

## LOAN AND SECURITY AGREEMENT

**THIS LOAN AND SECURITY AGREEMENT**, made as of the 25th day of June, 2015 (this "**Agreement**"), by and among **MONROEVILLE FINANCE AUTHORITY** (the "**Issuer**"), a public instrumentality of the Commonwealth of Pennsylvania (the "**Commonwealth**") and a public body corporate and politic organized and existing under the laws of the Commonwealth, **UPMC**, a nonprofit corporation organized and existing under and by virtue of the laws of the Commonwealth (individually and as Obligated Group Agent (as defined herein) under the Master Indenture (as defined herein), the "**Corporation**"), and **DNT ASSET TRUST** ("**DNT Asset Trust**", together with any successors thereto and any subsequent Owner of the Note (as defined herein), including, without limitation, any permitted assignee of DNT Asset Trust, any affiliate of DNT Asset Trust and any trust or partnership established by DNT Asset Trust or any such affiliate, the "**Lender**").

### WITNESSETH THAT:

1. The Corporation has asked the Issuer for assistance in promoting the efficient and economic operation of its facilities and programs through the financing of a project (the "**Project**") consisting of (a) financing the costs of the current refunding of certain taxable indebtedness of the Corporation the proceeds of which were used for capital expenditures at the Corporation's UPMC East facility in Monroeville, Pennsylvania, and (b) paying the related financing costs.

2. The Issuer has determined, pursuant to resolutions duly adopted on April 21, 2015 ("**Authority Resolution**"), to finance the Project through the issuance of its UPMC Revenue Note, Series 2015A (the "**Note**") in the principal amount of \$71,235,000, substantially in the form of Exhibit A attached hereto.

3. The proceeds of the Note will be loaned to the Corporation (the "**Corporation Loan**") and applied to payment of costs of the Project as provided in this Agreement. In order to obtain funds to loan to the Corporation, the Issuer intends to obtain a loan (the "**Issuer Loan**" and, together with the Corporation Loan, the "**Loan**") from the Lender and the Lender has agreed, subject to the terms and provisions of this Agreement, to make the Loan to the Issuer, which will loan the proceeds thereof to the Corporation. The Issuer is assigning all of its rights hereunder to the Lender, except for the right to indemnification and to payment of certain administrative costs incurred by the Issuer.

4. The Issuer, the Corporation and the Lender are each willing to enter into the transactions described above and herein upon the terms and subject to the conditions hereinafter set forth.

NOW, THEREFORE, the parties hereto, in consideration of the mutual promises herein contained and intending to be legally bound hereby, covenant and agree as follows:

### **Section 1. Definitions.**

(a) **Definitions.** As used in this Agreement, the following terms have the meanings indicated below or in the referenced Section of this Agreement:

"**Administrative Fees and Expenses**" means (a) the Issuer's annual fee and (b) all reasonable and necessary costs and expenses (including reasonable attorney's fees and expenses) of the Issuer incurred in connection with the Note in the preparation of any responses, reproduction of any documentation or participation in any inquiries, investigations or audits from any Person, including but not limited to the Internal Revenue Service, the SEC or other official body or governmental agency, or in connection with any amendment, supplement or modification to this Agreement and any discussions relating to or negotiation, preparation, approval, execution

and delivery of any and all documents necessary or desirable in order to effect such amendment, supplement or modification.

**"Affiliate"** means a Person which is controlled directly or indirectly by a member of the Obligated Group. For the purposes of this definition, control means with respect to: (a) a corporation having stock, the ownership of more than fifty percent (50%) of the securities the holders of which are entitled to elect a majority of the members of the Governing Body of such corporation; (b) a not for profit corporation not having stock, having the power to elect or appoint a majority of the members of the Governing Body of such corporation; or (c) any other entity, the power to direct the management of such entity through the ownership of at least a majority of its voting securities or the right to designate or elect at least a majority of the members of its Governing Body, by contract or otherwise.

**"Anti-Corruption Laws"** means all laws, rules, and regulations of any jurisdiction applicable to the Corporation and its affiliated companies from time to time concerning or relating to bribery or corruption.

**"Applicable Factor"** shall mean 70%.

**"Applicable Margin"** shall mean:

(a) During the initial Index Rate Period, one hundred seventeen and one-half basis points (1.175%), subject to adjustment as provided below.

(b) In the event that the long-term credit rating (without regard to credit enhancement) assigned by any of Fitch, S&P or Moody's with respect to the MTI Debt (the **"Credit Ratings"**) is less than "A+", "A+" or "A1", respectively, for any reason, the Applicable Margin will increase by fifteen basis points (0.15%) per annum per rating category reduction, adjusted on the date that any such rating is publicly released by Fitch, S&P or Moody's, as the case may be (for example, a rating reduction by S&P from "A+" to "A" would constitute one rating category reduction for purposes of the definition, and from "A+" to "A-" would constitute two rating category reductions). If the long term ratings assigned by Fitch, S&P and Moody's, respectively, appear in more than one rating category (i.e., a split rating), the Applicable Margin will be based on the category that includes the lowest rating. References to rating categories above are references to rating categories as determined by Fitch, S&P or Moody's on the dated date of this Agreement and in the event of adoption of any new or changed rating system by any such rating agency, the long term ratings from the rating agency in question referred to herein shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as in effect on the dated date of this Agreement.

(c) In addition, in the event that the Credit Rating assigned by any of Fitch, S&P or Moody's with respect to the MTI Debt is suspended, cancelled or withdrawn for any reason, then, upon the occurrence of any of the foregoing, the Applicable Margin will increase automatically by one hundred basis points (1.00%) per annum, adjusted on the date that any such rating is suspended, cancelled or withdrawn, without notice to the Corporation, which notice is hereby waived.

**"Audited Financial Statements"** means the consolidated audited financial statements of the Corporation and its subsidiaries, prepared in accordance with generally accepted accounting principles, subject to Section 1(d) hereof, which have been examined by a nationally recognized independent firm of certified public accountants appointed by the Corporation. With the written

consent of the Lender, "Audited Financial Statements" shall include the separate audited financial statements of a member of the Obligated Group whose financial statements are not included within the consolidated audited financial statements of the Corporation.

**"Balloon Debt"** means Long Term Debt twenty-five percent (25%) or more of the original principal amount of which matures within a period of twelve (12) consecutive months as designated by the Corporation.

**"Bond Counsel"** means any attorney or firm of attorneys nationally recognized in rendering opinions for the benefit of bondholders or noteholders on matters pertaining to the tax-exempt nature of interest on obligations issued by states or their political subdivisions.

**"Business Day"** means a day which is not (a) a Saturday or Sunday or (b) a day on which commercial banks in (1) Pittsburgh, Pennsylvania or (2) New York, New York are authorized by law or required by law or executive order to be closed.

**"Calculation Agent"** means the Lender and its successors and assigns, or such other party designated by the Lender and the Corporation to calculate the Index Rate in accordance with this Agreement.

**"Capitalized Interest"** means, for any period of determination, amounts irrevocably deposited in escrow to pay interest on Long Term Debt, determined and consolidated for the Corporation and its subsidiaries in accordance with Section 1(d) hereof.

**"CERCLA"** means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. Section 9601 et seq., as amended by the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499, 100 Stat. 1613.

**"Closing Date"** means June 25, 2015.

**"Code"** means the Internal Revenue Code of 1986, as amended from time to time, and the related United States Treasury Regulations.

**"Collateral"** has the meaning set forth in Section 2(b) hereof.

**"Commonwealth"** means the Commonwealth of Pennsylvania.

**"Compliance Certificate"** has the meaning set forth in Section 7(a) hereof.

**"Computation Date"** means, with respect to the Note in the initial Index Rate Period and thereafter, the second (2<sup>nd</sup>) London Business Day preceding each LIBOR Rate Reset Date; provided, however, that for purposes of determining the Index Rate with respect to the Closing Date, shall mean the second (2<sup>nd</sup>) London Business Day preceding the Closing Date.

**"Conversion Date"** means the effective date of a conversion of the Note to a new Index Rate Mode or another interest rate mode.

**"Corporation"** has the meaning set forth in the introductory paragraph hereof.

**"Debt Service Coverage Ratio"** means, for any period of determination, the ratio of Income Available for Debt Service to the Debt Service Requirements on Long Term Debt for such period.

***“Debt Service Requirements”*** means, for any period of determination, the aggregate of the payments required to be made during such period in respect of principal (whether at maturity or as a result of mandatory sinking fund redemption) and interest on Long Term Debt; less (a) any Capitalized Interest and (b) any payments to be made from an escrow account established for the purpose of paying such Long Term Debt, in each case determined and consolidated for the Corporation and its subsidiaries in accordance with Section 1(d) hereof. In the case of any Balloon Debt, Put Debt, Variable Rate Debt or Guaranty, the calculation of Debt Service Requirements shall be made in the manner set forth in Section 5(r) hereof.

***“Default”*** means any condition or event which with the giving of notice or lapse of time or both could, unless cured or waived, become an Event of Default.

***“Default Rate”*** means the lesser of (i) 15% per annum, and (ii) the Maximum Lawful Rate.

***“Derivatives Contract”*** means an interest rate swap, exchange, cap or other agreement between a member of the Obligated Group and any other party for the purpose of managing interest rate, spread or similar exposure on Long Term Debt.

***“Determination of Taxability”*** means and shall be deemed to have occurred on the first to occur of the following:

(i) on that date when the Corporation files any statement, supplemental statement or other tax schedule, return or document which discloses that a Tax Event shall have in fact occurred;

(ii) on the date when the Corporation shall be advised in writing by the Commissioner or any District Director of the Internal Revenue Service (or any other government official or agent exercising the same or a substantially similar function from time to time) that, based upon filings of the Corporation, or upon any review or audit of the Corporation or upon any other ground whatsoever, a Tax Event shall have occurred;

(iii) on the date when the Corporation shall receive notice from the Lender or any former Owner of the Note that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of the Lender or such former Owner interest on the Note due to the occurrence of a Tax Event; or

(iv) delivery to the members of the Obligated Group and the Lender of an opinion of Bond Counsel acceptable to the members of the Obligated Group and the Lender to the effect that the interest on the Note is includable in gross income of the Lender or any former Owner due to the occurrence of a Tax Event;

*provided, however*, no Determination of Taxability shall occur under subparagraph (ii) or (iii) above unless the Corporation has been afforded the opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; *provided further, however*, that upon demand from the Lender or former Owner, the Corporation shall promptly reimburse the Lender or former Owner for any payments, including any taxes, interest, penalties or other charges, the Lender (or former Owner) shall be obligated to make as a result of the Determination of Taxability.

***“DNT Asset Trust”*** has the meaning set forth in the introductory paragraph hereof.

***“Electronic Means”*** means telecopier, electronic mail or other telecommunications or electronic telecommunications device capable of creating a written notice that is operative as between the parties and acceptable for use by them.

***“Environmental Laws”*** means any and all federal, state and local statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including those related to Hazardous Substances or wastes, air emissions and discharges to waste or public systems.

***“Environmental Liability”*** means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Corporation or any of its subsidiaries directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Substances, (c) exposure to any Hazardous Substances, (d) the release or threatened release of any Hazardous Substances into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

***“ERISA”*** means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute.

***“ERISA Affiliate”*** means any trade or business (whether or not incorporated) under common control with the Corporation or any other member of the Obligated Group within the meaning of Section 414(b) or (c) of the Code.

***“Event of Default”*** has the meaning set forth in Section 8 hereof.

***“Facilities”*** means any and all right, title and interest in and to property, plant and equipment of the Corporation or other member of the Obligated Group, as applicable.

***“Favorable Opinion”*** means an opinion of Bond Counsel addressed to the Issuer and the Lender substantially to the effect that: (i) the action proposed to be taken is authorized or permitted by the Act and this Agreement and complies with their respective terms; and (ii) such action will not adversely affect (A) the exclusion from gross income of interest on the Note for purposes of federal income taxation, and (B) any applicable tax exemption with respect to the Note provided under Pennsylvania law.

***“Fiscal Year”*** means the twelve-month period beginning on July 1 of any calendar year and ending on June 30 of the next calendar year.

***“Fitch”*** means Fitch Ratings, and its successors and assigns.

***“Governing Body”*** means the board of directors, board of trustees or similar group in which the right to exercise the powers of corporate directors or trustees is vested or an executive committee of such board or any duly authorized committee of that board to which the relevant powers of that board have been lawfully delegated.

***“Governmental Approvals”*** means an authorization, validation, declaration, consent, approval, license or exemption of, registration or filing with, or report to, any Governmental Authority.

***“Governmental Authority”*** means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank, quasi-governmental or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

***“Gross Revenues”*** has the meaning set forth in the Master Indenture.

***“Guaranty”*** means any Obligation (as defined in the Master Indenture) guaranteeing any debt of any other Person in any manner, whether directly or indirectly, including but not limited to obligations incurred through an agreement (i) to purchase such debt, (ii) to advance funds for the purchase or payment of such debt, or (iii) otherwise to assure the owner of such debt against loss in respect thereof.

***“Hazardous Substances”*** means each of: any “hazardous waste”, “contaminant”, “industrial waste”, “regulated substance” or “hazardous material” within the meaning of the Pennsylvania Solid Waste Management Act, the Pennsylvania Hazardous Sites Cleanup Act, the Pennsylvania Clean Streams Law, the Pennsylvania Storage Tank and Spill Prevention Act and/or the Pennsylvania Hazardous Material Emergency Planning and Response Act; “hazardous substances” as defined in CERCLA or any similar definitions in any of the Environmental Laws, as well as asbestos and materials containing asbestos.

***“Impacted Interest Period”*** has the meaning assigned to it in the definition of “LIBO Rate.”

***“Income Available for Debt Service”*** means, for any period of determination, the excess of revenues over expenses, adjusted by the Corporation in its reasonable judgment to exclude the effect of (i) depreciation and amortization, (ii) interest expense on Long Term Debt, (iii) any gain or loss resulting from either the extinguishment of indebtedness or the sale, exchange or other disposition of capital assets not in the ordinary course of business, (iv) the net proceeds of insurance (other than business interruption insurance) and condemnation awards, (v) any gains or losses resulting from changes in the fair market value of Derivatives Contracts, (vi) non-cash investment gains and losses, including any other than temporary impairment of or changes in fair market value of investments, and (vii) non-cash items other than in the ordinary course of business, in each case, determined and consolidated for the Corporation and its subsidiaries in accordance with Section 1(d) hereof. To the extent not included in the excess of revenues over expenses, Income Available for Debt Service shall include any realized investment gains and losses, and any adjustments required to reduce realized gains on previously impaired investments), determined and consolidated for the Corporation and its subsidiaries in accordance with Section 1(d) hereof.

***“Indebtedness”*** means any and all indebtedness, obligations, liabilities, commitments for capital investment, or loans of any nature whatsoever.

***“Index Rate”*** means a per annum rate of interest established on each Computation Date equal to the product of (a) the sum of (i) the Applicable Margin plus (ii) the product of the LIBO Rate multiplied by the Applicable Factor, multiplied by (b) the Margin Rate Factor.

***“Index Rate Mode”*** the manner of determining the Index Rate with respect to the Note, as set forth in Section 2(c)(ii) hereof.

**“Interest Mode”** or **“Mode”** means an Index Rate Mode and any other interest rate mode to which the Note may be converted in accordance with Section 2(c) hereof.

**“Interest Payment Date”** means the first Business Day of the calendar month next succeeding the end of the Note Interest Period to which such Interest Payment Date relates, provided that notwithstanding the foregoing, the first Interest Payment Date with respect to the Note shall be August 1, 2015.

**“Interpolated Rate”** means, at any time, for any Interest Period, the rate per annum (rounded to the same number of decimal places as the LIBO Screen Rate) determined by the Lender (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the LIBO Screen Rate for the longest period for which the LIBO Screen Rate is available that is shorter than the Impacted Interest Period; and (b) the LIBO Screen Rate for the shortest period (for which that LIBO Screen Rate is available that exceeds the Impacted Interest Period), in each case, at such time.

