

## REMARKETING AGREEMENT

**THIS REMARKETING AGREEMENT**, dated as of March 1, 2010 (as amended, supplemented or otherwise modified and in effect from time to time, this "*Remarketing Agreement*"), is entered into by and between UPMC, a Pennsylvania nonprofit corporation (the "*Borrower*") and PNC CAPITAL MARKETS LLC (the "*Remarketing Agent*").

### BACKGROUND

A. The Allegheny County Hospital Development Authority (the "*Issuer*") intends to issue and sell its University of Pittsburgh Medical Center Revenue Bonds, Series 2010C (the "*Bonds*"). The Bonds shall be issued under a Trust Indenture, dated as of March 1, 2010 (as amended, supplemented or otherwise modified from time to time, the "*Indenture*"), between the Issuer and The Bank of New York Mellon Trust Company, N.A., as Trustee (together with its successors in trust under the Indenture, the "*Trustee*").

B. For the period, commencing on the date of original issuance and delivery of the Bonds, during which any of the Bonds bear interest at the Weekly Rate (as defined in the Indenture), the Borrower desires that the Remarketing Agent provide certain services relating to the determination of the interest rate on the Bonds and the remarketing of the Bonds tendered for purchase from time to time, all as provided under the Indenture and hereunder.

C. All capitalized terms used herein and not otherwise defined herein shall have the meanings specified in the Indenture.

**NOW THEREFORE**, in consideration of the mutual covenants herein made and intending to be legally bound hereby, the parties hereto agree as follows:

#### **1. Appointment of Remarketing Agent; Responsibilities of Remarketing Agent.**

(a) Subject to the terms and conditions herein contained, the Borrower hereby appoints the Remarketing Agent, and the Remarketing Agent hereby accepts such appointment, as exclusive Remarketing Agent under the Indenture in connection with the offering and sale of Bonds from time to time subsequent to the initial offering, issuance and sale of the Bonds, for so long as any of the Bonds bear interest at the Weekly Rate.

(b) The Indenture sets forth certain rights of, and duties and obligations imposed on, the Remarketing Agent in connection with the tender and remarketing of the Bonds and the determination of the Weekly Rate for the Bonds. The provisions of the Indenture relating to the Remarketing Agent for the Bonds are incorporated herein by reference and made a part hereof as if fully set forth herein.

(c) The Remarketing Agent will keep such books and records as shall be consistent with prudent industry practice and will make such books and records available for inspection by the Issuer, the Borrower, and the Trustee at all reasonable times.

(d) Subject to the terms and conditions herein contained, the Remarketing Agent, upon timely receipt of a notice from any Beneficial Owner or Owner of a Bond of the election of such Beneficial Owner or Owner to tender its Bond pursuant to Section 504 of the Indenture (such notice being herein referred to as a "*Bondholder Tender Notice*"), shall offer for sale, and use its best efforts to sell, such Bonds in the principal amount specified in such Bondholder Tender Notice at a purchase price equal to the principal amount thereof plus accrued interest thereon to the applicable Purchase Date designated in such Bondholder Tender Notice, such purchase and sale to be effected on such designated Purchase Date. Subject to the terms and conditions herein contained, the Remarketing Agent shall also offer for sale and use its best efforts to sell any Bonds subject to mandatory tender for purchase pursuant to Section 506, 508, 509 or 510 of the Indenture at a purchase price equal to the principal amount thereof plus accrued interest thereon to the applicable Purchase Date for such mandatory tender, such purchase and sale to be effected on such Purchase Date. Notwithstanding the foregoing, the Remarketing Agent shall have no obligation so to remarket any Bonds bearing interest at any interest rate other than the Weekly Rate or that are not secured by a Credit Support Facility and a Liquidity Support Facility.

(e) If the Remarketing Agent has failed to remarket all of the Bonds tendered for purchase on any applicable Purchase Date, the Remarketing Agent shall continue to use its best efforts to remarket such unsold Bonds pursuant to Section 513 of the Indenture (including any of such unsold Bonds which have become Purchased Bonds or Corporation Bonds) only upon the express written direction of the Borrower and in such event the Remarketing Agent's obligations with respect to the remarketing of such Bonds shall extend for no more than 60 days from the applicable Purchase Date unless the Remarketing Agent expressly agrees to a longer period.

