SERIAL 06048 IGA MIHS MEDICAL SERVICES (NIGP CODE 94874)

DATE OF LAST REVISION: August 02, 2007 CONTRACT END DATE: December 31, 2025

CONTRACT PERIOD BEGINNING APRIL 20, 2006
ENDING DECEMBER 31, 2025

TO: All Departments

FROM: Department of Materials Management

SUBJECT: Contract for **MIHS MEDICAL SERVICES**
(NIGP CODE 94874)

Attached to this letter is a listing of Services available to Maricopa County Agencies utilizing the Maricopa Integrated Health System Contract 20041288867. The using agency and other interested parties may access and electronic version of this contract from the Materials Management Web site at:
http://www.maricopa.gov/materials/Awarded_Contracts/search.asp.

Please note: Price Agreement Purchase Orders (PG documents) may be generated using the information from this list. Use NIGP CODE, 94874

All purchases of product(s) listed on the attached pages of this letter are to be obtained from the listed contractor(s).

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AMENDED AND RESTATED
INTERGOVERNMENTAL AGREEMENT

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BY AND BETWEEN
MARICOPA COUNTY, ARIZONA
and

MARICOPA COUNTY
SPECIAL HEALTH CARE DISTRICT

Dated AS OF NOVEMBER 1, 2004

20041288867

CLERK OF THE BOARD
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AMENDED AND RESTATED INTERGOVERNMENTAL AGREEMENT

BY AND BETWEEN

MARICOPA COUNTY, ARIZONA,
a political subdivision of the State of Arizona

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and

MARICOPA COUNTY SPECIAL HEALTH CARE DISTRICT
a tax-levying public improvement district of the State of Arizona

DATED AS OF NOVEMBER 1, 2004

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AMENDED AND RESTATED INTERGOVERNMENTAL AGREEMENT

DATE: November 1, 2004

PARTIES: **MARICOPA COUNTY, ARIZONA**, a political subdivision of the State of Arizona ("**County**"); and

MARICOPA COUNTY SPECIAL HEALTH CARE DISTRICT, a tax-levying public improvement district of the State of Arizona ("**District**").

RECITALS:

A. Arizona Revised Statutes § 11-952 authorizes public agencies to enter into intergovernmental agreements with other public agencies.

B. The County desires to tra Unofficial Document System to the District, pursuant to the terms of this Agreement and pursuant to A.R.S. § 48-5501 *et seq.*

C. The District's mission is to provide medical education programs, emergency and other services to the community including the medically underserved, and facilities and equipment necessary for such services.

D. The District desires to accept and acquire all or part of the County's Health System, including certain of its assets, liabilities, duties and responsibilities.

E. The parties approved a form of this Agreement on October 6, 2004. The parties have elected not to execute and deliver such form and instead hereby approve this Amended and Restated Intergovernmental Agreement.

F. The purpose of this Amended and Restated Intergovernmental Agreement ("**Agreement**") is to establish the terms of the transfer of all or part of the Health System from the County to the District.

THEREFORE, in consideration of the mutual agreements expressed herein, it is agreed as follows:

SECTION 1. DEFINITIONS.

1.1 Agreement means this Amended and Restated Intergovernmental Agreement by and between Maricopa County, Arizona, and the Maricopa County Special Health Care District.

1.2 AHCCCS means the Arizona Health Care Cost Containment System as authorized pursuant to A.R.S. § 36-2903, *et seq.*

1.3 AHCCCSA means Arizona Health Care Cost Containment System Administration.

1.4 AHCCCS Acute Plan means a contract between the County and AHCCCSA, Contract No YH04-0001-04 issued February 3, 2003, as amended and supplemented for the provision of hospitalization and medical care coverage to eligible persons who are enrolled in AHCCCS as defined in A.R.S. §§ 36-2901, 36-2981 and 36-2981.01.

1.5 ALTCS means the Arizona Long Term Care System.

1.6 ALTCS Plan means the health insurance plan between the AHCCCSA and the County providing long term care for the aged, blind or physically disabled who need ongoing services at a nursing facility level of care.

1.7 Alternative Dispute Resolution has the meaning set forth in Exhibit IGA-32.

1.8 Arbitration has the meaning set forth in Section 12.1 of this Agreement.

1.9 Assignment of Contracts has the meaning set forth in Section 4.1 of this Agreement.

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1.10 Assignment of Licenses, Permits and Registrations has the meaning set forth in Section 4.2 of this Agreement.