**“Investment Grade”** means a rating of “BBB” (or its equivalent) or better by S&P, “BBB” (or its equivalent) or better by Fitch and “Baa3” (or its equivalent) or better by Moody’s.

**“Issuer”** has the meaning set forth in the introductory paragraph hereof.

**“Laws”** means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

**“Lender”** has the meaning set forth in the introductory paragraph of this Agreement.

**“LIBO Rate”** means the London interbank offered rate as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate) for U.S. Dollars for a one (1) month period, as displayed on pages LIBOR01 or LIBOR02 of the Reuters screen that displays such rate (or, in the event such rate does not appear on a Reuters page or screen, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as selected by the Lender in its reasonable discretion; in each case the **“LIBO Screen Rate”**) at approximately 11:00 a.m., London time, on the Computation Date; provided that if the LIBO Screen Rate shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement; provided further that if the LIBO Screen Rate shall not be available at such time for such Interest Period (an **“Impacted Interest Period”**), then the LIBO Rate shall be the Interpolated Rate; provided that if any Interpolated Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

**“LIBO Screen Rate”** has the meaning assigned to it in the definition of “LIBO Rate.”

**“LIBOR Rate Reset Date”** means each Interest Payment Date.

**“Liquidity Ratio”** means, as of any date of determination, the ratio of Unrestricted Cash to the principal balance of all Long Term Debt on such date.

**“Loan”** shall have the meaning set forth in the recitals hereto.

**“Loan Agreement”** or **“Agreement”** means this Loan and Security Agreement, as it may be amended or supplemented from time to time.

**“London Business Day”** means any day on which banks are open for dealings in dollar deposits in the London interbank market.

**“Long Term Debt”** means, as of any date of determination, all MTI Debt which is not Short Term Debt, but including MTI Debt in the form of Derivative Contracts, Balloon Debt, Put Debt, Subordinated Debt or Variable Rate Debt, determined and consolidated for the Corporation and its subsidiaries in accordance with Section 1(d) hereof.

**“Magee”** means Magee-Womens Hospital of UPMC, a Pennsylvania nonprofit corporation.

**“Mandatory Prepayment Date”** means any date on which the Corporation is required to prepay in full the Note in accordance with this Agreement.

**“Margin Rate Factor”** means the greater of (i) 1.0 and (ii) the product of (a) one minus the Maximum Federal Corporate Tax Rate multiplied by (b) 1.53846. The effective date of any change in the Margin Rate Factor shall be the effective date of the decrease or increase (as applicable) in the Maximum Federal Corporate Tax Rate.

**“Master Indenture”** means the Master Trust Indenture dated as of May 1, 2007 between the Corporation, as Obligated Group Agent, and the Master Trustee, as previously supplemented and as supplemented by Supplemental Master Trust Indenture No. 24 and as further amended, restated, modified or supplemented from time to time, in accordance with the terms thereof.

**“Master Trustee”** means The Bank of New York Mellon Trust Company, N.A., formerly known as The Bank of New York Trust Company, N.A., as master trustee under the Master Indenture, and includes any successor trustee appointed and qualified under the Master Indenture.

**“Material Adverse Change”** means any set of circumstances or events which has or will have a material and adverse effect upon (i) the validity or enforceability of this Agreement or any other Related Document, (ii) the ability of the Corporation or any other member of the Obligated Group to pay duly and punctually or perform its obligations under this Agreement or the other Related Documents, or (iii) the ability of the Lender to enforce its legal remedies pursuant to this Agreement or any other Related Document.

**“Material Adverse Effect”** means a material adverse effect on (i) the business, operations, results of operations, assets, liabilities or financial condition of the Corporation and its subsidiaries, taken as a whole or (ii) the value of the assets and property of the Corporation and its subsidiaries, taken as a whole. For purposes of this definition, the term “material” means any action, transaction, event or occurrence, or a series of actions, transactions, events or occurrences taken cumulatively, which results in a reduction in the Corporation’s consolidated total operating revenues by ten percent (10%) or more, measured as of the end of any fiscal quarter, based on the revenues from the immediately preceding four fiscal quarters.

**“Maturity”** means the date on which the principal of the Note becomes due and payable as therein or herein provided, whether at the Stated Maturity Date or by acceleration or prepayment or otherwise.

***“Maximum Federal Corporate Tax Rate”*** means the marginal federal corporate income tax rate on the highest income bracket of corporations as in effect in the United States from time to time. As of the Closing Date, the Maximum Federal Corporate Tax Rate is 35%.

***“Maximum Lawful Rate”*** means the maximum interest rate per annum permitted by law.

***“Moody’s”*** means Moody’s Investors Service, Inc. and its successors and assigns.

***“MTI Debt”*** means, as of any date of determination, all Indebtedness for the repayment of borrowed money or other obligations incurred or assumed pursuant to the provisions of the Master Indenture that is evidenced by an Obligation (as defined in the Master Indenture), but shall exclude Indebtedness of any member of the Obligated Group to another member of the Obligated Group or to any Affiliate of any member of the Obligated Group, in each case determined and consolidated for the Corporation and its subsidiaries in accordance with Section 1(d) hereof.

***“MTI Note”*** has the meaning set forth in Section 2(d)(2) hereof.

***“Multiemployer Plan”*** means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which the Corporation or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

***“Note Interest Period”*** means, with respect to the Note in an Index Rate Mode, the period from and including the next preceding Interest Payment Date to and including the calendar day immediately preceding the next succeeding Interest Payment Date; provided that, with respect to the Note Interest Period beginning on the Closing Date, the Note Interest Period shall be the period from and including the Closing Date to and including August 2, 2015.

***“Noteholder,” “holder,” “Owner,” or “owner of the Note”*** means the Lender and any other Person holding the Note.

***“Note”*** has the meaning set forth in Section 2(a) hereof.

***“Obligated Group Agent”*** has the meaning set forth in the Master Indenture.

***“Obligated Group”*** means the Corporation, UPMC Presbyterian, Magee, UPMC Passavant, UPMC St. Margaret, and such other persons as may from time to time become a member of the Obligated Group (as defined in the Master Indenture) (as hereinafter defined)) in accordance with the terms of the Master Indenture.

***“Obligations”*** shall have the meaning set forth in the Master Indenture.

***“Other Taxes”*** shall mean all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Related Document.

***“Patriot Act”*** has the meaning set forth in Section 3(aa)(i) hereof.

***“PBGC”*** means the Pension Benefit Guaranty Corporation or any Person succeeding to any or all of its functions under ERISA.

**"Person"** means any natural person, firm, joint venture, joint operating agreement, association, partnership, limited liability company, business trust, corporation, public body, agency or political subdivision thereof or any similar entity.

**"Plan"** means a pension, profit-sharing, or stock bonus plan intended to qualify under Section 401(a) of the Code, maintained or contributed by the Corporation or any ERISA Affiliate, including any Multiemployer Plan within the meaning of Section 4001(a)(3) of ERISA.

**"Prepayment Date"** means the date on which the Corporation prepays all or a portion of the principal balance of the Note in accordance with this Agreement.

**"Project"** means the financing of (a) the current refunding of certain taxable indebtedness of the Corporation the proceeds of which were used for capital expenditures at the Corporation's UPMC East facility in Monroeville, Pennsylvania, and (b) the payment of the costs of issuing the Note.

**"Put Debt"** means Long Term Debt which is payable or required to be purchased or prepaid from the owner by or on behalf of the underlying obligor (other than at the option of the owner) prior to its stated maturity date, other than pursuant to any mandatory sinking fund or other similar fund or other than by reason of acceleration upon the occurrence of an event of default under the Master Indenture.

**"Related Documents"** means the Note, this Agreement, the Master Indenture, the MTI Note, the Tax Agreement, and any other agreement or instrument guaranteeing, securing or otherwise relating to any of the foregoing, as the same may be amended or supplemented from time to time in accordance with their respective terms and the terms hereof.

**"Risk-Based Capital Guidelines"** means (i) the risk-based capital guidelines in effect in the United States on the Closing Date, including transition rules, and (ii) the corresponding capital regulations promulgated by regulatory authorities outside of the United States including transition rules, and any amendments to such regulations adopted prior to the Closing Date.

**"Sanctioned Country"** means, at any time, a country, region or territory which is the subject or target of any Sanctions.

**"Sanctioned Person"** means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person controlled by any such Person.

**"Sanctions"** means all economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State.

**"Short Term Debt"** means, as of any date of determination, MTI Debt having an original maturity that is less than or equal to one (1) year, determined and consolidated for the Corporation and its subsidiaries in accordance with Section 1(d) hereof.

**"S&P"** means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, or any successor thereto.

**“Solvent”** means, with respect to any party on a particular date, that on such date (i) the fair market value of the property of such party is greater than the total amount of liabilities, including, without limitation, contingent liabilities, of such party, (ii) the present fair market value of the assets of such party is not less than the amount that will be required to pay the probable liability of such party on its debts as they become absolute and matured, (iii) such party is able to realize upon its assets and pay its debts and other liabilities, contingent obligations and other commitments as they mature in the normal course of business, and (iv) such party does not intend to, and does not believe that it will, incur debts or liabilities beyond such party's ability to pay such debts and liabilities as they mature.

**“Special Mandatory Prepayment Date”** means (a) initially with respect to the Note in the Index Rate Mode, the earlier of (i) June 2, 2025 or (ii) the date on which the Note is to be optionally prepaid or converted to a different Interest Rate Mode in accordance with this Agreement, and (b) subsequent to June 2, 2025, such date as shall be established by the Corporation with respect to the Note in any new Index Rate Mode.

**“Stated Maturity Date”** means June 1, 2040.

**“Subordinated Debt”** means any Long Term Debt incurred or assumed pursuant to the Master Indenture, the payment of which is by its terms specifically subordinated to payments on or with respect to other Long Term Debt.

**“Subsidiary”** means any subsidiary of the Corporation, including, without limitation, the other members of the Obligated Group.

**“Supplemental Master Indenture No. 24”** means Supplemental Master Trust Indenture No. 24 dated as of June 25, 2015 between the Corporation, as Obligated Group Agent, and the Master Trustee, as amended and supplemented from time to time.

**“Tax Agreement”** means the Tax Regulatory Agreement of the Corporation dated the Closing Date, relating to the Note, as the same may be amended or supplemented from time to time in accordance the terms hereof and thereof.

**“Tax Event”** means, with respect to the Note, a change in law or fact or the interpretation thereof, or the occurrence or existence of any fact, event or circumstance (including, without limitation, the taking of any action by the Corporation or any other member of the Obligated Group, or the making by the Corporation or any other member of the Obligated Group of any misrepresentation herein or in any certificate required to be given in connection with the issuance, sale or delivery of the Note) which has the effect of causing interest on the Note to become includable, in whole or in part, in gross income for federal income tax purposes (including by reason of the Note being declared invalid, illegal or unenforceable by a court of competent jurisdiction, whether or not such declaration is appealable or deemed to be final under applicable procedural law, or by operation of law).

**“Taxable Date”** means the date on which interest on the Note is first includible in the gross income of the Lender (including, without limitation, any previous Lender) as a result of a Tax Event as such date is first established pursuant to a Determination of Taxability.

**“Taxable Period”** has the meaning set forth in Section 2(h) hereof.

**“Taxable Rate”** means, with respect to a Taxable Period, the product of (i) the average interest rate on the Note during such period and (ii) 1.53846.

**"Taxes"** has the meaning set forth in Section 2(i) hereof.

**"Unassigned Rights"** means the fees and expenses payable to the Issuer under this Agreement (including without limitation, the Administrative Fees and Expenses, the Issuer's right to indemnification under this Agreement, and the Issuer's right to receive notices hereunder, and the Issuer's right to execute and deliver supplements and amendments to the Agreement (except as otherwise expressly provided herein)).

**"Unrestricted Cash"** means, as of any date of determination, the sum of cash, securities and investments, including, without limitation, investments in mutual funds and limited partnerships, minus (i) trustee-held funds derived from or for the payment of Indebtedness, including, without limitation, debt service, reserve and construction funds, and (ii) amounts required to be set aside by donor restriction, contractual agreement or by law or regulation to meet a specific obligation or potential obligation of any member of the Obligated Group or any Affiliate, including malpractice exposure, self-insurance or "captive" insurer commitments and pension or retirement fund payments, in each case determined and consolidated for the Corporation and its subsidiaries in accordance with Section 1(d) hereof.

**"UPMC Passavant"** means UPMC Passavant, a Pennsylvania nonprofit corporation.

**"UPMC Presbyterian"** means UPMC Presbyterian Shadyside, a Pennsylvania nonprofit corporation.

**"UPMC St. Margaret"** means UPMC St. Margaret, a Pennsylvania nonprofit corporation.

**"Variable Rate Debt"** means any Long Term Debt, the rate of interest on which is subject to change prior to maturity.

(b) **Interpretation.** The definitions in Section 1(a) above shall be equally applicable to both the singular and plural forms of the defined terms. Reference herein to a Section shall constitute a reference to such Section of this Agreement unless otherwise specified.

(c) **New York, New York Time Presumption.** All references in this Agreement to times of day shall be references to New York City time unless otherwise expressly provided herein.

(d) **Accounting Matters.** Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared, in accordance with generally accepted accounting principles in effect from time to time in the United States and applicable to entities such as the Corporation.

## **Section 2. The Note.**

(a) **Issuance of the Note.** In consideration of the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, on the Closing Date, the Issuer hereby agrees to issue the Monroeville Finance Authority UPMC Revenue Note, Series 2015A in the aggregate principal amount of \$71,235,000 (the "**Note**") to the Lender, and the Lender agrees to make the Loan to the Issuer, and the Issuer agrees to lend the proceeds of the Loan to the Corporation. Commencing on the Closing Date and ending on the date ten (10) years after the Closing Date (or such earlier date as the Note may be prepaid), the Note shall bear interest at the Index Rate and shall have all other terms as are set forth in Section 2(c) hereof.

(b) ***Security for the Note.*** To secure the Note and the Corporation's obligations with respect thereto, the payment of the principal thereof and interest thereon, the rights of the Lender, the performance and observance of all of the covenants contained in the Note and herein, and for and in consideration of the mutual covenants herein contained, from time to time, and intending to be legally bound hereby, the Issuer does hereby sell, assign, transfer, set over, pledge and grant unto the Lender, its successors and its assigns forever, a security interest in all of the right, title and interest of the Issuer in and to the property hereinafter described (said property being herein sometimes referred to as the "***Collateral***");

(i) All right, title and interest in and to this Agreement, including without limitation all payments received or receivable with respect to the Note by the Issuer from the Corporation pursuant hereto (excluding Unassigned Rights);

(ii) All right, title and interest in and to the MTI Note, including, without limitation, all payments received or receivable with respect to the MTI Note and all security interests in collateral relating thereto; and

(iii) All right, title and interest in and to any and all other property of every kind and nature from time to time hereafter, by delivery or by writing of any kind, conveyed, pledged, assigned or transferred as and for additional security hereunder by the Issuer, the Corporation, or by anyone on their behalf to the Lender.

The Collateral shall immediately be subject to the lien of the pledge without any physical delivery thereof or further act. Pursuant to the assignment of the Issuer's rights under this Agreement, the installment payments payable by the Corporation shall be paid directly to the Lender by the Corporation. The Corporation hereby consents to the foregoing assignment.

This Agreement shall constitute a security agreement within the meaning of the Pennsylvania Uniform Commercial Code (the "***UCC***") and the Issuer's obligations hereunder shall be secured pursuant to the UCC by the security interests herein granted with respect to the Collateral. The Lender shall cause an appropriate financing statement or memorandum to be filed, registered and recorded in such manner and at such places as may be required by law, fully to protect the security of the Lender and the right, title and interest of the Lender in and to the Collateral or any part thereof.