(f) The Remarketing Agent shall not remarket any Bonds directly to the Issuer, the Borrower, any Affiliate of the Borrower, or any affiliate of the Issuer, provided, however, that this provision shall apply to the Remarketing Agent only to the extent any such Affiliate or affiliate is actually known to the Remarketing Agent. No Bonds shall be remarketed if the Trustee has given notice to the Remarketing Agent that an event described in either Section 406 or 415 of the Indenture has occurred and is continuing with respect to the Liquidity Support Provider or Credit Support Provider or if the Trustee has given notice to the Remarketing Agent that there has occurred and is continuing an acceleration of the Bonds pursuant to Section 702 or 703 of the Indenture. During the occurrence and continuation of an Event of Default under the Indenture, no Purchased Bond shall be remarketed without the consent of the Liquidity Support Provider or Credit Support Provider.

(g) No assurance can be given by the Remarketing Agent that any such purchases and sales of tendered Bonds will be consummated on any applicable Purchase Date, and the Remarketing Agent shall in no respect be deemed to be warranting that any such purchases and sales will be consummated on any applicable Purchase Date, or to be assuming any liability or undertaking any obligation of any nature in the event any such purchases and sales shall not be consummated on any applicable Purchase Date.

(h) The duties of the Remarketing Agent hereunder will include (i) the determination of interest rates to be borne by the Bonds while the Bonds bear interest at the Weekly Rate, as set forth in the Indenture, and the giving of notice of such interest rates to such parties at such times as are required under the Indenture, (ii) the best efforts solicitation of purchases of Bonds, (iii) effecting and processing such purchases, and (iv) performing such other duties, not inconsistent with this Remarketing Agreement, as are required of it as a remarketing agent under the Indenture. The Remarketing Agent shall have no duty or obligation under this Remarketing Agreement with respect to the determination of any interest rate on the Bonds if they are being converted from the Weekly Rate Mode to any other interest rate mode under the Indenture or with respect to the remarketing of Bonds while they bear interest at any such other interest rate mode.

(i) The Remarketing Agent may cease remarketing Bonds under the following circumstances:

(i) No Payment Default. It shall be a condition of the Remarketing Agent's obligations hereunder that there shall exist no payment default on the Bonds and no payment default by the Borrower under this Remarketing Agreement.

(ii) Immediate Suspension. The Remarketing Agent may suspend its remarketing efforts hereunder immediately, after written or electronic notice to the Issuer, the Borrower, the Trustee, the Liquidity Support Provider and the Credit Support Provider, upon the occurrence of any of the following, which suspension may continue as long as any of the following continues to exist:

(A) *Breach*. Any of the representations or warranties of the Borrower made in Section 3(d) hereof shall not have been true and correct on the date made, or the Borrower shall fail to observe any of the covenants or agreements made in Section 2 hereof; or

(B) *Disclosure*. Any event shall occur or information shall become known, which, in the reasonable judgment of the Remarketing Agent, makes untrue, incorrect or misleading in any material respect any statement or information contained in the Official Statement or other disclosure documents provided to the Remarketing Agent in connection with the performance of its duties hereunder, whether provided pursuant to Section 2 hereof or otherwise, or causes such documents to contain an untrue, incorrect or misleading statement of a material fact or to omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; or

(C) *Securities Law Event*. Legislation shall be enacted and become effective to the effect that, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction in the subject matter shall be issued or made to the effect that, or any

other event occurs which, in the reasonable judgment of the Remarketing Agent after consultation with the Borrower, would have the effect that (x) the remarketing of obligations of the general character of the Bonds, or the remarketing of the Bonds, including all underlying obligations, is in violation or would be in violation of any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or (y) the Indenture is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended and as then in effect, or (z) the remarketing of obligations of the general character of the Bonds, or the remarketing of the Bonds, is otherwise prohibited; or

(D) *Maximum Legal Interest Rate.* The Bonds cannot be sold by the Remarketing Agent at the contemplated offering price of par at an interest rate less than or equal to the maximum rate allowed by law or by the provisions of the Indenture or the Bonds.

(iii) Suspension for Market Failure. The Remarketing Agent may suspend its remarketing efforts hereunder immediately, after written or electronic notice to the Issuer, the Borrower, the Trustee, the Liquidity Support Provider and the Credit Support Provider, upon the occurrence of any of the following events, which suspension may continue so long as any such event continues to exist, but only if and to the extent, in the reasonable judgment of the Remarketing Agent after consultation with the Borrower, the occurrence and continuation of such event shall cause the Bonds to be unmarketable:

(A) *Federal Income Tax Event.* There shall be any federal or state legislation, effective, pending or favorably reported out of any legislative committee, or any decision of any federal or state court or by any order, ruling or regulation (final, temporary or proposed) of the Treasury Department or the Internal Revenue Service of the United States or other federal or state authority or regulatory body, or any release or announcement or communication issued or sent by the Treasury Department or the Internal Revenue Service of the United States, affecting the status of the Issuer and/or Borrower, the Borrower's property or income, obligations of the general character of the Bonds, or the interest thereon, or any tax exemption with respect to obligations of the general character of the Bonds, or the interest thereon, granted or authorized by the Internal Revenue Code of 1986, as amended; or

