(a) Authority for Agreement. HHC's execution and delivery of this Agreement, and the performance of this Agreement and the consummation of the Transactions by each HHC System Participant, have been duly authorized by all necessary corporate action.

(b) Validity and Enforceability. HHC has duly executed and delivered this Agreement and, assuming due execution and delivery by UConn, this Agreement constitutes HHC's valid and binding obligation, enforceable in accordance with its terms, except as enforcement hereof may be limited by liquidation, conservatorship, bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally from time to time in effect and except that equitable remedies are subject to judicial discretion.

(c) No Conflicts. HHC's execution and delivery of, and the HHC System Participants' performance of the Transactions and compliance with the provisions of, this

Agreement will not violate and will not conflict with or result in any breach of the terms, conditions or provisions of, or constitute a default under, or require a consent or waiver under, the Corporate Documents of the HHC System Participants or any material indenture, lease, agreement or other instrument to which any of the HHC System Participants is a party, or by which it or any of its properties is bound, or any Legal Requirement or Order applicable to it.

(d) Organization and Standing. Each of the HHC System Participants is (or, as applicable, will be as of the Closing Date), a nonstock corporation duly organized and validly existing under State law, and has (or, as applicable, will have as of the Closing Date) full corporate power and authority to conduct its business as presently conducted and to own and operate the properties and assets it now owns or operates (or, as applicable, will own or operate as of the Closing Date). Each of the HHC System Participants is (or, as applicable, will be as of the Closing Date) duly qualified to do business and is (or, as applicable, will be) duly licensed in each jurisdiction in which the conduct of its business or the ownership of its properties require such qualification or license.

(e) Tax Status. Each of the HHC System Participants is (or, as applicable, will be as soon as practicable after the Closing Date) exempt from federal income taxation as an organization described in Section 501(c)(3) of the Code and is not (or, as applicable, will not be) a "private foundation" as defined in Section 509(a) of the Code, and has made (or, as applicable, will make as soon as practicable after the Closing Date) all applicable filings required in connection with such status.

(f) Financial Statements. HHC has previously delivered to UConn true and correct copies of the audited financial statements of the HHC System Participants in existence on the Effective Date (either separate or consolidated) for the most recent full fiscal year of each such HHC System Participant, and the most recent currently available unaudited financial statements of such HHC System Participants (either separate or consolidated) (collectively, the "HHC Financial Statements"). The HHC Financial Statements are complete, true and correct in all material respects, present fairly and accurately such HHC System Participants' financial position and the results of their operations at the dates of and for the periods indicated, and have been prepared in conformity with GAAP, subject to the absence of footnotes in any unaudited HHC Financial Statements and subject to normal year-end audit adjustments, which in the aggregate will not be material. From and after the respective dates of the unaudited HHC Financial Statements, the applicable HHC System Participant has not made any material change in its accounting methods or practices. No HHC System Participant has any material liabilities or obligations whatsoever, either accrued, absolute, contingent or otherwise, which are not reflected or provided for on the HHC Financial Statements.

(g) Interim Changes. Since the last day of each HHC System Participant's most recent full fiscal year, there has not been:

(i) Any material change in its financial condition, assets, liabilities, personnel, properties or results of operation of its businesses that has had or could reasonably be expected to have, in the aggregate, a Material Adverse Effect on the HHC System Participants taken as a whole;

(ii) Any damage, destruction or loss to its assets, properties or businesses, whether or not covered by insurance, that has had or could reasonably be expected to have, in the aggregate, a Material Adverse Effect on the HHC System Participants taken as a whole;

(iii) Any disposition by it of any property, rights or other assets owned by it or employed in its businesses, except for the disposition of property, rights or other assets in the usual and ordinary course of its businesses that have had or could reasonably be expected to have, in the aggregate, a Material Adverse Effect on the HHC System Participants taken as a whole; or

(iv) Any amendment or termination of any material contract or other agreement to which it is a party or by which it is bound that has had or could reasonably be expected to have, in the aggregate, a Material Adverse Effect on the HHC System Participants taken as a whole.

(h) Licenses and Permits. Each HHC System Participant holds (or, as applicable, will hold as of the Closing Date) all Permits, accreditations and other approvals that are necessary in order to enable it to own, occupy and lease its properties and assets and to conduct and operate its businesses (the "HHC Licenses and Permits"). No HHC System Participant is in default in any material respect under any of the HHC Licenses and Permits, and all of the HHC Licenses and Permits are in full force and effect. No notice from any Governmental Body in respect of the revocation, termination, suspension or limitation of any HHC License or Permit has been issued or given to the holder of such HHC License or Permit, nor is HHC aware of the proposed or threatened issuance of any such notice. To HHC's Knowledge, there is no basis for any such action that could have a Material Adverse Effect upon any HHC System Participant.

(i) Compliance With Law. To HHC's Knowledge, no HHC System Participant is in violation of any Legal Requirement or Order of any Governmental Body (including, without limitation, legislation and regulations applicable to environmental protection, civil rights and public and occupational health and safety), except where such violation would not reasonably be expected to have a Material Adverse Effect on the HHC System Participants taken as a whole; nor has any HHC System Participant received any actual notice of noncompliance with respect thereto from any such Governmental Body.

(j) Properties and Assets. Except as set forth on Schedule 9.1(j), (i) each HHC System Participant owns all material properties and assets necessary to conduct its businesses as currently conducted; (ii) each HHC System Participant has good and marketable title to all of such properties and assets; and (iii) all of such properties and assets are free and clear of all material Encumbrances of any nature whatsoever except as may be set forth in the HHC Financial Statements or as set forth on Schedule 9.1(j).

(k) Leases. All material leases of real property under which any HHC System Participant serves as either lessor or lessee remain in effect in accordance with their respective terms, and under none of such leases is there any existing event of default by any HHC System Participant or, to HHC's Knowledge, any other party thereto, or, to HHC's Knowledge, any event

that with notice or the lapse of time, or both, would constitute a default. No consents or approvals are required under the terms of any such lease in connection with this Agreement or the Transactions.

(l) Insurance. The HHC System Participants have insurance or self-insurance in such amounts and covering such risks and liabilities (and with such deductibles and exclusions) as are in accordance with normal industry practice. HHC does not know of any threatened termination of, premium increase with respect to, or alteration of coverage under, any such policies.

(m) Contracts and Commitments. HHC has made available to UConn or its representatives true and correct copies of each written contract, agreement or arrangement to which any HHC System Participant is a party with any healthcare provider, physician or allied health professional, group of physicians or allied health professionals or any partnership, professional association or corporation owned by physicians or allied health professionals.

(n) Joint Commission Accreditation. HH's hospital facilities are duly accredited by the Joint Commission for the operation of the services rendered therein and thereby.

(o) Hill-Burton Obligations. No HHC System Participant is obligated with respect to any loans, grants or loan guarantees pursuant to the Hospital Survey and Construction Act of 1946 or any similar statute or program. The Transactions will not result in the imposition of any obligation on any HHC System Participant to provide additional uncompensated care in consideration thereof.

(p) Litigation and Investigations. There are no Legal Proceedings pending or, to HHC's Knowledge, threatened, that would reasonably be expected to result, either individually or in the aggregate, in any Material Adverse Effect on any HHC System Participant.

(q) Third Party Approvals. Each HHC System Participant has obtained (or, as applicable, will have obtained as of Closing Date) all necessary consents or approvals required by any Governmental Body or by any other third party in connection with the execution and delivery of this Agreement and the performance of the HHC System Participants' obligations hereunder, except for any consents or approvals with respect to which the failure to obtain, in the aggregate, has not had, or would not reasonably be expected to have, a Material Adverse Effect on any of the HHC System Participants.

(r) Third Party Payors. No HHC System Participant has received any notice of any liabilities to third party payors, including, without limitation, Medicare and Medicaid, but excluding liabilities in connection with benefit and reimbursement claims in the ordinary course of business and which are not material to any HHC System Participant.

(s) Asset Use Restrictions. In the case of each HHC System Participant that is an organization described in Section 501(c)(3) of the Code, its execution, delivery and performance of this Agreement and the other deliveries necessary to consummate the Transactions are consistent with its charitable purposes, do not conflict with any donor

restrictions applicable to it, and do not violate any direct or express trust which restricts the purposes for which its assets may be used.

(t) Labor Matters. No HHC System Participant is a party to or subject to any labor union contract or collective bargaining agreement. In addition, (i) there are no unfair labor practices and no age or sex discrimination complaints pending or threatened by or against any HHC System Participant; (ii) there are no existing or threatened labor strikes, disputes, grievances, controversies or other labor troubles with respect to any HHC System Participant; and (iii) there are no pending or threatened union representation questions affecting the employees of any HHC System Participant.

(u) Payor Status. Each HHC System Participant that provides health care services is eligible (or, as applicable, will be eligible as of the Closing Date) to be reimbursed for costs and expenses and/or to be compensated for providing health care services (to the extent such reimbursement or compensation is available under the applicable statutes, regulations and administrative practices) under all third party payor programs expected to account for a significant portion of its gross revenues including, without limitation, Title XVIII of the Social Security Act as a Part A provider and under Title XIX of such Act and the State Medicaid Plan. If applicable, each HHC System Participant has timely filed all requisite claims and other reports required to be filed in connection with all state and federal Medicare and Medicaid programs due on or before the Effective Date, all of which are complete and correct. With respect to any Medicare or Medicaid claims filed by any HHC System Participant, there are no claims, actions or payment reviews pending or threatened before any Governmental Body. Except for matters that are closed by the applicable statute of limitations, to HHC's Knowledge, all billing practices of the HHC System Participants with respect to the Medicare or Medicaid programs including, without limitation, all cost reporting and claim submissions, have been in material compliance with all applicable Legal Requirements and policies of the Medicare and Medicaid programs.

(v) Environmental Matters. Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on any of the HHC System Participants:

(i) To HHC's Knowledge: (i) each of the HHC System Participants are and have been in material compliance with all Environmental Laws and Environmental Permits, and have obtained all Environmental Permits required under applicable Environmental Laws for the operation of the business of the HHC System Participants; and (ii) there are no material liabilities of any HHC System Participant arising under or relating to any Environmental Law (whether directly as a result of the operations and activities of any HHC System Participant, or indirectly as a result of any HHC System Participant's relationship with any predecessor in interest), and there is no condition, occurrence, activity or circumstance that could reasonably be expected to result in or be the basis for any such liabilities;

(ii) No notice, notification, demand, request for information, citation, summons or order has been received, no penalty has been assessed, no investigation, action, claim, suit or proceeding is pending, or, to the Knowledge of HHC, is threatened, by any Governmental Body or other person relating to any HHC System Participant that alleges a violation by any such HHC System Participant of any Environmental Law, or that seeks to

impose liability on or recover damages from any HHC System Participant pursuant to any Environmental Law; and

(iii) No Releases of Hazardous Materials have occurred at, on or from any real property owned, leased or operated by any HHC System Participant, for which Releases any HHC System Participant could have any liability under Environmental Law. No HHC System Participant is conducting or paying, in whole or in part, for any investigation, response, or other corrective action under any Environmental Law at any location or facility.

(w) Books and Records. The books of account and other financial records of the HHC System Participants for the past two fiscal years, all of which have been made available to UConn, are complete and correct and represent actual, bona fide transactions and have been maintained in accordance with sound business practices. The minute books and other similar records of the HHC System Participants for the past two fiscal years, all of which have been made available to UConn, contain a true and complete record, in all material respects, of all actions taken at all meetings and by written consents in lieu of meetings of the Boards of each HHC System Participant.

(x) No Misrepresentations. The statements, representations and warranties made by HHC in this Agreement, and each exhibit, certificate or other written statement delivered by it pursuant to this Agreement, or in connection with the Transactions, are accurate, correct and complete and 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. To HHC's Knowledge, there is no fact that adversely affects or in the future may adversely affect the ability of any HHC System Participant to fully perform its obligations under this Agreement and the Transactions, that has not been set forth and described in this Agreement or in a certificate, exhibit or other written statement furnished to UConn pursuant to this Agreement.

Section 9.2 Representations and Warranties of UConn. Except as set forth in the disclosure schedule of UConn dated the Effective Date (the "UConn Disclosure Schedule") (it being understood that any matter disclosed in any section or subsection of the UConn Disclosure Schedule is deemed to be disclosed in any other section or subsection of the UConn Disclosure Schedule only to the extent that it is reasonably apparent from such disclosure that such disclosure is applicable to such other section or subsection), UConn hereby represents and warrants to HHC that as of the Effective Date (unless such statement expressly relates to an earlier date):

(a) Authority for Agreement. UConn's execution and delivery of this Agreement, and the performance of this Agreement and the consummation of the Transactions by each UConn System Participant, have been duly authorized by all necessary action of UConn's Board of Trustees and UCHC's Board of Directors.

