

AMENDMENT TO JOINT OPERATING AGREEMENT

This AMENDMENT TO JOINT OPERATING AGREEMENT (this “Amendment”) is entered into effective as of December 14, 2016 (the “Amendment Effective Date”) by and between University Medical Center, Inc., a Kentucky nonprofit corporation (“UMC”), and KentuckyOne Health, Inc., a Kentucky nonprofit corporation (“KentuckyOne”). UMC and KentuckyOne are sometimes referred to herein, individually, as a “Party” and, collectively, as the “Parties”.

RECITALS

WHEREAS, UMC and KentuckyOne are parties to that certain Joint Operating Agreement dated November 13, 2012 (the “JOA”), pursuant to which KentuckyOne agreed to manage and operate (other than the Maintained Procedures, as defined in the JOA) University of Louisville Hospital (“Hospital”), the James Graham Brown Cancer Center (the “Cancer Center”), and other ancillary UMC businesses and operations associated with the Hospital and the Cancer Center together with the Hospital and the Cancer Center, and excluding the Maintained Procedures as defined in the JOA, the “Business”);

WHEREAS, UMC, KentuckyOne and University of Louisville, an instrumentality of the Commonwealth of Kentucky, acting through its Board of Trustees (“University”), desire to restructure the JOA and other related arrangements in order to transition operation and management of the Business back to UMC and University, in accordance with the terms and conditions described in the Agreement between University, UMC and KentuckyOne to be executed herewith (the “Fundamental Agreement”); and

WHEREAS, in furtherance of the foregoing, the Parties desire to amend the JOA as described herein, in accordance with Section 8.9 of the JOA.

NOW THEREFORE, in consideration of the mutual covenants and conditions contained in this Amendment, the JOA and the Fundamental Agreement, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

1. **Amendment to Section 6.1.** Section 6.1 of the JOA is hereby deleted in its entirety, and replaced with following Section 6.1:

6.1 **Term.** The initial term of this Agreement shall be for a period commencing on the date on which the Integrated Operations will be integrated with KentuckyOne, which date shall be on or before March 1, 2013 (the “Integration Date”), and continuing through the earlier of (i) June 30, 2017 or (ii) the date on which the Fundamental Agreement is terminated for any reason (the “Term”).

2. **Amendment to Section 5.2(a)**. Section 5.2(a) of the JOA is hereby deleted in its entirety and replaced with the following:

(a) UMC will pay to KentuckyOne an amount equal to the net book value of the capital investments in the Integrated Operation made after the November 1, 2016 and as directed in writing by University and UMC (and excluding any investments by KentuckyOne as part of the Aggregate Undepreciated Capital (as defined in the Fundamental Agreement)). Notwithstanding the foregoing: (i) to the extent that further investigation or examination reveals that, based on GAAP principles, the actual amount of Aggregate Undepreciated Capital is less than Thirty Eight Million Eight Hundred Thousand Dollars (\$38,800,000) (the “Target Capital Amount”), UMC will have the right to reduce any required repayment amount under this Section 5.2(a) by the amount the actual Aggregate Undepreciated Capital is less than the Target Capital Amount; and (ii) to the extent that further investigation or examination reveals that, based on GAAP principles, the actual amount of Aggregate Undepreciated Capital is greater than the Target Capital Amount, KentuckyOne will have the right to increase any required repayment amount under this Section 5.2(a) by the lesser of (a) the amount the actual Aggregate Undepreciated Capital is greater than the Target Capital Amount or (b) an amount equal to the difference between the Target Capital Amount and the Aggregate Undepreciated Capital amounts set forth on Schedules 2.4.2 and 2.4.3 attached to the Fundamental Agreement.

3. **Amendment to Section 1.17**. Section 1.17 of the JOA is hereby deleted in its entirety and replaced with the following:

1.17 Assets Related to Maintained Procedures. Notwithstanding anything in this Agreement to the contrary, UMC has full authority to manage and control the assets related to the Maintained Procedures. As used in this section, assets related to Maintained Procedures includes, without limitation, the UMC Reserve Fund, the Capital Fund, UMC’s interest in Passport Health Plan, UMC’s interest in Louisville Medical Group, UMC’s interest in Kentuckiana Medical Reciprocal Risk Retention Group, and UMC’s interest in Premier, Inc. and related entities.

4. **Amendment to Section 2.5**.

a. Section 2.5 of the JOA is hereby deleted in its entirety and replaced with the following:

2.5 Retention of Capital by UMC. Upon the Integration Date, UMC shall retain capital in the amount of Seventeen Million Dollars (\$17,000,000) (the “UMC Reserve Fund”). In addition, UMC shall retain Fifteen Million Dollars (\$15,000,000) (“Capital Fund”). The UMC Reserve Fund and the Capital Fund may be used by UMC and University as deemed appropriate in their sole discretion.

b. Sections 2.5(a)-(e) of the JOA are hereby deleted in their entirety.

5. **Remainder of Agreement.** Except as specifically set forth herein and in the Fundamental Agreement, all other provisions of the JOA shall remain as originally set forth therein.

6. **Definitions.** Capitalized terms used herein and not specifically defined shall have the meanings ascribed to them in the JOA.

7. **Counterparts.** This Amendment may be executed in any number of counterparts, each of which shall be deemed an original and shall be enforceable against the parties actually executing such counterparts, and all of which together shall constitute one instrument.

[Signature Page Follows]

[Signature page to Amendment to JOA]

IN WITNESS WHEREOF, the Parties have caused this Amendment to be duly executed by their respective representatives as of the day and year first above written.

KENTUCKYONE HEALTH, INC.

UNIVERSITY MEDICAL CENTER, INC.

By: _____
Name: _____
Title: _____

By: Joan A. Coleman
Name: JOAN A. COLEMAN
Title: UMC Intern CEO

[Signature page to Amendment to JOA]

IN WITNESS WHEREOF, the Parties have caused this Amendment to be duly executed by their respective representatives as of the day and year first above written.

KENTUCKYONE HEALTH, INC.

UNIVERSITY MEDICAL CENTER, INC.

By: Ruth W. Dringley
Name: Ruth W. Dringley
Title: 12/14/2016

By: _____
Name: _____
Title: _____