(B) *National Hostility.* The engagement by the United States of America in hostilities which have resulted in a declaration of war or national emergency, or the occurrence or worsening of any other outbreak of hostilities or national or international calamity or crisis, financial or otherwise;

(C) *Trading Impediments.* There shall have occurred a general suspension of trading on the New York Stock Exchange; material restrictions are established upon trading of securities, including limited or minimum prices, by any

governmental authority or by any national securities exchange; or a banking moratorium is declared by Federal or state authorities;

(D) *Absence of Liquidity Support Facility or Credit Support Facility.* The Liquidity Support Facility or the Credit Support Facility with respect to the Bonds for any reason ceases to be in full force and effect; or

(E) *Ratings.* The long-term or short-term rating of any of the Bonds shall have been withdrawn or suspended by any Rating Agency after the date hereof.

(j) The Remarketing Agent undertakes to perform only such duties as are expressly set forth in this Remarketing Agreement and the Indenture and shall have no implied duties hereunder or thereunder. Without limiting in any manner the indemnity provisions set forth in Section 7 hereof, the Remarketing Agent shall not be liable for any act or omission to act that is taken or made by the Remarketing Agent in good faith pursuant to or within the scope of this Remarketing Agreement. The Remarketing Agent may consult with counsel of its choice, including, without limitation, Bond Counsel and counsel for any of the Trustee, the Borrower, the Liquidity Support Provider, the Credit Support Provider and the Issuer, and shall not be liable for any action taken in good faith in reliance upon the advice of such counsel. Except as otherwise expressly provided herein, the Remarketing Agent may act in reliance upon any notice the Remarketing Agent reasonably believes to have been transmitted to it by the Borrower, the Trustee, the Issuer, the Liquidity Support Provider, the Credit Support Provider or the Beneficial Owner or Owner of any Bond.

(k) In acting as Remarketing Agent hereunder and under the Indenture, the Remarketing Agent will act as agent and not as principal.

**2. Furnishing of Disclosure Materials.** (a) The Borrower agrees to furnish the Remarketing Agent, at no expense to the Remarketing Agent, with as many copies as the Remarketing Agent may reasonably request of the Official Statement of the Issuer and the Borrower relating to the Bonds, dated March 17, 2010 (the "*Official Statement*").

(b) The Borrower shall update, amend and supplement the Official Statement and other disclosure documents relating to the Bonds provided to the Remarketing Agent in connection with the performance of its duties hereunder, at the Borrower's expense, in order that the Official Statement and such other disclosure documents, at all times during the term of this Remarketing Agreement, will be true and correct in all material respects and will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If, in the reasonable judgment of the Remarketing Agent, an event shall occur which requires the Official Statement or such disclosure documents to be amended or supplemented in order to be true and correct in all material respects and not contain any untrue or misleading statement of material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, then the Borrower shall, at its own expense promptly upon the request of the Remarketing Agent, amend or

supplement the Official Statement or such disclosure documents in form and substance reasonably satisfactory to the Remarketing Agent. During the term of this Remarketing Agreement, the Borrower shall cooperate with the Remarketing Agent to correct or complete, at the expense of the Borrower, the Official Statement and such other disclosure documents as aforesaid and shall not refuse any reasonable request of the Remarketing Agent for information concerning the Borrower for such purposes. The Borrower will not amend or supplement, or request the amendment or supplementation of, the Official Statement or such other disclosure documents prior to notifying the Remarketing Agent in writing of the proposed amendment or supplement thereto.

(c) If the Remarketing Agent determines that it is necessary or desirable to use any other disclosure materials in connection with its remarketing of Bonds, the Remarketing Agent will so notify the Borrower, and the Remarketing Agent shall not be obligated to remarket Bonds until it has been provided such disclosure materials in form and substance satisfactory to the Remarketing Agent. The Borrower shall provide, at no expense to the Remarketing Agent, such disclosure materials. The Official Statement and any such additional disclosure materials, together with any amendments and supplements thereto and any other information provided to the Remarketing Agent pursuant to this Section 2, are herein referred to as the "*Disclosure Materials*". The Borrower will supply the Remarketing Agent, at no expense to the Remarketing Agent, with as many copies as the Remarketing Agent may reasonably request of all Disclosure Materials, and will amend such materials (and any documents that may be incorporated by reference therein) from time to time so that, insofar as the Borrower has knowledge thereof, such materials will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. In connection with any Disclosure Materials, the Borrower will use its best efforts to provide the Remarketing Agent such certificates, opinions of counsel and other support for the information contained therein as the Remarketing Agent may reasonably request.