(b) Validity and Enforceability. UConn has duly executed and delivered this Agreement and, assuming due execution and delivery by HHC and approval by the State legislature, this Agreement constitutes UConn's valid and binding obligation, enforceable in accordance with its terms, except as enforcement hereof may be limited by any decision or ruling

by a court of administrative agency concerning labor law coverage of employees referenced in this Agreement, liquidation, conservatorship, bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally from time to time in effect and except that equitable remedies are subject to judicial discretion.

(c) No Conflicts. UConn's execution and delivery of, and the UConn System Participants' performance of the Transactions and compliance with the provisions of, this Agreement will not violate and will not conflict with or result in any breach of the terms, conditions or provisions of, or constitute a default under, or require a consent or waiver under, the Corporate Documents of the UConn System Participants or any material indenture, lease, agreement or other instrument to which any of the UConn System Participants is a party, or by which it or any of its properties is bound, or any Legal Requirement or Order applicable to it.

(d) Organization and Standing. Each of the UConn System Participants is (or, as applicable, will be as of the Closing Date) a constituent unit of the Connecticut state system of public higher education or a corporation duly organized and validly existing under Connecticut law, and has (or, as applicable, will have as of the Closing Date) full power and authority to conduct its business as presently conducted and to own and operate the properties and assets it now owns or operates (or, as applicable, will own or operate as of the Closing Date). Each of the UConn System Participants is (or, as applicable, will be as of the Closing Date) duly qualified to do business and is duly licensed in each jurisdiction in which the conduct of its business or the ownership of its properties require such qualification or license.

(e) Tax Status. Each of the UConn System Participants is (or, as applicable, will be as soon as practicable after the Closing Date) exempt from federal income taxation as a state or political subdivision thereof described in Section 115 of the Code or an organization described in Section 501(c)(3) of the Code and is not (or, as applicable, will not be) a "private foundation" as defined in Section 509(a) of the Code, and has made (or, as applicable, will make as soon as practicable after the Closing Date) all applicable filings required in connection with such status.

(f) Financial Statements. UConn has previously delivered to HHC true and correct copies of the audited financial statements of the UCHC, JDH, the SOM and the SODM (either separate or consolidated) for the most recent full fiscal year of each such UConn System Participant, and the most recent currently available unaudited financial statements of such UConn System Participants (either separate or consolidated) (collectively, the "UConn Financial Statements"). The UConn Financial Statements are complete, true and correct in all material respects, present fairly and accurately the such UConn System Participants' financial position and the results of their operations at the dates of and for the periods indicated, and have been prepared in conformity with GAAP, subject to the absence of footnotes in any unaudited UConn Financial Statements and subject to normal year-end audit adjustments, which in the aggregate will not be material. From and after the respective dates of the unaudited UConn Financial Statements, the applicable UConn System Participant has not made any material change in its accounting methods or practices. None of UCHC, JDH, the SOM or the SODM has any material liabilities or obligations whatsoever, either accrued, absolute, contingent or otherwise, which are not reflected or provided for on the UConn Financial Statements.

(g) Interim Changes. Since the last day of each of UCHC's, JDH's, SOM's and SODM's (collectively, the "UCHC Entities") most recent full fiscal year, there has not been:

(i) Any material change in any UCHC Entity's financial condition, assets, liabilities, personnel, properties or results of operation of its businesses involved in the Transactions that has had or could reasonably be expected to have, in the aggregate, a Material Adverse Effect on the UCHC Entities taken as a whole;

(ii) Any damage, destruction or loss to its assets, properties or businesses involved in or related to the Transactions, whether or not covered by insurance, that has had or could reasonably be expected to have, in the aggregate, a Material Adverse Effect on the UCHC Entities taken as a whole;

(iii) Any disposition by any UCHC Entity of any property, rights or other assets owned by it or employed in its businesses involved in or related to the Transactions, except for the disposition of property, rights or other assets in the usual and ordinary course of its businesses that have had or could reasonably be expected to have, in the aggregate, a Material Adverse Effect on the UCHC Entities taken as a whole; or

(iv) Any amendment or termination of any material contract involved in or related to the Transactions to which any UCHC Entity is a party or by which it is bound that has had or could reasonably be expected to have, in the aggregate, a Material Adverse Effect on the UCHC Entities taken as a whole.

(h) Licenses and Permits. Each UCHC Entity holds (or, as applicable, will hold as of the Closing Date) all Permits, accreditations and other approvals that are necessary in order to enable it to occupy and lease its properties and assets and to conduct and operate its businesses involved in or related to the Transactions (the "UConn Licenses and Permits"). No UCHC Entity is in default in any material respect under any of the UConn Licenses and Permits, and all of the UConn Licenses and Permits are in full force and effect. No notice from any Governmental Body in respect of the revocation, termination, suspension or limitation of any UConn License or Permit has been issued or given to the holder of such UConn License or Permit, nor is UConn aware of the proposed or threatened issuance of any such notice. To UConn's Knowledge, there is no basis for any such action that could have a Material Adverse Effect upon any UConn System Participant.

(i) Compliance With Law. To UConn's Knowledge, no UCHC Entity is in violation of any Legal Requirement or Order of any Governmental Body (including, without limitation, legislation and regulations applicable to environmental protection, civil rights and public and occupational health and safety), except where such violation would not reasonably be expected to have a Material Adverse Effect on the UCHC Entities taken as a whole; nor has UConn received any actual notice of noncompliance with respect thereto from any such Governmental Body.

(j) Properties and Assets. Attached as Schedule 9.2(j) is a listing of all real property now owned, controlled or leased (where the UConn System Participant is the lessee) by the UConn System Participants or their Affiliates that is related to the Transactions.

Schedule 9.2(j) specifies whether such real property is owned, controlled or leased, and if controlled, the legal basis for such control. Except as set forth on Schedule 9.2(j): (i) each UConn System Participant or its Affiliate, as the case may be, owns or otherwise controls all material properties and assets necessary to conduct its businesses involved in or related to the Transactions as currently conducted; (ii) each UConn System Participant or its Affiliate, as the case may be, has good and marketable title to all of such properties and assets it owns that are related to the Transactions; and (iii) all of such properties and assets are free and clear of all material Encumbrances of any nature whatsoever except as may be set forth in the UConn Financial Statements or as set forth on Schedule 9.2(j).

(k) Leases. UConn has made available to HHC copies of all leases of real property involved in or related to the Transactions under which any UConn System Participant or any Affiliate serves as either lessor or lessee. All such leases remain in effect in accordance with their respective terms, and under none of such leases is there any existing event of default by any UConn System Participant or its Affiliate or, to UConn's Knowledge, any other party thereto or, to UConn's Knowledge, any event that with notice or the lapse of time, or both, would constitute a default. No consents or approvals are required under the terms of any such lease in connection with this Agreement or the Transactions.

(l) Insurance. The UConn System Participants have insurance or self-insurance in such amounts and covering such risks and liabilities (and with such deductibles and exclusions) as are in accordance with normal industry practice. UConn does not know of any threatened termination of, premium increase with respect to, or alteration of coverage under, any such policies.

(m) Contracts and Commitments. UConn has made available to HHC true and correct copies of the following:

(i) Each written contract, agreement or arrangement to which any UCHC Entity is a party with any healthcare provider, physician or allied health professional, group of physicians or allied health professionals or any partnership, professional association or corporation owned by physicians or allied health professionals;

(ii) Each written contract, agreement or other commitment involved in or related to the Transactions to which any UConn System Participant is a party for which the consideration or unpaid liability exceeds or could reasonably be expected to exceed the sum of two hundred fifty thousand dollars (\$250,000) or which has a duration or term of one (1) year or more; and

(iii) Each written contract, agreement or arrangement involved in or related to the Transactions to which any UConn System Participant is a party with a governmental or private third party payor, regardless of the remaining liability thereunder.

(n) Joint Commission Accreditation. JDH's hospital facilities are duly accredited by the Joint Commission for the operation of the services rendered therein and thereby.

(o) Hill-Burton Obligations. No UConn System Participant is obligated with respect to any loans, grants or loan guarantees pursuant to the Hospital Survey and Construction Act of 1946 or any similar statute or program. The Transactions will not result in the imposition of any obligation on any UConn System Participant to provide additional uncompensated care in consideration thereof.

(p) Litigation and Investigations. There are no Legal Proceedings pending or, to UConn's Knowledge, threatened, that individually or in the aggregate would reasonably be expected to have a Material Adverse Effect on any of the UCHC Entities.

(q) Third Party Approvals. Each UConn System Participant has obtained (or, as applicable, will have obtained as of the Closing Date) all necessary consents or approvals required by any Governmental Body or by any other third party in connection with the execution and delivery of this Agreement and the performance of the UConn System Participants' obligations hereunder, except for any consents or approvals with respect to which the failure to obtain, in the aggregate, has not had, or would not reasonably be expected to have, a Material Adverse Effect on any of the UConn System Participants or, following the Closing, on UH-FC or UP.

(r) Third Party Payors. No UConn System Participant has received any notice of any liabilities to third party payors involved in or related to the Transactions, including, without limitation, Medicare and Medicaid, but excluding liabilities in connection with benefit and reimbursement claims in the ordinary course of business and which are not material to any UConn System Participant.

(s) Labor Matters. No UConn System Participant is a party to or subject to any labor union contract or collective bargaining agreement involved or related to the Transactions. In addition, (i) there are no unfair labor practices and no age or sex discrimination complaints pending or threatened by or against any UConn System Participant involving or related to the Transactions; (ii) there are no existing or threatened labor strikes, disputes, grievances, controversies or other labor troubles with respect to any UConn System Participant involved in or related to the Transactions; and (iii) there are no pending or threatened union representation questions affecting the employees of any UConn System Participant involving or related to the Transactions.

(t) Payor Status. Each UConn System Participant that provides health care services is eligible (or, as applicable, will be eligible as of the Closing Date) to be reimbursed for costs and expenses and/or to be compensated for providing health care services (to the extent such reimbursement or compensation is available under the applicable statutes, regulations and administrative practices) under all third party payor programs expected to account for a significant portion of its gross revenues including, without limitation, Title XVIII of the Social Security Act as a Part A provider and under Title XIX of such Act and the State Medicaid Plan. If applicable, each UConn System Participant has timely filed all requisite claims and other reports required to be filed in connection with all state and federal Medicare and Medicaid programs due on or before the Effective Date, all of which are complete and correct. With respect to any Medicare or Medicaid claims filed by any UConn System Participant, there are no claims, actions or payment reviews pending or, to UConn's Knowledge, threatened before any

Governmental Body. Except as set forth in the Disclosure Schedule with specific reference to this Section 9.2(t), and except for matters that are closed by the applicable statute of limitations, to UConn's Knowledge, all billing practices of the UConn System Participants with respect to the Medicare or Medicaid programs for years that remain open under the applicable statute of limitations, including, without limitation, all cost reporting and claim submissions, have been in material compliance with all applicable Legal Requirements and policies of the Medicare and Medicaid programs, and no such UConn System Participant has billed or received any material payment or reimbursement in excess of amounts allowed by applicable Legal Requirements.

(u) Environmental Matters. Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on any of the UConn System Participants:

(i) To UConn's Knowledge: (A) each of the UConn System Participants is and has been in material compliance with all Environmental Laws and Environmental Permits, and has obtained all Environmental Permits required under applicable Environmental Laws for the operation of the business of the UConn System Participants; and (B) there are no material liabilities of any UConn System Participant arising under or relating to any Environmental Law (whether directly as a result of the operations and activities of any UConn System Participant, or indirectly as a result of any UConn System Participant's relationship with any predecessor in interest), and there is no condition, occurrence, activity or circumstance that could reasonably be expected to result in or be the basis for any such liabilities;

(ii) No notice, notification, demand, request for information, citation, summons or order has been received, no penalty has been assessed, no investigation, action, claim, suit or proceeding is pending, or, to the Knowledge of UConn, is threatened, by any Governmental Body or other person relating to any UConn System Participant that alleges a violation by any such UConn System Participant of any Environmental Law, or that seeks to impose liability on or recover damages from any UConn System Participant pursuant to any Environmental Law; and

(iii) No Releases of Hazardous Materials have occurred at, on or from any real property owned, leased or operated by any UConn System Participant, for which Releases any UConn System Participant could have any liability under Environmental Law. No UConn System Participant is conducting or paying, in whole or in part, for any investigation, response, or other corrective action under any Environmental Law at any location or facility.

(v) Books and Records. The books of account and other financial records of the UConn System Participants for the past two fiscal years, all of which have been made available to HHC, are complete and correct and represent actual, bona fide transactions and have been maintained in accordance with sound business practices. The minute books and other similar records of the UConn System Participants for the past two fiscal years, all of which have been made available to HHC, contain a true and complete record, in all material respects, of all actions taken at all meetings and by written consents in lieu of meetings of the Boards of each UConn System Participant.

(w) No Misrepresentations. The statements, representations and warranties made by UConn in this Agreement, and each exhibit, certificate or other written statement delivered by it pursuant to this Agreement, or in connection with the Transactions, are accurate, correct and complete and 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. To UConn's Knowledge, there is no fact that adversely affects or in the future may adversely affect the ability of any UConn System Participant to fully perform its obligations under this Agreement and the Transactions, that has not been set forth and described in this Agreement or in a certificate, exhibit or other written statement furnished to HHC pursuant to this Agreement.