1.11 Assignment of Warranties has the meaning set forth in Section 4.3 of this Agreement.

1.12 Assignment of Lease has the meaning set forth in Section 3.2.3 of this Agreement.

1.13 Assignment and Assumption of Lease has the meaning set forth in Section 3.4.1 of this Agreement.

1.14 Assumed Liabilities has the meaning set forth in Section 5.1 of this Agreement.

1.15 Audited Balance Sheet has the meaning set forth in Section 3.8.2 of this Agreement.

1.16 Avondale and Glendale WIC Subleases has the meaning set forth in Section 3.2.4 of this Agreement.

1.17 Avondale Debt has the meaning set forth in Section 3.3.1 of this Agreement.

1.18 Bill of Sale has the meaning set forth in Section 3.5.1 of this Agreement.

1.19 Board means the directors of the District who have been elected pursuant to A.R.S.§ 48-5541.01(B).

1.20 Business Days mean all days of the year except Saturday, Sunday and State of Arizona or federal legal holidays.

1.21 CMS means Center for Medicare and Medicaid Services, a Federal agency of the Department of Health and Human Services that administers, among other programs, the Medicare program, the Medicaid program and the Child Health insurance program.

1.22 Comprehensive Health Care Center has the meaning set forth in Section 3.3.1 of this Agreement.

1.23 County means Maricopa County, Arizona, a political subdivision of the State of Arizona.

1.24 County CHC Debt has the meaning set forth in Section 3.3.1 of this Agreement.

1.25 County Counsel has the meaning set forth in Section 13.10 of this Agreement.

1.26 County DSH Reimbursement Amount has the meaning set forth in Section 3.10.1 of this Agreement.

1.27 County Event of Default has the meaning set forth in Section 12.3 of this Agreement.

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1.28 County Proceeding has the meaning set forth in Section 12.3.2.4 of this Agreement.

1.29 County Writ has the meaning set forth in Section 12.3.2.4 of this Agreement.

1.30 CPI Index means the "All Items" portion of the All Urban Consumers Index published by the U.S. Bureau for Labor Statistics for Metropolitan Phoenix.

1.31 Deeds of Trust has the meaning set forth in Section 3.2.2.1 of this Agreement.

1.32 Deferred Desert Vista Rental Payments has the meaning set forth in Section 3.3.1 of this Agreement.

1.33 Delivery System has the meaning set forth in Section 2.1 of this Agreement.

1.34 Desert Vista Debt has the meaning set forth in Section 3.3.1 of this Agreement.

1.35 Desert Vista Hospital means the behavioral health specialty hospital, including the real property and related improvements, owned by Maricopa County and located at 570 West Brown Street, Mesa, Arizona.

1.36 Disproportionate Share Program means the Federal program that reimburses hospitals that serve a disproportionate number of Medicaid or low-income patients and any expansion or substitute or other program that involves Special Payments.

1.37 District means the Maricopa County Special Health Care District, a tax-levying public improvement district of the State of Arizona.

1.38 District Event of Default has the meaning set forth in Section 12.2 of this Agreement.

1.39 District Proceeding has the meaning set forth in Section 12.2.2.4 of this Agreement.

1.40 District Writ has the meaning set forth in Section 12.2.2.4 of this Agreement.

1.41 DSH Deficiency has the meaning set forth in Section 3.10.1 of this Agreement.

1.42 DSH Protective Legislation has the meaning set forth in Section 3.10.1 of this Agreement.

1.43 DSH Triggering Event has the meaning set forth in Section 3.10.4 of this Agreement.

1.44 Encumbered Facility Sublease Purchase Agreement has the meaning set forth in Section 3.3.1 of this Agreement.

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1.45 Encumbered Real Property has the meaning set forth in Section 2.1.1.7 of this Agreement.

1.46 Failed County Rep and Warranty has the meaning set forth in Section 3.2.2.1 of this Agreement.

1.47 FHCs means the Family Health Centers as described on Exhibit IGA 9.

1.48 Fund Transfer IGA has the meaning set forth in Section 3.10.3 of this Agreement.

1.49 GAAP means the U.S. generally accepted audit and accounting principles.

1.50 Health Plans means the Maricopa County ALTCS Plan and the AHCCCS Acute Plans.

1.51 Health System means the health care institutions as operated by the County on the Transfer Date, commonly known as Maricopa Integrated Health System and all related real and personal property, including, without limitation, hospital facilities, clinics, rehabilitation centers, therapy facilities, outpatient clinics, nursing homes, blood banks, ambulance facilities, extended care facilities, dispensaries, pharmacies, parking facilities, laundry facilities, dormitories, offices and administration buildings, cafeterias and food service facilities, research, laboratory and diagnostic facilities, libraries, information systems and data bases, ambulances, stretcher vans and other medical transportation equipment, education facilities, school-based clinics, equipment, tools, machinery, accounts receivable and other intangible assets, medical staff and house staff, health maintenance organizations, health care services organizations and health insurance plans, graduate medical and other health care professional educational programs, in each case maintained, owned or operated for the payment and delivery of medical services, nursing services, home health services, home delivery services, emergency medical services, behavioral health services, long-term care services, health-related services and health screening

services, adult day health services, adult foster care services, hospice services, personal care services, respite care services, supervisory care services and medical equipment services.