(d) If, at any time during the term of this Remarketing Agreement, any event, circumstance or occurrence known to the Borrower occurs or exists, as a result of which the Disclosure Materials, as then amended or supplemented, contain any untrue statement of material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Borrower will promptly notify the Remarketing Agent in writing of the circumstances and details of such event, circumstance or occurrence.

**3. Certain Representations, Warranties, Covenants and Agreements of the Borrower.** The Borrower represents, warrants, covenants and agrees with the Remarketing Agent as follows:

(a) The Borrower is a nonprofit corporation duly organized and existing under the laws of the Commonwealth of Pennsylvania and has all licenses, permits and authorizations necessary to carry on and operate its business and facilities as currently being carried on and operated and the absence of which would have a material adverse effect on the operations or financial condition of the Borrower. The Borrower has all requisite power and authority to enter into, execute, deliver and perform its obligations under this Remarketing Agreement, the

Agreement, the 2010C Notes, the 1995 Master Indenture, the 2007 Master Indenture, the PNC Bank Reimbursement Agreement and all other documents, instruments and agreements relating thereto to which the Borrower is a party (collectively, the "*Borrower Documents*").

(b) The execution and delivery by the Borrower of this Remarketing Agreement and the other Borrower Documents do not, and compliance with the provisions of this Remarketing Agreement and the other Borrower Documents will not, conflict with or result in the breach of any of the terms, conditions or provisions of, or constitute on the part of the Borrower a breach of or a default under, the articles of incorporation or other organizational documents of the Borrower, or result in a material breach or default under any existing law, regulation, judgment, decree, or order, or any agreement, indenture, mortgage, lease or other instrument to which the Borrower is a party or by which the Borrower or any of its property is bound.

(c) The Borrower has duly authorized all necessary action to be taken by it for (i) the issuance and sale of the Bonds by the Issuer upon the terms and conditions set forth in the Official Statement; and (ii) the execution and delivery of this Remarketing Agreement and the other Borrower Documents.

(d) The information contained in the Official Statement relating to the Borrower, the application of the proceeds of the sale of the Bonds and the security pledged by the Borrower with respect to the Bonds, and all other information now or hereafter supplied by and relating to the Borrower or the collateral pledged by the Borrower and included as part of the Disclosure Materials (collectively, the "*Borrower Information*"), is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(e) Other than as specifically described in the Official Statement, there is no action, suit, proceeding, inquiry or investigation at law or in equity, or before or by any court, public board or body, pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower, or any meritorious basis therefor, wherein an unfavorable decision, ruling or finding would: (i) materially and adversely affect the financial condition of the Borrower; (ii) adversely affect the transactions contemplated by, or the ability of the Borrower to perform its obligations under, this Remarketing Agreement or the other Borrower Documents; (iii) in any way contest the legal existence or powers of the Borrower; or (iv) adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes or the exemption of interest on the Bonds from Pennsylvania personal income tax and corporate net income tax.

(f) This Remarketing Agreement and the other Borrower Documents have been duly authorized, executed and delivered by the Borrower and are legal, valid and binding obligations of the Borrower enforceable in accordance with the terms hereof and thereof, except as such enforceability may be limited by bankruptcy, reorganization, insolvency and similar laws affecting creditors' rights generally and by equitable principles.

(g) The Borrower is not in any material respect in breach of or in default under, and has not received any notice alleging that it is in breach of or default under, any existing law,

court or administrative regulation, decree or order, or any agreement, indenture, mortgage, lease, sublease or other instrument to which it is a party or by which it or its property is bound, and to its knowledge no event has occurred or is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default thereunder, which default or event of default would materially and adversely affect its operations or financial condition.

(h) The Borrower will diligently cooperate with the Remarketing Agent to qualify the Bonds to be remarketed by the Remarketing Agent pursuant to this Remarketing Agreement under the securities or "Blue Sky" laws of such jurisdictions as the Remarketing Agent may request; *provided* that in no event shall the Borrower be obligated to qualify to do business in any jurisdiction where it is not now so qualified or to take any action which would subject it to the general service of process in any jurisdiction where it is not now so subject.