ARTICLE X  
ADDITIONAL PRE-CLOSING AGREEMENTS

Section 10.1 Conduct of Business Prior to the Closing.

(a) Each Party covenants and agrees with respect to each of its System Participants that between the Effective Date and the Closing, such Party and its System Participants shall not conduct its business other than in the ordinary course and consistent with its prior practice and other than to implement financial performance improvement measures that are disclosed to the other Party. Without limiting the generality of the foregoing,

(i) UConn shall cause UCHC to (A) continue to operate JDH as an acute care general hospital in the ordinary course of business consistent with its past practices (except for the implementation of financial performance improvement measures that are disclosed to HHC), (B) maintain all Permits, accreditations and other approvals necessary in order to enable it to own, occupy and lease its properties and assets and to continue its operation as an acute care general hospital, (C) maintain its accreditation by the Joint Commission, (D) comply with all applicable Legal Requirements and all material contracts (which for the purpose of this Section 10.1(a)(i) shall include any contract entered into after the Effective Date that would be a material contract if existing on the Effective Date), (E) enter into, modify, suspend or terminate relationships with managed care organizations and other third party payors and its participation in the Medicare and Medicaid Programs, only in the ordinary course of business consistent with past practice (except for the implementation of financial performance improvement measures that are disclosed to HHC), and (F) not engage in any practice, take any action, fail to take any action or enter into any transaction which could cause any representation or warranty of UConn to be untrue in any material respect or result in a material breach of any covenant made by UConn in this Agreement.

(ii) UConn shall cause the SOM to (A) continue to operate as a school of medicine accredited by the American Association of Medical Colleges in the ordinary course of business consistent with its past practices (except for the implementation of financial performance improvement measures that are disclosed to HHC), (B) continue to operate its residency and fellowship programs as accredited by the Accreditation Council for Graduate Medical Education in the ordinary course of business consistent with its past practices (except for the implementation of financial performance improvement measures that are disclosed to HHC), (C) maintain all Permits, accreditations and other approvals necessary in order to enable it

to own, occupy and lease its properties and assets and to continue its operation as an accredited school of medicine, (D) comply with all applicable Legal Requirements and all material contracts (which for the purpose of this Section 10.1(a)(ii) shall include any contract entered into after the Effective Date that would be a material contract if existing on the Effective Date), and (E) not engage in any practice, take any action, fail to take any action or enter into any transaction which could cause any representation or warranty of UConn with respect to the SOM to be untrue in any material respect or result in a material breach of any covenant made by UConn with respect to the SOM in this Agreement.

(iii) UConn shall cause the SODM to (A) continue to operate as a school of dental medicine accredited by the Commission on Dental Accreditation in the ordinary course of business consistent with its past practices (except for the implementation of financial performance improvement measures that are disclosed to HHC), (B) continue to operate its dental residency and fellowship programs as accredited programs in the ordinary course of business consistent with its past practices, (C) maintain all Permits, accreditations and other approvals necessary in order to enable it to own, occupy and lease its properties and assets and to continue its operation as an accredited school of dental medicine, (D) comply with all applicable Legal Requirements and all material contracts (which for the purpose of this Section 10.1(a)(iii) shall include any contract entered into after the Effective Date that would be a material contract if existing on the Effective Date), and (E) not engage in any practice, take any action, fail to take any action or enter into any transaction which could cause any representation or warranty of UConn with respect to the SODM to be untrue in any material respect or result in a material breach of any covenant made by UConn with respect to the SODM in this Agreement.

(iv) UConn shall cause UMG to (A) continue to operate as a multi-specialty faculty practice plan in the ordinary course of business consistent with its past practices (except for the implementation of financial performance improvement measures that are disclosed to HHC), (B) maintain all Permits, accreditations and other approvals necessary in order to enable it to own, occupy and lease its properties and assets and to continue its operation as a multi-specialty faculty practice plan, (C) comply with all applicable Legal Requirements and all material contracts (which for the purpose of this Section 10.1(a)(iv) shall include any contract entered into after the Effective Date that would be a material contract if existing on the Effective Date), (D) enter into, modify, suspend or terminate relationships with managed care organizations and other third party payors and its participation in the Medicare and Medicaid Programs, only in the ordinary course of business consistent with past practice (except for the implementation of financial performance improvement measures that are disclosed to HHC), and (E) not engage in any practice, take any action, fail to take any action or enter into any transaction which could cause any representation or warranty of UConn with respect to UMG to be untrue in any material respect or result in a material breach of any covenant made by UConn with respect to UMG in this Agreement.

(v) HHC shall cause HH to (A) continue to operate as an acute care general hospital in the ordinary course of business consistent with its past practices, except for the implementation of financial performance measures that are disclosed to UConn, (B) maintain all Permits, accreditations and other approvals necessary in order to enable it to own, occupy and lease its properties and assets and to continue its operation as an acute care general hospital, (C) maintain its accreditation by the Joint Commission, (D) comply with all applicable Legal

Requirements and all material contracts (which for the purpose of this Section 10.1(a)(v) shall include any contract entered into after the Effective Date that would be a material contract if existing on the Effective Date), (E) preserve its current relationships with managed care organizations and other third party payors and its participation in the Medicare and Medicaid Programs, and (F) not engage in any practice, take any action, fail to take any action or enter into any transaction which could cause any representation or warranty of HHC to be untrue in any material respect or result in a material breach of any covenant made by HHC in this Agreement.

Section 10.2 Access to Information. From the Effective Date until the Closing, upon reasonable notice, for the sole purpose of conducting due diligence in connection with the Transactions, each Party shall and shall cause each of such Party's officers, directors, employees, agents, accountants and counsel to: (i) afford the officers, employees and authorized agents, accountants, counsel, financing sources and representatives of the other Party and its System Participants reasonable access, during normal business hours, to the offices, facilities and books and records of such Party and its System Participants and to those officers, directors, employees, agents, accountants and counsel of such Party and its System Participants who have any knowledge relating to such Party and its System Participants or their respective businesses relating to the Transactions; and (ii) furnish to the officers, employees and authorized agents, accountants, counsel, financing sources and representatives of the other Party such additional financial and operating data and other information regarding such business and the assets, properties and goodwill of such Party and its System Participants as the other Party may from time to time reasonably request. Notwithstanding the foregoing, in no event shall either Party be required to disclose, furnish or otherwise make available to the other Party any non-public information related to its or their current or prospective pricing of services; prospective customers or vendors; long and short-term marketing and strategic plans; plans to expand or reduce output or capacity; current and future wages and wage scales for employees; current and future costs; negotiations with managed care companies and other third party payors; or trade secrets and other proprietary information, technology and other competitively sensitive data, unless such information is provided to select representatives of the other Party acceptable to, and in a manner approved by, legal counsel for the Party making such disclosure or furnishing such information.

Section 10.3 Regulatory and Other Authorizations; Notices and Consents.

(a) Each Party shall (i) make all filings and give all notices required to be made and given by such Party in connection with the Transactions, and shall submit promptly any additional information requested in connection with such filings and notices, (ii) use commercially reasonable best efforts to obtain all authorizations, consents, orders and approvals of all Governmental Bodies and officials that may be or become necessary (pursuant to any applicable Legal Requirement or contract, or otherwise) for its execution and delivery of, and the performance of its obligations pursuant to, this Agreement and the Ancillary Agreements and the consummation of the Transactions, and (iii) use commercially reasonable best efforts to oppose or to lift, as the case may be, any restraint, injunction or other legal bar to the Transactions. Each Party shall cooperate with the other Party in making filings with Governmental Bodies and officials for all authorizations, consents, orders and approvals necessary to consummate the Transactions by (i) coordinating its filings with those of the other Party where necessary; (ii) making joint filings with the other Party when required by such Governmental Bodies or

officials; and (iii) promptly delivering to the other Party a copy of each such filing made, each such notice given and each such consent or approval obtained by such Party prior to the Closing.

(b) Without limiting the generality of Section 10.3(a), each Party shall, after the Effective Date, prepare and file with the State Office of Health Care Access and the State Department of Public Health all notices, applications, requests for approval and other filings required in connection with the performance of its obligations under this Agreement and the consummation of the Transactions. Each Party shall respond as promptly as practicable to any inquiries or requests received from any Governmental Body in connection with such matters. Each Party shall (i) give the other Party prompt notice of the commencement or threat of commencement of any Legal Proceeding by or before any Governmental Body with respect to this Agreement or the Transactions, (ii) keep the other Party informed as to the status of any such Legal Proceeding or threat, and (iii) promptly inform the other Party of any material communication concerning any such filings or applicable Legal Requirements to or from any Governmental Body regarding this Agreement or the Transactions. Except as may be prohibited by any Governmental Body or by any Legal Requirement, each Party will consult and cooperate with the other Party, and will consider in good faith the views of the other Party, in connection with any analysis, appearance, presentation, memorandum, brief, argument, opinion or proposal made or submitted in connection with any Legal Proceeding under or relating to the foregoing matters or any applicable Legal Requirements.

(c) UConn shall promptly give such notices to third parties and use commercially reasonable best efforts to obtain such third party consents and estoppel certificates as are reasonably necessary or desirable in connection with the Transactions, including, without limitation, all third party consents that are reasonably necessary in connection with the assignment of the JDH Assigned Contracts to UH-FC and the UMG Assigned Contracts to UP.

(d) HHC shall promptly give such notices to third parties and use commercially reasonable best efforts to obtain such third party consents and estoppel certificates as are reasonably necessary or desirable in connection with the Transactions, including, without limitation, all third party consents that are reasonably necessary in connection with the assignment of the HH Assigned Contracts to UP.

(e) Each Party shall cooperate with the other Party and take such reasonable actions to permit the other Party to give such notices and to facilitate the obtaining of such consents and estoppel certificates; provided, however, that neither Party shall have any obligation to give any guarantee or other consideration of any nature in connection with any such notice, consent or estoppel certificate or to consent to any change in the terms of any material contract which such Party deems to be adverse to the interests of such Party.

(f) Except as otherwise provided in this Agreement, the Parties agree that, in the event any consent, approval or authorization reasonably necessary to preserve any right or benefit under any lease, license, contract, commitment or other agreement or arrangement is not obtained prior to the Closing, each Party and its System Participants will, subsequent to the Closing, cooperate with the other Party and its System Participants in attempting to obtain such consent, approval or authorization as promptly thereafter as practicable. If such consent, approval or authorization cannot be obtained, the Party that was obligated to obtain such consent,

approval or authorization will use commercially reasonable best efforts to provide the other Party and its System Participants with the rights and benefits of the affected lease, license, contract, commitment or other agreement or arrangement for the term of such lease, license, contract or other agreement or arrangement; and, if such rights and benefits are provided, the other Party and its System Participants shall assume the obligations and burdens thereunder.

Section 10.4 Notice of Developments. Prior to the Closing, each Party shall promptly notify the other Party in writing of:

- (a) the discovery by such Party of any event, condition, fact or circumstance that occurred or existed on or prior to the Effective Date and that caused or constitutes a material inaccuracy in any representation or warranty made by such Party in this Agreement;
- (b) any event, condition, fact or circumstance that occurs, arises or exists after the Effective Date and before the Closing Date that would cause or constitute a material inaccuracy in any representation or warranty made by such Party in this Agreement if such representation or warranty had been made as of the time of the occurrence, existence or discovery of such event, condition, fact or circumstance;
- (c) any material breach of any covenant of such Party in this Agreement;
- (d) any Legal Proceeding or material claim threatened, commenced or asserted against or with respect to such Party or any of its System Participants that could reasonably be expected to have a Material Adverse Effect on any of its System Participants or any of the Transactions;
- (e) any event, condition, fact or circumstance that would make the timely satisfaction of any of the conditions set forth in Section 11.2 or 11.3 impossible or unlikely or that has had or could reasonably be expected to have a Material Adverse Effect on such Party or any of its System Participants; and
- (f) notice or other communication from any Person alleging that the consent or approval of such Person is or may be required in connection with the Transactions, if the subject matter of such notice or communication, or the failure of such Party to obtain such consent or approval, would be or could reasonably be expected to be material to any System Participant.

No notification given to or by a Party pursuant to this Section 10.4 shall limit or otherwise affect any of the representations, warranties, covenants or obligations of such Party contained in this Agreement.

Section 10.5 Confidentiality and Exclusivity.

(a) The terms and conditions of the Confidentiality and Exclusive Negotiations Agreement entered into on September 4, 2008, as amended, by the University of Connecticut Health Center Finance Corporation and HHC, are incorporated herein by reference.