The Issuer shall perform or shall cause to be performed any such acts, and execute and cause to be executed any and all further instruments delivered to it by the Corporation and/or the Lender consistent with the terms of this Agreement and as may be required by law or as shall reasonably be requested by the Lender for protection of the interests of the Lender. The Issuer shall cause the Corporation to assume, and the Corporation hereby assumes, the obligation to file and refile such instruments as shall be necessary to establish and preserve the lien of this Agreement upon the Collateral or any part thereof until the principal of and interest on the Note secured hereby shall have been paid and to cause the Corporation to furnish satisfactory evidence to the Lender of recording, registering, filing and refiling of such instruments and of every additional instrument which shall be necessary to preserve the lien of this Agreement upon the Collateral or any part thereof until the principal of and interest on the Note secured hereby shall have been paid.

(c) ***Terms and Provisions Applicable to the Note.*** The Note shall be substantially in the form of Exhibit A hereto, shall be issued in the Index Rate Mode, and shall mature, subject to prior prepayment, on the Stated Maturity Date. The Note shall bear interest, may be converted to another Interest Mode, shall be subject to mandatory prepayment, and shall be subject to mandatory prepayment prior to maturity as follows:

(i) *Interest.* The Note shall bear interest from its date, or from the most recent Interest Payment Date to which interest has been paid, whichever is later, payable on each Interest Payment Date, commencing August 3, 2015, at the rates determined pursuant to this Section 2(c). From the Closing Date until a Conversion Date for the Note, if any, in accordance with the terms of this Agreement, the Note shall bear interest at the Index Rate (computed on the basis of a 360 day year for the number of days actually elapsed). The Note may not be converted from the Index Rate Mode to a different Interest Mode (including another Index Rate Mode) prior to December 2, 2024. Further, the Note may only be converted from the Index Rate Mode to a different Interest Mode on a date that the Note is subject to optional prepayment.

(ii) *Calculation of Index Rate.* So long as the Note is in the Index Rate Mode, the Note shall bear interest at the Index Rate as determined and adjusted in accordance with this Section 2(c)(ii). For each Index Rate Period, not later than 4:00 p.m. New York City time, on each Computation Date, so long as the Note bears interest at the Index Rate, the Calculation Agent shall calculate and shall certify to the Corporation, and to the Lender, if the Lender is not the Calculation Agent, by Electronic Means, the Index Rate applicable to the Note, which, from the period commencing on the Closing Date to the earliest to occur of the Special Mandatory Prepayment Date, the date of optional prepayment, and a Conversion Date, shall be equal to the Index Rate, adjusted on each LIBO Reset Date, provided that such rate shall not exceed the Default Rate. The determination of the applicable Index Rate shall be conclusive and binding upon the Corporation, the Issuer and the Lender. While the Note bears interest in an Index Rate, at least one Business Day prior to each Interest Payment Date for the Note, the Calculation Agent shall notify the Corporation of the effective interest rate on the Note during the corresponding Note Interest Period.

(iii) *Conversion of Note to Another Interest Mode.* Following the earliest to occur of the Special Mandatory Prepayment Date, the date of optional prepayment, and a Conversion Date, in each case as permitted by this Agreement, the Corporation may determine (A) that the Note shall operate in another Index Rate Mode, in which case the Note shall bear interest at the Index Rate and upon such terms as shall be established pursuant to the terms of an amendment or supplement to this Agreement, or (B) to convert the Interest Mode applicable to the Note to another Interest Mode upon such terms (including interest rate determination and optional and mandatory tender or prepayment) as shall be set forth in an amendment or supplement to this Agreement.

(iv) *Execution of the Note; Limited Obligation.* The Note shall be executed on behalf of the Issuer by the manual signature of its Chairman or Vice Chairman and its Secretary or Assistant Secretary (or such other Authorized Officer of the Issuer) and shall have impressed or printed manually thereon the corporate seal of the Issuer. In case any officer whose signature shall appear on the Note shall cease to be such officer before the delivery of the Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if he/she had remained in office until delivery.

The Note, together with interest thereon, shall be a limited obligation of the Issuer payable solely from the Collateral (except to the extent paid out of moneys attributable to Note proceeds or the income from the temporary investment thereof, and except for the Unassigned Rights) and shall be a valid claim of the respective holders thereof only against the funds provided by the Corporation for the payments due or to become due upon or under this Agreement (except for the Unassigned Rights) all of which are hereby assigned and pledged hereunder for the equal and ratable payment of

the Note and shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Note, except as may be otherwise expressly authorized in this Agreement.

THE NOTE IS A LIMITED OBLIGATION OF THE ISSUER PAYABLE SOLELY FROM THE COLLATERAL. NEITHER THE PRINCIPAL OF THE NOTE, NOR THE INTEREST ACCRUING THEREON, SHALL EVER CONSTITUTE A GENERAL INDEBTEDNESS OF THE ISSUER OR AN INDEBTEDNESS OF THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION OR INSTRUMENTALITY THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER OR SHALL EVER CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION OR INSTRUMENTALITY THEREOF, NOR WILL THE NOTE BE, OR BE DEEMED TO BE, AN OBLIGATION OF THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION OR INSTRUMENTALITY THEREOF. THE ISSUER HAS NO TAXING POWER.

(v) *Optional Prepayment.* While the Note bears interest at an Index Rate, the Note is subject to optional prepayment on any Interest Payment Date on and after December 2, 2024 at the written request of the Corporation, in whole or in part, without any prepayment penalty, upon payment of an amount equal to 100% of the principal amount thereof, plus accrued interest to the date of prepayment. In addition, the Note shall be subject to optional prepayment as described in Section 6(p) hereof.

(vi) *Mandatory Prepayment.* The Note is subject to mandatory prepayment prior to the Maturity Date, in part, on the Interest Payment Date occurring in June of the years 2016 through 2040, inclusive, in the amounts set forth below (subject to reductions arising from the optional prepayment of the Note, as described in this Agreement), without any prepayment penalty, upon payment of an amount equal to 100% of the principal amount thereof plus accrued interest to the prepayment date:

<u>June Interest Payment Date</u>	<u>Principal Amount</u>	<u>June Interest Payment Date</u>	<u>Principal Amount</u>
2016	\$1,600,000	2029	\$2,830,000
2017	1,670,000	2030	2,960,000
2018	1,745,000	2031	3,095,000
2019	1,825,000	2032	3,235,000
2020	1,905,000	2033	3,380,000
2021	1,990,000	2034	3,530,000
2022	2,080,000	2035	3,690,000
2023	2,175,000	2036	3,855,000
2024	2,275,000	2037	4,030,000
2025	2,375,000	2038	4,210,000
2026	2,480,000	2039	4,400,000
2027	2,595,000	2040*	4,595,000
2028	2,710,000		

\* Final maturity.

The foregoing notwithstanding, the Corporation may, on or after June 2, 2025, deliver to the Lender and the Issuer, (i) a notice containing an alternative prepayment schedule setting forth different dates on which, or different prepayment prices at which, the Note may be prepaid while in the Index Rate Mode, and (ii) a Favorable Opinion of Bond Counsel, in which case then during such period that the Note is in the Index Rate Mode, such alternative prepayment schedule shall apply to the Note while in the Index Rate Mode.

(vii) *Special Mandatory Prepayment.* With respect to the Note while in the Index Mode, the Note shall be subject to mandatory prepayment on the Special Mandatory Prepayment Date for an amount equal to 100% of the principal amount thereof plus accrued unpaid interest to the Special Mandatory Prepayment Date, without any prepayment penalty. Anything herein to the contrary notwithstanding, if funds available for the mandatory prepayment of the Note on the Special Mandatory Prepayment Date are insufficient for payment of the amount due on the Note on said Special Mandatory Prepayment Date, then the Note shall bear interest at the Default Rate until such time as sufficient funds to pay such prepayment amount are delivered by the Corporation to the Lender.

(d) *The Master Indenture.* The Corporation and the other members of the Obligated Group have entered into the Master Indenture with the Master Trustee, and the Corporation, as Obligated Group Agent, has entered into Supplemental Master Indenture No. 24 with the Master Trustee. Pursuant to the Master Indenture, among other things, the members of the Obligated Group have pledged a security interest and lien on their Gross Revenues to secure Obligations issued and to be issued by the members of the Obligated Group.

(e) *MTI Note.* The payment obligation of the Corporation under this Agreement is evidenced by a promissory note (the "*MTI Note*") issued pursuant to the Master Indenture (as specifically amended by the Supplemental Master Indenture No. 24), and made by the Corporation in favor of the Issuer and assigned to the Lender.

(f) *Excess Interest.*

(i) If the amount of interest payable on the Note for any period in accordance with the terms hereof exceeds the amount of interest that would be payable for such period had interest for such period been calculated at the Maximum Lawful Rate, then interest for such period shall be payable in an amount calculated at the Maximum Lawful Rate for such period.

(ii) Any interest that would have been due and payable for any period but for the operation of Section 2(f)(i) shall accrue and be payable as provided in this Section 2(f)(ii) and shall, less interest actually paid to the Lender for such period, constitute the "*Excess Interest Amount.*" If there is any accrued and unpaid Excess Interest Amount as of any date then the principal amount with respect to which interest is payable shall bear interest at the Maximum Lawful Rate, until payment to the Lender of the entire Excess Interest Amount.

(iii) Notwithstanding the foregoing, on the date on which no principal amount hereunder remains unpaid, the Corporation shall to the extent possible without violating applicable law, pay to the Lender a fee equal to any accrued and unpaid Excess Interest Amount.

(g) **Increased Costs.** If the Lender shall determine that any law, policy, supervisory standard, directive or governmental guideline or governmental interpretation or the application thereof, including but not limited to, any Risk-Based Capital Guidelines or any such law, policy, standard, directive, guideline, interpretation or application implementing, invoking or in any way related to any provision (as now existing or hereafter amended, regardless of the date enacted, adopted or issued) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (or any other statute referred to therein or amended thereby) or any provision of the International Regulatory Framework for Banks (Basel III) developed by the Basel Committee on Banking Supervision or by the Bank for International Settlements (BIS) (or any similar or successor organization), by any Governmental Authority charged with the interpretation or administration thereof or compliance with any request, standard or directive, regardless of the date enacted, adopted or issued (whether or not having the force of law) of any Governmental Authority:

(i) subjects the Lender to taxation or changes the basis of taxation (except, in either case, for taxes on the overall net income or share capital of the Lender) with respect to this Agreement or the other Related Documents or payment by the Corporation of principal, interest, fees or other amounts due from the Corporation hereunder or under the other Related Documents,

(ii) imposes, modifies or deems applicable any reserve, liquidity ratio requirement, special deposit, insurance premium or similar requirement, fee, charge or monetary burden against credits or commitments to extend credit extended by, assets (funded or contingent) of, deposits with or for the account of, or other acquisitions of funds or assets by the Lender,

(iii) imposes, modifies or deems applicable any capital adequacy (core, contingent or other), reserve, liquidity ratio requirement, insurance premium, fee, charge, monetary burden or similar requirement (1) against assets (funded or contingent) of, or credits or commitments to extend credit extended by, the Lender, or (2) otherwise applicable to the obligations or assets of the Lender under this Agreement or the other Related Documents, or

(iv) imposes upon the Lender any other condition or expense with respect to this Agreement or the other Related Documents or its making, maintenance or funding of any loan or any security therefor or the assets or liabilities of the Lender; and the result of any of the foregoing is to increase the cost to, reduce the income receivable by, or impose any expense (including loss of margin) upon the Lender with respect to this Agreement, the other Related Documents, or the making, maintenance or funding of any loan or any security therefor or the assets or liabilities of the Lender (or, in the case of any capital adequacy, reserve, liquidity ratio requirement, insurance premium, fee, charge, monetary burden or similar requirement, to have the effect of reducing the rate of return on the Lender's capital or asset base, taking into consideration the Lender's policies with respect to capital adequacy and provision for liquidity) by an amount which the Lender deems to be material to it (except for taxes on the overall net income or share capital of the Lender),

then the Lender shall from time to time notify, or cause to be notified, the Corporation of the amount determined in good faith by the Lender to be necessary to compensate the Lender for such increase, reduction or imposition. Such amount shall be due and payable by the Corporation to the Lender on the sixtieth (60th) day after demand. A certificate by the Lender as to the amount due and payable under this Section 2(g) from time to time and the method of calculating such amount shall be conclusive absent manifest error and shall be provided to the Corporation

with the notice described above. In determining any such amount, the Lender may use any reasonable averaging and attribution methods.

The protection of this Section 2(g) shall be available to the Lender regardless of any possible contention of invalidity or inapplicability of the law, regulation or condition which has been imposed; *provided, however*, that if it shall be later determined by the Lender that any amount so paid by the Corporation pursuant to this Section 2(g) is in excess of the amount that shall have been lawfully required and paid under the provisions hereof, then the Lender receiving such overpayment shall refund such excess amount to the Corporation within 30 days after such determination; *provided, further, however*, that in the event the Lender shall demand payment of increased costs under this Section 2(g), the Corporation shall have the right to optionally prepay the Note or convert the Note to another Interest Mode, in each case, on an Interest Payment Date, within sixty (60) days of receipt of such demand and on such prepayment or conversion date the Corporation shall pay to the Lender the principal of the Note (equal to 100% of the principal amount outstanding plus accrued interest) and all other costs, including increased costs, owing to the Lender.

(h) ***Determination of Taxability.***

(i) In the event a Determination of Taxability occurs, the Corporation hereby agrees to pay to the Lender on demand therefor (A) an amount equal to the difference between (I) the amount of interest that would have been paid to the Lender on the Note during the period for which interest on the Note is includable in the gross income of the Lender if the Note had borne interest at the Taxable Rate, beginning on the Taxable Date (the "***Taxable Period***"), and (II) the amount of interest actually paid to the Lender during the Taxable Period, and (B) an amount equal to any interest, penalties or charges owed by the Lender as a result of interest on the Note becoming includable in the gross income of the Lender, together with any and all attorneys' fees, court costs, or other out-of-pocket costs incurred by the Lender in connection therewith.

(ii) Subject to the provisions of clauses (iii) and (iv) below, the Lender shall afford the Corporation the opportunity, at the Corporation's sole cost and expense, to contest (1) the validity of any amendment to the Code which causes the interest on the Note to be includable in the gross income of the Lender or (2) any challenge to the validity of the tax exemption with respect to the interest on the Note, including the right to direct the necessary litigation contesting such challenge (including administrative audit appeals).

(iii) The following shall constitute conditions precedent to the exercise by the Corporation of its right to contest set forth in clause (ii) above, the Corporation shall, on demand, promptly, and in any event within ten (10) Business Days of receipt of a demand from the Lender, reimburse the Lender for any and all expenses (including reasonable attorneys' fees for services that may be required or desirable, as determined by the Lender in its sole discretion) that may be incurred by the Lender in connection with any such contest, and shall, on demand, promptly, and in any event within ten (10) Business Days of such demand, reimburse the Lender for any and all penalties or other charges payable by the Lender for failure to include such interest in its gross income; and

(iv) The obligations of the Corporation under this Section 2(h) shall survive the termination of this Agreement and the prepayment or other payment in full of the Note.

(i) ***Taxes.***

(i) Any and all payments by or on account of any obligation of the Corporation hereunder shall be made free and clear of and without deduction for any present or

future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto (collectively, "**Taxes**") or Other Taxes; provided that if the Corporation shall be required to deduct any Taxes from such payments, then (A) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Lender receives an amount equal to the sum it would have received had no such deductions been made, (B) the Corporation shall make such deductions and (C) the Corporation shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(ii) In addition, the Corporation shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(iii) The Corporation shall indemnify the Lender within sixty (60) days after written Lender demand therefor, for the full amount of any Taxes or Other Taxes paid by the Lender on or with respect to any payment by or on account of any obligation of the Corporation hereunder (including Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate executed by an authorized officer of the Lender as to the amount of such payment or liability delivered to the Corporation shall be conclusive absent manifest error.

(iv) As soon as practicable after any payment of Taxes or Other Taxes by the Corporation to a Governmental Authority, the Corporation shall deliver to the Lender the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Lender.

