

AMENDED AND RESTATED MASTER AGREEMENT

THIS AMENDED AND RESTATED MASTER AGREEMENT ("*Agreement*") is made and entered into as of the 12th day of November, 2019 ("*Execution Date*"), by and among THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ALABAMA, a public corporation and constitutional entity of the State of Alabama on behalf of the University of Alabama in Birmingham ("*UAB*"), UAB HEALTH SYSTEM, an Alabama nonprofit corporation ("*UABHS*"; UAB and UABHS being sometimes collectively referred to as the "*UAB Parties*"), and JEFFERSON COUNTY, ALABAMA, a political subdivision of the State of Alabama (the "*County*"). UAB, UABHS and the County are hereinafter referred to individually as a "*Party*" and collectively as the "*Parties*."

Recitals

- A. UAB owns the UAB School of Medicine and the University of Alabama Hospital in Birmingham, Alabama and various other entities and assets engaged in the delivery of healthcare services.
- B. UAB has created UABHS, a tax-exempt organization, to provide management of its health care delivery operations.
- C. The County owns and operates Cooper Green Mercy Health Services, a full-service ambulatory care clinic located in Birmingham, Alabama, that provides a range of services to the residents of the County, regardless of ability to pay, including primary and specialty care, urgent care, physical, occupational, and speech therapy, laboratory services, radiology services and a pharmacy (the "*Cooper Green Clinic*").
- D. The County along with its outside consultants have reviewed and analyzed the Cooper Green Clinic's operations related to its long term sustainability as well as its mission to deliver health care services for the County's low income residents. As a result of that analysis, the County approached UAB based on its health care delivery expertise and requested that UAB make a proposal to operate the Cooper Green Clinic, which has resulted in this Agreement, which, in part, provides UAB and the County with a due diligence period and framework for UAB to establish a University Authority to operate the Cooper Green Clinic and plan for the financing and construction of a new facility.
- E. The University Authority Act of 2016 (Sections 16-17A-1 et seq. of the Alabama Code) (the "*University Authority Act*") permits UAB to organize a university authority, a public corporation authorized to operate hospital and health care delivery systems.
- F. A new university authority, known as the Cooper Green Mercy Health Services Authority, an affiliate of UAB Health System (the "*Authority*"), will be organized to operate the Cooper Green Clinic. The real estate assets of the Cooper Green Clinic will be leased to the Authority, and the remaining assets and operation of the Cooper Green Clinic will be transferred to the Authority, as set forth herein (the "*Transaction*").
- G. The Authority will issue limited obligation revenue bonds to provide financing for the construction of a new Cooper Green Clinic. The payment of the bonds will be a limited

obligation of the Authority payable solely out of payments to be made by the County pursuant to a funding agreement.

H. The mission of the Authority will be to provide quality and efficient care to the County's indigent patients, as well as insured patient populations, by effectively modernizing and managing the operations of the Cooper Green Clinic, and establishing, operating and maintaining a healthcare delivery network for the County's indigent care fund resources for the betterment of its citizens (the "*Mission*").

I. The Authority will engage with UABHS to provide certain management and health care services for the Cooper Green Clinic as set forth herein.

J. The UAB Parties will engage in due diligence regarding all aspects of the Cooper Green Clinic to determine, in their sole discretion, the feasibility of the Transaction.

K. UAB, UABHS and the County are parties to that certain Master Agreement, dated as of April 18, 2019, related to the Cooper Green Clinic (the "*Prior Master Agreement*"), and mutually desire to amend and restate the Prior Master Agreement on the terms set forth herein.

L. The Parties have determined that the consummation of the Transaction contemplated by this Agreement will further their mutual goals to provide quality and efficient care to the residents of the County and to operate the Cooper Green Clinic without the use of the County's general fund.

M. The Parties now desire to evidence the terms of their mutual agreement with respect to the Transaction by entering into this Agreement.

Agreement

NOW, THEREFORE, in consideration of the mutual covenants and promises of the Parties and other forms of consideration, the adequacy and receipt of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

Article 1 Transaction Structure

1.1 Organization of the Authority. Prior to the Closing Date, UAB will organize the Authority under the provisions of the University Authority Act by adopting the articles of incorporation and bylaws of the Authority, substantially in the form attached hereto as *Exhibit A* and *Exhibit B* (collectively, the "*Organization Documents*"). The Authority, the County, UAB and UABHS will enter into an Affiliation Agreement, substantially in the form attached hereto as *Exhibit L* (the "*Affiliation Agreement*"), and agree that the Organization Documents shall provide as follows:

- (a) The Authority shall be organized for the purpose of fulfilling the Mission.

(b) The Authority will be sponsored by UAB. The Authority shall have a board of directors (the "**Authority Board**") consisting of seven (7) voting directors appointed as follows:

(i) UAB will appoint four (4) directors (the "**UAB Directors**"); and

(ii) the County will nominate three (3) directors for appointment (each, a "**County Director**" and collectively, the "**County Directors**"); provided, however, UAB shall not be required to appoint any nomination of a County Director and if UAB does not appoint such a nominee, the County shall provide an alternate nominee for consideration by UAB.

Directors shall serve two (2) year terms. However, the terms of the directors initially appointed in accordance with this Section shall be staggered so that four (4) elected directors (two (2) UAB Directors and two (2) County Directors) shall serve for an initial one (1) year term and three (3) elected directors (the remaining two (2) UAB Directors and one (1) County Director) shall serve for an initial two (2) year term. A resolution of the governing body of UAB shall designate the end of the term for each of the initial appointed directors. The members of the Authority Board may be renewed for successive terms.

(c) Any vacancies on the Authority Board, however caused, shall be filled in the same manner that the director no longer serving was initially appointed. Such appointment shall be for a term ending on the date that the term of the replaced director would have ended.

(d) At all meetings of the Authority Board, a majority thereof shall be necessary and sufficient to constitute a quorum for the transaction of business, and the act of a majority of the members of the Authority Board present at any meeting at which there is a quorum shall be the act of the Authority Board; provided however, that any act of the Authority Board shall require at least three (3) votes from the UAB Directors; provided, further, that any act of the Authority Board approving a material increase in the rates payable under provider contracts (which for purposes hereof shall mean an increase of 15% or more in either the amount payable under a flat fee provider agreement or the rate payable under a variable fee provider agreement) for services provided at the Cooper Green Clinic shall also require at least one (1) vote from a County Director.

(e) There may be an Executive Committee of the Authority Board, which shall at all times be comprised of three (3) members selected from the voting members of the Authority Board, two (2) of whom shall be UAB Directors and designated by UAB and one (1) of whom shall be a County Director and designated by the County.

(f) Directors shall serve without compensation for their service as directors, although the Authority may reimburse directors for reasonable out-of-pocket expenses for attending meetings or undertaking other activities on behalf of the Authority.

(g) UAB shall designate a director on the Authority Board to be President. The President shall preside at all meetings of the Authority Board, if present, and shall, in

general, perform any other duties that may be assigned to him or her by the Authority Board.

(h) The Authority will have full governance powers with respect to the business and affairs of the Cooper Green Clinic, provided, however, that the following actions shall require the approval of both UAB and the County:

- (i) Amendments to the Authority's Organization Documents;
- (ii) Amendments to the Authority's Mission;

(iii) A change of control event for the Cooper Green Clinic, which for purposes hereof shall mean, in one transaction or in a series of related transactions: (A) the acquisition or transfer to another person or entity, whether by purchase, sale, merger, consolidation, reorganization or other transaction, of fifty percent (50%) or more of the assets or ownership/equity interests; or (B) the granting to another person or entity, directly or indirectly, of the power to direct or cause the direction of management policies, whether by contract, the right by any means to elect or appoint a majority of the voting members of the governing body, or otherwise; and

(iv) The Authority incurring debt in excess of Five Million Dollars (\$5,000,000) in one transaction or in a series of related transactions, or selling any asset with the fair market value in excess of Three Million Dollars (\$3,000,000).

1.2 Transfer of Cooper Green Clinic Operations.

- (a) Real Estate.