(b) If UConn receives a request for disclosure of any confidential or proprietary information of HHC under the State's Freedom of Information Act ("FOIA"), UConn

shall, before complying with such request, provide written notice of the request, and the opportunity to review and discuss it, to HHC. If HHC asserts in good faith that all or part of the requested information is exempt from disclosure under FOIA or other applicable law, UConn shall not disclose such information (the "Exempt Information") and shall assert the exemptions claimed by HHC. If a complaint is thereafter filed with the State Freedom of Information Commission (the "FOIC"), UConn shall give HHC prompt notice of such complaint to allow HHC to file a motion to intervene in the FOIC proceeding and shall not oppose such motion or disclose the Exempt Information during the pendency of such proceeding. If the FOIC proposes to issue or issues an order requiring disclosure of all or part of the Exempt Information and HHC intends to seek a stay of the FOIC order, HHC shall give written notice thereof to UConn. Unless the terms of an issued FOIC order require that the Exempt Information be disclosed at an earlier date, UConn shall not disclose the Exempt Information for a period of five (5) business days after the date of issuance of such order to allow HHC to file a motion for a stay of the order and an appeal, and further shall not disclose the Exempt Information while the motion for stay is pending. If the stay is granted, UConn shall not disclose the Exempt Information until there is a final unappealable order requiring disclosure. If the stay is not granted, UConn may comply with the terms of an FOIC order requiring disclosure.

Section 10.6 Further Assurances. Each of the Parties shall use all commercially reasonable efforts to take, or cause to be taken, all appropriate actions, do or cause to be done all things reasonably necessary, proper or advisable under applicable Legal Requirements, and execute and deliver such documents and other papers, as may be required to carry out the provisions of this Agreement and consummate and make effective the Transactions.

## ARTICLE XI CLOSING AND CONDITIONS TO CLOSING

Section 11.1 Closing. The consummation of the Transactions (the "Closing") shall take place at the offices of \_\_\_\_\_, at 10:00 a.m. on September 30, 2009, or at such other time and place on which the Parties may agree (the "Closing Date"). Subject to the provisions of Article XIII, failure to consummate the Closing on the date and time and at the place determined pursuant to this Section 11.1 shall not result in the termination of this Agreement and shall not relieve either Party of any obligation under this Agreement.

Section 11.2 Conditions to HHC's Obligation to Close. HHC's obligation to consummate the Transactions is subject to the satisfaction at or prior to the Closing, of each of the following conditions (any of which may be waived by HHC in writing, in whole or in part, and which shall be deemed waived by HHC if the Closing occurs prior to the satisfaction of any such condition):

(a) Accuracy of Representations. Without giving effect to any notice to HHC pursuant to Section 10.4 or any supplement to the UConn Disclosure Schedule, all of the representations and warranties made by UConn in this Agreement must have been (i) accurate in all material respects, in the case of representations and warranties not otherwise qualified by materiality or Material Adverse Effect and (ii) accurate in all respects, in the case of representations and warranties that are so qualified, as of the Effective Date and as of the Closing

Date as if made on the Closing Date, other than such representations and warranties that are made as of another date, which shall be accurate only as of such other date.

(b) UConn System Participants' Performance. Each document required to be delivered to HHC by UConn or any other UConn System Participants pursuant to this Agreement must have been delivered, and all of the covenants and obligations that UConn and the other UConn System Participants are required to perform or to comply with pursuant to this Agreement at or prior to the Closing must have been duly performed and complied with in all material respects.

(c) Consents and Approvals. Each of the consents and approvals identified on Schedule 11.2(c) must have been obtained and must be in full force and effect.

(d) No Injunction. There must not be in effect any Legal Requirement or Order that (i) prohibits the consummation of the Transactions, and (ii) has been adopted or issued, or has otherwise become effective, since the Effective Date.

(e) No Litigation. There shall not be pending or threatened by a Governmental Body any Legal Proceeding: (i) challenging or seeking to restrain or prohibit the consummation of the Transactions; or (ii) which, if adversely determined, could have a Material Adverse Effect on HHC or any of the other HHC System Participants, or on UConn or any of the UConn System Participants.

(f) No Prohibition. Neither the consummation nor the performance of any of the Transactions shall, directly or indirectly (with or without notice or lapse of time), materially contravene, or materially conflict with, or result in a material violation of, or cause HHC, any Affiliate of HHC, or any other HHC System Participant to suffer any Material Adverse Effect under: (i) any applicable Legal Requirement or Order, or (ii) any Legal Requirement or Order that has been published, introduced or otherwise proposed by or before any Governmental Body.

(g) No Material Adverse Effect. There shall have been no Material Adverse Effect on any of the UConn System Participants.

(h) Deliveries by UConn. UConn shall have delivered, or shall have caused to be delivered, to HHC the following (in each case, executed by all UConn System Participants that are parties thereto):

- (i) the Master Lease Agreement;
- (ii) the Support Staff Agreement;
- (iii) the Clinical Teaching Agreement;
- (iv) the Clinical Research Agreement;
- (v) the Faculty Provider Services Agreement;
- (vi) the UConn/UH-FC Bill of Sale;

- (vii) the UConn/UH-FC Assignment and Assumption Agreement;
- (viii) the UConn/UP Bill of Sale;
- (ix) the UConn/UP Assignment and Assumption Agreement;
- (x) the Project Funding and Development Agreement;
- (xi) the State Funding and Support Agreement;
- (xii) the Provider Employment Agreements;
- (xiii) the Purchased Services Agreement;
- (xiv) evidence of the surrender of all JDH Permits;

(xv) evidence of the adoption of the UCHC Bylaws, effective as of the Closing Date, (B) the filing of the UP Certificate with the Secretary of State, and (C) the adoption of the UP Bylaws;

(xvi) copies of resolutions of the Boards of each of UConn and UCHC, authorizing and approving their performance of the Transactions and their execution and delivery of this Agreement and the documents described herein (as applicable), certified by the Secretary or any Assistant Secretary of each respective Board as being true and correct, having been duly adopted by such Board, and being in full force and effect as of the Closing Date;

(xvii) a certificate of the President of UConn, certifying that each covenant and agreement of UConn to be performed prior to or as of the Closing pursuant to this Agreement has been performed and that each representation and warranty of UConn is (A) accurate in all material respects, in the case of representations and warranties not otherwise qualified by materiality or Material Adverse Effect and (B) accurate in all respects, in the case of representations and warranties that are so qualified, on the Closing Date as if made on and as of the Closing Date, other than such representations and warranties that are made as of another date, which shall be accurate only as of such other date;

(xviii) a certificate of incumbency for the officers of UConn and each other UConn System Participant executing this Agreement or any of the Ancillary Agreements or making certifications for the Closing, dated as of the Closing Date;

(xix) an assignment, subcontract or other agreed upon arrangement between UConn and UH-FC relating to the Correctional Managed Care Agreement with the State Department of Corrections for the inmates receiving inpatient care at UConn; and

(xx) an opinion of counsel to UConn, in the form of Exhibit FF attached hereto.

(i) Environmental. UConn shall deliver to HHC a Phase I Environmental Site Assessment for the JDH Facility that is satisfactory to HHC.

(j) Special Legislation. The Special Legislation satisfactory to HHC shall have been enacted into law by the State and shall be in full force and effect, and the State Bond Commission shall have approved, and the Governor shall not have rejected, the issuance of the Bonds as more fully described in the Special Legislation.

(k) HHC's Due Diligence. HHC's due diligence with respect to the UConn System Participants and their properties, assets, obligations, financial condition and prospects shall have been completed satisfactorily to HHC, in its sole discretion.

(l) Additional Documents. UConn shall have delivered, or caused to have been delivered, to HHC such other documents as HHC may reasonably request for the purpose of facilitating the performance of this Agreement and the consummation of the Transactions.

Section 11.3 Conditions to UConn's Obligation to Close. UConn's obligation to consummate the Transactions is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived by UConn in writing, in whole or in part, and which shall be deemed waived by UConn if the Closing occurs prior to the satisfaction of any such condition):

(a) Accuracy of Representations. Without giving effect to any notice to UConn pursuant to Section 10.4 or any supplement to the HHC Disclosure Schedule, all of the representations and warranties made by HHC in this Agreement must have been (i) accurate in all material respects, in the case of representations and warranties not otherwise qualified by materiality or Material Adverse Effect and (ii) accurate in all respects, in the case of representations and warranties that are so qualified, as of the Effective Date and as of the Closing Date as if made on the Closing Date, other than such representations and warranties that are made as of another date, which shall be accurate only as of such other date.

(b) HHC System Participants' Performance. Each document required to be delivered to UConn by HHC or any other HHC System Participants pursuant to this Agreement must have been delivered, and all of the covenants and obligations that HHC and the other HHC System Participants are required to perform or to comply with pursuant to this Agreement at or prior to the Closing must have been duly performed and complied with in all material respects.

(c) Consents and Approvals. Each of the consents and approvals identified on Schedule 11.3(c) must have been obtained and must be in full force and effect.

(d) No Injunction. There must not be in effect any Legal Requirement or any injunction or other Order that (i) prohibits the consummation of the Transactions, and (ii) has been adopted or issued, or has otherwise become effective, since the Effective Date.

(e) No Litigation. There shall not be pending or threatened by a Governmental Body any Legal Proceeding: (i) challenging or seeking to restrain or prohibit the consummation of the Transactions; or (ii) which, if adversely determined, could have a Material Adverse Effect on UConn or any of the other UConn System Participants, or on HHC or any of the other HHC System Participants.

(f) No Prohibition. Neither the consummation nor the performance of any of the Transactions shall, directly or indirectly (with or without notice or lapse of time), materially contravene, or materially conflict with, or result in a material violation of, or cause UConn, any Affiliate of UConn or any other UConn System Participant to suffer any Material Adverse Effect under: (i) any applicable Legal Requirement or Order, or (ii) any Legal Requirement or Order that has been published, introduced or otherwise proposed by or before any Governmental Body.

(g) No Material Adverse Effect. There shall have been no Material Adverse Effect on any of the HHC System Participants.

(h) Deliveries by HHC. HHC shall have delivered, or shall have caused to be delivered, to UConn the following (in each case, executed by all HHC System Participants that are parties thereto):

- (i) the Master Lease Agreement;
- (ii) the Support Staff Agreement;
- (iii) the Clinical Teaching Agreement;
- (iv) the Clinical Research Agreement;
- (v) the Faculty Provider Services Agreement;
- (vi) the HH/UP Bill of Sale;
- (vii) the HH/UP Assignment and Assumption Agreement;
- (viii) the UConn/UH-FC Assignment and Assumption Agreement;
- (ix) the UConn/UP Assignment and Assumption Agreement;
- (x) the Project Funding and Development Agreement;
- (xi) the State Funding and Support Agreement;
- (xii) the Provider Employment Agreements;
- (xiii) the Purchased Services Agreement;

(xiv) evidence of: (A) the filing of the Amended HHC Certificate with the Secretary of State and the adoption of the Amended HHC Bylaws, effective as of the Closing Date, (B) the filing of the UH Certificate with the Secretary of State, (C) the adoption of the UH Bylaws, (D) the filing of the Amended UH-HC Certificate with the Secretary of State, (E) the adoption of the Amended UH-HC Bylaws, (F) the filing of the UH-FC Certificate with the Secretary of State, (G) the adoption of the UH-FC Bylaws, (H) the filing of the UP Certificate with the Secretary of State, and (I) the adoption of the UP Bylaws;

(xv) copies of resolutions of the Boards of each of the HHC System Participants, authorizing and approving their performance of the Transactions and their execution and delivery of this Agreement and the documents described herein (as applicable), certified by the Secretary or any Assistant Secretary of each respective HHC System Participant as being true and correct, having been duly adopted by the Board of the respective HHC System Participant, and being in full force and effect as of the Closing Date;

(xvi) a certificate of the President of HHC, certifying that each covenant and agreement of HHC to be performed prior to or as of the Closing pursuant to this Agreement has been performed and that each representation and warranty of HHC is (A) accurate in all material respects, in the case of representations and warranties not otherwise qualified by materiality or Material Adverse Effect and (B) accurate in all respects, in the case of representations and warranties that are so qualified, on the Closing Date as if made on and as of the Closing Date, other than such representations and warranties that are made as of another date, which shall be accurate only as of such other date;

(xvii) a certificate of incumbency for the officers of HHC and each other HHC System Participant executing this Agreement or any of the Ancillary Agreements or making certifications for the Closing, dated as of the Closing Date;

(xviii) a certificate of existence for HHC and each of the other HHC System Participants issued by the Secretary of State and dated within thirty (30) days prior to the Closing Date; and

(xix) an opinion of counsel to HHC, in the form of Exhibit GG attached hereto.

(i) Special Legislation. The Special Legislation satisfactory to UConn shall have been enacted into law by the State and shall be in full force and effect, and the State Bond Commission shall have approved, and the Governor shall not have rejected, the issuance of the Bonds as more fully described in the Special Legislation.

(j) UConn's Due Diligence. UConn's due diligence with respect to the HHC System Participants and their properties, assets, obligations, financial condition and prospects shall have been completed satisfactorily to UConn, in its sole discretion.

(k) Additional Documents. HHC shall have delivered, or caused to have been delivered, to UConn such other documents as UConn may reasonably request for the purpose of facilitating the performance of this Agreement and the consummation of the Transactions.