(v) If the Lender determines, in its reasonable discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Corporation or with respect to which the Corporation has paid additional amounts pursuant to this Section, it shall pay over such refund to the Corporation (but only to the extent of indemnity payments made, or additional amounts paid, by the Corporation under this Section with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided that the Corporation, upon the written request of the Lender, agrees to repay the amount paid over to the Corporation (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Lender in the event the Lender is required to repay such refund to such Governmental Authority. This Section shall not be construed to require the Lender to make available its tax returns (or any other information relating to its taxes which it deems confidential) to the Corporation or any other Person.

(vi) In the event the Lender shall demand payment of Taxes or Other Taxes under this Section 2(i), the Corporation shall have the right to optionally prepay the Note or convert the Note to another Interest Mode, in each case, on an Interest Payment Date, within sixty (60) days of receipt of such demand and on such prepayment or conversion date the Corporation shall pay to the Lender the principal of the Note (equal to 100% of the principal amount outstanding plus accrued interest) and all other costs, including increased costs, owing to the Lender.

(vii) The obligations of the Corporation under this Section 2(i) shall survive the termination of this Agreement and the prepayment or other payment in full of the Note.

(j) ***Changes in Margin Rate Factor.*** In the event of a change in the Margin Rate Factor, the Corporation shall have the right to optionally prepay the Note or convert the Note to another Interest Mode, in each case, on an Interest Payment Date, within sixty (60) days of receipt of notice of such change and on such prepayment or conversion date the Corporation shall pay to the Lender the principal of the Note (equal to 100% of the principal amount outstanding plus accrued interest) and all other costs owing to the Lender.

(k) ***Payments by Corporation.*** The Corporation agrees to make the following payments on the following dates:

(i) ***Payments Equal to Interest.*** On or before each Interest Payment Date, commencing on August 3, 2015, an amount equal to the interest due on the Note on such Interest Payment Date.

(ii) ***Payments Equal to Principal.*** On or before each date on which any principal of the Note is due, an amount equal to the principal amount of the Note (i) due on such date pursuant to the mandatory prepayment requirements set forth herein, if any, or (ii) maturing by its terms on the Maturity Date.

(iii) ***Rebate to the United States.*** If there is any amount required to be paid to the United States pursuant to Section 148(f) of the Code and the Tax Agreement, the Corporation shall timely pay such amount to the United States.

(iv) ***Issuer's Administrative Fees and Expenses.*** On or before the Closing Date, the Corporation shall pay the Issuer a financing application fee in the amount of \$500.00, a closing fee in the amount of \$35,000.00, the Issuer's first annual fee in the amount of \$18,117.50, and fees and expenses of counsel to the Issuer in connection with the issuance of the Note in the amount of \$8,000.00. Commencing on the Closing Date, and on or prior to July 1 of each year thereafter while the Note remains Outstanding, the Issuer's Annual Fee in the amount of \$18,117.50 shall be payable in advance by the Corporation. The Corporation also shall pay all other Administrative Fees and Expenses of the Issuer incurred in connection with this Agreement within 30 days of receipt of an itemized statement from the Issuer relating thereto.

(v) ***Other Amounts.*** Any other amounts required to be paid by the Corporation under any other terms or provisions of this Agreement or any of the other Related Documents at the times, in the amounts and in the manner provided in this Agreement or the other applicable Related Document.

(vi) ***Payments Generally.*** If any payment hereunder or under the Note shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. In addition, if any amount payable by the Corporation under clause (i) or (ii) above is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to the Default Rate.

(l) ***Obligations Absolute.*** The payment obligations of the Corporation under this Agreement shall be unconditional and irrevocable and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including without limitation the following:

(i) Any lack of validity or enforceability of this Agreement, the Note or any of the other Related Documents;

(ii) Any amendment or waiver of or any consent to departure from all or any of the Related Documents;

(iii) The existence of any claim, set-off, defense or other right which the Corporation may have at any time against the Lender, the Issuer or any other person or entity, whether in connection with this Agreement, the other Related Documents, the transactions contemplated herein or therein or any unrelated transaction; or

(iv) Any other circumstance or happening whatsoever, whether or not similar to any of the foregoing.

Notwithstanding this Section, the Lender acknowledges the Corporation may have the right to bring a collateral action with respect to one or more of the foregoing circumstances. The Corporation's payment obligations shall remain in full force and effect pending the final disposition of any such action. All fees payable pursuant to this Agreement shall be deemed to be fully earned when due and non-refundable when paid.

**Section 3. Representations and Warranties of the Corporation.** In order to induce the Lender and the Issuer to enter into this Agreement, the Corporation hereby represents and warrants to the Lender and the Issuer that:

(a) ***Existence and Standing.*** The Corporation is a nonprofit corporation validly existing under the Laws of the Commonwealth and has the necessary power and authority to execute and deliver this Agreement and each of the other Related Documents to which it is a party, to perform its obligations hereunder and thereunder and to conduct its business as presently conducted. The Corporation is duly licensed or qualified in all jurisdictions where it conducts its business. The Corporation is (i) an organization described in Section 501(c)(3) of the Code, (ii) exempt from federal income tax under Section 501(a) of the Code (except for the tax imposed on unrelated business income pursuant to Section 511 of the Code), (iii) an organization described in Section 170(b)(1)(A) of the Code and (iv) not a "private foundation" as defined in Section 509(a) of the Code. No part of the net earnings of the Corporation inures to the benefit of any private shareholder or individual within the meaning of Section 501(c)(3) of the Code. Each other member of the Obligated Group is a nonprofit corporation validly existing under the Laws of the Commonwealth and has the necessary power and authority to execute and deliver this Agreement and each of the other Related Documents to which it is a party, to perform its obligations hereunder and thereunder and to conduct its business as presently conducted. Each other member of the Obligated Group is duly licensed or qualified in all jurisdictions where it conducts its business. Each other member of the Obligated Group is (i) an organization described in Section 501(c)(3) of the Code, (ii) exempt from federal income tax under Section 501(a) of the Code (except for the tax imposed on unrelated business income pursuant to Section 511 of the Code), (iii) an organization described in Section 170(b)(1)(A) of the Code and (iv) not a "private foundation" as defined in Section 509(a) of the Code. No part of the net earnings of any member of the Obligated Group inures to the benefit of any private shareholder or individual within the meaning of Section 501(c)(3) of the Code.

(b) ***Authorization and Validity.*** The execution and delivery of this Agreement and the other Related Documents to which the Corporation is a party have been duly authorized by proper proceedings of the Corporation's Governing Body, and no further approval, authorization or consents are required by law or otherwise for that purpose. The Corporation has taken all

necessary corporate action to authorize the execution, delivery and performance of this Agreement and the other Related Documents to which it is or will be a party.

(c) **Enforceability.** Each of this Agreement and the other Related Documents to which the Corporation is a party constitutes the legal, valid and binding obligation of the Corporation enforceable in accordance with its terms, subject, as to enforceability, to applicable bankruptcy, moratorium, insolvency or similar Laws affecting the rights of creditors generally and to certain principles of equity. Each of the Related Documents is (or will be when executed) in full force and effect.

(d) **No Conflict.** Neither the execution and delivery of this Agreement or the other Related Documents, nor the consummation of the transactions herein or therein contemplated, nor compliance with the terms and provisions hereof or thereof will conflict with any law, rule, regulation, agreement or obligation to which the Corporation is a party or by which the Corporation is bound.

(e) **Other Agreements.** Neither the Corporation nor any other member of the Obligated Group is a party to any agreement or instrument materially or adversely affecting its present or proposed business, properties or assets, operation or conditions, financial or otherwise, and neither the Corporation nor any other member of the Obligated Group is in default of the performance, observance, or fulfillment of any of the material obligations, covenants or conditions set forth in any agreement or instrument to which it is a party.

(f) **No Litigation.** There is no action, suit or proceeding, inquiry or investigation at law or in equity or before any court, public board or body, pending or threatened against or affecting the Corporation or any other member of the Obligated Group wherein an unfavorable decision, ruling or finding could reasonably be expected to have a material and adverse effect on (i) the transactions contemplated by or the validity of this Agreement, any of the other Related Documents or any agreement or instrument to which the Corporation is a party and which is contemplated by this Agreement or the other Related Documents, (ii) its tax-exempt status, (iii) its property, assets, operations or condition, financial or otherwise, or its ability to perform its obligations hereunder or under the Related Documents to which it is a party, or (iv) its existence, organization or powers or the titles of its officers to their respective offices.

(g) **No Event of Default.** No Default or Event of Default has occurred.

(h) **Financial Information.**

(i) The consolidated balance sheet of the Corporation and its subsidiaries as of June 30, 2014 and the related statements of operations and changes in net assets of the Corporation and its subsidiaries for the Fiscal Year then ended (together with the notes thereto) (A) have been prepared in accordance with generally accepted accounting principles consistently applied, except as may be disclosed in the Audited Financial Statements, (B) have been audited by certified public accountants, (C) present fairly the financial condition and results of operations of the Corporation and its subsidiaries for the period covered thereby, and (D) accurately reflect all liabilities, including material contingent liabilities, of the Corporation and its subsidiaries as of the date thereof.

(ii) Since June 30, 2014, the Corporation and each member of the Obligated Group has conducted its operations in the ordinary course, and there has been no Material Adverse Change in the business, financial condition, operations or affairs of the Corporation, except as may be disclosed in the Corporation's Unaudited Quarterly Disclosure Statement for the period ended March 31, 2015.

(i) **Consents and Other Approvals.** No authorization, consent, approval or license of or filing or registration with any Governmental Authority is required for the due execution and delivery by the Corporation of this Agreement and the other Related Documents, and the performance by the Corporation of its obligations under this Agreement and the other Related Documents, except such as have been obtained and are in full force and effect on the date hereof.

(j) **No Liens.** There exist no liens, encumbrances or other charges against the properties of the Corporation or any other member of the Obligated Group (including statutory and other liens of mechanics, workers, suppliers and taxing authorities), other than liens permitted pursuant to the terms of the Master Indenture as such indenture exists on the Closing Date.

(k) **Disclosure.** There is no fact known to the Corporation which could have a Material Adverse Effect.

(l) **Insurance.** All insurance policies of the Corporation and its subsidiaries are valid and in full force and effect. No notice has been given or claim made and no grounds exist to cancel or void any of such policies or to reduce the coverage provided thereby. Such policies and bonds provide the coverage required by the Master Indenture as such indenture exists on the Closing Date.

(m) **Solvency.** After giving effect to the transactions contemplated by this Agreement and the other Related Documents, including all Indebtedness incurred hereby and thereby and the security interests granted and the payment of all fees related thereto, the Corporation and the Obligated Group, taken together, are Solvent.

(n) **ERISA Plans.**

(i) Each Plan (other than a Multiemployer Plan) is in compliance in all respects with any applicable provisions of ERISA, the Code and other federal or state law. Each Plan has received a favorable determination from the Internal Revenue Service and nothing has occurred which could or would cause the loss of such qualification. The Corporation and each ERISA Affiliate has fulfilled its obligations, if any, under the minimum funding standards of ERISA and the Code with respect to each Plan, and has not incurred any liability with respect to any Plan under Title IV of ERISA.

(ii) There are no claims, lawsuits or actions (including by any Governmental Authority), and there has been no prohibited transactions or violation of the fiduciary responsibility rules, with respect to any Plan which has resulted or could reasonably be expected to result in a Material Adverse Effect.

(iii) With respect to any Plan subject to Title IV of ERISA:

(1) No reportable event has occurred under Section 4043(c) of ERISA for which the PBGC requires thirty (30) day notice.

(2) No action by the Corporation or any ERISA Affiliate to terminate or withdraw from any Plan has been taken and no notice of intent to terminate a Plan has been filed under Section 4041 of ERISA.

(3) No termination proceeding has been commenced with respect to a Plan under Section 4042 of ERISA, and no event has occurred or condition exists which might constitute grounds for the commencement of such a proceeding.

(o) **Correct Information.** Neither this Agreement, nor the financial statements referred to herein, nor any other agreement, document, certificate or written statement furnished or to be furnished to the Lender by or on behalf of the Corporation in connection with the transactions contemplated by this Agreement contains any untrue statement of fact or omits to state a fact necessary in order to make the statements contained herein or therein not misleading. There is no fact known by any of the officers of the Corporation which has not been disclosed herein or in writing by such officer to the Lender which could reasonably be expected to result in a Material Adverse Change.

(p) **Federal Reserve Regulations.** The Corporation is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System), and no part of the proceeds of the Note has been or will be used (i) to purchase or carry any margin stock, (ii) to extend credit to others for the purpose of purchasing or carrying any margin stock or (iii) in any other manner which would involve a violation of any of the regulations of the Board of Governors of the Federal Reserve System.

(q) **Not an Investment Company.** The Corporation is not an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(r) **Environmental Litigation.** Neither the Corporation nor any other member of the Obligated Group has received any notice to the effect that its operations are not in compliance with any Environmental Laws, or that the Corporation or any other member of the Obligated Group is subject to Environmental Liability or that the Corporation or any other member of the Obligated Group is subject to any federal or state investigation evaluating whether any remedial action is needed to respond to the release of any toxic or hazardous waste or substance into the environment. There is no pending or threatened civil or criminal litigation, notice of violation or lien, or administrative proceeding relating to a violation of Environmental Laws involving the Corporation, any other member of the Obligated Group or the Facilities of the Corporation or any other member of the Obligated Group.

(s) **Environmental Matters.** (i) Neither the Corporation nor any of its Affiliates is in material violation of any Environmental Laws; (ii) neither the Corporation nor any of its Affiliates, officers, employees, or agents, nor any predecessor of the Corporation or any of its Affiliates has arranged, by contract, agreement or otherwise for the transport, disposal or treatment of, any substance or material regulated by an Environmental Law at or to any location identified under an Environmental Law concerning cleanup of waste disposal sites; (iii) neither the Corporation nor any of its Affiliates is an "owner" or "operator" of a "facility", as defined under any Environmental Law; and (iv) neither the Corporation nor any of its Affiliates "owned" or "operated" any "facility" at the time any Hazardous Substances were disposed of within the meaning of any Environmental Law.

(t) **Members of the Obligated Group.** The current members of the Obligated Group under the Master Indenture are the Corporation, UPMC Presbyterian, Magee, UPMC Passavant and UPMC St. Margaret.

(u) **Indebtedness.** The obligations of the Corporation under this Agreement constitute an "Obligation" under the Master Indenture.

(v) **Master Note.** The MTI Note has been duly issued under the Master Indenture, secures the obligations of the Corporation to the Lender (as assignee of the Issuer) with respect to the Note, and is on parity with all outstanding notes, guarantees and other obligations issued or incurred under the Master Indenture.

(w) **Related Documents.** Each of the Related Documents is in full force and effect, and each of the representations and warranties of the Corporation contained in the Related Documents is hereby incorporated herein by reference, and such representations and warranties are true and correct on the date hereof as if made on this date.

(x) **Taxes.** All taxes, assessments, fees and other governmental charges upon the Corporation or any other member of the Obligated Group or upon any of their respective properties, incomes, sales or franchises which are due and payable have been paid or are being contested in good faith and by appropriate proceedings diligently conducted and all tax returns for such taxes and any other matters required to be filed have been properly prepared, executed and filed, and the reserves and provisions for taxes on the books of the Corporation are adequate for all open years and for its current fiscal period.

(y) **Exact Name.** The Corporation's exact legal name is as shown in the introductory paragraph of this Agreement.

(z) **Licenses, Permits and Third Party Reimbursement.** Each of the Corporation and the other members of the Obligated Group (i) is duly authorized and licensed and certified to operate its Facilities and receive reimbursement therefor (to the extent reimbursement is applicable and available under the applicable Laws of the Commonwealth), and (ii) has not received and does not expect to receive requests or assertions of claims for reimbursement or repayment by such Person of costs and/or payments made by any third party payor which, if adversely determined would result in any Material Adverse Change.