(i) The County will lease all of the real estate (including the existing Cooper Green Clinic building and the parking deck) that is currently used or useful in the operation of the Cooper Green Clinic (collectively, the "***Cooper Green Clinic Real Estate***") to the Authority for use in the operation of the Cooper Green Clinic for a term commencing as of the Closing Date and terminating (A) on the date this Agreement terminates or expires, or (B) upon completion of the New Cooper Green Clinic and execution of the New Cooper Green Clinic Ground Lease (each as defined below), whichever is earlier, pursuant to a lease agreement by and between the County, as lessor, and the Authority, as lessee, substantially in the form attached hereto as ***Exhibit C*** (the "***Interim Cooper Green Clinic Lease***"). The rent payable by the Authority to the County pursuant to the Interim Cooper Green Clinic Lease shall be One Dollar (\$1) per year. Under the Interim Cooper Green Clinic Lease, (X) the Authority shall be responsible for the payment of all utilities and for routine maintenance of and repairs to the existing Cooper Green Clinic building and other improvements, (Y) during the Phase I Period of the Clinic Services Agreement (as such terms are defined below), in the event there are any new capital needs or projects, capital repairs or extraordinary maintenance expenses (the "***Extraordinary Maintenance Expenses***") that exceed the Cooper Green Clinic Revenue Sources, the Authority shall draw from the Authority Indigent Care Fund Surplus Bank Account to cover such Extraordinary Maintenance Expenses; provided, however, that the Authority shall not have any responsibility or liability for the cost of any Extraordinary

Maintenance Expenses that exceed the balance of the Authority Indigent Care Fund Surplus Bank Account (rather, the County shall be solely responsible for the cost of any such excess Extraordinary Maintenance Expenses), and (Z) during the Phase II Period of the Clinic Services Agreement (as such terms are defined below), the County shall be responsible for the cost of any Extraordinary Maintenance Expenses in excess of those budgeted and included as part of the Capitated Payment or Fixed Cost Payment and in excess of the Capital Reserve Fund. Furthermore, the County shall be responsible for any and all environmental liability and/or remedial action associated with the Cooper Green Clinic and the Cooper Green Clinic Real Estate, and neither the Authority nor any of the UAB Parties shall have any obligation for such liability.

(ii) The parties acknowledge that certain offices or divisions of the County not affiliated with the Cooper Green Clinic, which are listed on *Exhibit C-1* (collectively, the "*County Affiliates*"), are currently occupying space in the existing Cooper Green Clinic building. The Authority agrees to enter into a commercially reasonable sublease with each such County Affiliate, at a fair market rental rate, for a term not to exceed the term of the Interim Cooper Green Clinic Lease, pursuant to which such County Affiliate shall be permitted to sublease the space currently occupied by it.

(iii) Following the Closing, the Authority shall develop plans and specifications for a new outpatient facility for the Cooper Green Clinic (the "*New Cooper Green Clinic*"), subject to reasonable approval by the County. The New Cooper Green Clinic will be located on a portion of the Cooper Green Clinic Real Estate as agreed upon by the UAB Parties, the Authority and the County (the "*New Site Location*"). The Authority will construct the New Cooper Green Clinic on the New Site Location in accordance with the approved plans and specifications, subject to the terms set forth herein and subject to the County's financing obligations set forth in Section 1.2(e)(iii) and Section 1.2(e)(vi) below.

(iv) Upon completion of the New Cooper Green Clinic, (A) the Interim Cooper Green Clinic Lease will be terminated, and (B) the County and the Authority will enter into a ground lease for the New Site Location (the "*New Cooper Green Clinic Ground Lease*") for a term of at least forty (40) years with two (2) ten (10) year renewal options. The rent payable pursuant to the New Cooper Green Clinic Ground Lease shall be One Dollar (\$1) per year. The Authority shall own the New Cooper Green Clinic building and other vertical improvements, subject to the terms of the New Cooper Green Clinic Ground Lease.

(v) The County shall grant to the UAB Parties an option to purchase all or, at the UAB Parties' election, a portion of the Cooper Green Clinic Real Estate, except for the New Site Location, for a fair market value price based on the value of the portion of the real property the UAB Parties elect to purchase (the "*Option*"), pursuant to an Option Agreement in substantially the form attached hereto as *Exhibit D* (the "*Option Agreement*"). The term of the Option shall be ten (10) years from the date of Closing. If the UAB Parties exercise the Option during the term of the Interim Cooper Green Clinic Lease, the UAB Parties will assume the Interim Cooper Green Clinic Lease or enter into a new lease with the Authority on terms substantially similar to those contained therein.

(vi) During the term of the Interim Cooper Green Clinic Lease, the Authority shall have the right to permit the UAB Parties to use the parking deck located on the Cooper Green Clinic Real Estate for their own purposes, pursuant to a Parking License Agreement at a fair market value rental rate, substantially in the form attached hereto as *Exhibit E* (the "*Parking License Agreement*"), provided that the Authority will in any event retain access to a sufficient number of parking spaces for operation of the Cooper Green Clinic. If the UAB Parties have not exercised the Option at the time the New Cooper Green Clinic Ground Lease is executed, the County shall enter into a new parking license agreement with the UAB Parties in substantially the same form, pursuant to which UAB shall be granted rights to use the parking deck for a fair market value rental rate. If UAB later exercises the Option and the New Cooper Green Clinic Ground Lease is in effect, the UAB Parties agree to enter into a Parking License Agreement at a fair market value rental rate with the Authority to provide access to a sufficient number of parking spaces for operation at the New Cooper Green Clinic.

(vii) In the event the New Cooper Green Clinic is constructed, at such time as the New Cooper Green Clinic Ground Lease is executed, the County shall execute and deliver to the UAB Parties an option agreement which grants the UAB Parties the right to purchase the New Site Location (and the County's right, title and interest in the New Cooper Green Clinic building assets pursuant to the terms of the New Cooper Green Clinic Ground Lease) for a fair market value price, at any time (A) the County elects to sell or lease or otherwise convey all or a portion of the New Site Location or (B) following the proper termination or expiration of the Clinic Services Agreement (or similar agreement between the County and the Authority) for the operation of the New Cooper Green Clinic, and the County elects to no longer fund the Cooper Green Clinic, ceases to fund the Cooper Green Clinic, ceases conducting business as a Cooper Green Clinic or is no longer primarily serving the County's indigent population at the Cooper Green Clinic. Notwithstanding anything herein to the contrary, the option described in this Section 1.2(a)(vii) shall not expire until the UAB Parties have been provided with at least twelve (12) months' written notice of the County's election pursuant to (A) or (B) above.

(viii) The provisions of this Section 1.2(a), as well as the agreements referenced herein, shall survive the termination or expiration of this Agreement.

(b) **Lease of Other Assets.** Effective as of the Closing Date, the Authority will lease all, or substantially all, of the other assets used in connection with the operation of the Cooper Green Clinic (the "*Leased Assets*"), including equipment and supplies, but not including any excluded assets identified by the Authority, pursuant to the terms and conditions of a Lease Agreement, substantially in the form attached hereto as *Exhibit F* (the "*Asset Lease Agreement*"). Except to the extent identified by the Authority in writing, the Leased Assets will be leased to the Authority free and clear of all debt, liens and encumbrances. The Authority shall not pay any rent or other compensation for the lease of the Leased Assets.

(c) **Assignment of Leases and Contracts.** Effective as of the Closing Date, the County will transfer and assign, and the Authority will assume, all leases and contracts used in connection with the operation of the Cooper Green Clinic that are identified by the Authority in writing as assumed contracts (the "*Assumed Contracts*"), subject to obtaining any necessary third party consents to such Assumed Contracts, pursuant to the terms and conditions of an Assignment

and Assumption Agreement, substantially in the form attached hereto as *Exhibit G* (the "*Assignment and Assumption Agreement*"). The Authority will not assume any liabilities under the Assumed Contracts related to periods prior to the Closing.

(d) Employees and Benefits.

(i) County Reduction in Force. Prior to the Closing, the County shall take all appropriate action to cause a Reduction in Force to occur as of the Closing Date with respect to all current Cooper Green Clinic employees, including but not necessarily limited to, the County providing notification to such Cooper Green Clinic employees that they will: (A) no longer be employed by the County; (B) no longer be under the jurisdiction of the County Personnel Board; and (C) no longer be subject to or covered by the County Civil Service System.

(ii) Hired Employees. Prior to the Closing, the Authority will determine the job positions it will fill at the Cooper Green Clinic following the Closing of the Transaction and will advise the County and the workforce at Cooper Green Clinic of such available positions using the job titles currently used at the Cooper Green Clinic, although the Authority will re-title most of the positions to correlate with standard ambulatory clinic titles. Current Cooper Green Clinic employees may apply for their current positions if they are among these listed vacancies, and such applicants will receive initial exclusive consideration to fill the positions ("preferred applications"). The Authority's selection of positions to fill shall not be done on an unlawfully discriminatory basis. The Authority, in accordance with its hiring policies and procedures, including but not limited to legally-permissible background checks and drug screens, will process these preferred applications to determine the eligible applicants who have satisfied the requirements of the hiring process ("*Eligible Applicants*"). The Authority will offer the available position to each Eligible Applicant at a salary or wage (without regard to benefits which are addressed in subsequent subsections of this Section 1.2(d)) equal to his/her current salary or wage. The Eligible Applicants who accept the offered positions shall be referred to herein as the "*Hired Employees*." All such Hired Employees will be employed by the Authority in employment-at-will status, and as of the Closing Date, the Hired Employees will no longer be employees of the County.

(iii) New Employees. Following the Execution Date, the Authority, in accordance with its hiring policies and procedures, may offer available positions at Cooper Green Clinic to any individual, as determined in the sole discretion of the Authority, which may include individuals who were not previously employed by the County in any capacity or that were previously employed by the County in a capacity affiliated or unaffiliated with the Cooper Green Clinic who are not Hired Employees under Section 1.2(d)(ii) (collectively referred to herein as "*New Employees*"). All such New Employees will be employed by the Authority or one of its affiliates, as applicable, and will be on the Authority's payroll as of their hire dates. If a New Employee previously had been employed by the County at any time, such employees: (A) shall not be considered employees of the County; (B) shall not be under the jurisdiction of the County Personnel Board; (C) shall not be subject to or covered by the County Civil Service System in any manner or capacity; (D) shall not be entitled to elect to remain on the County's payroll under Section 1.2(d)(v)(A) below, even if such employee was employed by the County

immediately prior to employment by the Authority, or one of its affiliates, as applicable; and (E) shall not be entitled to any prior service credit with the County under Section 1.2(d)(vi) below.