1.52 IGA Execution Date means November 1, 2004.

1.53 Indemnitee has the meaning set forth in Section 10.3 of this Agreement.

1.54 Indemnitor has the meaning set forth in Section 10.3 of this Agreement.

1.55 Initial FY 2004-05 Budget has the meaning set forth in Section 6.2.1 of this Agreement.

1.56 JCAHO means Joint Commission on Accreditation of Healthcare Organizations, an oversight body for health care organizations and managed care.

1.57 JLBC means the Joint Legislative Budget Committee.

1.58 Leaseback Termination Date has the meaning set forth in Section 2.1.1 of this Agreement.

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1.59 Leased Property Promissory Note has the meaning set forth in Section 3.3.1.1 of this Agreement.

1.60 Leased Property Security Agreement has the meaning set forth in Section 3.3.1.1 of this Agreement.

1.61 Maricopa Integrated Health System means the Health System described in Section 1.51 of this Agreement.

1.62 Mediation Commencement Date has the meaning set forth in Section 12.1 of this Agreement.

1.63 Medical Center has the meaning set forth in Section 3.2.1 of this Agreement.

1.64 Medical Center Lease has the meaning set forth in Section 3.2.1 of this Agreement.

1.65 Medical Record means medical records as defined by A.R.S.§ 12-2291(4), as amended.

1.66 Medical Center Security Agreement has the meaning set forth in Section 3.2.1.2 of this Agreement.

1.67 MedPro means Medical Professional Associates of Arizona, a group of medical professionals providing comprehensive medical care in Maricopa County.

1.68 MedPro Contract has the meaning set forth in Section 2.1.1.4 of this Agreement.

1.69 Permitted Litigation has the meaning set forth in Section 12.7 of this Agreement.

1.70 Personal Property Security Agreement has the meaning set forth in Section 3.5.2 of this Agreement.

1.71 Personal Property Promissory Note has the meaning set forth in Section 3.5.2 of this Agreement.

1.72 Real Property Promissory Note has the meaning set forth in Section 3.2.2.1 of this Agreement.

1.73 Related Agreements means this Agreement, the Medical Center Lease and the Encumbered Facility Sublease Purchase Agreements.

1.74 Retained Liabilities has the meaning set forth in Section 5.2 of this Agreement.

1.75 Revenue Leases has the meaning set forth in Section 3.2.3 of this Agreement.

1.76 Special Payments has the meaning set forth in Section 3.10.1 of this Agreement.

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1.77 State means the State of Arizona.

1.78 State Treasurer means the Treasurer of the State of Arizona.

1.79 Transfer Date means November 1, 2004.

1.80 Transferred Funds has the meaning set forth in Section 3.10.1 of this Agreement.

1.81 Transferred Real Property has the meaning set forth in Section 11.2.8.1 of this Agreement.

1.82 Treasurer means the Maricopa County Treasurer.

1.83 Uniform Arbitration Act has the meaning described in A.R.S. § 12-1501 *et seq.*

1.84 Working Capital Line of Credit has the meaning set forth in Section 6.2.2 of this Agreement.

SECTION 2. CONDITIONS PRECEDENT TO TRANSFER.

2.1 Two-Phase Transfer. The transfer contemplated by this Agreement shall be accomplished in two phases. All assets and certain liabilities of the Health System (as operated by the County on the Transfer Date, other than the Health Plans) shall be transferred in the first phase, and one or more of the Health Plans will be transferred in the second phase pursuant to Section 2.1.2. The assets and liabilities transferred in the first phase are referred to herein as the "**Delivery System**." The transfer of the Delivery System shall not become effective and shall not be implemented unless and until the conditions specified in Section 2.1.1 below are satisfied or waived. The transfer of either or both of the Health Plans shall not become effective and shall not be implemented unless and until the conditions specified in Section 2.1.2 below are satisfied or waived.