(aa) **Anti-Terrorism Representation.**

(i) No member of the Obligated Group nor any of its respective Affiliates is in violation of any laws relating to terrorism or money laundering ("**Anti-Terrorism Laws**"), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the "**Executive Order**"), and the USA Patriot Act, Title III of Pub. L. 107 56, 115 Stat. 272 (the "**Patriot Act**");

(ii) No member of the Obligated Group nor any of its respective Affiliates is any of the following:

(1) a Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(2) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(3) a Person with which the Lender is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;

(4) a Person that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order; or

(5) a Person that is named as a "specially designated national and blocked person" on the most current list published by the Office of Foreign Asset Control ("**OFAC**") or any list of Persons issued by OFAC pursuant to the Executive Order at its official website or any replacement website or other replacement official publication of such list;

(iii) No member of the Obligated Group nor any of its respective Affiliates (A) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Person described in subsection (ii) above, (B) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order or (C) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

(bb) ***Anti-Corruption Laws and Sanctions.*** The Corporation has implemented and maintains in effect policies and procedures designed to ensure compliance by the Corporation and its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Corporation, its Subsidiaries and their respective officers and employees and, to the knowledge of the Corporation, its directors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of (i) the Corporation, any Subsidiary or to the knowledge of the Corporation or such Subsidiary, any of their respective directors, officers or employees, or (ii) to the knowledge of the Corporation, any agent of the Corporation or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No use of proceeds or other transaction contemplated by this Agreement will violate Anti-Corruption Laws or applicable Sanctions.

All representations and warranties made herein to the Lender are made with the understanding that the Lender is relying upon the accuracy of such representations and warranties. Notwithstanding that the Lender may conduct its own investigation as to some or all of the matters covered by the representations and warranties in this Agreement and the Related Documents to which the Corporation is a party, and any certificates, information, opinions or documents delivered in connection therewith, the Lender is entitled to rely on all representations and warranties as a material inducement to the Lender's entering into this Agreement.

**Section 4. Representations and Covenants of Issuer.** In order to induce the Lender and the Corporation to enter into this Agreement, the Issuer hereby represents, warrants and covenants to the Lender and the Corporation that:

(a) Subject to the limited source of payment herein referred to, the Issuer covenants that it will promptly pay the principal of, premium, if any, and interest on the Note at the place, on the dates and in the manner provided herein and in the Note according to the true intent and meaning thereof. The Note, together with interest thereon, shall be limited obligations of the Issuer payable solely from the Collateral (except to the extent paid out of moneys attributable to Note proceeds or the income from the temporary investment thereof, and except for the Unassigned Rights) and shall be a valid claim of the respective holders thereof only against the funds and accounts established under this Agreement, and other moneys provided by the Corporation for the benefit of the Lender and the payment due or to become due upon or under this Agreement (except for the Unassigned Rights) all of which are hereby assigned and pledged hereunder for the payment of the Note and shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Note, except as may be otherwise expressly authorized in this Agreement. Nothing in the Note or in this Agreement shall be considered as assigning or pledging any other funds or assets of the Issuer.

(b) The Issuer shall maintain its power to perform its obligations hereunder and to exercise its rights and remedies under this Agreement.

(c) The Issuer shall not directly or indirectly extend or assent to the extension of the time for payment of the principal of or interest on the Note and shall not directly or indirectly be a party to or approve any arrangement therefor. Notwithstanding the foregoing, the Lender may extend the time for payment of the principal of or interest on the Note; provided, however, that upon the occurrence of an Event of Default, funds available hereunder for the payment of the principal of and interest on the Note shall not be applied to any payment so extended until all principal and interest payments which have not been extended have first been paid in full.

(d) The Issuer shall not enter into any contract or take any action by which the rights of the Lender may be impaired and shall, from time to time, execute and deliver such further instruments and take such further action as may be required to carry out the purposes of this Agreement. If at any time the Issuer receives any income or payment from the Corporation which is not assigned to the Lender, it shall promptly pay the same to the Lender and, at the request of the Lender, shall execute and deliver an assignment of its right, title and interest in and to future income or payments of the same type to the Lender to be held as part of the Collateral and cause such filing or recording thereof as may be appropriate to perfect the security interest created thereby, provided, however, this sentence shall not apply to the fees and expenses payable by the Corporation to the Issuer hereunder or money received by the Issuer related to its Unassigned Rights or money received by the Issuer from the Corporation unrelated to the Note.

(e) The Issuer covenants that it will make no investment or other use of the proceeds of the Note which would cause the Note to be an "arbitrage bond" as that term is defined in Section 148 of the Code, and all applicable regulations promulgated with respect thereto, and that it will comply with the requirements of the Code section and regulations throughout the term of the Note. In addition, the Issuer covenants to the Lender that it will not take any action, omit to take any action, or permit any other Person (including the Corporation) to take any action or fail to take any action over which the Issuer has control, which action or inaction would cause the interest on the Note to be subject to federal income tax to a greater extent than on the date of issuance of the Note.

**Section 5. Affirmative Covenants of Corporation Other Than Reporting Requirements.** The Corporation will do the following so long as this Agreement has not been terminated in accordance with Section 14 hereof, unless the Lender shall otherwise consent in writing:

(a) ***Preservation of Existence, Etc.*** The Corporation shall preserve and maintain and shall cause each other member of the Obligated Group to preserve and maintain (i) its existence as a Pennsylvania nonprofit corporation duly qualified to transact business in the Commonwealth, and (ii) its rights, franchises and privileges under the Laws of the Commonwealth.

(b) ***Payment to the Lender.*** The Corporation shall (i) pay immediately when due any and all amounts owing to the Lender hereunder and (ii) reimburse the Lender, upon demand by the Lender, for any loss, damage or expense incurred by the Lender with interest at the Default Rate by reason of (A) any Event of Default, or (B) the exercise by the Lender of any remedy or right under this Agreement.

(c) ***Payment of Debt.*** The Corporation will make full and timely payment of the principal of and interest on all Indebtedness of the Corporation, whether now existing or hereafter arising, and comply in all material respects with all covenants and agreements set forth in agreements evidencing Indebtedness of the Corporation.

(d) ***Visitation Rights.*** At any time, during business hours and at any reasonable time upon reasonable notice to the Corporation and from time to time, and at the expense of the Corporation upon and during the continuance of an Event of Default, the Corporation shall permit

and shall cause each of the other members of the Obligated Group to permit the Lender, and any agents or representatives thereof, to examine and make copies of and take abstracts from the records and books of account of the Corporation and the members of the Obligated Group, and to discuss the affairs, finances and accounts of the Corporation and the members of the Obligated Group with any of its officers, directors and independent accountants, all of whom are hereby authorized and directed to cooperate with the Lender in carrying out the intent of this Section 5(d).

(e) **Keeping of Books.** The Corporation shall keep and shall cause each other member of the Obligated Group to keep proper and complete records and books of account in accordance with generally accepted accounting principles consistently applied, except as may be disclosed in the Audited Financial Statements, to the extent applicable (subject, in the case of interim financial statements, to the absence of footnotes and normal year-end audit adjustments), reflecting all financial transactions of the Corporation and the members of the Obligated Group. All financial statements hereafter delivered by the Corporation to the Lender under this Agreement will be complete and accurate and will fairly present the consolidated financial condition of the Corporation and its subsidiaries as at the dates thereof and for the periods covered thereby, and all of same will be prepared in accordance with generally accepted accounting principles consistently applied, except as may be disclosed in the Audited Financial Statements, to the extent applicable (subject, in the case of interim financial statements, to the absence of footnotes and normal year-end audit adjustments).

(f) **Compliance with Laws, Etc.** The Corporation shall comply and shall cause each other member of the Obligated Group to comply with all Laws, rules and regulations, and with all final orders, writs, judgments, injunctions, decrees or awards to which it may be subject including, without limitation, paying before the same become delinquent all taxes, assessments and governmental charges imposed upon it or upon its property, except to the extent compliance with any of the foregoing is being contested in good faith and reserves required by generally accepted accounting principles consistently applied are being maintained in connection therewith. The Corporation agrees that it will perform and comply and shall cause each other member of the Obligated Group to perform and comply with each and every covenant (including, without limitation, all financial covenants) and each and every agreement required to be performed or observed by it in the Master Indenture, this Agreement and each other Related Document to which it is a party and in each case such covenants and agreements, together with the related definitions of terms contained therein are incorporated herein by reference with the same effect as if each and every such provision were set forth herein in its entirety.

(g) **Documents.** The Corporation shall execute, acknowledge where appropriate, and deliver, and cause to be executed, acknowledged where appropriate, and delivered, from time to time promptly at the request of the Lender, all such instruments and documents as in the judgment of the Lender are necessary to comply with this Agreement and the other Related Documents and to assure the Lender of its security rights, if any, in favor of the Lender contemplated hereby.

(h) **Financial Covenants.** The Corporation covenants to maintain:

(i) A Debt Service Coverage Ratio of at least 1.25 to 1.00, measured as of March 31, June 30, September 30 and December 31 of each Fiscal Year for the period equal to the four (4) consecutive fiscal quarters then ending.

(ii) A Liquidity Ratio of at least 0.60 to 1.00, measured as of March 31, June 30, September 30 and December 31 of each Fiscal Year.

Anything in this Agreement notwithstanding, if any change in accounting principles from those used in the preparation of the Audited Financial Statements for the Fiscal Year ended June

30, 2011 results from the promulgation of rules, regulations, pronouncements and opinions by or required by the Financial Accounting Standards Board, American Institute of Certified Public Accountants or other authoritative bodies that determine generally accepted accounting principles (or successors thereto or agencies with similar functions) and such change results in a change in the accounting terms used in the calculations required by this Section 5(h), the accounting terms used in the calculations required by this Section 5(h) shall be modified to reflect such change in accounting principles; provided, however, that in the event the Corporation fails to comply with Section 5(h)(i) and/or Section 5(h)(ii) above on any testing date solely because of the incorporation of such change in accounting principles, the parties agree that (i) no Event of Default shall be deemed to have occurred as of such testing date, and (ii) promptly and in any event within sixty (60) days after such testing date, the Corporation shall deliver to the Lender a certificate signed by a senior officer of the Corporation describing such change in accounting principles in reasonable detail and further certifying in effect that such changes are occasioned by a change in accounting principles. In addition, following such change in accounting rules, at the request of either the Corporation or the Lender, the Lender and the Corporation shall negotiate in good faith to amend Section 5(h)(i) and/or Section 5(h)(ii) above (as applicable) to preserve the original intent thereof in light of such change in accounting principles; provided that, until so amended, (A) such ratio shall continue to be computed in accordance with the accounting principles used in the preparation of the Audited Financial Statements for the Fiscal Year ended June 30, 2011, and (B) the Corporation shall provide to the Lender financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio made before and after giving effect to such change in accounting principles. No delay by the Corporation or the Lender in requiring such negotiation shall limit their right to so require such a negotiation at any time after such a change in accounting principles.

(i) ***Continuation of and Change in Business.*** The Corporation shall and shall cause each other member of the Obligated Group to continue to engage primarily in the business and activities as currently conducted or proposed to be conducted by the Corporation or such other member of the Obligated Group, as the case may be.

(j) ***Notice of Material Adverse Change.*** Immediately upon becoming aware thereof, the Corporation shall give the Lender written notice with respect to any Material Adverse Change.

(k) ***Maintenance of Third Party Payment Eligibility.*** The Corporation shall cause each applicable member of the Obligated Group to maintain its status as a provider of health care services eligible for reimbursement or other payments under the Medicare, Medicaid and similar third party payment programs, the revenues from which are material to the operations of the members of the Obligated Group, including future state and federal programs.

(l) ***Notice of Default.*** As soon as practicable, but in any event not more than five (5) Business Days after the Corporation shall have obtained knowledge of the occurrence of an Event of Default described in Section 8 hereof, the Corporation shall provide to the Lender the written statement of an authorized officer of the Corporation setting forth the details of such Event of Default and the action which the Corporation proposes to take with respect thereto.

(m) ***Notice of Litigation, etc.*** The Corporation shall cause its treasurer, or in that officer's absence another individual designated by the Corporation, to give the Lender written notice within thirty (30) days after knowledge thereof whenever:

(i) any litigation or proceeding shall be brought against the Corporation or any member of the Obligated Group before any Governmental Authority, which seeks

damages in excess of \$25,000,000 or which in any such case could be reasonably expected to have a Material Adverse Effect, or

(ii) that officer reasonably believes that any Event of Default under this Agreement or any other event of default under any other agreement for borrowed money has occurred or that any representation or warranty hereunder shall for any reason have ceased to be true and complete.

(n) **Certain Notices.** The Corporation shall furnish to the Lender a copy of any notice, certification, demand or other writing or communication given by the Corporation to the Master Trustee under or in connection with the Note or any of the Related Documents, in each case promptly after the giving of the same. The Corporation shall give the Lender prompt notice of any action, suit or proceeding known to it at law or in equity or by or before any Governmental Authority which, if adversely determined, would impair the ability of the Corporation to carry out its obligations under this Agreement, the Note, the other Related Documents or any other document, instrument or agreement required hereunder or thereunder, or would have a Material Adverse Effect. The Corporation shall promptly give written notice to the Lender of (i) any dispute in connection with any transaction contemplated under this Agreement, or (ii) any matter or event which may result in a Material Adverse Change.

(o) **Insurance.** The Corporation shall at all times maintain in effect or cause to be maintained in effect, the insurance required by Section 406 of the Master Indenture and such other insurance as may be reasonably required by the Lender.

(p) **Maintenance of Properties.** The Corporation shall, and shall cause each other member of the Obligated Group to, (i) maintain and preserve all of its properties in good working order and condition, ordinary wear and tear excepted; (ii) not permit, commit or suffer any waste of any of its properties; (iii) not use or permit the use of any of its properties for an unlawful purpose or permit any nuisance to exist thereon; and (iv) not sell, transfer or otherwise dispose of its properties, unless otherwise permitted pursuant to the terms of the Master Indenture as such indenture exists on the Closing Date.

(q) **Mandatory Prepayment.** The Corporation shall cause the Note to be prepaid at the times and in the amounts set forth in Section 2(c)(vi) hereof and in Section 2(c)(vii) hereof.

(r) **Computation of Debt Service on Certain Instruments.**

(i) **Debt Service on Balloon Debt and Put Debt.** For purposes of the computation of Debt Service Requirements, whether historic or projected, the following provisions shall apply to Balloon Debt and Put Debt.

(1) the debt service on such Balloon Debt or Put Debt shall be assumed to be substantially level over a term of twenty (20) years from the date of incurrence, at an assumed interest rate based on the last-published "30-year Revenue Bond Index" published by The Bond Buyer immediately preceding the date of calculation; or

(2) the principal of such Balloon Debt or Put Debt is amortized during the term to the stated maturity thereof by deposits made to a sinking fund with a sinking fund schedule established by resolution of the Governing Body of the Corporation adopted at or subsequent to the time of incurrence of such Long Term Debt, as certified by an authorized officer of the Corporation, *provided*,

that at the time of such calculation, all deposits required to have been made prior to such date shall have been made; or

(3) with respect to Balloon or Put Debt for which there exists a credit facility, the principal of such Balloon or Put Debt is due and payable in the amounts and at the times specified in such credit facility.

(ii) *Debt Service on Guaranties.* Debt Service Requirements on Long Term Debt in the form of a Guaranty shall be determined to be an amount equal to twenty percent (20%) of the debt service on the indebtedness being guaranteed; *provided, however,* that if a member of the Obligated Group makes any payment under a Guaranty, the Debt Service Requirements thereon for the Fiscal Year in which the payment is made and each of the next two succeeding Fiscal Years shall be deemed equal to one hundred percent (100%) of the Debt Service Requirements on the indebtedness or portion thereof being guaranteed.

(iii) *Debt Service on Variable Rate Debt.* Projected (but not historic) Debt Service Requirements on Variable Rate Debt shall be deemed to bear interest at a rate equal to the greater of (i) the average interest rate on such debt for the most recent twenty-four (24) month period, *provided, however,* that if the debt has not been outstanding for twenty-four (24) months, then the interest rate shall be the average rate for the most recent twelve (12) months, or (ii) the average interest rate for the two (2) month period prior to the date of calculation, as determined by an authorized officer of the Corporation. Historic Debt Service Requirements on Variable Rate Debt shall be calculated at the actual interest rates for the period under consideration.