(iv) Authority's Policies and Procedures; Liability for Pre-Closing Accruals. Employee benefits, performance management, staffing ratios, and all other human resource policies and procedures applicable to the Hired Employees will be provided by the Authority or one of its affiliates, as applicable, unless otherwise specified herein. All Hired Employees will be subject to the Authority's guidelines, policies, and procedures. The Authority shall have: (A) no responsibility for the costs associated with the transition of Hired Employee's employee benefits pursuant to the County-sponsored benefit plans; and (B) no responsibility to the Hired Employees for (nor any liability for) any salary, compensation, wages, retirement benefits, welfare benefits, vacation, paid time off, personal leave, or other benefits earned or accrued as a County employee prior to the Closing, except as otherwise specified in this Agreement relating to the administration of transfers of accrued sick and vacation time per Section 1.2(d)(vii) below.

(v) Pension Employees.

(A) Election to Remain on County Payroll. Hired Employees who are Members (as defined in Ala. Code § 45-37-123.01(33)) in The General Retirement System for Employees of Jefferson County (the "*Pension Plan*") and have not yet earned 30 years of Paid Membership Time (as defined in Ala. Code § 45-37-123.01(35)) as of the Closing Date may, upon acceptance of employment with the Authority, make a one-time, irrevocable election to remain on the County's payroll. Hired Employees who have 30 years of Paid Membership Time on or before the Closing Date, or who elect to begin payment of their benefits under the Pension Plan on or before the Closing Date, are not eligible to elect to remain on the payroll of the County. Hired Employees who make the election to remain on the County's payroll shall be referred to herein as "*Pension Employees*." While a Pension Employee remains on the County's payroll, he or she will not be eligible for employer contributions under any retirement plan in which the Authority is sponsor or a participating employer, unless otherwise determined in the sole discretion of the Authority; however, such Pension Employees shall be eligible to participate in any other benefit or retirement plans otherwise made available to Hired Employees, subject to the regular eligibility and other terms and conditions of such plans. Pension Employees shall continue to be Eligible Employees (as defined in Ala. Code § 45-37-123.01(21)) for purposes of the Pension Plan and may remain on the County's payroll while employed with the Authority until the earlier of either: (i) commencing their benefits under the Pension Plan, or (ii) earning 30 years of Paid Membership Time. Upon the occurrence of either (i) or (ii), a Pension Employee shall no longer be an Eligible Employee for purposes of the Pension Plan and shall immediately transfer from the County's payroll to the Authority's payroll. When a Pension Employee transfers to the Authority's payroll, the Pension Employee shall be eligible to receive employer contributions under any retirement plan in

which the Authority is sponsor or a participating employer, and shall continue to be eligible to participate in any other benefit or retirement plans otherwise made available to Hired Employees, each subject to the regular eligibility and other terms and conditions of all such plans.

(B) County as Payroll Agent. With respect to Pension Employees, the County will serve as a Payroll Agent for the Authority pursuant to the terms and conditions of a Payroll Agent Agreement, substantially in the form attached hereto as *Exhibit H* (the "*Payroll Agent Agreement*"). In the event of either: (i) a failure to enter into a Payroll Agent Agreement; (ii) termination of said agreement after it is entered into; and/or (iii) the County's breach of said agreement and its failure to cure within the provisions of said agreement, the UAB Parties may take such actions as they in their sole discretion may determine are appropriate, including but not limited to unilateral termination and/or modification of the provisions of Section 1.2(d)(v) relating to Pension Employees.

(C) Authority to Make Pension Plan Employer Contributions. During the time a Pension Employee remains on the County's payroll, the Authority shall be responsible for paying employer contributions as specified by Ala. Code § 45-37-123.20(b) and Ala. Code § 45-37-123.80(a). The Authority may pay such employer contributions directly to the County from the Authority Indigent Care Operating Fund (and may draw upon the Authority Indigent Care Fund Surplus, if necessary, in accordance with Section 1.2(e)(iv) below), which the County shall deliver, collectively with employee Pension Plan contributions withheld from Pension Employees' wages by the County as Payroll Agent, to the Pension Plan.

(vi) Prior Service Credit. Hired Employees will receive credit in any Authority (or affiliate) plan made available for Hired Employees for purposes of eligibility, participation, and vesting (but not for the purpose of accrual of benefits, except as may otherwise be determined in the sole discretion of the Authority) for every year of Paid Membership Time (as defined in Ala. Code § 45-37-123.01(35)) with the County under the Pension Plan as of the Closing Date.

(vii) Accrued Vacation and Sick Time. With respect to each Hired Employee, all (A) County unused, accrued vacation time; and (B) County unused, accrued sick time, each determined as of the Closing Date, shall be transferred to the Authority, to be utilized by a Hired Employee during his or her employment with the Authority, subject to the provisions of any Authority leave plan or policy, as may be revised from time to time. An amount equal to the cash equivalent of such transferred vacation and sick time shall be funded as set forth in Section 7.9 below (the "*Transferred Vacation and Sick Time Funding Amount*"). Prior to the Closing, the County shall modify and amend, through County Commission resolution and/or as otherwise may be required or advisable, any applicable rules or procedures regarding accrued vacation and sick benefits to allow for the provisions of this subsection (vii) to be followed and implemented.

(viii) Any and all notices to be provided by the County to Cooper Green Clinic employees in connection with this Transaction shall be shared with the Authority and UAB Parties for review and comment by the Authority and UAB Parties prior to distribution to such employees.

(ix) Consent Decree. With regard to the matter of United States et al. v. Jefferson County, Alabama et al., 2:75-cv-00666-CLS including but not limited to the Consent Decree and other court orders at issue therein (the "*Jefferson County Litigation*"), it is the representation and warranty of the County that the Jefferson County Litigation and the Consent Decree and subsequent court orders and decisions involved therein do not affect and shall not apply to the Authority or its affiliates, or the Cooper Green Clinic, its employees or its operations after the Closing of this Transaction. The Parties understand and agree that the Authority and its affiliates do hereby rely on this material representation from the County in entering into this Agreement. In the event that this representation and warranty from the County fails to hold true in any respect at any time: (a) such failure will be considered a material breach under Section 8.2(d); (b) the Authority and its affiliates shall have no further obligations or duties under this Agreement; and (c) the Authority and its affiliates shall be completely indemnified and held harmless by the County from any and all such effects and/or applicability of the Jefferson County Litigation after the Closing.

(e) Operation and Financing of the Cooper Green Clinic. During the term of the Clinic Services Agreement (as defined below), the Authority will provide (subject to the terms of the Interim Cooper Green Clinic Lease) on a turn-key basis the day-to-day operation and management of the Cooper Green Clinic and administration of health care services at the Cooper Green Clinic pursuant to a Clinic Services Agreement between the Authority and the County, substantially in the form attached hereto as *Exhibit I* (the "*Clinic Services Agreement*"). The terms of the Clinic Services Agreement shall be consistent with the terms set forth herein. The services will include the organization and maintenance of a healthcare delivery network of inpatient and outpatient providers in addition to the operations of the Cooper Green Clinic in order to provide clinical services to patients, including indigent, self-pay, governmental and commercially insured patients (including the Cooper Green Clinic qualified Blue Card holders). The Cooper Green Clinic has historically provided services to such patients and it is the intent of the Parties for the Cooper Green Clinic to continue providing services to such patients. The Authority may provide such services directly or through arrangements with UABHS or other affiliates or third-parties. The Authority will contract with UABHS for certain Management Services (as defined below). The Clinic Services Agreement will include the following terms and conditions:

(i) The Authority will oversee and manage the County's HealthFirst Financial Assistance Program either directly or through an agreement with Viva Health Administration, LLC, or another entity chosen by UABHS.

(ii) UAB, the County and the Authority shall also have opportunities to collaborate on other projects, such as Medicaid expansion and the development of a psychiatric urgent care outpatient clinic.