(i) The Borrower shall notify the Remarketing Agent promptly upon the occurrence of: (i) any material adverse change in the financial condition or results of operations of the Borrower; (ii) any event of default (or event of termination) under, or any event, condition, act or omission which with the passage of time or the giving of notice or both would constitute an event of default under, the Indenture, the Agreement, or any of the other Borrower Documents; (iii) any amendment, modification or supplement of or to the Indenture, the Agreement, the 2007 Master Indenture, the PNC Bank Letter of Credit, the PNC Bank Reimbursement, or any other Liquidity Support Facility, Liquidity Support Facility Agreement, Credit Support Facility, or Credit Support Facility Agreement in respect of the Bonds; (iv) any withdrawal, suspension or reduction of the credit rating on the Bonds by any Rating Agency, or any notification by any Rating Agency rating the Bonds that it is considering a possible withdrawal or reduction in any credit rating of the Bonds; (v) the Borrower becoming aware of any adverse change in the tax-exempt status of interest payable on any of the Bonds; and (vi) any termination or proposed termination or expiration or pending expiration of any Liquidity Support Facility or Credit Support Facility with respect to the Bonds, or the proposed delivery of any Alternate Liquidity Support Facility or Alternate Credit Support Facility.

### **3A. Representations, Warranties and Agreement of the Remarketing Agent.**

The Remarketing Agent hereby represents, warrants and covenants to and with the Borrower as follows:

(a) The Remarketing Agent is registered with the Financial Industry Regulatory Authority, has a capitalization of at least \$50 million, and is authorized to perform all of the duties imposed on it by this Remarketing Agreement and the Indenture. The Remarketing Agent will maintain such qualifications throughout the term of this Remarketing Agreement.

(b) The Remarketing Agent has been duly organized and is validly existing under the laws of its jurisdiction of organization.

(c) This Remarketing Agreement has been duly authorized, executed and delivered by the Remarketing Agent and is the legal, valid and binding obligation of the Remarketing Agent enforceable in accordance with its terms, except as such enforceability may be limited by



bankruptcy, reorganization, insolvency and similar laws affecting creditors' rights generally and by equitable principles.

(d) The performance by the Remarketing Agent of its obligations under this Remarketing Agreement will not violate or constitute a default under any court order or any agreement, indenture, mortgage, lease, note or other agreement or instrument to which the Remarketing Agent is a party or which is binding upon the Remarketing Agent.

(e) The Remarketing Agent will perform all of its obligations hereunder and under the Indenture in compliance with applicable state and federal securities laws and regulations.

(f) The Remarketing Agent will provide the Borrower, upon request by the Borrower, with all relevant information supporting the Remarketing Agent's calculations of the Weekly Rate pursuant to the Indenture.

**4. Term of Agreement; Termination.** This Remarketing Agreement shall become effective upon execution by the Remarketing Agent and the Borrower and shall continue in full force and effect for so long as any Bonds are Outstanding and continue to bear interest at the Weekly Rate, subject to the right of the Remarketing Agent to resign and the right of the Borrower to remove the Remarketing Agent as set forth in this Section 4.

The Remarketing Agent at any time may resign and shall be discharged from all its duties and obligations hereunder and under the Indenture by providing the Borrower, the Issuer, the Trustee, the Liquidity Support Provider and the Credit Support Provider with at least 30 days' prior written notice. The Borrower may remove the Remarketing Agent as such or terminate this Remarketing Agreement at any time by providing the Remarketing Agent, the Issuer, the Trustee, the Credit Support Provider and the Liquidity Support Provider with at least 30 days' prior written notice. Upon the effective date of the resignation or removal of the Remarketing Agent or the termination of this Remarketing Agreement, the Remarketing Agent shall be discharged from all its duties and obligations hereunder and under the Indenture. The Borrower agrees to appoint a successor remarketing agent, in accordance with the Indenture, promptly upon receipt of notice of resignation from the Remarketing Agent.

**5. Payment of Fees and Expenses.** As compensation for the Remarketing Agent's services hereunder, the Borrower shall pay to the Remarketing Agent a fee (the "*Fee*"), payable in arrears on each Fee Payment Date (as hereinafter defined) for the related Fee Accrual Period (as hereinafter defined), calculated at a rate equal to 0.10% per annum (computed on the basis of a year of 365 or 366 days, as the case may be, for the actual number of days elapsed) multiplied by the aggregate principal amount of the Bonds outstanding at the beginning of each such Fee Accrual Period. "*Fee Payment Date*" means May 15 and November 15 of each year, beginning on November 15, 2010, and on the date this Remarketing Agreement is terminated. "*Fee Accrual Period*" with respect to the first Fee Payment Date means the period from and including the date of issuance of the Bonds to and including the day immediately preceding such first Fee Payment Date, and with respect to each subsequent Fee Payment Date means the period from and including the immediately preceding Fee Payment Date to but not including such subsequent Fee Payment Date. The Fees are payable to the Remarketing Agent at the address set

forth in or provided pursuant to Section 8 hereof and are nonrefundable in the event Bonds are thereafter redeemed or paid or the Remarketing Agent is removed (other than for gross negligence or willful misconduct) by the Borrower or this Remarketing Agreement is terminated. In any case, the Fee and the method of calculating the Fee are subject to change upon at least 45 days' prior written notice by the Remarketing Agent to the Borrower.