2.1.1 Transfer of Delivery System. The parties acknowledge that the Delivery System shall be transferred to the District on the Transfer Date even though not all of the conditions set forth below in this Section 2.1.1 have been satisfied. The County shall satisfy the conditions set forth below prior to January 1, 2005 (the "**Leaseback Termination Date**"). During the period after the Transfer Date and ending on the Leaseback Termination Date, the County will lease from the District all assets of the Delivery System and shall retain all operational authority with respect to the Delivery System. If the County determines that any condition set forth below cannot be satisfied prior to the Leaseback Termination Date, the County shall notify the persons elected to the District Board of such determination so that the County and the District can jointly work to satisfy any such conditions.

2.1.1.1 Third-Party Approvals. All required third-party consents and approvals required to transfer title to the District and for the District to operate the Delivery System shall have been obtained as set forth more fully on Exhibit IGA-1 attached hereto.

2.1.1.2 Appraisal. The County and the District shall have received a fair market value appraisal of the Delivery System issued by American Appraisal Associations, Inc., dated September 23, 2004. Unofficial Document

2.1.1.3 Licensure. The District shall have received from the appropriate licensing or permitting agencies assurances that there is no impediment to the issuance or transfer of licenses and permits to the District of those licenses and permits required to operate the Delivery System, all as described on Exhibit IGA-1 attached hereto.

2.1.1.4 MedPro. The County, the District and MedPro ("**MedPro**") shall have executed and delivered an assignment and assumption agreement assigning to the District the contract by and between the County and MedPro, County Contract # C90-02-059-1, dated as of November 1, 2001, as amended ("**MedPro Contract**").

2.1.1.5 Tenant Leases. The County shall have obtained the consent of the lessor to the assignment and assumption of the lease set forth in Exhibit IGA-2 attached hereto.

2.1.1.6 Leased Personal Property. The County shall have obtained lessors' consents to the assignment and assumption of leases and/or subleases as set forth in Exhibit IGA-3 attached hereto.

2.1.1.7 Encumbered Real Property. The County shall have obtained the consent of lenders to lease or sublease the encumbered real property ("**Encumbered Real Property**") set forth in Exhibit IGA-4 hereto.

2.1.1.8 Environmental Assessment. The County shall have obtained Phase I and Phase II (as appropriate) Environmental Site Assessments (other than asbestos abatement) on all of the real property owned by the County that is being transferred hereunder. One-half (½) of the costs of such assessments shall be reimbursed by the District to the County no later than November 1, 2005.

2.1.1.9 State Retirement System. The County shall provide written documentation evidencing the County's application to the Arizona State Retirement System

concerning the rights and retention of benefits of certain County employees who will become employees of the District pursuant to that certain Employment Intergovernmental Agreement between the District and the County dated February 2, 2004, as may be amended.

2.1.2 Transfer of Health Plans. When the conditions set forth in this Section 2.1.2 are satisfied, either or both of the Health Plans shall be transferred to the District. Until both Health Plans are transferred to the District or (if either or both of the Health Plans are not transferred to the District) until the expiration of all retained Health Plans, the County shall purchase credentialing services from the District and the District shall provide such credentialing services pursuant to Section 8 of this Agreement. The County may terminate its obligation to purchase such credentialing services and the District may terminate its obligation to provide such credentialing services by giving the other party one hundred twenty (120) days' written notice.

2.1.2.1 AHCCCS Acute Plan. If and when the conditions set forth in this Section 2.1.2.1 are satisfied, the assets and liabilities of the AHCCCS Acute Plan shall be transferred to the District. District and County representatives shall meet periodically to determine if the conditions set forth in this Section 2.1.2.1 have been satisfied. The first such meeting shall occur no later than Februa Unofficial Document l shall occur every three (3) months thereafter.

2.1.2.1.1 Approval. AHCCCS shall have approved the transfer of the AHCCCS Acute Plan to the District, and AHCCCS, the County and the District shall have executed and delivered a contract assigning the AHCCCS Acute Plan to the District. As a condition to such approval, unless waived by AHCCCSA, the District shall have obtained a performance bond in accordance with Section D, Paragraph 47 of the AHCCCS Acute Plan and shall have funded the equity-per-member requirements set forth in Section D, Paragraph 50 of the AHCCCS Acute Plan.

2.1.2.1.2 Appraisal. The County shall have obtained an appraisal of the AHCCCS Acute Plan by a professional qualified to render opinions on values of public health plans.

2.1.2.1.3 Licensure. The District shall have received from the appropriate licensing or permitting agencies assurances that there is no impediment to the issuance or transfer of licenses and permits to the District of those licenses and permits required to operate the AHCCCS Acute Plan, all as described on Exhibit IGA-5, which shall be prepared prior to the transfer of the AHCCCS Acute Plan and attached to this Agreement at that time.