(iii) The County currently levies a tax that funds its Indigent Care Fund (currently codified as §45-37-243.11 of the Code of Alabama). Following the Closing of the Transaction, the County will continue to levy, support and collect in the regular course of business the taxes that currently fund the Indigent Care Fund as well as all associated grants due to the County that relate to periods on and after the Closing (for purposes hereof, following the Closing, such taxes and grants shall be referred to as the “**County Indigent Care Fund**”). The surplus balance of the Indigent Care Fund that exists as of the Closing plus all associated grants due to the County that exist as of the Closing and relate to periods prior to the Closing shall be referred to as the “**Indigent Care Fund Surplus**”.¹ During the Phase I Period (as defined below), the County will transfer to the Authority, on the tenth (10th) day of each month, the entire County Indigent Care Fund; provided, however, that during each month of the Phase I Period, the County may reduce the amount of the County Indigent Care Fund transferred to the Authority by an amount up to Two Hundred Fifty Thousand Dollars (\$250,000) per month to cover costs or expenses incurred by the County in the prior month for inmate health care, the TASC (Alternate Sentencing) programs and any other indigent care purposes. During the Phase II Period (as defined below), the County will transfer to the Authority, on the tenth (10th) day of each month, the portion of the County Indigent Care Fund necessary to fully cover and fund the Fixed Cost Payment, Capitated Payment, Capital Reserve Fund and Cooper Green Capital Funding Agreement; provided, however, that in the event there are excess funds remaining in the County Indigent Care Fund during a given month following the transfer of such payments to the Authority, then (i) the County may elect to retain a portion of such excess funds (up to an amount of Two Hundred Fifty Thousand Dollars (\$250,000)) per month to cover costs or expenses incurred by the County in the prior month for inmate health care, the TASC (Alternate Sentencing) programs and any other indigent care purposes and (ii) the County will retain any such remaining excess funds and transfer such funds to the County Indigent Care Fund Surplus (which funds shall be subject to Section 1.2(e)(iv)(E) above). The amount of the County Indigent Care Fund transferred to the Authority as described above shall be referred to herein as the “**Authority Indigent Care Operating Fund**.” The Authority Indigent Care Operating Fund will be deposited and maintained in one or more bank accounts established by the Authority, over which the Authority will have sole control and the sole right and authority to draw upon the account (collectively, the “**Authority Indigent Care Operating Fund Bank Account**”). The Authority Indigent Care Operating Fund Bank Account will be held and administered by the Authority, subject to the terms and conditions of this Agreement. The County will not charge any overhead related to the Cooper Green Clinic, including any cost associated with the monthly transfer of the Authority Indigent Care Operating Fund. Money in the Authority Indigent Care Operating Fund shall be used, in the order of priority indicated, (A) first, to make payments due under the Cooper Green Capital Funding Agreement described below, (B) second, to make payments due to the Authority under the Clinic Services Agreement described below and (C) third, upon the Authority’s recommendation to the Authority Board and subject to at least one County Director’s approval, for community provider support grants or payments to improve access to care and support the mission of Cooper Green Clinic to deliver health care services for the County’s low income residents, provided, however, that such grants or payments shall be proportional to the level of charity care provided by the community providers. Notwithstanding anything herein to the contrary, the County shall be obligated for the cost of the Extraordinary

¹ Note: Parties to discuss and agree upon the process for establishing the ICF surplus balance as of the closing date.

Maintenance Expenses (x) during the Phase I Period of the Clinic Services Agreement if there are insufficient funds available in the Authority Indigent Care Operating Fund or Authority Indigent Care Fund Surplus and (y) during the Phase II Period of the Clinic Services Agreement if there are insufficient funds available in the Capital Reserve Fund. Notwithstanding any provisions herein to the contrary, in the event the Authority Indigent Care Operating Fund and/or Authority Indigent Care Fund Surplus (as defined below), as applicable, is insufficient for the County's payment obligations described herein, then (i) the County agrees to use the funds available in the County Indigent Care Fund Surplus (as defined below) to continue to satisfy such payment obligations and (ii) this Agreement may be terminated by the UAB Parties in accordance with Section 3.1(f). The Parties also acknowledge that a mutually agreeable amount of the County Indigent Care Fund Surplus must be pledged to secure the payment of the Cooper Green Clinic Bonds.

(iv) The Authority will establish policies and procedures to gather the information necessary to develop the Capitated Payment (as defined below) and each Party agrees to fully comply with such policies and procedures. During the period beginning on the Closing Date and continuing until the beginning of the Phase II Period (the "*Phase I Period*"), the Authority will operate, manage and administer the Cooper Green Clinic, subject to the following:

- (A) On the Closing Date, the County will (i) retain thirty percent (30%) of the Indigent Care Fund Surplus up to a maximum amount of Seven Million Dollars (\$7,000,000) (the "*County Indigent Care Fund Surplus*") and (ii) transfer to the Authority the remainder of the Indigent Care Fund Surplus (the "*Authority Indigent Care Fund Surplus*"). The Authority Indigent Care Fund Surplus will be deposited and maintained in one or more bank accounts established by the Authority, over which the Authority will have sole control and the sole right and authority to draw upon the account (collectively, the "*Authority Indigent Care Fund Surplus Bank Account*").
- (B) In consideration for the services provided by the Authority under the Clinic Services Agreement and to offset the expense of operations, (i) the Authority shall retain all revenues collected on and after the Closing Date for services rendered in the Cooper Green Clinic prior to the Closing or after the Closing, including, without limitation, revenues from patients, third parties such as insurers and grant providers, and matching funds received through the Alabama Section 1115 waiver program, and (ii) the Authority shall draw from the Authority Indigent Care Operating Fund Bank Account (the sum of (i) and (ii) are referred to as the "*Cooper Green Clinic Revenue Sources*").
- (C) In the event the Authority Board, pursuant to accrual based accounting, determines that the Authority's expenses have exceeded the Cooper Green Clinic Revenue Sources, then the Authority shall draw from the Authority Indigent Care Fund Surplus Bank Account to cover the amount of the loss. If the Authority Board determines that the Authority's expenses or projected expenses exceed or will exceed the Cooper Green Clinic Revenue Sources over a rolling twelve (12) month period (a "*Rolling*

Loss”), then the Authority may conduct an internal or external financial analysis supporting a change in the eligibility criteria or scope of benefits offered to eligible indigent residents to ensure that the Authority Indigent Care Operating Fund shall be sufficient to provide healthcare services to the indigent population in the County. The Authority shall pay for the cost of such analysis from the Authority Indigent Care Operating Fund Bank Account or, if necessary, from the Authority Indigent Care Fund Surplus Bank Account. If the County fails to approve such a change, or if the Authority continues to report or project a Rolling Loss following any change approved by the County, or if the Authority, in its sole discretion, disagrees with any change approved by the County, then the Authority or UAB Parties may terminate this Agreement and the Clinic Services Agreement immediately at any time.

- (D) In the event the Authority Board, pursuant to accrual based accounting, determines that the Cooper Green Clinic Revenue Sources have exceeded the Authority’s expenses, then the Authority shall retain such excess for the future provision of indigent care. The Parties agree that such excess shall not be transferred to the Authority Indigent Care Fund Surplus or the County Indigent Care Fund Surplus.
- (E) The County shall use the County Indigent Care Fund Surplus only if the County reasonably determines that it needs to use the County Indigent Care Fund Surplus to comply with its obligations pursuant to the terms of this Agreement or to provide indigent care to the residents of the County, provided that the Authority Board is notified in writing of such planned disbursement at least thirty (30) days in advance.
- (F) Upon the end of the Phase I Period, the Authority Board will determine, pursuant to accrual based accounting, the then current balance of the Authority Indigent Care Fund Surplus and will transfer back to the County an amount equal to the difference between (i) the then current balance of the Authority Indigent Care Fund Surplus and (ii) an amount equal to ninety (90) days of working capital to provide cash flow during the beginning of the Phase II Period, which working capital shall be maintained by the Authority (the “*Working Capital Withhold*”). The funds transferred to the County pursuant to this Section 1.2(e)(iv)(F) shall be used by the County to initially fund and annually replenish the Capital Reserve Fund (as defined below). In the event the Authority Board determines that the amounts transferred to the County pursuant to this Section 1.2(e)(iv)(F) exceed the Capital Reserve Fund funding requirements, then such excess funds shall be transferred to, and maintained by, the County in the County Indigent Care Fund Surplus (which funds shall be subject to Section 1.2(e)(iv)(E) above).

(v) Beginning at such time as the Parties and the Actuary (as defined below) agree in writing that they have the information necessary to develop the Capitated Payment (as defined below), which the Parties estimate will require at least thirty (30) to thirty-six (36) months following the Closing Date (the “*Phase II Period*”), the Authority will provide benefits to eligible and enrolled patients during the term of the Clinic Services