Upon any conversion of the interest rate on the Bonds from a Weekly Rate Mode to a different Variable Rate Mode, if the Borrower and the Remarketing Agent mutually agree to extend the scope of the Remarketing Agent's responsibilities under this Remarketing Agreement to include the remarketing of the Bonds in connection with such conversion (as evidenced by an appropriate amendment or supplement to this Remarketing Agreement executed by both parties), the Borrower shall pay to the Remarketing Agent, as compensation for the Remarketing Agent's services hereunder, such fees as shall be agreed to by the Borrower and the Remarketing Agent in connection with such conversion.

In addition to and without limiting the foregoing, the Borrower will reimburse the Remarketing Agent for its reasonable costs and expenses, including, without limitation, reasonable attorney's fees and expenses and any reasonable expenses incurred in connection with the delivery of Disclosure Materials, arising in connection with this Remarketing Agreement and the performance by the Remarketing Agent of its duties hereunder. Expenses of the Remarketing Agent payable by the Borrower include any cost of funds incurred by the Remarketing Agent in connection with the payment of the purchase price of Bonds prior to the receipt of remarketing proceeds or funds drawn under the Liquidity Support Facility or otherwise provided in accordance with the Indenture. Nothing herein shall be construed as obligating the Remarketing Agent, in its capacity as such, to pay the purchase price of any Bonds from any of its own funds.

**6. Conditions to Remarketing Agent's Obligations.** The obligations of the Remarketing Agent under this Remarketing Agreement shall be subject to the satisfaction of each of the following conditions:

(a) there shall not have occurred and be continuing any event of default under, or any event, condition, act or omission which with the giving of notice or the passage of time or both would constitute an event of default (or event of termination) under, the Indenture, the Agreement, or any of the other Borrower Documents;

(b) to the extent that any Disclosure Materials shall have been provided to the Remarketing Agent in connection with the remarketing of the Bonds, the Remarketing Agent shall have received such certificates, opinions of counsel and other support for the information contained in such Disclosure Materials as the Remarketing Agent shall have reasonably requested pursuant to Section 2(b) hereof;

(c) the representations and warranties of the Borrower contained herein shall be true and correct on and as if made on any date on which the Bonds are to be remarketed or an interest rate on the Bonds is to be determined;

(d) to the extent that the provisions of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended, at any time become applicable to the Bonds, the Borrower and each other relevant obligated person with respect to the Bonds shall have entered into an undertaking, in form and substance satisfactory to the Remarketing Agent, with respect to the continuing disclosure requirements of said Rule; and

(e) the Indenture and each of the Borrower Documents shall be in full force and effect and shall not have been amended, modified or supplemented in any way which would adversely affect the Bonds or the rights or obligations of the Remarketing Agent, except as may have been agreed to in writing by the Remarketing Agent, and there shall be in full force and effect such additional resolutions, agreements, certificates and opinions, which resolutions, agreements, certificates and opinions shall be satisfactory in form and substance to the Remarketing Agent.

**7. Indemnification.** (a) The Borrower shall indemnify and hold harmless the Remarketing Agent and each officer, director and employee of the Remarketing Agent and each person who controls the Remarketing Agent within the meaning of Section 15 of the Securities Act of 1933, as amended (such Act being herein called the "*Act*", and each such person being herein sometimes called a "*Remarketing Agent Indemnified Party*" and, collectively, the "*Remarketing Agent Indemnified Parties*"), against any and all losses, claims, damages, liabilities and costs of any nature, joint or several, arising out of or relating to (i) any untrue statement of or alleged untrue statement of a material fact contained in the Disclosure Materials, or any omission or alleged omission to state a material fact in the Disclosure Materials, required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or (ii) an allegation or determination that the Bonds, the obligations of the Borrower under this Remarketing Agreement, the obligations of the Credit Support Provider under the Credit Support Facility, or the obligations of the Liquidity Support Provider under the Liquidity Support Facility should have been registered under the Act or the Indenture should have been qualified under the Trust Indenture Act of 1939, as amended (the "*Trust Indenture Act*"). The Borrower shall reimburse any such Remarketing Agent Indemnified Party for any legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions. The indemnity contained in this Section 7(a) shall be in addition to any liability which the Borrower may otherwise have to the Remarketing Agent Indemnified Parties.