(s) *Other Facilities.* In the event that the Corporation shall, directly or indirectly, enter into or otherwise consent to any credit agreement, standby bond purchase agreement, liquidity agreement, letter of credit, reimbursement agreement or other agreement or instrument, or any amendment, supplement or modification thereto under which, directly or indirectly, any person or persons undertakes to make loans or extend credit or liquidity to or for the account of the Corporation, which such agreement (or amendment thereto) provides such person with materially more restrictive covenants and/or greater rights and remedies than are provided to the Lender in this Agreement, the Corporation shall provide the Lender with a copy of each such agreement or amendment (the terms of which relating to the pricing and other business relationships may be redacted by the Corporation).

(t) *Tax Covenant.* The Corporation hereby covenants and agrees that it shall at all times do and perform all acts and things necessary in order to assure that the interest paid on the Note shall, for purposes of federal income taxation, be and remain excludable from the gross income of the recipients thereof and that it will refrain from doing or performing any act or thing that will cause such interest not to be so excludable.

(u) *Further Assurances.* The Corporation shall, upon the request of the Lender, from time to time, execute and deliver and, if necessary, file, register and record such further financing statements, amendments, confirmation statements and other documents and instruments and take such further action as may be reasonably necessary to effectuate the provisions of this Agreement and the Related Documents. Except to the extent it is exempt therefrom, the Corporation will pay or cause to be paid all filing, registration and recording fees incident to such filing, registration and recording, and all expenses incident to the preparation, execution and acknowledgment of such instruments of further assurance, and all federal or state fees and other similar fees, duties,

imposts, assessments and charges arising out of or in connection with the execution and delivery of this Agreement or the Related Documents and such instruments of further assurance.

**Section 6. Negative Covenants.** The Corporation covenants and agrees that during the term of this Agreement and for so long as this Agreement has not been terminated in accordance with Section 14 hereof, unless the Lender shall otherwise consent in writing:

(a) ***Mergers and Consolidations.*** The Corporation shall not and shall cause each other member of the Obligated Group not to at any time merge or agree to merge with or into or consolidate with any other Person or acquire any material portion of the stock or assets or business of any other Person, except as permitted pursuant to the terms of the Master Indenture as such indenture exists on the Closing Date.

(b) ***Transfers and Sales of Assets.*** The Corporation shall not and shall cause each other member of the Obligated Group not to sell, lease, transfer, or otherwise dispose of all or any substantial part of its property or assets, whether now owned or hereafter acquired, except as permitted pursuant to the terms of the Master Indenture as such indenture exists on the Closing Date.

(c) ***Loans and Advances.*** The Corporation will not and will cause each other member of the Obligated Group not to make or have outstanding any loans or advances to or otherwise extend credit to any Person, except trade credit in the ordinary course of business and except as permitted pursuant to the terms of the Master Indenture as such indenture exists on the Closing Date.

(d) ***Investments, Transfers and Loans of Unrestricted Cash.*** The Corporation will not and will cause each other member of the Obligated Group not to transfer, loan or otherwise dispose of Unrestricted Cash or otherwise make or commit to make any investment in any other Person, except as permitted pursuant to the terms of the Master Indenture as such indenture exists on the Closing Date.

(e) ***Changes in Documents.*** The Corporation shall not amend or modify, or permit the amendment or modification of, any Related Document in any material respect or as to any matter which affects the Lender without the prior written consent of the Lender, or request or agree to any consent under, or effect the cancellation, acceleration or termination of, or grant, substitute or release or permit the granting, substitution or release of any collateral, if any, held under or to secure, the Note or any other Related Document in any material respect or in any manner which materially affects the Lender without the prior written consent of the Lender.

(f) ***Breach of Documents.*** The Corporation shall not and shall cause each other member of the Obligated Group not to commit any act, or permit any act to occur, which would, in any manner, give rise to a breach of any term, covenant or condition on its part to be performed under this Agreement, any other Related Document or any other contract to which the Corporation is a party or by which it is bound.

(g) ***Judgments.*** The Corporation shall not permit any judgment against the Corporation or any member of the Obligated Group in excess of Ten Million and 00/100 Dollars (\$10,000,000.00) to remain unpaid for a period of thirty (30) days following the entry thereof without obtaining a stay of execution or causing such judgment to be bonded.

(h) ***Liens.*** The Corporation will not and shall cause each other member of the Obligated Group not to create, assume, incur or suffer to exist any mortgage, pledge, encumbrance, security interest, lien or charge of any kind upon the Collateral or any of its

property, real or personal, now owned or hereafter acquired, or acquire or agree to acquire any kind of property under conditional sales or other title retention agreements, except as permitted pursuant to the terms of the Master Indenture as such indenture exists on the Closing Date.

(i) **Value of Collateral.** The Corporation shall not and shall cause each other member of the Obligated Group not to take any action not permitted by the Master Indenture which would result in any material impairment of the value of any Collateral.

(j) **Tax Exempt Status.** The Corporation shall not and shall cause each other member of the Obligated Group not to take any action or refrain from taking any action which would result in its losing its status as a nonprofit corporation and an organization exempt from federal income tax under Section 501 of the Code as an organization described under Section 501(c)(3) of the Code.

(k) **Indebtedness.** The Corporation shall not and shall cause each other member of the Obligated Group not to create, incur, assume or suffer to exist any Indebtedness, except as permitted pursuant to the terms of the Master Indenture as such indenture exists on the Closing Date.

(l) **Successor Master Trustee.** The Corporation shall not appoint a successor Master Trustee without the prior written consent of the Lender.

(m) **Withdrawal from Obligated Group.** Neither the Corporation nor any other member of the Obligated Group shall withdraw as a member of the Obligated Group while the Note is outstanding.

(n) **Substitution Transaction.** Notwithstanding the provisions of Section 703 of the Master Indenture, the Corporation shall not agree or consent to any Substitution Transaction (as defined in the Master Indenture) with respect to the Note.

(o) **Use of Proceeds.** The Corporation shall not use, and shall procure that its Subsidiaries and its or their respective directors, officers, employees and agents shall not use, the proceeds of the Note (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country to the extent such activities, businesses or transaction would be prohibited by Sanctions if conducted by a corporation incorporated in the United States, or (iii) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

(p) **Optional Prepayment.** On or after December 2, 2024, the Corporation may optionally prepay all or any portion of the principal balance of the Note or convert the interest rate on all or any portion of the Note from the Index Rate to a different Interest Mode (including a new Index Rate Mode) on any Interest Payment Date upon giving the Lender at least thirty (30) days' prior written notice. Notwithstanding the preceding sentence, the Note is subject to optional prepayment prior to the Stated Maturity Date at the written request of the Corporation, in whole, on any Interest Payment Date in the event that the Corporation has received a demand pursuant to Section 2(g) of this Agreement for the payment of increased costs, a demand for payment of Taxes or Other Taxes pursuant to Section 2(i) hereof, or a change in the Margin Rate Factor pursuant to Section 2(j) hereof, in each case at a prepayment price equal to 100% of the principal amount to be prepaid, plus interest accrued to the Prepayment Date.

**Section 7. Reporting Requirements.** The Corporation covenants and agrees that during the term of this Agreement and for so long as the Note is outstanding, unless the Lender shall otherwise consent in writing:

(a) As soon as available and in any event within one hundred fifty (150) days after the close of each Fiscal Year, the Audited Financial Statements of the Corporation for such Fiscal Year and containing balance sheets, statements of operations and retained earnings and cash flows of the Corporation for such Fiscal Year, accompanied by a certificate signed by a senior officer of the Corporation (i) stating that no Event of Default has occurred and that the Corporation is in compliance with all covenants contained in this Agreement, and (ii) including all figures necessary to calculate compliance with all financial covenants set forth in this Agreement, substantially in the form attached hereto as Exhibit A (each such certificate, a “**Compliance Certificate**”) (*provided* that if an Event of Default has occurred and is continuing or exists, such certificate shall specify in detail the nature and period of existence of the Event of Default and any action taken or contemplated to be taken to correct such Event of Default), together with copies of any letter or report, including the annual management report, with respect to its management, operations or properties submitted by its accountants in connection with any annual audit of the Corporation’s accounts;

(b) As soon as available and in any event within sixty (60) days after the close of each fiscal quarter of the Corporation, consolidated and consolidating internally prepared financial statements of the Corporation and its subsidiaries for such fiscal quarter, including operating statistics, accompanied by a Compliance Certificate, substantially in the form of the report entitled “UPMC Unaudited Quarterly Disclosure for the period ended March 31, 2015” previously provided to the Lender;

(c) As soon as available and in any event within thirty (30) days after the close of each Fiscal Year, the annual operating budget and capital budget for the Corporation for the next Fiscal Year;

(d) Any final disclosure documents distributed in connection with any bonds or other obligations of the Corporation or any other member of the Obligated Group;

(e) Immediately upon any change of the Corporation’s independent public accountants, notification thereof and such further information as the Lender may reasonably request concerning the resignation, refusal to stand for reappointment after completion of the current audit or dismissal of such accountants; and

(f) Such other information respecting the financial condition, operations or properties of the Corporation or any other member of the Obligated Group or the security for the Note as the Lender may from time to time reasonably request.

**Section 8. Events of Default.** The following provisions shall be applicable to the Note while they are held by the Lender:

(a) If any of the following events shall occur, each such event shall constitute an “**Event of Default**”:

(i) (A) The Corporation fails to pay, or cause to be paid, when due any principal of or interest on the Note or (B) the Corporation fails to pay, or cause to be paid, when due any other obligation owing under this Agreement or any other Related Document within five (5) Business Days after such failure; or

(ii) (A) Any principal, interest or premium on any MTI Debt shall not be paid when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), subject to the expiration of any applicable grace or cure period or (B) the occurrence of any event, default or event of default with respect to any MTI Debt, subject to the expiration of any applicable grace or cure period (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) which, pursuant to the provisions of any resolution, indenture, contract or instrument related to such MTI Debt, permits the holders of such MTI Debt to accelerate such MTI Debt or require such MTI Debt to be prepaid prior to the stated maturity thereof, or (C) the occurrence of any event specified in clause (B) of this Section 8(a)(ii) and the holders of such MTI Debt declare such MTI Debt to be immediately due and payable or require such MTI Debt to be immediately paid or repaid prior to the stated maturity thereof or such MTI Debt shall otherwise become immediately due and payable prior to the stated maturity thereof; or

(iii) (A) The Note, this Agreement, the Master Indenture, or the MTI Note or any provision of the Note, this Agreement, the Master Indenture, or the MTI Note related to the payment of principal of or interest on the Note shall cease to be valid and binding on, or fully enforceable against, any party thereto, or the pledge of and lien of the Lender in the Collateral or the Lender or the Master Trustee in any other Collateral shall at any time for any reason cease to be valid and binding, in each case as determined by any Governmental Authority having appropriate jurisdiction over the Corporation, the Issuer or any member of the Obligated Group, as applicable, in a final non-appealable judgment, or (B)(a) the validity or enforceability of the Note, this Agreement, the Master Indenture, or the MTI Note or any provision of the Note, this Agreement, the Master Indenture, or the MTI Note related to the payment of principal of or interest on the Note or the pledge of and lien of the Lender in the Collateral or the Lender or the Master Trustee in any other Collateral shall be contested by the Issuer, the Corporation, or any other member of the Obligated Group, or (b) any Governmental Authority having appropriate jurisdiction over the Issuer, the Corporation or any other member of the Obligated Group, as applicable, shall make a finding or ruling or shall enact or adopt legislation or issue an executive order that contests any provision of the Note, this Agreement, the Master Indenture, or the MTI Note related to the payment of principal of or interest on the Note or the pledge of and lien of the Lender in the Collateral or the Lender or the Master Trustee in any other Collateral, or (c) the Corporation, the Issuer or any other member of the Obligated Group shall deny or repudiate that it has any or further liability or obligation under any of the Related Documents to which it is a party thereto or (C) any material provision of the Note, this Agreement, the Master Indenture, or the MTI Note other than a provision described in clause (A) and (B) of this Section 8(a)(iii), shall at any time for any reason cease to be valid and binding on any party thereto, or shall be declared in a final non-appealable judgment by any court having jurisdiction over the Corporation, the Issuer or any other member of the Obligated Group, as applicable, to be null and void, invalid, or unenforceable, or the validity or enforceability thereof shall be publicly contested by the Corporation, the Issuer or any other member of the Obligated Group who is a party thereto; or

(iv) (A) One or more final judgments against the Corporation or any member of the Obligated Group for the payment of money and not covered by insurance, or attachments, the operation or result of which, individually or in the aggregate, exceed \$10,000,000; or (B) one or more final judgments against the Corporation or any member of the Obligated Group for the payment of money and not covered by insurance, or attachments, the operation or result of which, individually or in the aggregate, exceed

\$25,000,000 shall remain unpaid, undischarged or unbonded for a period of sixty (60) days; or

(v) (A) The Corporation or any other member of the Obligated Group shall commence any case, proceeding or other action (1) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (2) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its assets, or the Corporation or any other member of the Obligated Group shall make a general assignment for the benefit of its creditors or the applicable state or any governmental authority having jurisdiction over the Corporation or any member of the Obligated Group, as applicable, imposes a debt moratorium, debt restructuring, or comparable restrictions on repayment when due and payable of the principal of or interest on its debts; or (B) there shall be commenced against the Corporation or any member of the Obligated Group any case, proceeding or other action of a nature referred to in clause (A) above which (x) results in an order for such relief or in the appointment of a receiver or similar official or (y) remains undismissed, undischarged or unbonded for a period of thirty (30) days; or (C) there shall be commenced against the Corporation or any member of the Obligated Group of any case, proceeding or other action seeking issuance of a warrant of attachment, execution, restraint or similar process against all or any substantial part of its assets, which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within thirty (30) days from the entry thereof; or (D) the Corporation or any member of the Obligated Group shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (A), (B) or (C) above; or (E) the Corporation or any member of the Obligated Group shall be dissolved or shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts or a Governmental Authority of competent jurisdiction shall declare a moratorium on the payment of any debt of the Corporation or any member of the Obligated Group; or

(vi) The long-term unenhanced debt rating assigned to any MTI Debt is reduced below Investment Grade by each of Moody's, Fitch and S&P or is suspended or withdrawn by each of Moody's, Fitch and S&P for credit related reasons; or

(vii) The security interest and lien of the Lender in any of the Collateral shall not be in full force and effect as a fully protected lien, or any Person shall contest the validity, enforceability or perfection of any lien granted pursuant to this Agreement or any other Related Document, or any party to this Agreement or any other Related Document shall seek to disaffirm, terminate, limit or reduce its obligations under any of the foregoing instruments; or

(viii) Any default or event of default under any Related Document (except for those breaches specified in some other subsection of this Section 8(a)) shall occur, in each case, which is not cured within any applicable cure period; or

(ix) Any representation, warranty or certification made by the Corporation in this Agreement or in any certificate, financial statement or other document delivered in connection with or pursuant to this Agreement or any other Related Document to which

the Corporation is a party shall prove to have been incorrect in any material respect when made; or

(x) (A) The Corporation fails to perform or observe any term, covenant or agreement contained in Sections 5(a), (b), (d), (e), (h), (k), (l), (o) or (q), or Section 6 or Section 7 hereof; or (B) the Corporation fails to perform or observe any other term, covenant or agreement contained in this Agreement (other than those referred to in Sections 8(a)(i) and 8(a)(x)(A) hereof) or in the other Related Documents and any such failure cannot be cured or, if curable, remains uncured within the applicable cure period; or

(xi) Any other default on the part of the Corporation shall exist, and shall remain unwaived or uncured beyond the expiration of any applicable notice and/or grace period, under any contract, agreement or undertaking now existing or hereafter entered into with or for the benefit of the Lender or any affiliate of the Lender in any capacity or capacities; or

(xii) A Material Adverse Change occurs; or

(xiii) The filing of any litigation not covered by insurance which is not discontinued or vacated within thirty (30) days, or if such litigation cannot be reasonably discontinued or vacated within such period, if the Corporation fails to commence to discontinue or vacate the same within thirty (30) days and diligently thereafter to carry the same to completion; *provided, however*, that if the litigation is such that a delay in discontinuing or vacating said litigation would in the Lender's reasonable judgment cause harm to the Lender, the Corporation shall not be entitled to such period of grace; or

(xiv) Any one or more of the following events with respect to a Plan of the Corporation or any other member of the Obligated Group subject to Title IV of ERISA, provided such event or events could reasonably be expected, in the judgment of the Lender, to subject the Corporation or any other member of the Obligated Group to any tax, penalty or liability (or combination of the foregoing) which, in the aggregate, could have a Material Adverse Effect: (A) a reportable event shall occur under Section 4043(c) of ERISA with respect to a Plan, or (B) any Plan termination (or commencement of proceedings to terminate a Plan) or the full or partial withdrawal from a Plan by the Corporation, any other member of the Obligated Group or any ERISA Affiliate; or

(xv) The long term unenhanced debt rating assigned to any MTI Debt is reduced below "BBB+" (or its equivalent) by S&P, "Baa1" (or its equivalent) by Moody's or "BBB+" (or its equivalent) by Fitch or is suspended or withdrawn by any of Moody's, Fitch or S&P.