Agreement as described below. In consideration for the services provided by the Authority under the Clinic Services Agreement and to offset the expense of operations during the Phase II Period: (a) the Authority shall draw from the Authority Indigent Care Operating Fund Bank Account to cover the fixed costs of operating the Cooper Green Clinic, including sufficient working capital (the "**Fixed Cost Payment**") and to cover an actuarially sound per member per month capitated payment (the "**Capitated Payment**"), which shall be sufficient to pay for all of the Authority's costs of operation with monthly reviews and annual escalation terms as agreed upon by the Parties. In addition, the Authority shall retain all revenues related to the operation of the Cooper Green Clinic, including, without limitation, revenues from patients, third parties such as insurers and grant providers, and matching funds received through the Alabama Section 1115 waiver program. The County will also fund the Authority's capital reserve fund (the "**Capital Reserve Fund**"), which will be used for the payment of Extraordinary Maintenance Expenses, in the amount equal to three (3) months of the Fixed Cost Payment, and such fund will be replenished by the County on an annual basis. The Fixed Cost Payment will cover cost and expenses such as lease payments, utilities, and such other expenses associated with the operation of the Cooper Green Clinic not dependent upon the number of covered members. The Authority will use the Capital Reserve Fund to fund capital projects, and major expenses consistent with its Mission. The initial Capitated Payment, each monthly review, and each annual adjustment thereto shall be determined and provided by an actuary, which for purposes hereof shall mean a Fellow of the Society of Actuaries or a firm of actuaries, at least one of whose members is a Fellow of the Society of Actuaries ("**Actuary**"), provided and selected by the Authority. In establishing the Capitated Payment, the Actuary shall establish a capitation rate range as well as a specific capitation rate on a prospective bases by establishing base data, adjusting for retrospective and prospective service changes, trend and non-medical load. The Actuary shall, for the first two (2) years of the Phase II Period of the Clinic Services Agreement, establish rates based on the historic costs of the Cooper Green Clinic trended forward to account for medical inflation and service changes, without assuming any savings due to the transition to the Authority's operations of the Cooper Green Clinic. In addition, the Actuary shall employ actuarial assumptions and methods which, in the aggregate, are reasonable, and the Actuary shall utilize the following: (A) initial eligibility standards and scope of benefits for eligible indigent residents, (B) population health protocols established by the UAB Parties, and (C) such other items to be determined by the Actuary in the Actuary's sole discretion. The Authority shall pay for the cost of the services provided by the Actuary, which costs shall be included as part of the Fixed Cost Payments described above. The monthly actuarial review provided by the Actuary will project and inform the Parties of the anticipated Capitation Payment adjustments. With regard to the criteria considered by the Actuary, the Parties shall agree upon (X) any change in the scope of the benefits to be offered to the eligible indigent residents, (Y) any change in the eligibility criteria to determine the eligible indigent residents and (Z) any other items that may affect the Capitated Payment sufficiently in advance for the Actuary to establish the Capitated Payment for the following year. In addition, the Authority shall annually review the Fixed Cost Payment and the Capital Reserve Fund, including without limitation, projected capital repairs and maintenance expenses, and shall notify the County of any necessary annual adjustments.

(vi) The Parties have determined that the Mission of the Authority and the Cooper Green Clinic will be advanced by construction of the New Cooper Green Clinic

on the New Site Location and lease of the New Site Location by the County to the Authority pursuant to the New Cooper Green Clinic Ground Lease. The Authority will issue its limited obligation revenue bonds (the "**Cooper Green Clinic Bonds**") to provide financing for the construction of the New Cooper Green Clinic. The obligation of the Authority for payment of the Cooper Green Clinic Bonds will be a limited obligation of the Authority payable solely out of payments to be made by the County pursuant to a funding agreement, substantially in the form attached hereto as **Exhibit J** (the "**Cooper Green Capital Funding Agreement**"), that will obligate the County to make payments to the Authority at times and in amounts sufficient for the Authority to make payment when due of debt service on the Cooper Green Clinic Bonds. The Cooper Green Capital Funding Agreement shall not terminate for any reason until the Cooper Green Clinic Bonds are paid in full.

(vii) Unless otherwise agreed upon by the Parties in writing or set forth herein, the Authority Indigent Care Operating Fund shall not be used by the County for any purpose not described in Section 1.2(e)(iii) above, including without limitation the cost of inmate medical care, any debt payments related to Cooper Green Clinic debts, past or future pension fund liabilities, or any other overhead costs.

(f) **Management Services.** Effective as of the Closing Date, the Authority will engage UABHS to provide certain management and supervision with respect to the business and affairs of the Cooper Green Clinic pursuant to a management agreement between the Authority and UABHS, substantially in the form attached hereto as **Exhibit K** (the "**Management Agreement**"). Pursuant to the Management Agreement, UABHS will be reimbursed an amount equal to the cost of the management services provided with respect to the Cooper Green Clinic. The reimbursement shall be invoiced and paid on a monthly basis.

(g) **Excluded Liabilities; Indemnification.**

(i) Neither the UAB Parties nor the Authority shall assume or have any responsibility whatsoever with respect to any obligations or liabilities arising out of or related to the operation of the Cooper Green Clinic prior to the Closing, including, without limitation, any accounts payable or accrued liabilities relating to periods prior to the Closing, any obligations or liabilities related to or arising under any benefit or pension plans or programs maintained or offered by the County for the benefit of the County's employees except as otherwise specified in this Agreement relating to transfers of accrued sick and vacation time pursuant to Section 1.2(d)(vii), any obligations or liabilities for taxes related to the County's operation of the Cooper Green Clinic or ownership of the Leased Assets prior to the Closing, any obligations or liabilities with respect to the County's employees, including but not limited to employment discrimination claims, workers' compensation claims, wage and hour claims, garnishments, paid-time-off claims, and severance pay claims, any obligations or liabilities arising from or related to services provided by the Cooper Green Clinic or any of its medical providers prior to Closing, or any obligations or liabilities related to the existing Cooper Green Clinic building, including but not limited to environmental liabilities (the "**Excluded Liabilities**"). The responsibility for all such Excluded Liabilities shall remain with the County.

(ii) During the term of this Agreement and following the termination thereof for any reason, the County shall indemnify, hold harmless (and, to the extent

directed by the UAB Parties, defend at the County's sole cost and expense) the UAB Parties and the Authority, and its and their respective officers, directors, trustees, employees, agents, affiliates, independent contractors, successors and assigns (collectively, "***UAB Indemnified Parties***"), from and against any and all losses, liabilities, damages, costs (including, without limitation, court costs and costs of appeal) and expenses (including, without limitation, reasonable attorneys' fees and fees of expert consultants and witnesses) that such UAB Indemnified Parties incur as a result of, or with respect to (a) any misrepresentation or breach of representation or warranty by the County under this Agreement, (b) any breach by the County of, or any failure by the County to perform, any covenant or agreement of or required to be performed by the County under this Agreement, (c) any of the Excluded Liabilities, (d) any claim with respect to the operation of the Cooper Green Clinic prior to the Closing, or (e) any claim regarding the validity of the Payroll Agent Agreement, the eligibility of a Pension Employee to remain on the County's payroll and participate in the Pension Plan, or the exclusion of a Pension Employee from the jurisdiction of the County Personnel Board or County Civil Service System.

(iii) Notwithstanding any provision of the Pension Plan or other applicable law, rule, or policy to the contrary, the County shall be, at all times, solely responsible for any underfunding of the Pension Plan. Similarly, the Authority shall have no rights or claims to any overfunding of the Pension Plan. Except as specified in Section 1.2(d) and only to the extent such Section is contrary to this Section 1.2(g)(iii), the Authority shall not be responsible, financially or otherwise, for any benefit obligations or liabilities of the Pension Plan in the event the Pension Plan does not have adequate plan assets to fund its benefit obligations or liabilities. During the term of this Agreement and following the termination thereof for any reason, the County shall indemnify and hold harmless (and, to the extent directed by the UAB Parties, defend at the County's sole cost and expense) the UAB Indemnified Parties, from and against any and all losses, liabilities, damages, costs (including, without limitation, court costs and costs of appeal) and expenses (including, without limitation, reasonable attorneys' fees and fees of expert consultants and witnesses) that such UAB Indemnified Parties incur as a result of, or with respect to any underfunding of the Pension Plan.

Article 2 Milestones

2.1 Milestones. The Parties agree to consult and negotiate with each other in good faith and, recognizing their mutual interests, use their commercially reasonable efforts to achieve the following milestones following the Execution Date with respect to the Transaction contemplated by this Agreement (the "***Milestones***"):

(a) UAB will organize the Authority under the provisions of the University Authority Act by adopting the Organization Documents on or before the Closing Date;

(b) The County and the Authority will execute the Interim Cooper Green Clinic Lease on or before the Closing Date;

(c) The UAB Parties and the Authority will execute the Parking License Agreement on or before the Closing Date;

(d) The County and the Authority will execute the Asset Lease Agreement and Assignment and Assumption Agreement on or before the Closing Date;

(e) The Parties will execute the Affiliation Agreement on or before the Closing Date;

(f) The Authority and UABHS will execute the Management Agreement on or before the Closing Date;

(g) The Authority and UABHS will execute the Clinic Services Agreement on or before the Closing Date; and

(h) Provided the County fully complies with the terms and conditions of Section 4.4 below, the UAB Parties will complete initial due diligence regarding the Transaction and notify the County of its intention to either terminate this Agreement or proceed toward the Closing, on or before December 31, 2019 (the "*Due Diligence Notice*").

2.2 Continued Performance. In the event a Milestone is not achieved by the date described above, and this Agreement is not otherwise terminated pursuant to Article 8 below, then the Parties agree to continue to use their commercially reasonable efforts to achieve the Milestone as soon as practicable following such date.

Article 3 Termination and Unwind

3.1 Term and Termination.

(a) The Asset Lease Agreement, Affiliation Agreement, Clinic Services Agreement, Management Agreement, Interim Cooper Green Clinic Lease and Parking License Agreement (in each case a "*Transaction Document*" and collectively, the "*Transaction Documents*") will each have an initial term of five (5) years following the Closing Date. Upon the end of the initial term or any renewal term, the UAB Parties and/or the Authority, as the case may be, will have an option to extend the Transaction Documents for additional five (5) year terms.

