

COMMON PURPOSE AGREEMENT

THIS COMMON PURPOSE AGREEMENT (this "**Agreement**") is made as of November 10, 2011, by and among JEWISH HOSPITAL HEALTHCARE SERVICES, INC., a Kentucky nonprofit corporation ("**JHHS**"), CATHOLIC HEALTH INITIATIVES, a Colorado nonprofit corporation ("**CHI**"), UNIVERSITY MEDICAL CENTER, INC., a Kentucky nonprofit corporation ("**UMC**"), and UNIVERSITY OF LOUISVILLE, an instrumentality of the Commonwealth of Kentucky ("**University**"). JHHS, CHI and University being sometimes hereinafter referred to collectively as the "**Sponsors**" and individually as a "**Sponsor.**"

RECITALS

A. The JHHS, CHI, UMC and others (collectively the "**Transaction Parties**") have entered into a Consolidation Agreement, dated June 14, 2011, as amended ("**Transaction Agreement**"), whereby upon the occurrence of certain conditions ("**Closing Conditions**") they would combine their respective health systems in Kentucky ("**Transaction**") under the direction and control of a single non-profit entity (sometimes hereinafter referred to as "**Network Entity**") which would have as its sponsoring members the University, JHHS and CHI.

B. UMC is required to obtain the consent of the University and the Commonwealth of Kentucky through the amendment of certain real estate leases by the Commonwealth and the execution and delivery by the University and the Commonwealth of other closing documents memorializing the affiliation of the University's School of Medicine with Network Entity as Closing Conditions to the Transaction.

C. The Sponsors and the Transaction Parties are each rooted in unique heritages and traditions that are respected and in many respects share many common principles, including an obligation to servicing the needs of all regardless of ability to pay, the belief in healing, compassion, human dignity, responsible business practices, valuing education, community participation, integrity and social justice and these common principles will form the foundation for Network Entity's mission. Network Entity will foster, nurture and celebrate the unique history and traditions of all of the Sponsors and the Transaction Parties.

D. After the public announcement of the Transaction Agreement, certain governmental officials and private organizations have expressed concerns that indigent access to medical care may be compromised, certain currently offered medical procedures will no longer be available at the University of Louisville Hospital and the James Graham Brown Cancer Center ("**University Hospital**") and other unspecified adverse limitations will be placed on University Hospital and the University's medical faculty, all to the detriment of UMC's and the University's missions.

E. CHI, Saint Joseph Health System, Inc. and Flaget Healthcare, Inc. are each a Catholic health ministry, and a core component of their Catholic identity are the Ethical and Religious Directives of the United States Conference of Catholic Bishops (the "**ERDs**"). The ERDs provide guidance in the areas of social responsibility, pastoral and spiritual care,

respecting the health professional-patient relationship, care at the beginning and end of life, and the formation of partnerships to advance health care.

F. The Sponsors and the Transaction Parties acknowledge the long and distinguished history of service by CHI and the other Catholic participants in the Transaction, acting out of their ethical and religious convictions, have contributed and will continue to contribute to improve the health care of the citizens of the Commonwealth of Kentucky, including the poor and indigent.

G. The Sponsors and UMC desire to clarify the role of University Hospital after the Transaction and the impact that the University Hospital's affiliation with the Network Entity will have on the University, its School of Medicine and their respective missions.

AGREEMENTS:

NOW, THEREFORE, the Sponsors and UMC agree as follows:

1. **Clarifications to the Transaction Agreement.** Notwithstanding any provision of the Transaction Agreement or any exhibit thereto to the contrary, the parties agree that the following provisions shall apply to the Transaction and the operation of the University Hospital after the Transaction.

1.1 Purpose of Network Entity. The parties reaffirm that there has been no change in the principal motivations for consummating the Transaction, which are:

(a) The Transaction Parties and the University share a special and common commitment to patient care, biomedical research and the education of the next generation of healthcare providers.