2.1.2.1.4 Assets and Liabilities. The County and the District shall have agreed upon the assets and liabilities to be transferred to the District in connection with the AHCCCS Acute Plan.

2.1.2.1.5 Fund Transfer IGA. If the Disproportionate Share Program is in existence, and if Special Payments continue to be paid to the District, the Fund Transfer IGA shall be in force and effective.

2.1.2.1.6 District Consent. When the parties agree that the conditions set forth in Section 2.1.2.1.1 through and including 2.1.2.1.5 have been satisfied, the

District shall have the right to consent to the transfer of the AHCCCS Acute Plan. If the District consents to the transfer of the AHCCCS Acute Plan, the County, the District and AHCCCS shall promptly execute and deliver such documents of transfer necessary to transfer the AHCCCS Acute Plan to the District. If the District does not consent to the transfer of the AHCCCS Acute Plan to the District, the County may thereafter take whatever action it deems appropriate regarding the AHCCCS Acute Plan, and the County shall thereafter have no obligation to transfer the AHCCCS Acute Plan to the District.

2.1.2.2 ALTCS Plan. If and when the conditions set forth in this Section 2.1.2.2 are satisfied, and if the parties mutually agree, the assets and liabilities of the ALTCS Plan shall be transferred to the District. District and County representatives shall meet periodically to determine if the conditions set forth in this Section 2.1.2.2 have been satisfied. The first such meeting shall occur no later than February 28, 2005 and shall occur every three (3) months thereafter.

2.1.2.2.1 Approval. AHCCCSA shall have approved the transfer of the ALTCS Plan to the District, and AHCCCSA, the County and the District shall have executed and delivered a contract a Unofficial Document LTCS Plan to the District. Unless waived by AHCCCSA, the District shall have obtained a performance bond in accordance with the letter of the AHCCCS Director, dated May 6, 2004.

2.1.2.2.2 Appraisal. The County shall have obtained an appraisal of the ALTCS Plan by a professional qualified to render opinions on values of public health plans.

2.1.2.2.3 Licensure. The District shall have received from AHCCCSA assurance that there is no impediment to the issuance or transfer of licenses and permits to the District of those licenses and permits required to operate the ALTCS Plan, all as described on Exhibit IGA-5, which shall be prepared prior to the transfer of the ALTCS Plan and attached to this Agreement at that time.

2.1.2.2.4 Assets and Liabilities. The County and the District shall have agreed upon the assets and liabilities to be transferred to the District in connection with the ALTCS Plan.

2.1.2.2.5 Fund Transfer IGA. If the Disproportionate Share Program is in existence, and if Special Payments continue to be paid to the District, the Fund Transfer IGA shall be in force and effective.

2.1.2.2.6 Mutual Agreement. The County and the District shall have otherwise agreed to transfer the ALTCS Plan, pursuant to documents which may include an audit and actuarial review.

2.1.2.2.7 Documents of Transfer. The County, the District and AHCCCS shall have executed and delivered such documents of transfer necessary to transfer the ALTCS Plan to the District.

2.1.3 Health Plan Transition. Following the Transfer Date and during such time that the County retains ownership of either Health Plan, to limit potential disruption of benefits to members of the Health Plans, the parties agree to the following Health Plan transition measures.

2.1.3.1 MedPro. In connection with the County's assignment of the MedPro Contract to the District pursuant to Section 2.1.1.4 of this Agreement, the County shall retain third party beneficiary rights to enforce those provisions of the MedPro Contract related to the provision of services to Health Plan members, which rights may be memorialized in an assignment agreement with MedPro.

2.1.3.2 Provider Network. The County will continue to include the Delivery System and the MedPro physicians providing services to Health Plan members as part of the County's Health Plan network, but the parties agree that neither the County nor the District shall be obligated to make any patient referrals to the other.

SECTION 3. CONVEYANCE OF REAL AND PERSONAL PROPERTY.

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3.1 Real Property Records. The County has ordered and shall provide the District current title reports and appraisals of all real property and interests in real property being transferred.

3.2 Unencumbered Real Property.

3.2.1 Maricopa Medical Center. The County shall lease at fair market value to the District the hospital and County-owned facilities located generally at 2601 East Roosevelt Street, Phoenix, Arizona, commonly known as Maricopa Medical Center Campus ("**Medical Center**"), subject to existing Revenue Leases set forth in Exhibit IGA-6 hereto upon the terms and conditions of a lease ("**Medical Center Lease**") attached hereto as Exhibit IGA-7. The parties will execute and deliver the Medical Center Lease on the Transfer Date. Rent payments will be deferred, pending a DSH Triggering Event pursuant to the terms of the Medical Center Lease.