(b) Either the UAB Parties, the Authority or the County can terminate this Agreement or the Transaction Documents with one hundred eighty (180) days' prior written notice to the other Parties without cause.

(c) In the event that the County breaches this Agreement or a Transaction Document, the UAB Parties and/or the Authority, as the case may be, will provide notice of the breach to the County and give the County sixty (60) days to cure such breach. If the County fails to cure the breach to the satisfaction of the non-breaching Parties, upon written notice from the non-breaching Parties, this Agreement and the Transaction Documents shall terminate ninety (90) days following the delivery of such notice.

(d) In the event that the UAB Parties and/or the Authority, as the case may be, breach this Agreement or a Transaction Document, the County will provide notice of the breach to the breaching Party and give the breaching Party sixty (60) days to cure such breach. If the

breaching Party fails to cure the breach to County's satisfaction, upon written notice from the County, this Agreement and the Transaction Documents shall terminate ninety (90) days following the delivery of such notice.

(e) This Agreement and the Transaction Documents shall terminate immediately upon written notice from the UAB Parties or the Authority, as the case may be, if there is a loss of public funds available to provide healthcare services to the County's indigent residents or in the event, during the Phase II Period, the Parties are unable to agree upon an annual adjustment to the Capitation Payments.

(f) This Agreement and the Transaction Documents may be terminated by the UAB Parties at any time in accordance with Sections 1.2(e)(iii) or 1.2(e)(iv)(C).

(g) This Agreement and all Transaction Documents will be cross defaulting and co-terminal.

(h) If, upon termination of this Agreement, the UAB Parties or Authority have incurred costs or expenses pursuant to this Agreement or the Transaction Documents that remain outstanding and have not been reimbursed to the UAB Parties or Authority in accordance with the terms of this Agreement or the Transaction Documents (e.g., costs remain outstanding following the depletion of the Authority Indigent Care Fund Surplus during the Phase I Period or fixed costs remain during the Phase II Period following the transfer of the Authority Indigent Care Operating Fund) (the "*Obligations and Liabilities*"), then the County agrees to (i) fully reimburse and indemnify the UAB Parties and Authority for such Obligations and Liabilities, (ii) satisfy such indemnification obligations from any available funds in the County Indigent Care Fund Surplus and (iii) if the funds available in the County Indigent Care Fund Surplus are not sufficient to fully satisfy such indemnification obligations, then continue to levy, support and collect in the regular course of business the Authority Indigent Care Operating Fund following termination of this Agreement until the County has fully satisfied such indemnification obligations. Notwithstanding the foregoing, in the event this Agreement terminates during the Phase I Period and the Obligations and Liabilities are fully satisfied from the funds in the Authority Indigent Care Fund Surplus, then the Authority will transfer back to the County the remaining funds in the Authority Indigent Care Fund Surplus following the satisfaction of such Obligations and Liabilities.

3.2 Unwind. In the event this Agreement and/or the Transaction Documents are terminated as provided herein, unless otherwise agreed to by UAB in writing, as of the date of such termination, the County will make arrangement for the provision of health care services for its indigent population within Jefferson County, Alabama, which shall include, without limitation, terminating the Asset Lease Agreement, terminating the Affiliation Agreement, terminating the Clinic Services Agreement, the termination of the Parking License Agreement, the termination of the Interim Cooper Green Clinic Lease (if still effective) or the termination of the New Cooper Green Clinic Ground Lease. Notwithstanding the foregoing, the Cooper Green Capital Funding Agreement shall not terminate for any reason until the Cooper Green Clinic Bonds are paid in full.

Article 4 Representations, Warranties and Covenants of the County

The County hereby represents, warrants and covenants to the UAB Parties that, except as otherwise agreed to in writing by the UAB Parties:

4.1 Further Assurances. On and after the Execution Date, the County shall, at its own expense, promptly execute and deliver to UABHS or UAB, as the case may be, upon reasonable request, all such other and further documents, agreements and instruments in compliance with or pursuant to its covenants and agreements herein, and shall make any recordings, file any notices, and obtain any consents of third parties as may be necessary or advisable in the reasonable judgment of UABHS and/or UAB to carry out the Transaction contemplated hereby.

4.2 Corporate Action. The County hereby represents, warrants and covenants that the County has obtained, on or prior to the Execution Date, all necessary corporate action of the County, including the approval of the County Commission, required of it to enter into this Agreement and carry out the Transaction contemplated by this Agreement and to satisfy the conditions specified herein prior to the Closing. The County has the right, full power and authority to enter into this Agreement, to perform its obligations hereunder and to consummate the Transaction contemplated hereby. The execution, delivery, and performance of this Agreement by the County has been authorized, approved and/or ratified by all necessary action on the part of the County on or prior to the Execution Date, and this Agreement is the legal, valid, and binding obligation of the County and enforceable against the County in accordance with its terms. Neither the execution and delivery of this Agreement by the County, nor the consummation by the County of the Transaction contemplated hereby will directly or indirectly (with or without notice or lapse of time or both): (i) violate the governing documents of the County; (ii) violate, contravene or conflict with any provision of law, consent decree or court order to which the County is subject, or by which its assets may be bound, or give any governmental authority or other person the right to challenge the contemplated Transaction or to exercise any remedy or obtain any relief under any order or law to which the County may be subject; or (iii) conflict with, result in a breach of, or constitute a default under any indenture, mortgage, lease, agreement, or other instrument to which the County is a party or by which its assets or properties may be bound.

4.3 Consents and Approvals. On and after the Execution Date, the County shall use its best efforts to obtain all consents or approvals from licensing or other governmental authorities or third parties that are required to consummate the Transaction contemplated by this Agreement.

4.4 Due Diligence Review. From and after the Execution Date, the County shall, upon reasonable advance written notice, provide the UAB Parties and their respective representatives and agents with full and complete access to the properties, personnel, books, tax returns, contracts, financial statements, commitments and records of the County, as such are related to the Cooper Green Clinic and the contemplated Transaction, to facilitate the ability of the UAB Parties to conduct due diligence regarding the Transaction and the Cooper Green Clinic. The County shall cooperate with the UAB Parties in connection with such due diligence review.

4.5 Conduct of Cooper Green Clinic Until Closing. The County covenants that from the Execution Date to the Closing Date, the County will, except as otherwise contemplated by this Agreement, use commercially reasonable efforts to operate and manage the Cooper Green Clinic in the usual, regular and ordinary manner and consistent with past practices. Pursuant thereto and not in limitation of the foregoing:

(a) The County shall use commercially reasonable efforts to preserve its present business operation of the Cooper Green Clinic, keep available the services of its present officers and employees and preserve its present business relationships with patients, third party payors, managed care contractors, suppliers, physicians and others having business dealings with the County in connection with the Cooper Green Clinic;

(b) The County shall manage the Cooper Green Clinic's working capital, including cash, receivables, current assets, trade payables and other current liabilities, in a fashion consistent with past practice, including paying outstanding obligations, trade accounts and other indebtedness as they come due;

(c) Except in the ordinary course of business, no material contract or commitment of any kind relating to the Cooper Green Clinic in excess of Twenty Five Thousand Dollars (\$25,000) shall be entered into without the prior written consent of UAB;

(d) The County shall maintain the Leased Assets in their present state of repair (ordinary wear and tear excepted);

(e) The County shall comply with all legal requirements applicable to the conduct and operation of the Cooper Green Clinic;

(f) The County shall maintain the patient records and the books and records in the usual, regular and ordinary manner, on a basis consistent with present practices;

(g) The County shall not incur any indebtedness of any kind secured by a lien upon the Leased Assets and, except in the ordinary course of business, not incur any unsecured indebtedness (other than trade payables in the ordinary course of business) related to the Leased Assets or the Cooper Green Clinic; and

(h) The County shall use commercially reasonable efforts to retain the services of each of the Eligible Applicants who works at the Cooper Green Clinic; shall not enter into or adopt any new benefit plans or increase benefits under, or renew, terminate or amend any benefit plans with regard to such employees, except as otherwise specifically provided in this Agreement; shall not accelerate the vesting of benefits under any benefit plans for such employees; and shall not increase the salaries, wages or other pay or benefits of any of such employees, except in the ordinary course of business consistent with past practice or as discussed and mutually agreed with the UAB Parties.

4.6 Transition Services.

(a) Transition Services. The County acknowledges and agrees that the Authority and UAB Parties have provided since the execution of the Prior Master Agreement and will continue to provide following the Execution Date transition services, as approved by the Authority Board, to facilitate the orderly transition of the Cooper Green Clinic operations at Closing, including without limitation, recruiting and hiring Authority employees, transitioning information systems and facilities management, providing personnel assistance with the implementation of the

electronic health record, and conducting the audit described in Section 4.6(c) below (the “*Transition Services*”). Upon request, the County covenants and agrees to fully cooperate with the UAB Parties and the Authority regarding such Transition Services, including providing any on-going support and assistance that the UAB Parties or the Authority determine is necessary.