## ARTICLE XII OTHER COVENANTS

Section 12.1 Tax-Exempt Status. From and after the Closing Date, and during the term of this Agreement, HHC shall take all necessary steps to have each of UH, UP and UH-FC obtain Section 501(c)(3) status, and shall take all such actions as may be necessary to ensure that all HHC System Participants maintain their status as organizations described in Section 501(c)(3) of the Code.

Section 12.2 Non-Compete and Exclusivity. From and after the Closing Date, and during the term of this Agreement:

(a) UConn, on behalf of the UConn System Participants and their Affiliates, agrees not to own any interest in, or operate, lease or manage, directly or indirectly, within the State any clinical health care business, enterprise or activity (including, without limitation, any general, acute or specialty hospital, ambulatory surgery center, similar Principal Partner Relationship or similar clinical faculty practice plan, or clinical service relationship (including any clinical joint venture, but not including any clinical research relationships) without the prior written consent of HHC in its sole discretion, except for those businesses, enterprises and activities set forth on Schedule 12.2 attached hereto.

(b) HHC, on behalf of the HHC System Participants and their Affiliates, agrees not to establish or facilitate a similar Principal Partner Relationship or faculty practice plan relationship with any other college or university that operates a school of medicine or a school of dental medicine without the prior written consent of UConn in its sole discretion.

(c) The Parties acknowledge and agree that the covenants set forth in this Section 12.2 are an essential element of this Agreement and that, but for the agreement of the Parties to comply with these covenants, the Parties would not have entered into this Agreement. The Parties have independently consulted with its counsel and after such consultation agree that the covenants set forth in this Section 12.2 are reasonable and proper.

Section 12.3 Hospital Status. From and after the Closing Date, and during the term of this Agreement, HHC shall, and shall cause UH to, operate both UH-FC and UH-HC as acute care short-term general hospitals, each with significant inpatient and outpatient services and capital investment, and shall cause UH to serve as the flagship referral center for complex tertiary and quaternary care within the System. The Parties acknowledge that nothing in this Section 12.3 shall be construed to prevent the distribution of health care services within the System, provided that UH remains the flagship referral hospital of the System for complex tertiary and quaternary care.

Section 12.4 Record Retention.

(a) In order to facilitate the resolution of any claims made against or incurred by UConn or any other UConn System Participant prior to the Closing or for any other reasonable purpose:

(i) UH-FC shall retain the books and records relating to JDH that are transferred to UH-FC pursuant to this Agreement in a reasonable manner and in accordance with state and federal record retention requirements;

(ii) UP shall retain the books and records relating to UMG that are transferred to UP pursuant to this Agreement in a reasonable manner and in accordance with state and federal record retention requirements; and

(iii) UH-FC and UP shall, upon reasonable notice, afford the officers, employees and authorized agents and representatives of UConn reasonable access (including the right to make photocopies), during normal business hours, to such books and records.

(b) In order to facilitate the resolution of any claims made by or against or incurred by HHC or any other HHC System Participant after the Closing or for any other reasonable purpose:

(i) UP shall retain all books and records of HH that are transferred to UP pursuant to this Agreement in a reasonable manner and in accordance with state and federal record retention requirements; and

(ii) UP shall, upon reasonable notice, afford the officers, employees and authorized agents and representatives of HHC reasonable access (including the right to make photocopies), during normal business hours, to such books and records.

Section 12.5 Amendment of Corporate Documents. From and after the Closing Date, during the term of this Agreement, none of the System Participants shall at any time amend its Corporate Documents except in accordance with the express terms of such Corporate Documents, without the prior written consent of both Parties.

Section 12.6 Information Requests. From and after the Closing Date, each Party agrees to furnish the other Party with financial and other information reasonably requested by the other Party to enable the other Party, acting in good faith, to monitor the first Party's compliance with the financial and other terms and conditions of this Agreement. Such requests for financial or other information shall not be duplicative of, but may be in addition or as a follow up to, financial and other information that is made available to a Party through financial statements or other information provided to such Party's representatives on the Board of Directors of the other Party or its System Participants.

Section 12.7 Cost Reports. UConn, at its expense, shall prepare and timely file all terminating and other cost reports and other related filings required or permitted by Legal Requirements to be filed under the Medicare and Medicaid or other third party payor programs and the Connecticut Department of Public Health for periods ending on or prior to the Closing Date, or as a result of the consummation of the transactions described herein ("JDH Cost Reports"). UConn shall provide HHC with copies of all JDH Cost Reports for HHC's review and comment, at least ten (10) business days prior to the filing of such JDH Cost Reports. UConn shall consult with HHC with regard to any aspect of any JDH Cost Report that could impact UH-FC's post-Closing operations and/or the reimbursement available to UH-FC. HHC shall forward to UConn any and all correspondence relating to the JDH Cost Reports within five (5) business days after receipt by HHC. HHC shall remit any receipts of funds relating to the JDH Cost Reports promptly after receipt by HHC and shall forward to UConn any demand for payments within three (3) business days after receipt by HHC. UConn shall retain all rights to the JDH Cost Reports, including any amounts receivable or payable in respect of such reports or reserves relating to such JDH Cost Reports. Such rights shall include the right to appeal any Medicare or Medicaid determinations relating to the JDH Cost Reports. UConn shall retain the originals of the JDH Cost Reports, correspondence, work papers and other documents relating to

the JDH Cost Reports. UConn will furnish copies of the JDH Cost Reports, and any correspondence, work papers and other documents relating to the JDH Cost Reports, to HHC upon request.

### ARTICLE XIII TERMINATION

Section 13.1 Term. The term of this Agreement shall commence on the Effective Date and shall continue until this Agreement is terminated by mutual written agreement of the Parties, unless this Agreement is terminated earlier in accordance with the provisions of this Article XIII.

Section 13.2 Terminating Party; Nonterminating Party. For purposes of the termination provisions set forth in this Article XIII, only HHC or UConn (and not any other HHC System Participant or UConn System Participant), may be a "Terminating Party." In applying this Article XIII, if HHC is the Terminating Party, UConn shall be the "Nonterminating Party," and vice versa.

Section 13.3 Outside Closing Date. Either HHC or UConn (the Terminating Party) may terminate this Agreement if the Closing does not occur prior to December 31, 2009 for any reason; provided, however, that the right to terminate this Agreement under this Section 13.3 shall not be available to any Party that is then in material breach of any of its obligations under this Agreement.

Section 13.4 Termination on or Prior to Closing Due to Order. Either HHC or UConn may terminate this Agreement on or prior to the Closing Date if a court of competent jurisdiction or other Governmental Body shall have issued an Order, or shall have taken any other action, that has the effect of permanently restraining, enjoining or otherwise prohibiting the Transactions, and such Order or other action shall have become final and non-appealable.

Section 13.5 Termination on or Prior to Closing Due to Inaccuracy of Representations and Warranties. Either HHC or UConn may terminate this Agreement on or prior to the Closing Date if (i) any of the other Party's representations and warranties shall have been inaccurate as of the Effective Date, such that the condition set forth in Section 11.2(a) or 11.3(a), as the case may be, would not be satisfied, or (ii) (A) any of the other Party's representations and warranties become inaccurate as of a date subsequent to the Effective Date (as if made on such subsequent date), such that the condition set forth in Section 11.2(a) or 11.3(a), as the case may be, would not be satisfied and (B) such inaccuracy has not been cured by the other Party within ten (10) business days after its receipt of written notice thereof and remains uncured at the time notice of termination is given; provided, however, in the case of an inaccuracy that cannot reasonably be cured within such ten (10) day period, except otherwise provided in Section 13.3, there shall be no termination right under this Section if the defaulting Party has, within such ten (10) day period, commenced to cure such inaccuracy and thereafter shall diligently pursue the curing of such inaccuracy.

Section 13.6 Termination on or Prior to Closing Due to Non-Fulfillment of Agreement. Either HHC or UConn may terminate this Agreement on or prior to the Closing Date if (i) the other Party has failed to fulfill any agreement, promise, obligation or covenant required to be

fulfilled by such Party on or prior to the Closing Date such that the condition set forth in Section 11.2(b) or 11.3(b), as the case may be, would not be satisfied and (ii) such failure has not been cured by the other Party within ten (10) business days after its receipt of written notice thereof and remains uncured at the time notice of termination is given; provided, however, in the case of a failure that cannot reasonably be cured within such ten (10) day period, except as otherwise provided in Section 13.3, there shall be no termination right under this Section if the defaulting Party has, within such ten (10) day period, commenced to cure such failure and thereafter shall diligently pursue the curing of such failure.

Section 13.7 Termination on or Prior to Closing Due to Material Adverse Effect. This Agreement may be terminated on or prior to the Closing Date:

(a) by HHC if, on or prior to the Closing, there shall have occurred any Material Adverse Effect on any UConn System Participant, or there shall have occurred any event or circumstance that, in combination with any other events or circumstances, could reasonably be expected to have a Material Adverse Effect on any UConn System Participant; or

(b) by UConn if, on or prior to the Closing, there shall have occurred any Material Adverse Effect on any HHC System Participant, or there shall have occurred any event or circumstance that, in combination with any other events or circumstances, could reasonably be expected to have a Material Adverse Effect on any HHC System Participant.

Section 13.8 Termination After Closing for Material Breach. Either HHC or UConn (the Terminating Party) may terminate this Agreement at any time after the Closing upon a material breach by the other Party after the Closing of any of the following Sections and Articles of this Agreement: Sections 1.6 and 1.8, and Articles II, III, IV, V, VI, VII, IX, XII, XIV, XV and XVI, by the Terminating Party giving written notice thereof to the other Party specifying the facts and circumstances of such breach; provided, however, that upon delivery of such written notice, the Parties shall begin the dispute resolution procedure provided in Article XV, and, following the completion of such dispute resolution process, excluding any binding arbitration proceeding as provided in Section 15.6, if the breach has not been adequately cured or otherwise addressed in the reasonable good faith judgment of the Terminating Party, this Agreement may be terminated by the Terminating Party, subject to any binding arbitration proceeding pursuant to Section 15.6. Notwithstanding anything to the contrary, the Nonterminating Party shall have the right to cure any such breach at any point during the dispute resolution process prior to the commencement of any binding arbitration proceeding pursuant to Section 15.6, and if such breach has been cured to the reasonable satisfaction of the Terminating Party, the dispute resolution process shall cease. For purposes of this Section 13.8, a "material breach" of this Agreement shall mean a breach of any material term of this Agreement specified in the first sentence of this Section 13.8. This Agreement may also be terminated if any Ancillary Agreement is terminated by reason of a material breach of such Ancillary Agreement, subject to the cure provisions and dispute resolution processes set forth in such Ancillary Agreement.

Section 13.9 Termination After Closing for Violation of Law. Either HHC or UConn (the Terminating Party) may terminate this Agreement at any time after the Closing upon one hundred and twenty (120) days prior written notice to the other Party if, at any time on or after the Closing:

(a) any Governmental Body issues an Order or takes any other action that materially and adversely affects the ability of any System Participant to perform any of its post-Closing obligations under this Agreement or any Ancillary Agreement or otherwise materially prohibits or restricts the performance of any System Participant's post-Closing obligations under this Agreement or any Ancillary Agreement; or

(b) any change in federal, state or local law, rule or regulation or interpretation thereof by any Governmental Body occurs after the Closing Date that would either (i) subject any System Participant to civil or criminal prosecution, or (ii) subject any System Participant to a material risk of the loss of its tax-exempt status, in the reasonable opinion of legal counsel to the Terminating Party who is experienced in health law matters; provided that (i) the Parties have negotiated in good faith to modify this Agreement or any Ancillary Agreement, as applicable, to resolve any adverse effects created by such action and have failed to reach agreement as to an acceptable modification of terms within such one hundred and twenty (120) day period, or (ii) a Party has determined reasonably and in good faith that compliance with such law or regulation is impossible or impracticable.

Section 13.10 Termination for Insufficient Ongoing Funding. HHC (the Terminating Party) may terminate this Agreement at any time after the Closing upon one hundred and eighty (180) days prior written notice to UConn if, at any time on or after the Closing, the State fails to fund the benefits differential costs and/or the operating costs of the SOM pursuant to the terms of the State Funding and Support Agreement.

Section 13.11 Termination for Financial Condition. If the financial condition of any HHC System Participant or any UConn System Participant deteriorates such that the participant is considering filing for protection under any federal or state bankruptcy (or similar) law, the Party affiliated with such System Participant shall give the other Party prior written notice, shall meet with the other Party within five (5) days of such notice to discuss the situation and shall not initiate any filing for protection prior to the expiration of fifteen (15) days after the giving of such notice. During such fifteen (15) day period, the other party may elect to terminate this Agreement and dissolve UH pursuant to Section 13.15 hereof.

Section 13.12 Termination for Bankruptcy. Either Party (the Terminating Party) may terminate this Agreement if the other Party or any of its System Participants:

(a) Admits in writing its inability to pay its debts generally as they become due;

(b) Files a petition to be adjudicated a voluntary bankrupt in bankruptcy or a similar petition under any insolvency act;

(c) Makes an assignment for the benefit of its creditors;

(d) Consents to the appointment of a receiver or trustee of itself; or

(e) Is adjudicated a bankrupt or has a receiver or trustee of itself appointed by a court of competent jurisdiction, and such adjudication or appointment is not vacated, set aside or stayed within sixty (60) days after the entry thereof.