(b) The Commonwealth of Kentucky has a critical need for new and better ways to address the serious health issues facing its population.

(c) Recent statistics from the Centers for Disease Control and Prevention and the American Heart Association reveal that residents of the Commonwealth of Kentucky ranks:

- (i) first in lung cancer (and 50% higher than the national incidence),
- (ii) in 2006, fourth overall in cancer incidence,
- (iii) in 2008, seventh in the incidence of obesity,
- (iv) seventh in the overall number of deaths associated with cardiovascular disease,
- (v) ninth in the number of deaths from heart disease, and

(vi) ninth in the number of deaths from stroke.

(d) As a result of the Transaction, Network Entity and the University will be able to meet these serious and uncommon challenges faced by the residents of the Commonwealth of Kentucky and surrounding regions in a more efficient and cost effective manner than they can individually; become the premier, integrated, and comprehensive health system in the Commonwealth of Kentucky and southern Indiana; attain the reputation as the healthcare provider that provides the highest quality care in the most cost effective manner, effectively reduces the incidence of serious disease, and eliminates inequities in access throughout the communities that the Network Entity will serve; provide services across the Commonwealth of Kentucky and the region surrounding the Commonwealth of Kentucky, developing the best next generation of healthcare professionals, and quickly translating research from bench to bedside; and be a vital nationally-recognized health system and the go-to organization for any major health policy initiatives in the Commonwealth of Kentucky.

(e) It is the purpose and mission of the Network Entity to advance the common mission and purposes set forth in this Section 1.1.

1.2 University's School of Medicine. Network Entity will be committed to academic freedom and will not place any restrictions on the content, curriculum, or location of classes taught by the University at University Hospital other than restrictions on the performance of certain clinical procedures described in Schedule 1 at Network Entity facilities. Matters affecting the University, teaching, training, research, and clinical programs are reserved solely to the University. Neither the University nor the University's School of Medicine shall be under the direction or control of Network Entity or have any obligation to comply with, advocate, advance, teach or otherwise promote the religious directives and teachings applicable to any of the parties ("**Faith-Based Principles**") or any religion. All faculty, residency, fellowship and student related issues shall be solely under the jurisdiction of University's School of Medicine. The University shall be solely responsible for defining the size, work assignment, curriculum, and geographic distribution of all residency programs, as well as the content, delivery, and geographic location of delivery of the curriculum. Without limiting the foregoing, this provision requires that University will solely be responsible for selection, academic evaluation, and dismissal of all students enrolled in University. Residents shall be employees of the University, and the University will be responsible for payment of resident salaries, benefits, and malpractice insurance, as well as resident disciplinary matters. Furthermore, the University shall exclusively set the criteria for awarding all academic appointments (including gratis appointments) for any individual associated with the University, and the University shall have the exclusive right to determine promotion, tenure, salary, and work assignments of all University faculty members, interns, residents, and fellows. Nothing contained herein shall in any way restrict the University's faculty and residents from providing procedures that are described on Schedule 1 at facilities that are not owned or operated by Network Entity. UMC will continue its accreditation by the Association for Clinical Pastoral Education and University may offer courses on topics similar to its current course "At the Intersection of Medicine and Religion".

1.3 Operation of University Hospital. Network Entity shall continue to operate the University Hospital in a manner consistent with academic practices of a secular state teaching

hospital which is not (i) bound by the Faith-Based Principles or (ii) restricted from providing any health services that may be lawfully performed at a state owned facility with the exception of the procedures that are described on Schedule 1. In connection therewith, no religious symbols will be displayed at the University Hospital outside of designated chapels which respect the beliefs of all denominations.

1.4 Physicians practicing at University Hospital. It is appropriate for physicians to educate and fully discuss with their patients all medical and surgical treatment options in order for patients to make informed choices. Network Entity shall accept the free, unrestricted, and mutual exchange of information between physicians and patients.