3.2.1.1 The District shall comply with the state-imposed deed restriction on the Medical Center property as set forth more fully in the Medical Center Lease.

3.2.1.2 On the Transfer Date, the District and the County shall execute and deliver the security agreement ("**Medical Center Security Agreement**"), attached hereto as Exhibit IGA-8.

3.2.2 Family Health Centers. The County shall convey to the District the Family Health Centers, including the real property and improvements thereon as set forth on Exhibit IGA-9 (collectively, the "**FHCs**") attached hereto by Quit Claim Deeds generally in the form of Exhibit IGA-10. Such Quit Claim Deeds shall be executed by the County on the Transfer Date and delivered to the District on the Transfer Date.

3.2.2.1 On the Transfer Date, the District and the County shall execute and deliver the form of Deed of Trust and Assignment of Rents (the "**Deeds of Trust**") and the form

of Promissory Note ("**Real Property Promissory Note**"), attached hereto as Exhibit IGA-11 and Exhibit IGA-12, respectively for each FHC. The indebtedness represented by the respective Deeds of Trust and the Real Property Promissory Notes shall be the fair market value of each FHC as of the Transfer Date; provided, however, that if at the time of a DSH Triggering Event any representation or warranty of the County pursuant to Section 11.2 of this Agreement has been or is inaccurate or untrue in any way ("**Failed County Rep and Warranty**") that diminishes the value of any FHC, then for the purposes of determining the deferred amounts owed the County in the event of a DSH Triggering Event pursuant to Section 3.10.5.2 of this Agreement, the District shall be given a credit equal to the amount that the value of such FHC has been diminished as a result of the Failed County Rep and Warranty. In the event of a DSH Triggering Event, the County may (in the exercise of its sole discretion) exercise such rights as the County deems appropriate under the Deeds of Trust.

3.2.3 Revenue Leases. For each of the revenue leases described in Exhibit IGA-6 ("**Revenue Leases**") attached hereto, on the Transfer Date the District and the County shall execute and deliver the Assignment of Lease (collectively, "**Assignments of Leases**"), attached hereto as Exhibit IGA-13.

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3.2.4 WIC Subleases. On the Transfer Date, the District and the County shall execute and deliver the WIC subleases in connection with the Avondale FHC and the Glendale FHC, attached hereto as Exhibit IGA-14 (the "**Avondale and Glendale WIC Subleases**").

3.3 Encumbered Real Property.

3.3.1 The Encumbered Real Property as set forth on Exhibit IGA-4, consists of three properties: the Avondale Family Health Center ("**Avondale FHC**"), the Desert Vista Hospital and the Comprehensive Health Care Center located on the Medical Center Campus, the ("**Comprehensive Health Care Center**"). The County will lease the Avondale FHC and the Desert Vista Hospital to the District at the fair market rental value of the real property and improvements thereon, determined as of the Transfer Date, and the County will lease the Comprehensive Health Care Center to the District pursuant to the Medical Center Lease. On the Transfer Date, the District and the County shall execute and deliver the form of "**Encumbered Facility Sublease Purchase Agreement**" for the Avondale FHC and the Desert Vista Hospital, attached hereto as Exhibit IGA-15. Rent payments (in excess of such amounts as may be necessary to pay debt service on the Desert Vista Hospital facility) will be deferred ("**Deferred Desert Vista Rental Payments**") pending a DSH Triggering Event pursuant to the terms of the Encumbered Facility Sublease Purchase Agreement for the Desert Vista Hospital. Rent payments for the Comprehensive Health Care Center will be made pursuant to the Medical Center Lease. Following the County's receipt of any rent payments made pursuant to the Avondale FHC and the Desert Vista Hospital Encumbered Facility Lease Purchase Agreement attributable to the County's debt service as of the Transfer Date on the Avondale FHC ("**Avondale Debt**") and on Desert Vista Hospital ("**Desert Vista Debt**"), and following the receipt of any rent payments made pursuant to the Medical Center Lease attributable to the County's debt service on the Comprehensive Health Center as of the Transfer Date ("**County CHC Debt**"), the County shall promptly pay such amounts to satisfy the Avondale Debt, the Desert Vista Debt and the County CHC Debt. The County shall not increase the Avondale Debt, the Desert Vista Debt or the County CHC Debt after the IGA Execution Date. Upon the

satisfaction of the Desert Vista Debt, the Desert Vista Hospital shall be conveyed to the District pursuant to the Encumbered Facility Sublease Purchase Agreement for the Desert Vista Hospital. Upon satisfaction of the Avondale Debt, the Avondale FHC shall be conveyed to the District pursuant to the Encumbered Facility Sublease Purchase Agreement for the Avondale FHC. Upon the satisfaction of the County CHC Debt, the District shall have no obligation to make any rent payments to the County under the Medical Center Lease unless a DSH Triggering Event has occurred, as set forth with more particularity in the Medical Center Lease.