Section 13.13 Notice of Termination. In the event that a Terminating Party elects to terminate this Agreement in accordance with this Article XIII, the Terminating Party shall provide a written notice ("Notice of Termination") to the Nonterminating Party. For these purposes, the "Termination Date" shall be the date set forth in the Notice of Termination; provided that such date is in compliance with the terms of this Article XIII. The Parties acknowledge that a termination of this Agreement may be subject to federal, state and/or regulatory approvals. To the extent any such approvals are necessary, the Parties agree to use their commercially reasonable best efforts in order to obtain such required approvals.

Section 13.14 Consequences of Termination.

(a) If this Agreement is terminated by either Party on or prior to the Closing Date pursuant to Sections 13.3, 13.4 or 13.7 hereof, this Agreement shall become null and void, and there shall be no liability or obligation by either Party or its Affiliates to the other Party or its Affiliates.

(b) If this Agreement is terminated by either Party on or prior to the Closing Date pursuant to Sections 13.5 or 13.6 hereof, this Agreement shall become null and void and either Party may pursue any rights and remedies available to it at law or in equity, except that neither Party shall have any liability for any consequential or punitive damages.

(c) If this Agreement is terminated by either Party after the Closing pursuant to Sections 13.9 or 13.10 hereof, there shall be no liability or obligation by either Party or its Affiliates to the other Party or its Affiliates; provided, however, that:

(i) in the case of a termination after the Closing pursuant to Sections 13.9 or 13.10 hereof, UH shall be dissolved pursuant to Section 13.15 hereof; and

(ii) in the case of a termination after the Closing pursuant to Section 13.10 hereof, HHC and/or any other HHC System Participants may pursue any rights and remedies available at law or in equity against the State by reason of a breach by the State of the State Funding and Support Agreement and/or the Project Funding and Development Agreement.

(d) If this Agreement is terminated by either Party after the Closing pursuant to Sections 13.8, 13.11 or 13.12 hereof, UH shall be dissolved pursuant to Section 13.15 hereof, and the terminating party may pursue any rights and remedies available to it or its Affiliates at law or in equity.

(e) The Parties acknowledge that because of the nature of the integration and the need to continue to provide health care services to the community in an orderly manner, following any termination of this Agreement which occurs after the Closing, the Parties shall continue to operate under the Integration Agreement and the Ancillary Agreements, except as otherwise provided in the Plan of dissolution referenced in Section 13.15 below.

Section 13.15 Dissolution of UH.

(a) Manner of Dissolution. In connection with any dissolution of UH, the Parties, acting in good faith, will develop an orderly plan for the dissolution of UH (the "Plan") in order to recreate two separate and distinct acute care short term general hospitals (one in Farmington owned and operated by UConn or its Affiliate, and one in Hartford owned and operated by HHC or its Affiliate). To the extent reasonably possible, the Parties agree that the Plan will take into account:

(i) The respective programs and services, and the overall value of such programs and services, including the revenues derived therefrom, offered by each Party and their respective System Participants at the Farmington Campus and the Hartford Campus, immediately prior to the Closing Date;

(ii) The respective programs and services, and the overall value of such programs and services, including the revenues derived therefrom, offered at the Farmington Campus and the Hartford Campus, immediately prior to the dissolution;

(iii) The contribution of each Party, their respective System Participants, and in the case of UConn, the State, economically or otherwise (e.g., capital investment, research, clinical expertise, management expertise and other intangible or non-economic contributions), to the maintenance, development, implementation and provision of programs and services at the Farmington Campus and the Hartford Campus, including any programs and services which were added or expanded since the Closing Date; and

(iv) The need to continue to provide quality and cost-effective health care services to residents of their respective service areas.

(b) Plan of Dissolution. The Plan will deal with all matters that need to be covered in connection with the dissolution including, without limitation, the following:

(i) The termination of the Ancillary Agreements, including without limitation, the Master Lease Agreement or the Second Master Lease Agreement;

(ii) UH-FC's conveyance, transfer and assignment to UConn or its Affiliate, free and clear of any Encumbrances, good and marketable title in and to all of the JDH Assets included in the UConn/UH-FC Bill of Sale for no further consideration;

(iii) UP's conveyance, transfer and assignment to UConn or its Affiliate, free and clear of any Encumbrances, good and marketable title in and to all of the UP Assets included in the UConn/UP Bill of Sale for no further consideration;

(iv) The purchase by UConn or its Affiliate of any furniture, furnishings, equipment, computers and other tangible personal property related to the programs and services to be provided at the JDH Facility, the Replacement Hospital and UP pursuant to the Plan and which property: (A) is located at any space that is included in the Master Lease Agreement or the Second Master Lease Agreement, and (B) was purchased with funds provided by any HHC System Participant during the term of this Agreement. All such property shall be

transferred free and clear of any Encumbrances at a price equal to the net book value thereof, (determined in accordance with GAAP, consistently applied), payable on the date of transfer of such property to UConn or its Affiliate, but in no event sooner than one hundred eighty (180) days after Notice of Termination has been given by a Party. To the extent any such property was purchased with funds of the State, UConn or any of its Affiliates, such property shall be conveyed to UConn or its Affiliate for no further consideration;

(v) The assignment by the HHC System Participants or their Affiliates, and the assumption by UConn or its Affiliate, of the leases and contracts related to the operation of the JDH Facility, the Replacement Hospital and UP pursuant to the Plan in any space that is included in the Master Lease Agreement or the Second Master Lease Agreement;

(vi) The amendment of the Corporate Documents of the System Participants;

(vii) An "equitable" cash payment, if any, from one Party to the other Party; and

(viii) The cooperation of the parties to execute all reasonably necessary documents and to obtain all reasonably required approvals and consents to effectuate the dissolution of UH as provided herein, including to the extent permitted by the Special Legislation or otherwise, the expedited review of any certificate of need, approval or license required to be obtained from OHCA or DPH in order to implement the Plan.

At any point during the development of the Plan, either Party may, through written notice to the other Party, cause the Parties to proceed to binding arbitration under Section 15.6 of this Agreement. In such event, the arbitrator shall determine all of the elements of the Plan not otherwise agreed to by the Parties and render his or her decision, taking into account the entirety of this Section 13.15.

(c) Academic Affiliation. The Parties shall continue UH-HC's status as an academic affiliate of UConn following the dissolution of UH on terms and conditions negotiated by the Parties in good faith, or as otherwise ordered by an arbitrator pursuant to Section 15.6.

(d) UP. In the event of the dissolution of UH, UP shall also be dissolved pursuant to an orderly plan for dissolution developed by the Parties, which plan for UP's dissolution shall be included in and made a part of the Plan.

(e) Employed Clinical Faculty. Neither Party nor any of their respective Affiliates may, for a period of two (2) years following the dissolution of UP, directly or indirectly solicit, employ or otherwise attempt to procure, or procure, the services of an Employed Clinical Faculty member who was employed by the other Party or its Affiliates immediately prior to the Closing Date. Except as otherwise provided in the preceding sentence, either Party and its Affiliates shall be free to solicit, employ or otherwise procure the services of Employed Clinical Faculty members from and after the dissolution of UP.

ARTICLE XIV  
INDEMNIFICATION

Section 14.1 Indemnification by HHC. HHC shall indemnify, defend and hold harmless each of the UConn System Participants and any member, officer, trustee, director, employee, Affiliate or agent thereof (collectively, for purposes of this Article XIV, the "UConn Indemnified Parties"), from and against any and all claims, costs, expenses, deficiencies, losses, liabilities or damages suffered or incurred by any of the UConn Indemnified Parties (excluding punitive damages, but including, without limitation, other consequential damages (including lost profits), reasonable legal fees and expenses, expert fees, court costs and other costs of investigation or defense) ("Losses") arising out of any of the following:

(a) The breach of any representation or warranty made by HHC in this Agreement or in any exhibit, schedule, certificate or written agreement, document or instrument furnished or to be furnished by or on behalf of any HHC System Participant to UConn pursuant to this Agreement;

(b) The JDH Assumed Liabilities or any other liability expressly assumed by HHC in this Agreement; or

(c) Any and all Losses suffered or incurred by any UConn Indemnified Party by reason of or in connection with any claim or cause of action by any third party made against such UConn Indemnified Party to the extent arising out of any action, inaction, event, condition, liability or obligation of any HHC System Participant or its Affiliate, except for (i) the HH Assumed Liabilities, (ii) the UMG Assumed Liabilities, and (iii) any other liabilities or obligations expressly assumed by any UConn System Participant pursuant to this Agreement or any of the Ancillary Agreements.

Section 14.2 Indemnification by UConn. UConn shall indemnify, defend and hold harmless each of the HHC System Participants and any member, officer, trustee, director, employee, Affiliate or agent thereof (collectively, for purposes of this Article XIV, the "HHC Indemnified Parties"), from and against any and all Losses arising out of any of the following:

(a) The breach of any representation or warranty made by UConn in this Agreement or in any exhibit, schedule, certificate or written agreement, document or instrument furnished or to be furnished by or on behalf of any UConn System Participant to HHC pursuant to this Agreement;

(b) Liabilities of UConn, whether arising on, before or after the Closing Date, arising from or relating to any of specified items listed in the Disclosure Schedule; or

(c) Any and all Losses suffered or incurred by any HHC Indemnified Party by reason of or in connection with any claim or cause of action by any third party made against any HHC Indemnified Party to the extent arising out of any action, inaction, event, condition, liability or obligation of any UConn System Participant or its Affiliate, except for (i) the JDH Assumed Liabilities, and (ii) any other liabilities or obligations expressly assumed by any HHC System Participant pursuant to this Agreement or any of the Ancillary Agreements.

Section 14.3 Indemnification by UP. The Parties shall cause UP to indemnify, defend and hold harmless the other System Participants and any member, officer, trustee, director, employee or agent thereof (collectively, for purposes of this Article XIV, the "System Indemnified Parties"), from and against any and all Losses arising out of:

(a) The HH Assumed Liabilities or the UMG Assumed Liabilities; or

(b) Any and all Losses suffered or incurred by any System Indemnified Party by reason of or in connection with any claim or cause of action by any third party made against such System Indemnified Party to the extent arising out of any action, inaction, event, condition, liability or obligation of UP.

Section 14.4 Limitations on Indemnifiable Damages. The indemnification obligations of HHC or UConn under Sections 14.1(a) or 14.2(a), respectively, shall not apply to any individual claim that is less than \$10,000 and shall not apply unless and until the aggregate indemnification obligations to the other Party for individual claims over \$10,000 exceed \$250,000, in which event the indemnification obligations shall apply to the first dollar thereof. In no event shall the aggregate indemnification obligations of HHC or UConn under Sections 14.1(a) or 14.2(a), respectively, exceed \$15,000,000; provided, however, that the foregoing limitations shall not apply to indemnification obligations under Section 14.2(a) that relate to UConn's representations and warranties made under Sections 9.2(t) or (u).

Section 14.5 Survival of Representations and Warranties.

(a) The obligations of HHC and UConn to pay any and all indemnification obligations arising out of Section 14.1(a) and Section 14.2(a) hereof by reason of the breach of any of its respective representations and warranties contained in this Agreement, shall survive the Closing for a period of eighteen (18) months thereafter; provided, however, that:

(i) insofar as any claim is made by either Party for the breach of any representation or warranty of the other Party contained herein, which claim arises out of allegations of personal injury or property damage suffered by any third party on or prior to the Closing, or arising out of acts or omissions occurring on or prior to the Closing, such representations and warranties shall, for purposes of such claim, survive until thirty (30) calendar days after the expiration of the applicable statute of limitations governing such claims;

(ii) insofar as any claim is made by either Party for the breach of any representation or warranty of the other Party contained herein relating to Environmental Conditions, such representation and warranty shall, for purposes of such claim, survive the Closing until the expiration of the applicable statute of limitations; and

(iii) insofar as any claim is made by HHC for the breach of any representation and warranty made by UConn under Section 9.2(t), such representation and warranty shall, for purposes of such claim, survive the Closing until the expiration of the applicable statute of limitations.

(b) If written notice of a claim has been given prior to the expiration of the period of liability of a Party with respect to its representations and warranties, then a Party's liability shall continue as to such claim until the claim has been finally resolved.

#### Section 14.6 Procedure for Making Claims.

(a) Notice of Claim. Any UConn Indemnified Party, HHC Indemnified Party or System Indemnified Party (each, an "Indemnified Party") seeking indemnification hereunder shall give to the Party obligated to provide indemnification to such Indemnified Party (the "Indemnitor") a notice (a "Notice of Claim") describing in reasonable detail the facts giving rise to any claim for indemnifiable Losses and shall include in such Notice of Claim (if then known) the amount or the method of computation of the amount of such claim, and a reference to the provision of this Agreement or any other agreement, document or instrument executed hereunder or in connection herewith upon which such claim is based; provided, however, that a Notice of Claim in respect of any action at law or suit in equity by or against a third person as to which indemnification will be sought shall be given promptly after the action or suit is commenced; and provided, further, that failure to give such a Notice of Claim shall not relieve the Indemnitor of its obligations hereunder except to the extent it shall have been prejudiced by such failure.