(b) Transition Fund. Within thirty (30) days following the Execution Date, (i) the Authority shall provide to the County a reasonable estimate of the cost of the Transition Services and (ii) the County shall transfer such amount to the Authority and deposit the same in a reserve fund to reimburse the UAB Parties or the Authority for the costs of such Transition Services (the “*Transition Fund*”). The Transition Fund will be held in one or more bank accounts established by the Authority, over which the Authority will have sole control and the sole right and authority to draw upon the account to cover the cost of the Transition Services (the “*Transition Fund Bank Account*”). Upon request of the Authority, the County shall transfer and deposit additional funds in the Transition Fund Bank Account in the event the Authority Board determines that the costs or projected costs of the Transition Services exceed the funds in the Transition Fund Bank Account. As soon as practicable following the Closing Date, the Authority shall provide the County with an accounting of the cost of the Transition Services and will transfer back to the County any funds remaining in the Transition Fund Bank Account that are no longer needed to cover the actual or projected costs of the Transition Services.

(c) Audit. Prior to the Closing Date or as soon as practicable thereafter, the UAB Parties will, either directly or through the engagement of a third party auditor, complete a final audit of all fixed assets, pharmaceuticals and supplies inventory, accounts payable and other liabilities incurred as of the Closing Date and will deliver a written summary of such audit to the County. The County agrees to provide the UAB Parties and/or auditor full access to the Cooper Green Clinic premises, books and records, and personnel as may be requested to complete the audit.

(d) Proration. On the Closing Date, or if not practicable, no later than ninety (90) days after the Closing Date, the Parties shall prorate as of the Closing Date any costs or expenses which become due and payable after the Closing Date that relate to the operation of the Cooper Green Clinic prior to the Closing Date (the “*Prorated Payments*”), including without limitation with respect to (i) the Assumed Contracts, but only to the extent the event giving rise to such obligation occurred prior to the Closing Date, (ii) any obligations or liabilities for taxes related to the County’s operation of the Cooper Green Clinic or ownership of the Leased Assets prior to the Closing and (iii) if cut off statements cannot be obtained as of Closing, all utilities, including water, sewer, telephone, electricity and gas service. Any such amounts which are not available within ninety (90) days after the Closing Date shall be similarly prorated as soon as practicable thereafter. The County shall pay to the UAB Parties or the Authority, as the case may be, within three (3) days after the determination thereof, any unpaid Prorated Payment.

Article 5 Representations, Warranties and Covenants of the UAB Parties

UABHS and UAB each hereby represent and covenant to the County that, except as otherwise agreed to in writing by the County:

5.1 Further Assurances. On and after the Execution Date, UAB Parties shall each, at their own expense, promptly execute and deliver to the County, upon reasonable request, all such other and further documents, agreements and instruments in compliance with or pursuant to its respective covenants and agreements herein, and shall make any recordings, file any notices, and obtain any consents of third parties as may be necessary or advisable in the County's reasonable judgment to carry out the Transaction contemplated hereby.

5.2 Corporate Action. Subject to the approvals set forth in Section 7.2 hereof, UABHS and UAB hereby represent and covenant that UABHS and UAB have obtained, on or prior to the Execution Date, all necessary corporate action required of it to enter into this Agreement and to satisfy the conditions specified herein prior to the Closing. UABHS and UAB have the right, full power and authority to enter into this Agreement and to perform its obligations hereunder. The execution, delivery, and performance of this Agreement by UABHS and UAB has been authorized, approved and/or ratified by all necessary action, and this Agreement is or will be the legal, valid, and binding obligation of UABHS and UAB and enforceable against UABHS and UAB in accordance with its terms. Neither the execution and delivery of this Agreement by UABHS or UAB, nor the consummation by UABHS or UAB of the Transaction contemplated hereby will directly or indirectly (with or without notice or lapse of time or both): (i) violate the governing documents of UABHS or UAB; (ii) violate, contravene or conflict with any provision of law to which UABHS or UAB is subject, or by which its assets may be bound, or give any governmental authority or other person the right to challenge the contemplated Transaction or to exercise any remedy or obtain any relief under any order or law to which UABHS or UAB may be subject; or (iii) conflict with, result in a breach of, or constitute a default under any indenture, mortgage, lease, agreement, or other instrument to which UABHS or UAB is a party or by which its assets or properties may be bound.

Article 6 Conditions to the Obligations of the County

The obligations of the County to consummate the Transaction contemplated by this Agreement are subject to the satisfaction, on or before the Closing, of the following conditions, any or all of which may be waived in writing, in whole or in part by the County:

6.1 Representations to be True and Correct. The representations and certifications of UABHS and UAB contained in this Agreement shall be true, complete and correct in all material respects on and as of the Closing and UABHS and UAB shall have complied in all material respects with the covenants and agreements set forth herein to be performed or complied with by UABHS or UAB on or before the Closing Date.

6.2 No Action or Proceeding. No order of any governmental authority restraining, enjoining or otherwise preventing or delaying the consummation of this Agreement or the Transaction contemplated hereby shall be outstanding, and no proceeding or investigations by or before, or otherwise involving, any governmental authority shall be pending or threatened against the County, UABHS or UAB which seeks to enjoin or prevent the consummation of the Transaction contemplated under this Agreement or which seeks material damages in connection with the Transaction contemplated hereby.

6.3 Signing and Delivery of Instruments. UAB Parties, as applicable, and the Authority shall have delivered to the County the Transaction Documents, and any and all other documents, instruments and certificates reasonably required to be executed and delivered pursuant to the provisions of this Agreement.

Article 7
Conditions to the Obligations of UABHS and UAB

The obligations of UABHS and UAB to consummate the Transaction contemplated by this Agreement are subject to the satisfaction, on or before the Closing, of the following conditions, any or all of which may be waived in writing, in whole or in part by the UAB Parties:

7.1 Representations and Warranties to be True and Correct. The representations and warranties of the County contained in this Agreement shall be true, complete and correct in all material respects on and as of the Closing and the County shall have complied in all material respects with the covenants and agreements set forth herein to be performed or complied with by the County on or before the Closing Date.

7.2 Corporate Approvals. The board of trustees of UAB and the board of directors of UABHS shall have duly and validly authorized the execution, delivery and performance of this Agreement and the consummation of the Transaction contemplated herein.

7.3 No Action or Proceeding. No order of any governmental authority restraining, enjoining or otherwise preventing or delaying the consummation of this Agreement or the Transaction contemplated hereby shall be outstanding, and no proceeding or investigations by or before, or otherwise involving, any governmental authority shall be pending or threatened against the County, UABHS or UAB which seeks to enjoin or prevent the consummation of the Transaction contemplated under this Agreement or which seeks material damages in connection with the Transaction contemplated hereby.

7.4 No Material Adverse Change. The business as conducted by Cooper Green Clinic shall not have suffered any material adverse change (including without limitation its business, financial condition, assets, liabilities or operations) since the Execution Date. Prior to Closing, the County shall provide UAB Parties written notice of any such material adverse change.

7.5 Necessary Consents. All consents and approvals of governmental authorities or third parties required to consummate the Transaction have been obtained by the efforts of the Parties.

7.6 Release of Liens. The UAB Parties shall have received evidence reasonably satisfactory to it that all liens and encumbrances have been removed from the Leased Assets other than any permitted liens identified by the UAB Parties in writing.

7.7 Signing and Delivery of Instruments. The County shall have delivered to the UAB Parties the Transaction Documents, and any and all other documents, instruments and certificates reasonably required to be executed and delivered pursuant to the provisions of this Agreement.

7.8 Due Diligence Review. UAB Parties or their representatives shall have completed, to the UAB Parties' satisfaction, the due diligence review of the operations, condition (financial or otherwise), prospects, patient care, quality standards, assets and liabilities of and other matters related to, the Cooper Green Clinic and Transaction.

7.9 Transferred Vacation and Sick Time Funding Amount. As soon as administratively feasible following the transfer of the Authority Indigent Care Fund Surplus to the Authority, the Authority can and will segregate from such Authority Indigent Care Fund Surplus (or Authority Indigent Care Fund Surplus Bank Account, as applicable) the Transferred Vacation and Sick Time Funding Amount, and such amount: (i) may thereafter be used in the sole discretion of the Authority; and (ii) shall not thereafter be subject to any reversion by or transfer to the County.

Article 8 Closing

8.1 The Closing. Unless this Agreement is terminated or, unless waived by the applicable Party, the conditions to Closing contained in Article 6 or Article 7 above are not met, the consummation of the Transaction contemplated by and described in this Agreement (the "**Closing**") shall take place on or before April 1, 2020 or such other date as the Parties shall mutually agree (the "**Closing Date**"). The Closing shall be effective for all purposes as of 12:01 a.m. on the Closing Date.