3.3.1.1 On the Transfer Date, the District and the County shall agree upon a form of security agreement and a form of deed of trust and a form of security agreement (collectively, the "**Leased Property Security Agreement and Deed of Trust**") and a form of promissory note ("**Leased Property Promissory Note**") for the Desert Vista Hospital Encumbered Facility Sublease Purchase Agreement, attached hereto as Exhibit IGA-16 and Exhibit IGA-17, respectively. In the event of a DSH Triggering Event, the County may (in the exercise of its sole discretion) exercise such rights as the County deems appropriate under the Leased Property Security Agreement.

3.3.1.2 The Lease Unofficial Document d of Trust, Leased Property Security Agreement and Deed of Trust and Leased Property Promissory Note shall become effective at such time as the District exercises its option to purchase the Encumbered Real Property pursuant to the Encumbered Property Facility Sublease Purchase Agreement.

3.4 Unencumbered Leased Real Property.

3.4.1 Tenant Leases. On the Transfer Date, the County shall convey to the District the County's interests as lessee in the lease set forth in Exhibit IGA-2 attached hereto pursuant to a form of an Assignment and Assumption of Lease ("**Assignment and Assumption of Lease**") attached hereto as Exhibit IGA-18. The Assignment and Assumption of Lease shall be executed and delivered to the District on the Transfer Date.

3.5 Owned Personal Property.

3.5.1 The County shall convey to the District certain unencumbered personal property, including but not limited to vehicles, furniture, fixtures, equipment, supplies, accounts, records and inventory (including pharmaceuticals) owned by the County in connection with its current operation of the Delivery System by Bill of Sale ("**Bill of Sale**") generally in the form of Exhibit IGA-19 attached hereto, which shall be executed by the County and delivered to the District on the Leaseback Termination Date.

3.5.2 On the Transfer Date, the District and the County shall execute and deliver the "**Personal Property Security Agreement**" and the "**Personal Property Promissory Note**" attached hereto as Exhibit IGA-20 and Exhibit IGA-21, respectively. The promissory note shall be in an amount equal to the net book value of the useable personal property as of the Transfer Date. In the event of a DSH Triggering Event, the County may (in the exercise of its sole discretion) exercise such rights as the County deems appropriate under the Personal Property Security Agreement.

3.6 Leased Personal Property. The County shall lease, sublease or assign to the District its interests as lessee under leases and/or lease purchase agreements pertaining to certain leased personal property, as set forth on Exhibit IGA-3 pursuant to the "**Personal Property Subleases**" attached hereto as Exhibit IGA-22. The Personal Property Sublease shall be executed and delivered to the District on the Transfer Date.

3.7 Other Personal Property and Intangible Assets. The County shall convey to the District all other personal property and all intangible assets associated with its Delivery System, including but not limited to goodwill, receivables, cash, bank accounts, trust accounts, utility deposits, security deposits, prepaid expenses, prepaid insurance, administrative, patient and employee records. The County shall provide statements of current balances being transferred effective as of the Leaseback Termination Date.

3.8 Financial Statements.

3.8.1 Unaudited Balance Sheet. The County shall provide to the District unaudited balance sheet and financial statements of current balances for October 2004 by December 1, 2004.

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3.8.2 Audited Balance Sheet. The District and the County shall jointly retain an independent auditor reasonably acceptable to the District and the County. The independent auditor shall prepare an audited balance sheet of the Delivery System as of the Leaseback Termination Date. The audited balance sheet shall be prepared in accordance with the U.S. generally accepted audit and accounting principles ("**GAAP**"). The adjusted balance sheet shall be referred to herein as the "**Audited Balance Sheet.**"

3.9 Documents of Transfer. The County and District shall execute and deliver, and the County shall record in the official records of Maricopa County and/or file with the office of the Arizona Secretary of State, if applicable, any additional documents and records deemed appropriate or necessary to transfer, convey, assign and/or notice the transfer of real and personal property and interests therein, including but not limited to a Memoranda of Lease and UCC-1 financing statements and other documents of title.