1.5 Network Entity's Other Facilities. The operation of Network Entity's other healthcare facilities, including its historically Jewish and Catholic facilities, shall be provided for in the documents to be delivered at the closing of the Transaction in accordance with the Transaction Agreement. Network Entity will respect and comply with the ERDs at all of the Catholic facilities that will become part of Network Entity. Network Entity will take no action to cause CHI or the Catholic facilities that will become part of Network Entity to fall out of compliance with the ERDs. CHI is the sole party to this Agreement that is responsible for obtaining interpretation of the ERDs.

2. **General Provisions**

2.1 Public Record. The Transaction Parties acknowledge and agree that this Agreement is a public record for purposes of the Kentucky Open Records Act and is subject to disclosure in accordance therewith.

2.2 No Third-Party Rights. Nothing expressed or referred to in this Agreement will be construed to give any Person other than the Sponsors any legal or equitable right, remedy, or claim under or with respect to this Agreement or any provision of this Agreement, and this Agreement and all of its provisions and conditions are for the sole and exclusive benefit of the Sponsors and their successors and permitted assigns.

2.3 Execution, Delivery and Counterparts. This Agreement may be executed in one or more counterparts, each of which, when taken together, shall be deemed to constitute one and the same agreement notwithstanding that all parties are not signatories to the same counterpart. Executed version of this Agreement may be delivered by the parties via facsimile or email, either or both of which shall constitute delivery of an original.

2.4 Modification. This Agreement may not be amended except by a written agreement executed by the Sponsors.

2.5 Governing Law. This Agreement will be governed by the laws of the Commonwealth of Kentucky without regard to conflicts of laws principles.

*[Remainder of this page intentionally blank.
Signatures on next page.]*

The parties hereto have executed and delivered this Agreement as of the date first written above.

JEWISH HOSPITAL HEALTHCARE SERVICES, INC., a Kentucky nonprofit corporation

By: _____
Name: _____
Title: _____

UNIVERSITY OF LOUISVILLE, a Kentucky nonprofit corporation and instrumentality of the Commonwealth of Kentucky

By: _____
Name: _____
Title: _____

CATHOLIC HEALTH INITIATIVES, a Colorado nonprofit corporation

By: _____
Name: _____
Title: _____

UNIVERSITY MEDICAL CENTER, INC., a Kentucky nonprofit corporation

By: _____
Name: _____
Title: _____

SCHEDULE 1

Procedures

Except as otherwise permitted below, none of the following procedures may be performed at any Network Entity Facility:

- **Elective (direct) abortions**
 - Abortion is the directly intended termination of pregnancy before viability or the directly intended destruction of a viable fetus. Every procedure whose sole immediate effect is the termination of pregnancy before viability is an abortion, including the interval between conception and implantation of the embryo.
 - In the case of extra-uterine pregnancy, no direct abortion will be performed.
 - The foregoing notwithstanding, operations, treatments, and medications that have as their direct purpose the cure of a proportionately serious pathological condition of a pregnant woman are permitted when in the treating physician's judgment they cannot be safely postponed until the unborn child is viable, even if they will result in the death of the unborn child.
 - For a proportionate reason, labor may be induced after the fetus is viable.

- **Contraceptives, Sterilization and Fertility Treatment**
 - Elective sterilizations male or female including tubal ligations, vasectomies and Essure procedure.
 - Contraceptives will not be dispensed for the purpose of contraception only.
 - Insertion of IUDs/Diaphragms except for medical purposes e.g. menorrhagia.
 - The foregoing notwithstanding, emergency contraception, in the treating physician's judgment, will be administered to victims of sexual assault after confirmation that the victim is not currently pregnant.
 - Artificial insemination and in-vitro-fertilization (IVF).

- **Euthanasia**—Participation in euthanasia or assisted suicide in any way.

In addition, Network Entity will not be a party to any contracts or arrangements that result in the payment for or performance of surrogate motherhood or any of the procedures outlined above.