(b) Notice of Objection. If the Indemnitor shall object to such Notice of Claim, the Indemnitor shall deliver a written notice of objection (the "Notice of Objection") within thirty (30) days after the Indemnified Party's delivery of the Notice of Claim. The Notice of Objection shall set forth the grounds upon which the objection is based and state whether the Indemnitor objects to all or only a portion of the matter described in the Notice of Claim. If the Notice of Objection shall not have been so delivered within such thirty (30)-day period, the Indemnitor shall conclusively be deemed to have acknowledged the correctness of the claim or claims specified in the Notice of Claim for the full amount thereof, and the Indemnifiable Damages set forth in the Notice of Claim shall be promptly paid to the Indemnified Party without the necessity of further action. If the Indemnitor shall make timely objection to a claim or claims set forth in any Notice of Claims, the Parties shall have thirty (30) days in which to resolve or compromise such claim or claims, during which time the Indemnified Party shall refrain from taking any further legal action with respect to such claims or claims; provided, however, that during such thirty (30) day period, the Indemnitor hereby waives any applicable statute of limitations. If, within such thirty (30) day period, the Parties are unable to resolve or compromise such claim or claims, then such claim or claims shall be settled pursuant to Article XV hereof, relating to dispute resolution.

#### Section 14.7 Third Party Claims.

(a) Notice to Indemnitor. In the event a claim, suit or proceeding by a third party is made or filed against any Indemnified Party, such Indemnified Party shall, promptly after the receipt of written notice of such claim, suit or proceeding, notify 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.

(b) Legal Proceeding, Claim or Demand. 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.

Section 14.8 Survival. The obligations of the Parties pursuant to this Article XIV shall survive the termination of this Agreement, subject to the express terms of this Article XIV.

## ARTICLE XV DISPUTE RESOLUTION

Section 15.1 Presidents. In the event of a material dispute between or among the Parties and/or any of the System Participants arising out of or relating to any alleged breach of this Agreement, or of any agreement, exhibit, schedule or instrument referred to herein (a "Dispute"), the President of UConn and the President & CEO of HHC shall first attempt for a period of thirty (30) days to resolve such Dispute to their mutual satisfaction.

Section 15.2 Appointment of Ad Hoc Committee. If at the end of such thirty (30) day period, the Dispute remains unresolved, the respective Board Chairs of HHC and UConn shall appoint an ad hoc committee to attempt to resolve the Dispute. The ad hoc committee shall include an equal number of members of the Boards of each of HHC and UConn and shall consist of no more than six (6) members in the aggregate.

Section 15.3 Role of Ad Hoc Committee. The ad hoc committee shall have a period of thirty (30) days from the date of its creation during which it shall investigate the Dispute and seek an appropriate resolution acceptable to all parties thereto. It is intended that the efforts of the ad hoc committee during such thirty (30) day period may include, without limitation, interviews of appropriate management and Board personnel, inquiries with independent consultants or advisors, and/or meetings of the senior Board or executive personnel of any or all of the System Participants. At the end of such thirty (30) day period, the ad hoc committee shall present its findings and/or recommendations to the respective Board Chairs of the Parties.

Section 15.4 Action by the Board Chairs. Upon receipt of the findings and/or recommendation from the ad hoc committee, the Board Chairs of the Parties shall evaluate the committee's findings and shall:

- (a) Mutually approve the action recommended by the ad hoc committee;
- (b) Mutually agree to take other action directed at resolving the Dispute; or
- (c) Mutually direct that the matter be submitted to non-binding mediation, subject to Section 15.5.

Section 15.5 Non-Binding Mediation. If (i) the Board Chairs of the Parties direct that a Dispute be submitted to non-binding mediation; or (ii) after deliberation of the Board Chairs, one or both of the Board Chairs continues to assert in good faith that the Dispute remains unresolved; then, in either such event, the Parties shall attempt in good faith to reach a mutually acceptable resolution of the Dispute through non-binding mediation, conducted through JAMS. The mediation shall take place at a neutral location in Hartford, Connecticut.

Section 15.6 Binding Arbitration. If, after completion of all of the dispute resolution procedures set forth above in this Article XV, any Dispute remains unresolved, or if a Party refers the Plan of dissolution to arbitration pursuant to Section 13.15(b) hereof, either Party may by written notice to the other Party, require binding arbitration of such Dispute (or the Plan), pursuant to JAMS Comprehensive Arbitration Rules and Procedures before a panel of three arbitrators. Judgment on the arbitration award may be entered in any court having jurisdiction. The arbitrators' decision shall be binding on the parties and their Affiliates. The arbitrators may, in their discretion, in the arbitration award, allocate to the prevailing party costs of the arbitration, including the fees of the arbitrator and the reasonable attorneys' fees of the prevailing party.

Section 15.7 Disputes Prior to Closing. The Parties agree that the dispute resolution process set forth in this Article XV is not intended to, and shall not be used as a means to, require a Party to consummate the Transactions.

Section 15.8 Other Disagreements. Except as otherwise provided in this Agreement, if any disagreement, other than a Dispute, arises between or among the Parties and/or any of the System Participants arising out of or relating to this Agreement, or to any agreement, exhibit, schedule or instrument referred to herein, either Party may call for a meeting of the President & CEO of HHC, the President of UConn, the Dean of the SOM, the Chair and Vice Chair of the



and with a copy to: Donald R. Auten, Esquire  
Duane Morris LLP  
30 South 17th Street  
Philadelphia, PA 19103  
Fax: (215) 689-0863

If to UConn: The University of Connecticut  
Attention: President  
352 Mansfield Road, Unit 2048  
Storrs, CT 06269-2048  
Fax: (860) 486-2627

with a copy to: Cato T. Laurencin, M.D., Ph.D., Vice President for  
Health Affairs and Dean, School of Medicine  
University of Connecticut Health Center  
263 Farmington Avenue  
Farmington, CT 06030  
Fax: (860) 649-1255

and with a copy to: Stephen M. Cowherd, Esquire  
Jeffers & Ireland, PC  
55 Walls Drive  
Fairfield, CT 06824  
Fax: (203) 259-1070

Section 16.4 Expenses. Except as otherwise expressly provided in this Agreement, each Party shall bear its own expenses in connection with the consummation of the Transactions.

Section 16.5 Counterparts. This Agreement (i) may be executed simultaneously 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; and (ii) shall not become effective until one or more counterparts have been executed by each Party hereto and delivered to the other Party.

Section 16.6 Entire Transaction. This Agreement and the Exhibits and Schedules attached hereto contain the entire understanding of the Parties with respect to the Transactions and supersede all other agreements, representations, statements and understandings, whether oral or written, express or implied, between the Parties with respect to the subject matter hereof.

Section 16.7 Governing Law. This Agreement shall be governed by and construed in accordance with the internal substantive laws of the State, without regard to conflicts of laws principles.

Section 16.8 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.

Section 16.9 Articles. All references to "Articles" and "Sections" in this Agreement are to Articles and Sections of this Agreement unless otherwise specifically provided.

Section 16.10 Partial Invalidity. In case any one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, and provided that no Party is as a result thereof deprived of the enjoyment of its substantial benefits under this Agreement, 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. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner in order that the Transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.

Section 16.11 Binding Agreement. This Agreement shall be binding upon and inure only to the benefit of the Parties hereto. This Agreement shall not inure to the benefit of or be enforceable by any other Person other than a Party.

Section 16.12 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.

Section 16.13 No Assignment. Except as otherwise specifically contemplated herein, the rights and obligations of each Party under this Agreement are not assignable, either voluntarily or by operation of law, without the prior written consent of the other Party. Any assignment or attempted assignment in violation of this provision shall be null and void.

Section 16.14 Public Statements. The Parties agree that any and all press releases and public statements concerning the Transactions require the written approval of both Parties; provided, however, that (i) nothing herein shall prevent any Party from complying with applicable law or regulation; and (ii) once a statement has been issued to the public pursuant to applicable law or regulation, the other Party may reiterate the same statement without consent.

Section 16.15 Enforcement of this Agreement. The Parties agree that irreparable harm would occur in the event that Section 12.2 of this Agreement were not performed in accordance with the terms hereof and that any breach of Section 12.2 by a Party or its System Participants could not be adequately compensated in all cases by monetary damages alone. Accordingly, in addition to any other right or remedy to which a Party may be entitled, at law or in equity, it shall be entitled to enforce Section 12.2 of this Agreement by a decree of specific performance and temporary, preliminary and permanent injunctive relief to prevent breaches or threatened breaches of Section 12.2 of this Agreement, without posting any bond or other undertaking.

Section 16.16 Disclosure Schedules.

(a) If there is any inconsistency between the statements in this Agreement and those in the Disclosure Schedule (other than an exception set forth as such in the Schedule), the statements in this Agreement will control.

(b) Every statement made by a Party in the Disclosure Schedule shall be deemed to be a representation of such Party in this Agreement as if set forth in Section 9.1 or 9.2, as the case may be.

ARTICLE XVII  
DEFINITIONS

Section 17.1 Definitions. Capitalized terms used herein without definition shall have the following meanings, unless the context or use indicates another or different meaning or intent:

"Affiliate" shall mean, with respect to a Person, any Person that directly or indirectly controls, is controlled by, or is under common control with the specified Person. As used in this definition, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

"Assumed Liabilities" shall mean, collectively, the JDH Assumed Liabilities, the HH Assumed Liabilities and the UMG Assumed Liabilities.

"Board" or "Governing Board" shall mean the Board of Trustees, Board of Directors, Board of Managers or other body that governs the business and affairs of any Person that is not an individual.

"CEO" shall mean Chief Executive Officer.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and any Treasury regulations promulgated thereunder and corresponding thereto.

"Corporate Documents" shall mean, with respect to any entity, its certificate of incorporation and corporate bylaws if the entity is a corporation, or comparable documents if the entity's form of legal organization is other than a corporation.

"Disclosure Schedules" or "Schedules" shall mean the Schedules delivered by UConn to HHC and by HHC to UConn in connection with the execution and delivery of this Agreement.

"Encumbrance" shall mean any security interest, pledge, mortgage, lien (including, without limitation, environmental and tax liens), charge, encumbrance, adverse claim, preferential arrangement or restriction of any kind, including, without limitation, any restriction on the use, voting, transfer, receipt of income or other exercise of any attributes of ownership.

"Environment" shall mean soil, land surface or subsurface strata, surface waters (including navigable waters, ocean waters, streams, ponds, drainage basins, and wetlands), groundwaters, drinking water supply, stream sediments, ambient air (including indoor air), plant and animal life, and any other environmental medium or natural resource.

"Environmental Condition" shall mean a condition relating to or arising or resulting from a failure to comply with any applicable Environmental Laws or Environmental Permits or a Release of Hazardous Materials.

"Environmental Laws" shall mean all laws, rules, regulations and Orders now or hereafter in effect and as amended, and any judicial or administrative interpretation thereof, relating to the regulation or protection of human health, safety or the environment (including, without limitation, ambient air, soil, surface water, ground water, wetlands, land or subsurface strata), including laws and regulations relating to Releases or threatened Releases of Hazardous Materials, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, recycling or handling of Hazardous Materials.

"Environmental Permits" shall mean all Permits required under any applicable Environmental Law.

"ERISA" shall mean the Employment Retirement Income Security Act of 1974, as amended.

"GAAP" shall mean generally accepted accounting principles consistently applied including, without limitation, principles promulgated by the Financial Accounting Standards Board and the Governmental Accounting Standards Board.

"Governmental Body" shall mean any:

- (i) nation, state, county, city, township, village, district or other governmental jurisdiction of any nature;
- (ii) federal, state, local, municipal, foreign or other government;
- (iii) governmental or quasi-governmental authority of any nature (including any governmental agency, branch, department, official or entity and any court or other tribunal);
- (iv) multi-national organization or body; or
- (v) body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power of any nature.

"Hazardous Materials" shall mean (i) any petroleum and petroleum products, radioactive materials, asbestos in any form that is or could become friable, urea formaldehyde foam insulation, transformers or other equipment that contain polychlorinated biphenyls, and radon gas, (ii) any other chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous wastes," "restricted hazardous wastes," "toxic substances," "toxic pollutants," "contaminants" or "pollutants," or words of similar import, under any applicable Environmental Law, and (iii) any other chemical, material or substance exposure to which is regulated by any Governmental Body.

"JDH Facility" shall mean those facilities on the Farmington Campus described in the Master Lease Agreement.

"Knowledge" of (i) a Person that is an individual means such individual's actual knowledge, after reasonable inquiry, and (ii) any Person that is not an individual means, with respect to any particular matter, the actual knowledge, after reasonable inquiry, of such Person's Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and other officers having primary responsibility for such matter.