(b) Upon the occurrence of an Event of Default set forth in Section 8(a)(i)(A), 8(a)(ii), 8(a)(iii), 8(a)(iv)(B), 8(a)(v), 8(a)(vi), 8(a)(vii), 8(a)(viii) or 8(a)(xi) hereof, the Lender may take one or both of the following actions at any time and from time to time (regardless of whether the actions are taken at the same or different times):

(i) the Lender may provide written notice to the Corporation of the occurrence of such Event of Default, and upon the delivery to the Corporation of such notice, the Note shall bear interest at the Default Rate (provided that and in case of any event with respect to the Corporation described in Section 8(a)(v), the Default Rate shall automatically become applicable, without demand or other notice of any kind, all of which are hereby waived by the Corporation); or

(ii) the Lender may cause the principal of the Note to become immediately due and payable by delivering written notice to the Corporation which states that an Event of Default has occurred and declares the principal of and interest on the Note to be immediately due and payable on the date specified in such notice (which date shall be the seventh (7<sup>th</sup>) day after delivery of such notice to the Corporation), and on such date the Corporation shall be required (x) to pay to the Lender the principal of the Note (equal to 100% of the principal amount outstanding plus accrued interest) or (y) in lieu of paying the principal of the Note, to purchase the Note from the Lender by paying the purchase price of the Note (equal to 100% of the principal amount outstanding plus accrued interest); provided that in case of any event with respect to the Corporation described in Section 8(a)(v), the principal of the Note then outstanding, together with accrued interest thereon and all fees and other obligations of the Corporation accrued hereunder, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Corporation.

(c) Upon the occurrence of any Event of Default (other than those referenced in Section 8(b) above), the Lender may take one or both of the following actions at any time and from time to time (regardless of whether the actions are taken at the same or different times):

(i) the Lender may provide written notice to the Corporation of the occurrence of such Event of Default, and upon the delivery to the Corporation of such notice, the Note shall bear interest at the Default Rate; or

(ii) the Lender may cause the principal of the Note to become immediately due and payable by delivering written notice to the Corporation which states that an Event of Default has occurred and declaring the principal of and interest on the Note to be immediately due and payable on the date specified in such notice (which date shall be the thirtieth (30<sup>th</sup>) day after delivery of such notice), and on such date the Corporation shall be required (x) to pay to the Lender the principal of the Note (equal to 100% of the principal amount outstanding plus accrued interest) or (y) in lieu of paying the principal of the Note, to purchase the Note from the Lender by paying the purchase price of the Note (equal to 100% of the principal amount outstanding plus accrued interest).

(d) Upon the occurrence of an Event of Default set forth in Section 8(a)(ii)(C), in addition to those remedies provided under Section 8(b) hereof, the Lender may cause the Note to become immediately due and payable by delivering written notice to the Corporation which states that an Event of Default has occurred and declaring the principal of and interest on the Note Outstanding to be immediately due and payable on the date of such notice and that the Corporation is required, immediately upon such written demand by the Lender, (x) to pay to the Lender the principal of the Note (equal to 100% of the principal amount outstanding plus accrued interest) or (y) in lieu of paying the principal of the Note, to purchase the Note from the Lender by paying the purchase price of the Note (equal to 100% of the principal amount outstanding plus accrued interest).

(e) In the event the Lender has given notice of the occurrence of an Event of Default pursuant to Section 8(b) or 8(c) hereof, and, prior to the 7<sup>th</sup> day from the delivery of such notice to the Corporation (with respect to any notice given pursuant to Section 8(b) hereof) or prior to the 30<sup>th</sup> day from the delivery of such notice to the Corporation (with respect to any notice given pursuant to Section 8(c) hereof), the Corporation has cured the applicable Event of Default (in the opinion of the Lender in its absolute discretion) and no other Event of Default has occurred and is continuing, then the Lender shall rescind such notice and the per annum rate of interest applicable to the Note shall revert to the interest rate on the Note prior to the giving of such notice.

**Section 9. Closing.** On the Closing Date, the Corporation will cause the Issuer to issue the Note to the Lender, the Lender will, subject to the terms and conditions hereof, loan the proceeds of the Note to the Issuer, and the Issuer will loan the proceeds of the Note to the Corporation.

**Section 10. Closing Conditions.** The Lender has entered into this Agreement in reliance upon the representations, warranties and agreements of the Corporation and the Issuer contained herein, and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered on the Closing Date and upon the performance by the Corporation and the Issuer of their respective obligations hereunder. Accordingly, the Lender's obligations under this Agreement to accept delivery of the Note and make the Loan hereunder shall be conditioned upon the performance by the Corporation of its obligations to be performed hereunder and under such documents and instruments on or prior to the Closing Date, and shall also be subject to the following additional conditions, including the delivery by the Corporation and the Issuer of such documents as are enumerated herein, in form and substance reasonably satisfactory to the Lender:

(a) On the Closing Date, (i) the Related Documents shall be in full force and effect in the form heretofore approved by the Lender and none of the Related Documents has been amended, modified or supplemented; (ii) there shall not have occurred any change or any development involving a prospective change in the financial or operating condition of the Corporation or any other member of the Obligated Group or their respective ability to pay their obligations under the Related Documents to which each is a party, that in the judgment of the Lender is material and adverse to the Lender; (iii) the representations and warranties of the Corporation and the Issuer contained herein shall be true, complete and correct on the date hereof and on the Closing Date, as if made on the Closing Date and (iv) the Issuer, the Corporation and each other member of the Obligated Group shall have performed and complied with all agreements and conditions required by the Related Documents to be performed or complied with by it prior to the Closing Date;

(b) On or prior to the Closing Date, the Related Documents shall have been duly executed and delivered; and the Corporation and the Issuer each shall have duly adopted, and there shall be in force and effect, such other resolutions or other enactments as shall be necessary in connection with the transactions contemplated hereby and thereby;

(c) No Default or Event of Default shall have occurred and be continuing;

(d) No Material Adverse Change shall have occurred since June 30, 2014;

(e) All steps to be taken and all instruments and other documents to be executed, and all other legal matters in connection with the transactions contemplated by this Agreement and the other Related Documents shall be reasonably satisfactory in legal form and effect to the Lender;

(f) On or prior to the Closing Date, the Lender shall have received certified or executed copies, as applicable, of each of the following documents, in each case in form and substance satisfactory to the Lender and the Lender's counsel:

(i) executed originals of this Agreement, the Note and the MTI Note, in each case as assigned by the Issuer to the Lender;

(ii) certified copies of the Related Documents (other than as identified in clause (f)(i) above) delivered in connection with the issuance of the Note and originals of the Related Documents delivered in connection with the execution and delivery of this Agreement, in each case with all supplements or amendments thereto;

(iii) written opinions of Bond Counsel, addressed to DNT Asset Trust and dated the Closing Date, as to the validity of the Note and as to the exemption of interest from Federal income taxation and such other customary matters as DNT Asset Trust may reasonably request;

(iv) a written opinion of counsel to the Corporation and the other members of the Obligated Group, addressed to DNT Asset Trust and dated the Closing Date, as to the due execution and delivery of the Related Documents, the enforceability of each Related Document to which the Corporation and the other members of the Obligated Group are a party and such other customary matters as DNT Asset Trust may reasonably request;

(v) a written opinion of counsel to the Issuer, addressed to DNT Asset Trust and dated the Closing Date, as to the due execution and delivery of the Related Documents to which the Issuer is a party, the enforceability of each Related Document to which the Issuer is a party and such other customary matters as DNT Asset Trust may reasonably request;

(vi) a certificate of the Corporation to the effect that, among other things, (A) the representations and warranties of the Corporation are true and correct in all material respects, (B) that no Default, Event of Default, or default or event of default shall have occurred and be continuing hereunder or under any of the other Related Documents, in each case, as of the Closing Date, (C) the conditions precedent set forth in this Section 10 have been satisfied, and (D) no Material Adverse Change has occurred since June 30, 2014;

(vii) a certificate of the Corporation, executed by the Secretary of the Corporation, dated the Closing Date, as to (A) resolutions of the Board of Directors of the Corporation authorizing the Corporation to enter into this Agreement and the other Related Documents (which resolution shall be attached to such certificate), being in full force and effect, (B) incumbency of the officers of the Corporation who are authorized to execute this Agreement and the other Related Documents, (C) no amendments to the Articles of Incorporation or Bylaws of the Corporation, (D) the exact legal name of the Corporation, (E) the organizational identification number of the Corporation, (F) the tax identification number of the Corporation, (G) a list of all fictitious or trade names of the Corporation;

(viii) the Corporation's IRS Determination Letter;

(ix) a certificate of the Issuer;

(x) certified copies of the Articles of Incorporation and Bylaws or other similar organizational documents of the Corporation and a good standing certificate of the Corporation certified by a duly authorized representative thereof;

(xi) certified copies of the Articles of Incorporation and Bylaws or other similar organizational documents of the Issuer and a good standing certificate of the Issuer certified by a duly authorized representative thereof;

(xii) true and correct copies of all Governmental Approvals, if any, necessary for the Corporation and/or the Issuer to execute, deliver and perform the Related Documents; and

(xiii) such additional legal opinions, certificates, instruments and other documents the Lender may reasonably request with respect to the Corporation, any other member of the Obligated Group or the Issuer, or to evidence the truth and accuracy, as of the date hereof and on the Closing Date, of the Corporation's or the Issuer's representations and warranties contained herein and the due performance or satisfaction by the Corporation and the Issuer on or prior to the Closing Date of all the agreements then to be performed and conditions then to be satisfied by the Corporation or the Issuer, as applicable.

(g) On the Closing Date, the Corporation shall pay the expenses of the Lender (which include fees and expenses of the Lender's internal and external counsel).

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Lender.

If the Corporation shall be unable to satisfy the conditions to the Lender's acceptance of the Note and making of the Loan, this Agreement shall terminate and neither the Lender nor the Corporation shall be under any further obligation hereunder.

#### **Section 11. Expenses.**

(a) The Lender shall be under no obligation to pay, and the Corporation shall pay, any expenses incident to the performance of the Corporation's obligations hereunder, including, but not limited to (i) the cost of preparation and printing of the Note, (ii) the fees and disbursements of Bond Counsel, counsel to the Master Trustee and counsel to the Issuer; and (iii) the fees and disbursements of any accountants or financial advisors retained by the Issuer or the Corporation. The Corporation shall also pay for any expenses incurred by the Lender which are incidental to implementing this Agreement including, but not limited to, meals, transportation and lodging, if any, and any other miscellaneous closing costs provided the Corporation shall receive from the Lender, not later than the Closing Date, written itemization of such incidental costs. The Corporation acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Note.

(b) If this Agreement shall be terminated by the Lender because of any failure or refusal on the part of the Issuer or the Corporation to comply with the terms or to fulfill any of the conditions of this Agreement, or if for any reason the Issuer or the Corporation shall be unable to perform their obligations under this Agreement, the Corporation will reimburse the Lender for all out-of-pocket expenses (including the fees and disbursements of counsel to the Lender) reasonably incurred by the Lender in connection with this Agreement.

**Section 12. Notices.** Any notice or other communication to be given to the Issuer under this Agreement may be given by delivering the same in writing at Monroeville Finance Authority, 2700 Monroeville Blvd., Monroeville, PA 15146, Attention: Chairman, any notice or other communication to be given to the Corporation under this Agreement may be given by delivering the same in writing at UPMC, U.S. Steel Tower, 600 Grant Street, Pittsburgh, PA 15219, Attention: C. Talbot Heppenstall, Jr., Treasurer, and any notice or other communication to be given to the Lender under this Agreement may be given by delivering the same in writing to DNT Asset Trust, c/o JPMorgan Chase Bank, National Association, Attention: David Weinstein, Executive Director, Public Finance Credit Origination, 383 Madison Avenue, 8th Floor, Mail Code: NY1-M076, New York, New York 10179, Telephone: (212) 270-4948, Facsimile: (917) 463-0196, with a copy to DNT Asset Trust, c/o JPMorgan Chase Bank, National Association, JPM-Delaware Loan Operations, 500 Stanton Christiana Road, Ops 2, Floor 03,

Newark, Delaware 19713, Attention: Lorie Paulin, Telephone: (302) 634-8789, Facsimile: (302) 634-8459, and, for compliance-related items, with a copy to: public.finance.notices@jpmchase.com.

**Section 13. Parties in Interest; Assignment; Participation; Pledging; Sale.** This Agreement as heretofore specified shall constitute the entire agreement between us and is made solely for the benefit of the Issuer, the Corporation and the Lender (including successors or assigns or affiliates of the Lender) and no other person shall acquire or have any right hereunder or by virtue hereof. This Agreement may not be assigned by the Issuer or the Corporation. All covenants, agreements, representations and warranties made in this Agreement shall survive the making of this Agreement and shall continue in full force and effect so long as any obligation is due and owing the Lender hereunder or under any other Related Document. Notwithstanding any other provision of this Agreement or the other Related Documents to the contrary, the Lender may, without the consent of the Corporation or any other member of the Obligated Group, assign, pledge as security, participate or sell the Note to (i) any entity which is related to the Lender or (ii) any special purpose entity or arrangement which issues certificates representing a beneficial interest in the Note, including such arrangements in which the Lender or an affiliate remains an owner directly or indirectly, or (iii) any qualified institutional buyer, accredited investor, or other Person eligible to purchase the Note.

**Section 14. Effectiveness; Term; Amendment.** This Agreement shall become effective upon execution by the parties hereto and shall be valid and enforceable at the time of such execution. This Agreement and the rights of the Lender shall terminate upon the later of (i) Maturity Date and (ii) payment to the Lender or its assigns all sums due under the Note and hereunder, provided that such terms and provisions of this Agreement that expressly survive termination of this Agreement shall remain in full force and effect. This Agreement may be amended (or extended) by an appropriate supplement hereto duly executed by the Lender (or its assigns), the Issuer and the Corporation.

**Section 15. Indemnification.**

(a) To the extent permitted by applicable law, the Corporation hereby agrees to pay to the Lender all claims, damages, losses, liabilities, costs or expenses whatsoever which the Lender may incur (i) by reason of any untrue statement or alleged untrue statement of any material fact contained or incorporated by reference in any materials furnished by the Corporation in connection with the issuance of the Note and/or the making of the Loan, or the omission or alleged omission to state therein a material fact necessary to make such statements, in light of the circumstances under which they are or were made, not misleading, or (ii) by reason of or in connection with the execution and delivery or transfer of, or payment or failure to pay under, the Note, except for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence or willful misconduct of the Lender. Further, the Corporation hereby agrees to hold the Lender and their respective officers, directors, shareholders, employees, agents and servants harmless from and against, any and all losses, liabilities (including liabilities for penalties), actions, suits, judgments, demands, damages, costs or expenses (including, without limitation, attorneys' fees and expenses) of any nature arising from or relating to the amendments to certain terms of the Note (or any interest in any fund into which the Note is placed), except for any such loss, liability, action, suit, judgment, demand, damage, cost or expense to the extent, and only to the extent, determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the Lender's gross negligence or willful misconduct. The obligations of the Corporation pursuant to this Section 15(a) shall survive termination of this Agreement.