8.2 Termination. Prior to the Closing Date, this Agreement and the Transaction contemplated herein may be terminated as follows:

- (a) By mutual written agreement of the Parties;
- (b) by the UAB Parties if the Closing shall not have occurred on or before April 1, 2020, or such later date as may have been agreed upon in writing by the Parties hereto;
- (c) By the County upon written notice to the UAB Parties in the event the County becomes aware that the UAB Parties have materially breached an obligation, representation or covenant under this Agreement (that has not been waived in writing by the County) and failed to remedy such breach by the Closing Date;
- (d) By the UAB Parties upon written notice to the County in the event the UAB Parties become aware that the County has materially breached an obligation, representation, warranty or covenant under this Agreement (that has not been waived in writing by the UAB Parties) and failed to remedy such breach by the Closing Date;
- (e) By the County, upon written notice to the UAB Parties, in the event a condition set forth in Article 6 above has not been satisfied as of the Closing Date or if satisfaction of any such condition is or becomes impossible (other than through the failure of the County to comply with its obligations under this Agreement) and the County has not waived such condition in writing on or before the Closing Date;
- (f) By the UAB Parties, upon written notice to the County, in the event a condition set forth in Article 7 above has not been satisfied as of the Closing Date or if satisfaction

of any such condition is or becomes impossible (other than through the failure of the UAB Parties to comply with its obligations under this Agreement) and the UAB Parties have not waived such condition in writing on or before the Closing Date;

(g) By the UAB Parties in the event the County takes action, or fails to take action, which reasonably results in the failure to satisfy a Milestone described in Section 2.1(a)-(g), or by the County in the event the UAB Parties take action, or fail to take action, which reasonably results in the failure to satisfy a Milestone described in Section 2.1(a)-(g);

(h) By the UAB Parties in the event the UAB Parties elect to terminate this Agreement pursuant to the Due Diligence Notice, or by the County in the event the UAB Parties fail to deliver the Due Diligence Notice required by Section 2.1(h); or

(i) By a Party pursuant to Section 3.1(b) – (g).

If this Agreement is terminated pursuant hereto, this Agreement will be of no further force and effect; provided, however, that, notwithstanding the foregoing, the Sections and Articles described in this Agreement that survive by their terms shall survive the termination of this Agreement. Nothing contained herein shall relieve any Party from liability for any breach hereof prior to the effective date of termination.

Article 9 **Additional Agreements**

9.1 General. If at any time after the Closing any further action is reasonably necessary or desirable to carry out the purposes of this Agreement, each of the Parties will take such further action (including the execution and delivery of such further instruments and documents) as any other Party reasonably may request, at the sole cost and expense of the requesting Party.

9.2 Confidentiality. Each Party will treat and hold as such all of the Confidential Material of the other Parties, refrain from using any of such Confidential Material except in connection with this Agreement, and deliver promptly to the appropriate other Party or destroy, at the request and option of such Party, all tangible embodiments (and all copies) of the Confidential Material which are in its possession. If a Party is requested or required (by oral question or request for information or documents in any legal proceeding, interrogatory, subpoena, civil investigative demand or similar process) to disclose any Confidential Material of another Party, that Party will notify the other Party promptly of the request or requirement, so that the other Party may seek an appropriate protective order or waive compliance with the provisions of this Section. If, in the absence of a protective order or the receipt of a waiver hereunder, such Party is, on the advice of counsel, compelled to disclose any such Confidential Material to any tribunal or else stand liable for contempt, such Party may disclose the Confidential Material to the tribunal; provided, however, that the disclosing Party shall use reasonable efforts to obtain, at the reasonable request of the other Party, an order or other assurance that confidential treatment will be accorded to such portion of the Confidential Material required to be disclosed as such Party shall designate. The term "***Confidential Material***" for purposes of this Agreement shall include all information of another Party hereto, whether written or oral (whatever the form or storage medium), gathered by inspection, or acquired, directly or indirectly, in connection with the negotiation or implementation of this Agreement, including the terms hereof, regardless of whether such

information is specifically identified as "confidential." Each Party recognizes and acknowledges the competitive value of the Confidential Material of the other Parties and the damage that could result if the Confidential Material were used or disclosed except as authorized by this Agreement. The term "Confidential Material" shall not include: (i) information that is or becomes generally available to the public other than through an unauthorized disclosure by a Party or its representatives in violation of this Agreement; (ii) information that was already known by a Party on a non-confidential basis prior to execution of this Agreement; and (iii) information that becomes available to a Party on a non-confidential basis, except in violation of a prohibition against disclosing such information. The Parties hereto acknowledge and agree that any remedy at law for any breach of the provisions of this Section would be inadequate, and each of the Parties hereby consents to a non-breaching Party seeking to obtain in any court of competent jurisdiction an injunction or other equitable relief restraining any breach or threatened breach hereof by a breaching Party, without the necessity of posting a bond, cash or otherwise, and without the necessity of actual monetary loss being proved or the inadequacy of any remedy at law being established. The provision of this Section shall survive the termination of this Agreement.

9.3 Amendment. This Agreement may be amended or modified only by means of a written instrument executed by the Parties.

9.4 Press Releases and Public Announcements. No Party shall issue any press release or make any public announcement relating to the subject matter of this Agreement without the prior written approval of the other Parties; provided, however, that after the Closing, any Party may make any public disclosure it believes in good faith is required by applicable law.

9.5 No Third Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any person or entity other than the Parties and their respective successors and permitted assigns.

9.6 Waiver. The failure of any Party to insist on performance of any of the terms or conditions of this Agreement shall not be construed as a waiver or relinquishment of any rights granted hereunder or of the future performance of any such term or condition, and the obligations of the Parties with respect thereto shall continue in full force and effect.

9.7 Notices. Any notice or other communication required or permitted by this Agreement shall be in writing and shall be delivered personally or by overnight courier or certified mail, return receipt requested, addressed as follows:

If to UABHS: UAB Health System
 500 22nd Street South
 Suite 408
 Birmingham, Alabama 35233
 Attention: CEO

If to UAB: The Board of Trustees of the University of Alabama
 500 University Boulevard East
 Tuscaloosa, Alabama 35401
 Attention: General Counsel

If to the County: Jefferson County, Alabama
Room 280, Jefferson County Courthouse
716 Richard Arrington Jr. Blvd. North
Birmingham, Alabama 35203
Attention: County Manager

or to such other addresses as may be furnished from time to time in writing by the Parties. If personally delivered, such notice shall be effective upon delivery. If sent by overnight courier, such notice shall be effective as of the first business day after timely delivery to the overnight courier. If mailed, such notice shall be effective as of the date indicated on the return receipt whether or not such notice is accepted by the addressee.

9.8 Exhibits. All exhibits, schedules and documents referred to in or attached to this Agreement are integral parts of this Agreement as if fully set forth herein.

9.9 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall comprise one and the same instrument. Counterparts transmitted and delivered by a Party via facsimile or electronic mail shall have the same force and effect as an original counterpart.

9.10 Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be illegal, invalid or unenforceable under any present or future law, and if the rights or obligations of any Party to this Agreement will not be materially and adversely affected thereby: (i) such provision will be fully severable; (ii) this Agreement will be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof; (iii) the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom; and (iv) in lieu of such illegal, invalid or unenforceable provision, there may be added, as agreed upon by the Parties, as a part of this Agreement a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible.

9.11 Governing Law. The validity and construction of this Agreement shall be governed by the laws of the State of Alabama.

9.12 Assignment. No Party may assign this Agreement without the prior written consent of the other Parties hereto.

9.13 Construction. The Parties have hereto participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties hereto and no presumption or burden of proof will arise favoring or disfavoring any Party hereto by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local or foreign statute or law will be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word "including" means including without limitation. Any reference to the singular in this Agreement shall also include the plural and vice versa.

9.14 Entire Agreement. This Agreement and the exhibits attached hereto, which are hereby incorporated by reference constitute the entire agreement between the Parties with respect to the subject matter hereof.

9.15 Expenses. All expenses of the preparation of this Agreement and of the Transaction provided for hereby shall be borne by the respective Parties incurring such expense, whether or not such transactions are consummated.

9.16 Disputes. If any dispute or controversy among the parties arises in connection with this Agreement, the Parties agree to seek resolution of such dispute or controversy in good faith through non-binding mediation prior to the initiation of any legal proceeding.

[Signature Page Immediately Following]

IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the Execution Date.

THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ALABAMA

By: Stephanie Mullins

Its: UABCFO

UAB HEALTH SYSTEM

By: [Signature]

Its: CEO

JEFFERSON COUNTY, ALABAMA

By: [Signature]

Its: President

APPROVED AS TO FORM ^{CTW}
BY UABHS LEGAL COUNSEL

APPROVED BY THE
JEFFERSON COUNTY COMMISSION
DATE: 11/12/19 1149
MINUTE BOOK: 173
PAGE(S): 633

Exhibit A

Articles of Incorporation

Exhibit B

Bylaws

Exhibit C

Interim Cooper Green Clinic Lease

Exhibit C-1

List of County Affiliates for Subleases

County Office/Division

Description of Space Currently Occupied

Exhibit D

Option Agreement

Exhibit E

Parking License Agreement

Exhibit F

Asset Lease Agreement

Exhibit G

Assignment and Assumption Agreement

Exhibit H

Payroll Agent Agreement

Exhibit I

Clinic Services Agreement

Exhibit J

Cooper Green Capital Funding Agreement

Exhibit K

Management Agreement

Exhibit L

Affiliation Agreement