(b) The Remarketing Agent shall indemnify and hold harmless the Borrower, each of its directors, officers or employees and each person who controls the Borrower within the meaning of Section 15 of the Act (for purposes of this paragraph (b), a "*Borrower Indemnified Party*") against all losses, damages or liabilities, joint or several, to which such Borrower Indemnified Party may become subject under any statute or at law or in equity or otherwise, and will reimburse any such Borrower Indemnified Party for any legal or other expenses incurred by it in connection with defending any actions, insofar as such losses, damages, liabilities or actions arise out of or are based upon any untrue statement of a material fact contained in the Disclosure Materials or any amendment thereof or supplement thereto, or the omission to state therein a material fact necessary to make the statements therein not misleading, but only with reference to written information, if any, relating to the Remarketing Agent furnished to the Borrower by the Remarketing Agent specifically for use in the preparation of the Disclosure Materials; provided, however, the Remarketing Agent shall not be required to indemnify any Borrower Indemnified

Party in any such case to the extent any loss, claim, damage, liability or action was caused by the negligence or willful misconduct of the Borrower Indemnified Party. The Borrower and the Remarketing Agent agree that any statements set forth in the Disclosure Materials furnished in writing by or on behalf of the Remarketing Agent for inclusion in such documents shall be contained in a section entitled "Remarketing" and that the Remarketing Agent's indemnification pursuant to this paragraph (b) shall be limited to the statements so provided.

(c) If any action or claim shall be brought or asserted against an indemnified party in respect of which indemnity may be sought from an indemnifying party, such indemnified party shall promptly notify the indemnifying party in writing, and the indemnifying party shall assume the defense thereof, including the employment of counsel satisfactory to such indemnified party and the payment of all expenses. Such indemnified party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the employment thereof has been authorized by the indemnifying party, (ii) the indemnifying party has failed to assume the defense and employ counsel satisfactory to such indemnified party within a reasonable period of time after receiving notice as provided above or (iii) the named parties to any such action (including any impleaded parties) include both such indemnified party and the indemnifying party, and such indemnified party shall have been advised by counsel that there may be one or more legal defenses available to it which are different from or additional to those available to the indemnifying party (in which case the indemnifying party shall not have the right to assume the defense of such action on behalf of such indemnified party), in any of which events such fees and expenses shall be borne by the indemnifying party. The indemnifying party shall not be liable for any settlement of any such action or claim effected without its consent, but if settled with its consent, or if there is a final judgment for the plaintiff in any such action, the indemnifying party will indemnify and hold harmless any indemnified party from and against any loss or liability, including reasonable legal fees, by reason of such settlement or judgment.

(d) If the indemnity provided in Section 7(a) or Section 7(b), as the case may be, is not permitted by applicable law, then the indemnifying party shall instead contribute to the amount paid or payable by the indemnified party in the proportion appropriate to reflect the relative benefits received by indemnifying party on the one hand and the indemnified party on the other from the remarketing of the Bonds. If this allocation is not permitted by applicable law, then the indemnifying party shall contribute to such amount in the proportion appropriate to reflect not only such relative benefits but also the relative fault of the indemnifying party on the one hand and the indemnified party on the other in connection with the statement or omissions that resulted in the particular losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative fault shall be determined by reference, among other things, to whether any untrue or alleged untrue statement of a material fact, or omission or alleged omission of a material fact, relates to information supplied or omitted by the indemnifying party or the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission, *provided* that in the case of an allegation or determination that the Bonds, the obligations of the Borrower under this Remarketing Agreement, the obligations of the Credit Support Provider under the Credit Support Facility, or the obligations of the Liquidity Support Provider under the Liquidity Support Facility should have been registered under the Act or the Indenture should have been qualified under the Trust Indenture Act,

the fault shall be deemed to be entirely that of the Borrower. The Borrower and the Remarketing Agent agree that it would not be just and equitable if contribution pursuant to this Section 7(d) were determined by *pro rata* allocation or by any other method of allocation that does not consider the equitable considerations referred to in this Section. Notwithstanding the provisions of this Section 7(d), the Remarketing Agent shall not be required to contribute any amount in excess of the remarketing fee applicable to the Bonds remarketed pursuant to this Remarketing Agreement. The amount payable to an indemnified party pursuant to this Section shall include any expenses reasonably incurred in defending any action or claim. In addition, no person guilty of fraudulent misrepresentation shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(e) The provisions of this Section 7 shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of any indemnified party and notwithstanding delivery of the Bonds, and shall survive the termination of this Remarketing Agreement.