(b) To the extent permitted by applicable law, the Corporation hereby agrees to pay to the Issuer all claims, damages, losses, liabilities, costs or expenses whatsoever which the Issuer may incur (i) by reason of any untrue statement or alleged untrue statement of any material fact contained or incorporated by reference in any materials furnished by the Corporation in connection with the issuance

of the Note and/or the making of the Loan, or the omission or alleged omission to state therein a material fact necessary to make such statements, in light of the circumstances under which they are or were made, not misleading, or (ii) by reason of or in connection with the execution and delivery or transfer of, or payment or failure to pay under, the Note, except for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by the gross negligence or willful misconduct of the Issuer. Further, the Corporation hereby agrees to hold the Issuer and their respective officers, directors, shareholders, employees, agents and servants harmless from and against, any and all losses, liabilities (including liabilities for penalties), actions, suits, judgments, demands, damages, costs or expenses (including, without limitation, attorneys' fees and expenses) of any nature arising from or relating to the amendments to certain terms of the Note (or any interest in any fund into which the Note is placed), except for any such loss, liability, action, suit, judgment, demand, damage, cost or expense to the extent, and only to the extent, resulting from the Issuer's gross negligence or willful misconduct, or (iii) by reason of a Tax Event. The obligations of the Corporation pursuant to this Section 15(b) shall survive termination of this Agreement.

(c) To the extent permitted by applicable law, no party hereto shall assert, and each such party hereby waives, any claim against any other party, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Note or any Loan or the use of the proceeds thereof; *provided* that, nothing in this clause (c) shall relieve the Corporation of any obligation it may have to indemnify any other Person under this Section against special, indirect, consequential or punitive damages asserted against such Person by a third party.

#### **Section 16. Choice of Law; Waiver of Jury Trial; Jurisdiction.**

(a) THIS AGREEMENT SHALL BE DEEMED TO BE A CONTRACT UNDER, AND FOR ALL PURPOSES SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, EXCEPT THAT ALL MATTERS RELATING TO THE AUTHORITY SHALL BE GOVERNED BY THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA.

(b) TO THE FULL EXTENT PERMITTED BY LAW, THE ISSUER, THE CORPORATION AND THE LENDER EACH HEREBY WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE OTHER RELATED DOCUMENTS. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY THE ISSUER, THE CORPORATION AND THE LENDER, AND THE CORPORATION AND THE LENDER HEREBY REPRESENT THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY PERSON OR ENTITY TO INDUCE THIS WAIVER OF TRIAL BY JURY OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES ENTERING INTO THE RELATED DOCUMENTS. THE ISSUER, THE CORPORATION AND THE LENDER ARE EACH HEREBY AUTHORIZED TO FILE A COPY OF THIS SECTION IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER OF JURY TRIAL. EACH OF THE ISSUER AND THE CORPORATION FURTHER REPRESENTS AND WARRANTS THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS AGREEMENT AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

(c) The Corporation, the Issuer and the Lender hereby consent to process being served in any suit, action or proceeding either (i) by mailing a copy thereof by registered or certified mail, postage prepaid, return receipt requested, to it at its address set forth in Section 12 or (ii) by

serving a copy thereof upon it at its address set forth in Section 12. The Corporation, the Issuer and the Lender irrevocably waive, to the fullest extent permitted by law, all claims of error by reason of any service as contemplated herein and agrees that such service shall be deemed in every respect effective service upon the Corporation, the Issuer or the Lender in any such suit, action or proceeding and, to the fullest extent permitted by law, shall be taken and held to be valid personal service upon and personal delivery to the Corporation, the Issuer or the Lender.

**Section 17. Severability.** If any provision of this Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

**Section 18. Section Headings.** Section headings have been inserted in this Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Agreement and will not be used in the interpretation of any provisions of this Agreement.

**Section 19. Counterparts.** This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. This Agreement may be delivered by the exchange of signed signature pages by facsimile transmission or by e-mail with a pdf copy or other replicating image attached, and any printed or copied version of any signature page so delivered shall have the same force and effect as an originally signed version of such signature page.

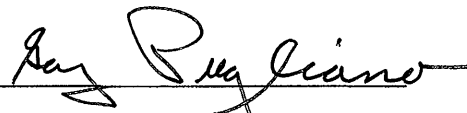
**Section 20. USA Patriot Act.** Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account or obtains a loan. The Lender will ask for the Corporation's legal name, address, tax ID number or social security number and other identifying information. The Lender may also ask for additional information or documentation or take other actions reasonably necessary to verify the identity of the Corporation's guarantors or other related persons. The Corporation shall, promptly following a request by the Lender, provide all documentation and other information that the Lender requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act.

[Remainder of page intentionally left blank]


[Signature page to Loan and Security Agreement - Series 2015A Note]

IN WITNESS WHEREOF, the parties hereto have duly executed this Loan and Security Agreement as of the day and year first above written.

MONROEVILLE FINANCE AUTHORITY

By:   
Name:  
Title: (Vice) Chair

UPMC

By:   
Name: C. Talbot Heppenstall, Jr.  
Title: Treasurer

DNT ASSET TRUST

By: \_\_\_\_\_  
Name: David Weinstein  
Title: Executive Director

[Signature page to Loan and Security Agreement - Series 2015A Note]

IN WITNESS WHEREOF, the parties hereto have duly executed this Loan and Security Agreement as of the day and year first above written.


MONROEVILLE FINANCE AUTHORITY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: (Vice) Chair

UPMC

By: \_\_\_\_\_  
Name: C. Talbot Heppenstall, Jr.  
Title: Treasurer

DNT ASSET TRUST

By: \_\_\_\_\_  
Name: David Weinstein  
Title: Executive Director

**EXHIBIT A**  
**FORM OF NOTE**

**EXHIBIT A**

**Form of 2015A Note**

**MONROEVILLE FINANCE AUTHORITY  
UPMC REVENUE NOTE, SERIES 2015A**

<b><u>NUMBER</u></b>	<b><u>MATURITY DATE</u></b>	<b><u>ISSUE DATE</u></b>	<b><u>INTEREST RATE</u></b>
R-001	June 1, 2040	June 25, 2015	Index Rate

**REGISTERED OWNER:** DNT Asset Trust

**PRINCIPAL AMOUNT:** SEVENTY-ONE MILLION TWO HUNDRED THIRTY-FIVE THOUSAND AND NO/100 DOLLARS (\$71,235,000)

Monroeville Finance Authority (the “*Issuer*”), a public body corporate and politic and instrumentality of the Commonwealth of Pennsylvania (the “*Commonwealth*”), acknowledges itself indebted and for value received hereby promises to pay, in the manner and from the source hereinafter provided, to the registered owner identified above, or registered assigns, on the Maturity Date stated above, unless funds for the prepayment of this Note prior to the Maturity Date shall have been duly made or provided for, upon presentation and surrender hereof, the principal amount identified above, and to pay, in the manner and from the source hereinafter provided, to the registered owner hereof interest on the balance of said principal amount from time to time remaining unpaid at the rate set forth above, until payment in full of such principal amount.

Capitalized words and phrases used but not defined herein shall have the meanings set forth in the Loan and Security Agreement dated as of June 25, 2015 (as amended from time to time, the “*Loan Agreement*”), by and among the Issuer, UPMC, a Pennsylvania nonprofit corporation (the “*Corporation*”), and DNT Asset Trust (together with any successor thereto or assignee thereof, the “*Lender*”), unless otherwise noted.

This Note is designated "Monroeville Finance Authority UPMC Revenue Note, Series 2015A (this "Note"), and is being issued in the aggregate principal amount of \$71,235,000 under and pursuant to the Loan Agreement. Reference is made to the Loan Agreement for provisions concerning, among other things, a statement of the purposes for which this Note have been issued, the application of the proceeds of loan evidenced by this Note, the Trust Estate (as defined in the Loan Agreement) assigned and pledged for the security of this Note, the rights and obligations of the Issuer and the Lender and provisions relating to the rights of the Lender.

The Loan Agreement requires the Corporation to make payments to the Issuer, together with other available moneys, to meet the debt service requirements on this Note, to pay the fees and expenses of the Issuer, and to pay certain costs associated with this Note. The Loan Agreement is a general obligation of the Corporation. This Note is also secured by and payable from the UPMC Series 2015A Note dated as of June 25, 2015 (the “*Master Note*”), issued by the Corporation pursuant to a Master Trust Indenture dated as of May 1, 2007 between the Corporation and The Bank of New Mellon York Trust Company, N.A., as master trustee (as amended from time to time, the “*2007 Master Indenture*”).

This Note is issued under the laws of the Commonwealth pursuant to the Municipality Authorities Act, as amended, and a resolution duly adopted by the Issuer, and is a limited obligation of the Issuer payable solely from and secured by the Trust Estate. NEITHER THE PRINCIPAL OF THIS NOTE, NOR THE INTEREST ACCRUING THEREON SHALL EVER CONSTITUTE A GENERAL INDEBTEDNESS OF THE ISSUER OR AN INDEBTEDNESS OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER OR SHALL EVER CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE MUNICIPALITY OF MONROEVILLE, THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF, NOR WILL THIS NOTE BE, OR DEEMED TO BE, AN OBLIGATION OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF. THE ISSUER HAS NO TAXING POWER.

This Note shall not constitute the personal obligation, either jointly or severally, of the members of the Board of the Issuer or of any other officer, employee or agent of the Issuer.

The principal of and interest on this Note shall be paid in lawful money of the United States of America to the holder hereof.

CONVERSION TO NEW INTEREST MODE: While the Note is in the Index Rate Mode, the Corporation may, on a date that the Note is subject to optional redemption, but not prior to June 2, 2025, and subject to the terms of the Loan Agreement, determine (A) that the Note shall operate in another Index Rate Mode, in which case the Note shall bear interest at the Index Rate and upon such terms as shall be established pursuant to the terms of an amendment or supplement to the Loan Agreement, or (B) to convert the Interest Mode applicable to the Note to an Interest Mode other than an Index Rate Mode, in which case the Note shall bear interest in the new Interest Mode upon such terms (including interest rate determination, redemption, optional tender and mandatory tender) as shall be set forth in an amendment or supplement to the Loan Agreement.

OPTIONAL PREPAYMENT: On and prior to the date on which this Note is converted to a Term Rate Mode or the Fixed Rate Mode, this Note is subject to optional prepayment as set forth in the Loan Agreement.

MANDATORY PREPAYMENT: This Note is subject to mandatory prepayment prior to the Maturity Date, in part, on the Interest Payment Date in June of the years 2016 through 2040, inclusive, in the mandatory prepayment amounts set forth below (subject to reductions arising from the acquisition and surrender or the optional redemption of this Note, as described in the Loan Agreement), at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the prepayment date:

[Remainder of page intentionally left blank.]

<u>June Interest Payment Date</u>	<u>Principal Amount</u>	<u>June Interest Payment Date</u>	<u>Principal Amount</u>
2016	\$1,600,000	2029	\$2,830,000
2017	1,670,000	2030	2,960,000
2018	1,745,000	2031	3,095,000
2019	1,825,000	2032	3,235,000
2020	1,905,000	2033	3,380,000
2021	1,990,000	2034	3,530,000
2022	2,080,000	2035	3,690,000
2023	2,175,000	2036	3,855,000
2024	2,275,000	2037	4,030,000
2025	2,375,000	2038	4,210,000
2026	2,480,000	2039	4,400,000
2027	2,595,000	2040*	4,595,000
2028	2,710,000		

\* Maturity

ACCELERATION: Upon the occurrence of certain Events of Default or in other circumstances as described in the Loan Agreement, the principal of this Note then outstanding, together with all interest accrued thereon, may be declared (or, in certain circumstances, shall be declared) due and payable prior to the maturity date thereof in the manner, with the effect and subject to the conditions provided in the Loan Agreement.

The covenants contained herein and in the Loan Agreement may be discharged by making provision, at any time, for the payment of the principal of and interest on this Note in the manner set forth in the Loan Agreement.

At any time and from time to time, the terms and provisions of the Loan Agreement or any instrument supplemental or amendatory thereto may be modified or altered to the extent permitted by and in the manner set forth in the Loan Agreement.

Reference is hereby made to the Loan Agreement for other terms and conditions upon which this Note has been issued, which terms and conditions are made a part hereof by this reference.

The Issuer and the Corporation, and their respective successors, each in its discretion, may deem and treat the Lender as the absolute owner hereof for all purposes and neither the Issuer nor the Corporation, nor their respective successors, shall be affected by any notice to the contrary. "Lender," as used herein, means the Lender or such other successor or assignee named as the holder of this Note on the registry books of the Lender.

All acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of this Note in order to make them legal, valid and binding obligations of the Issuer in accordance with their terms, and the execution of the Loan Agreement have happened, exist and have been performed as so required; the Issuer has received payment in full for this Note; and no limitation of indebtedness, either statutory or constitutional, has been exceeded in the issuance of this Note.

The Owner of this Note shall have the right to enforce the provisions of the Loan Agreement or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default

under the Loan Agreement, or to institute, appear in or defend any suit or other proceeding with respect thereto, all as provided in the Loan Agreement.

Capitalized terms used in this Note but not defined herein shall have the meanings ascribed to them in the Loan Agreement.

[Remainder of page intentionally left blank. Signature page follows.]

**IN WITNESS WHEREOF**, the Monroeville Finance Authority has caused this Note to be executed in its name by the facsimile signature of its Chair or Vice Chair and the facsimile seal of the Issuer to be imprinted hereon, attested by the facsimile signature of its Secretary or Assistant Secretary, all as of the date of issuance of the Note.

ATTEST:

**MONROEVILLE FINANCE AUTHORITY**

\_\_\_\_\_  
(Assistant) Secretary

\_\_\_\_\_  
(Vice) Chair

(SEAL)

## EXHIBIT B

### FORM OF COMPLIANCE CERTIFICATE

#### DEBT COVENANT CALCULATIONS

PERIOD ENDED \_\_\_\_\_, 20\_\_

#### DEBT SERVICE COVERAGE RATIO

(Dollars in Thousands)

Trailing \_\_\_\_\_ Month Period Ended  
\_\_\_\_\_, 20\_\_

Net Income

\$

#### ADJUSTED BY:

Net Unrealized Gains from Period <sup>1</sup>

Depreciation and Amortization <sup>1</sup>

Loss on Defeasance of Debt <sup>1</sup>

Hamot Purchase Accounting – Inherent Contribution <sup>1</sup>

Pension Commitment <sup>1</sup>

Asset Impairment <sup>1</sup>

Realized Investment Impairments <sup>2</sup>

Interest Expense

Revenues Available for Debt Service

\$

Historical Debt Service Requirements – MTI

\$

Debt Service Coverage Ratio – MTI

Historical Debt Service Requirements – All Debt and Leases

\$

Debt Service Coverage Ratio – All Debt and Leases

#### LIQUIDITY RATIO AS OF \_\_\_\_\_, 20\_\_

Unrestricted Cash and Investments

\$

Master Indenture Debt

\$

Unrestricted Cash to MTI Debt

<sup>1</sup> Non-Cash

<sup>2</sup> Reflects realization of previously impaired cost-based investments.

I hereby certify to the best of my knowledge that, as of \_\_\_\_\_, 20\_\_, UPMC is in compliance with the applicable covenants contained in the financing documents for the Note listed on the prior page and all applicable bank lines of credit and no Event of Default (as defined in any related financing document) has occurred and is continuing.

UPMC

By \_\_\_\_\_

[C. Talbot Heppenstall, Jr.  
Treasurer]