"Legal Proceeding" shall mean any action, suit, legal or administrative proceeding, or governmental inquiry, investigation or audit.

"Legal Requirement" shall mean any federal, state, local, municipal, foreign, international, multinational or other administrative order, constitution, law, ordinance, principle of common law, regulation, statute, rule or treaty.

"Material Adverse Effect" shall mean, as the context requires, any change, state of facts, event, occurrence or effect that, individually or in the aggregate with all such other changes, states of facts, events, occurrences or effects, would have a material adverse effect on (i) the business, condition, capitalization, assets, liabilities, operations or financial performance of the designated Person or Persons, or (ii) the ability of a Party to perform its obligations under this Agreement or any of the Ancillary Agreements or to consummate the Transactions.

"NIH" shall mean the National Institutes of Health.

"Order" shall mean any award, decision, injunction, judgment, order, ruling, subpoena or verdict entered, issued, made or rendered by any court, administrative agency or other Governmental Body or by any arbitrator.

"PBGC" shall mean the Pension Benefit Guaranty Corporation.

"Permits" shall mean all health and safety and other permits, licenses, authorizations, certificates, filings, registrations, exemptions and other approvals of Governmental Bodies.

"Person" shall mean any individual, partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative, association or other entity (including, without limitation, any constituent unit of the Connecticut state system of public higher education).

"Release" means disposing, discharging, injecting, spilling, leaking, leaching, dumping, emitting, escaping, emptying, seeping, placing and the like into or upon any land or water or air or otherwise entering into the Environment.

"Secretary of State" shall mean the Secretary of the State of Connecticut.

"Transactions" shall mean all of the transactions and relationships contemplated by this Agreement and the Ancillary Agreements and Exhibits.

"UHSOM Ventures" shall mean University Hospital/UConn School of Medicine Ventures, a Connecticut entity to be formed by the Parties.

Section 17.2 Other Definitional Provisions.

(a) The word "amended" shall mean "amended, modified and/or revised" or words of similar import; and the word "amendment" shall mean "amendment, modification and/or revision" or words of similar import.

(b) The words "hereof," "herein," "hereby" and "hereunder" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement.

(c) Terms defined in the singular shall have a comparable meaning when used in the plural, and vice versa, and terms referring to one gender shall refer to either gender.

(d) The terms "including" and "included" or similar terms shall mean "including but not limited to."

(e) References to agreements shall include any amendment or modification to such agreements.

Section 17.3 Index of Other Defined Terms. The following is an index to the definitions of capitalized terms that are defined within the body of this Agreement:

<u>Term</u>	<u>Page</u>
Agreement.....	1
Amended HHC Bylaws.....	3
Amended HHC Certificate.....	3
Amended UH-HC Bylaws .....	3
Amended UH-HC Certificate .....	3
Ancillary Agreements .....	4
Billing Party .....	9
Bonds .....	21
CCMC.....	16
CHERC .....	16
CICATS .....	16
Clinical Research Agreement .....	4
Clinical Teaching Agreement .....	4
Closing .....	39
Closing Date.....	39
CPI .....	19
CTSA .....	16
Dispute .....	56
Effective Date .....	1
Employed Clinical Faculty .....	3
Exempt Information.....	39
Faculty Provider Services Agreement .....	4
Farmington Campus.....	1
FOIA .....	38

FOIC .....	39
Hartford Campus.....	1
HH.....	1
HH Assigned Contracts.....	8
HH Assumed Liabilities.....	9
HH/UP Assignment and Assumption Agreement.....	5
HH/UP Bill of Sale .....	4
HHC .....	1
HHC Disclosure Schedule .....	23
HHC Financial Statements.....	24
HHC Indemnified Parties.....	53
HHC Licenses and Permits .....	25
HHC System Participants .....	11
Indemnified Party.....	55
Indemnitor.....	55
JDH .....	1
JDH and UMG Assumed Liabilities.....	7
JDH Assets.....	5
JDH Assigned Contracts.....	7
JDH Cost Reports .....	46
Losses.....	53
Master Lease Agreement .....	4
Medical Directorship Funding.....	20
Medical Staff Bylaws.....	3
Multi-Purpose Building .....	17
Nonterminating Party.....	47
Notice of Claim.....	55
Notice of Objection.....	55
Notice of Termination.....	50
Parties.....	1
Project Funding and Development Agreement.....	5
Project Team .....	17
Provider Employment Agreement .....	14
Purchased Services Agreement.....	5
Replacement Hospital .....	16
Second Master Lease Agreement.....	16
SODM.....	1
SOM.....	1
SOM Bylaws .....	16
Special Legislation.....	23
State.....	1
State Funding and Support Agreement.....	5
Straddle Patients.....	9
Support Staff Agreement .....	4
System.....	1
System Indemnified Parties .....	54

System Participants.....	3
Terminating Party .....	47
Termination Date .....	50
UHC .....	1
UHC Bylaws .....	3
UHC Entities .....	30
UConn.....	1
UConn Disclosure Schedule .....	28
UConn Financial Statements.....	29
UConn Indemnified Parties.....	53
UConn Licenses and Permits .....	30
UConn System Participants .....	11
UConn/UH-FC Assignment and Assumption Agreement.....	4
UConn/UH-FC Bill of Sale.....	4
UConn/UP Assignment and Assumption Agreement.....	4
UConn/UP Bill of Sale.....	4
UH.....	1
UH Bylaws.....	3
UH Certificate.....	3
UH-FC.....	2
UH-FC Bylaws.....	3
UH-FC Certificate.....	3
UH-HC .....	2
UHP.....	22
UMG .....	1
UMG Assigned Contracts .....	7
UP .....	2
UP Assets .....	6
UP Bylaws .....	3
UP Certificate.....	3
Voluntary Physicians .....	3

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their respective authorized officers on the day and year first above written.

HARTFORD HEALTH CARE CORPORATION

By: \_\_\_\_\_  
Elliot Joseph  
President and Chief Executive Officer

THE UNIVERSITY OF CONNECTICUT

By: \_\_\_\_\_  
Michael J. Hogan  
President

Exhibit A  
Vision and Principal Partner Relationships

Vision. HHC and UConn have joined to create a System that embodies a "Principal Partnership" in education, research and patient care, including the following key elements and attributes:

(a) The System shall unite the two cultures of the Parties and their respective Affiliates and constituent units through a single, shared vision. The System shall be a major force in moving the SOM to "top tier" status, and in shaping the region as a health care destination and a biomedical research leader in the future. The Parties and their respective Affiliates and constituent units shall work together in the areas of clinical education, research, and patient care and the strategies for enhancing the foregoing missions.

(b) The System shall include the development of UH, located on campuses in Hartford and Farmington. UH's governance shall feature cross-representation from the higher levels of governance within HHC and UConn, in order to assure continuance of a shared vision and supportive leadership relationships. UH shall come to be recognized as one of the nation's premier academic medical centers. It shall be the core of the growing System, attract the finest doctors, dentists and health care professionals in the world, and become a destination for patients seeking the most current developments in medical care. UH shall be instrumental in advancing the educational ranking, sponsored research funding and clinical reputation of the SOM and the SODM. The System shall similarly advance the national reputation and regional presence of HHC.

(c) UH shall control the acute care hospitals on the Hartford Campus and the Farmington Campus. The acute care hospital on the Hartford Campus shall be renovated, among other things, to improve its inpatient areas. UH shall function as the "flagship teaching hospital" for the SOM and the SODM and as the primary site for the clinical research activities of the System.

(d) The Hartford Campus and the Farmington Campus shall have one medical staff, maintaining one high standard of clinical care and clinical education. The medical staff shall be composed of the Employed Clinical Faculty and the Voluntary Physicians. The Employed Clinical Faculty of HH and UMG shall be combined and shall grow in number and in proportion over time; however, there shall continue to be a significant number of qualified Voluntary Physicians on the medical staff of UH, each of whom shall be required to have an academic appointment from the SOM.

(e) The Parties shall form a new faculty practice plan called "University Physicians," with UH and the SOM as the two members. UP shall employ, or with respect to those Employed Clinical Faculty who elect to remain employed exclusively by the SOM, contract with the SOM for the services of, the Employed Clinical Faculty to conduct their clinical care activities. The Employed Clinical Faculty shall be employed by the SOM to conduct their teaching and research activities. This dual member/dual employer model is designed to achieve economic alignment between UP and UH for the clinical patient care mission and with the SOM for the clinical education and clinical research missions. Capital

investments, recruitment incentives and professional service arrangements between UP and UH will advance opportunities for the financial success of the Employed Clinical Faculty in UP.

(f) HHC, UH and its medical staff, the SOM and the SODM and, to the extent planning involves pediatric services, CCMC, their pediatric care partner, shall engage in initial and recurrent planning with respect to: the development of clinical programs and facilities; the development of physician network relationships; and the development of ambulatory clinical facilities in Farmington and Hartford, as well as the development of other related healthcare initiatives.

(g) UConn and its teaching hospital affiliates shall collaborate to advance medical education and research in the State through the Connecticut Health Education and Research Collaborative made up of the following members: Bristol Hospital, CCMC, The Hospital of Central Connecticut, Saint Francis Hospital and Medical Center, UH, UH-HC and UH-FC (the "Collaborative"). The Collaborative shall (i) support the educational and research missions of all of its members by expanding their interaction with medical and dental students, interns and residents, and enhancing their access to emerging science with a systematic transfer of state-of-the-art knowledge to the collaborating hospitals; (ii) support UConn's efforts to secure a CTSA through the NIH for purposes of funding the CICATS consortium and expanding and deepening biomedical research in the region; and (iii) support public health initiatives that enhance the health status of Connecticut's residents by using research to develop and disseminate new and successful models of care, with a focus on underserved populations.

(h) The clinical education and clinical research initiatives developed by the SOM and UH shall be extended to a broader network of SOM affiliates, thereby enhancing their academic missions and improving their access to medical students, interns, residents and emerging science.

(i) The State shall be a key beneficiary of the System through future health workforce enhancement, economic development and improved health outcomes facilitated by the System and the Principal Partnership relationships.

(j) The State shall provide ongoing financial support for the academic and research activities of UCHC, as well as the essential financial support for the transformation of JDH, including funding for the development and construction of a replacement hospital on the Farmington Campus. Significant investments shall also be made by HHC and/or UH to address the essential needs of both the Hartford Campus and the Farmington Campus. These investments are expected to lead to a mutually beneficial cycle of growth and profitability in education, research and patient care which, in turn, shall fund the continued success of the System. It shall also help the SODM retain its top tier status and the SOM and its faculty to attain similar status. In addition to growing recognition for its innovative curriculum, the SOM shall strive to achieve a level of research funding that would place it among the top 30 schools nationally in the American Association of Medical Colleges rankings. The elevation of the SOM and the SODM shall be complemented by an expansion of their student populations, with the goal of each adding 20 members per year to their current student bodies. The System shall be recognized regionally and nationally for its programmatic excellence, which will advance economic development in the State.

(k) The Parties shall undertake new efforts to advance public health initiatives to improve the health status of the State's residents.

Principal Partner Relationship. The relationships to be created by the formation of the System will be characterized by:

(a) A mutual, mission-level commitment by the Parties, including jointly planning together to advance the clinical care, educational, research and community missions of UH and growing the Employed Clinical Faculty through UP, with the view that a top-tier SOM will enhance the value and stature of the System and advance the region's growth as a health care destination and center of biomedical research.

(b) The premise that the Parties will create value and stature for each other, and thereby benefit and strengthen the System as a whole.

(c) For academic and research matters (e.g., curriculum design, accreditation, program scope, research administration) the SOM, represented by the Dean, shall have primary governance and policy authority. The Deans of the SOM and the SODM shall retain exclusive authority to grant academic appointments to their respective faculties. For clinical programming and strategy (e.g., market strategy, clinical quality, clinical program scope), UH, represented by its President & CEO, shall have primary governance and policy authority. While each Party may provide differing levels of leadership for certain System activities, they commit through the System to plan together for strategy, clinical program development, clinical education and clinical research in a transparent and collaborative manner.

(d) The governance structure of the System shall support the following principles:

- (i) A strong commitment by HHC to the academic and research missions of UH;
- (ii) Economic and strategic alignment of UH, UP and the SOM;
- (iii) Economic and strategic alignment for academics among UH, the SOM and the SODM;
- (iv) Clinical accountability that is aligned with governance control;
- (v) A joint planning process for strategy, clinical care, clinical education and clinical research;
- (vi) Academic leadership from the SOM and the SODM;
- (vii) System leadership from HHC; and
- (viii) A UH Board of Trustees representation consisting of:
  - (A) Members of the communities serviced by UH;

- (B) HHC and UConn senior executive leadership; and
  - (C) UH medical staff, including the Employed Clinical Faculty and Voluntary Physicians;
- (ix) Overlapping leadership on the senior executive teams;
  - (x) Cross-representation on System Participants' Boards; and
  - (xi) Broad and growing linkages between the Parties.

DM2\1595743.32