**8. Notices.** All notices under this Remarketing Agreement shall be in writing and mailed, delivered or transmitted to:

The Remarketing Agent:

PNC Capital Markets LLC  
1600 Market Street, 21<sup>st</sup> Floor  
Philadelphia, PA 19103  
Attn: Remarketing Desk  
Telephone No.: 215-585-1441  
Facsimile No.: 215-585-1463

With a copy to:

PNC Capital Markets LLC  
One PNC Plaza, 25<sup>th</sup> Floor  
249 Fifth Avenue  
Pittsburgh, PA 15222  
Attn: Donald J. Persinski  
Telephone No.: 412-762-6227  
Facsimile No.: 412-762-5129

The Borrower:

UPMC  
U.S. Steel Tower  
600 Grant Street  
Pittsburgh, PA 15219  
Attention: C. Talbot Heppenstall, Treasurer  
Telephone No.: 412-647-4894  
Facsimile No.: 412-578-9104

Either party may, by notice given under this Remarketing Agreement, designate another address to which notices hereunder shall be directed. All notices to other persons or entities required under this Remarketing Agreement shall be given in such manner and to such addresses as may be specified in the Indenture.

**9. Dealing in Bonds.** The Remarketing Agent, in its individual capacity, either as principal or agent, may buy, sell, own, hold and deal in any of the Bonds, and may join in any action which any owner of Bonds may be entitled to take with like effect as if it did not act in any capacity hereunder. The Remarketing Agent, in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Borrower and may act as depository, trustee or agent for any committee or body of bondholders or other obligations of the Borrower as freely as if it did not act in any capacity hereunder.

**10. Intention of Parties.** It is the express intention of the parties hereto that no purchase, sale or transfer of any Bonds, as herein provided, shall constitute or be construed to be the extinguishment of any Bond or the indebtedness represented thereby or the reissuance of any Bond or the refunding of any indebtedness represented thereby.

**11. Miscellaneous.** (a) The rights and obligations of the respective parties hereto may not be assigned or delegated to any other person without the consent of the other parties hereto. This Remarketing Agreement will inure to the benefit of and be binding upon the Borrower and the Remarketing Agent and their respective successors and permitted assigns, and, except as expressly set forth herein, will not confer any rights upon any other entity. The terms "successors" and "assigns" shall not include any purchaser of any Bonds merely because of such purchase.

(b) All of the representations and warranties of the Borrower in this Remarketing Agreement shall remain operative and in full force and effect regardless of (i) any investigation made by or on behalf of the Remarketing Agent, (ii) delivery of and any payment for any Bonds hereunder or (iii) termination or cancellation of this Remarketing Agreement.

(c) Section headings have been inserted in this Remarketing Agreement as a matter of convenience of reference only, and such section headings are not a part of this Remarketing Agreement and will not be used in the interpretation of any provisions of this Remarketing Agreement.

(d) If any provision of this Remarketing Agreement is invalid or unenforceable in any jurisdiction as to a particular case or circumstance, then as to such jurisdiction and particular case or circumstance, such provision shall be ineffective to the extent of such invalidity or unenforceability without invalidating the remaining provisions hereof, and any such invalidity or unenforceability in any jurisdiction as to a particular case or circumstance shall not invalidate or render unenforceable such provision as to any other particular case or circumstance in such jurisdiction or as to any case or circumstance in any other jurisdiction.

(e) All references in this Remarketing Agreement to provisions of the Indenture relating to the Remarketing Agent or the rights or responsibilities of the Remarketing Agent are references to such provisions of the Indenture as currently constituted. The Remarketing Agent shall not be bound by any amendments or supplements to the Indenture to which it has not expressly consented in writing.

(f) The Remarketing Agent will not be liable to the Borrower, the Trustee, the Paying Agent, the Liquidity Support Provider, the Credit Support Provider or the Issuer on account of the failure of any person to whom the Remarketing Agent has sold a Bond to pay for such Bond or to deliver any document or Delivery Order in respect of the sale.

(g) This Remarketing Agreement may be executed in several counterparts, each of which shall be regarded as an original but all of which together shall constitute one and the same document.


(h) This Remarketing Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without regard to principles of conflicts of laws.

(i) This Remarketing Agent may not be amended, modified, or waived unless such amendment, modification or waiver is in writing and signed by the parties hereto.


*[Signature Page Follows]*

**IN WITNESS WHEREOF**, the parties hereto have caused this Remarketing Agreement to be duly executed as of the day and year first above written.

**UPMC**

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**PNC CAPITAL MARKETS LLC,  
as Remarketing Agent**

By:   
Name: \_\_\_\_\_  
Title: MANAGING DIRECTOR