3.10 Disproportionate Share Program Protection.

3.10.1 Acknowledgement . The County and the District acknowledge that A.R.S. § 48-5561.01 ("**DSH Protective Legislation**"), enacted as of the effective date of this Agreement, requires the Maricopa County Treasurer ("**Treasurer**") to withdraw funds of the District deposited with the Treasurer in an amount equal to certain payments ("**Special Payments**") paid to the District pursuant to A.R.S. § 36-2903.01, as amended. The DSH Protective Legislation requires the Treasurer to transfer a portion of such funds (the "**Transferred Funds**") to the County. The amount of the Transferred Funds shall be determined by the Joint Legislative Budget Committee ("**JLBC**"), based on the amount of the Special Payments. The amount determined by the JLBC shall be referred to herein as the "**County DSH Reimbursement Amount.**" The difference between the amount of any Transferred Funds actually transferred to the County and the amount actually withheld from the County by the State shall be referred to herein as the "**DSH Deficiency**".

3.10.2 Notice. Pursuant to the DSH Protective Legislation, if at any time the Treasurer is not able to or otherwise fails to withdraw funds from the District and deposit such funds to the account of the County, pursuant to the Fund Transfer IGA (defined below), the Treasurer must notify the Arizona State Treasurer ("**State Treasurer**") so that the State Treasurer will thereafter cease withholding revenues of the County in connection with the distribution of Special Payments to the District.

3.10.3 Fund Transfer IGA. On the Transfer Date, the County and the District shall execute and deliver the Transfer of Funds Agreement ("**Fund Transfer IGA**"), attached hereto as Exhibit IGA-23. The Fund Transfer IGA shall establish the process by which the Transferred Funds are withdrawn by the Treasurer from the account of the District and deposited by the Treasurer to the account of the County.

3.10.4 DSH Triggering Event. A "**DSH Triggering Event**" shall occur in any fiscal year of the District if: (i) the District has received Special Payments; (ii) all or part of the Transferred Funds are not deposited to the County General Fund pursuant to the Fund Transfer IGA; (iii) the State Treasurer withholds revenues from the County greater than the amount of the Transferred Funds; and (iv) the DSH De Unofficial Document otherwise satisfied.

3.10.5 Remedies. Upon the occurrence of a DSH Triggering Event, the County shall have the following rights and remedies (cumulatively or individually) to satisfy the DSH Deficiency, but not to exceed the amount of the DSH Deficiency. In no event shall any amount be paid to the County greater than the DSH Deficiency.

3.10.5.1 Under the Medical Center Lease, all accrued and deferred lease payments and the present value of all future lease payments shall be due and payable. When determining the present value of such future lease payments: (i) the discount rate shall be based on the average rate of return available to the County in the County Treasurer's Investment Pool during the twelve (12) calendar month period immediately prior to the occurrence of a DSH Triggering Event; and (ii) the fair market rental value of the Medical Center Lease payments shall be reduced to reflect any diminution of value of the Medical Center as a result of a Failed County Rep and Warranty.

3.10.5.2 Under deeds of trust securing promissory notes made in connection with the sale of all other unencumbered real property conveyed to the District, the deferred amounts due under the promissory notes shall be due and payable.

3.10.5.3 Under security agreements and promissory notes made in connection with the sale of all unencumbered personal property conveyed to the District, the deferred amounts due under the promissory notes shall be due and payable.

3.10.5.4 For encumbered real property, all such property will be leased with two rental components pursuant to Section 3.3.1 of this Agreement: Deferred Desert Vista Rental Payments and debt service payments attributable to debt on the Avondale FHC and the Desert Vista Hospital. Under the Encumbered Facility Sublease Purchase Agreement for the Desert Vista Hospital, all accrued and deferred lease payments and the present value of all future lease payments shall be due and payable. When determining the present value of such future

lease payments: (i) the discount rate shall be based on the average rate of return available to the County in the County Treasurer's Investment Pool during the twelve (12) calendar month period immediately prior to the occurrence of a DSH Triggering Event; (ii) the value of future rent payments shall be calculated by increasing each previous year's rent payment by the average of the CPI Index for the five (5) consecutive calendar years, prior to the date that the present value computation is determined; and (iii) the fair market value rental payments for either the Avondale FHC or the Desert Vista Hospital (as applicable) shall be reduced to reflect any diminution of value of either the Avondale FHC or the Desert Vista Hospital (as applicable) as a result of a Failed County Rep and Warranty.

3.10.5.5 If the AHCCCS Acute Health Plan has not been transferred to the District, for services provided by the District to the AHCCCS Acute Plan, the amounts payable to the District shall be paid to the Treasurer as an agent of the District. Pursuant to the Fund Transfer IGA, upon a DSH Triggering Event, the Treasurer (under the authority of an irrevocable instruction from the District) shall set-off amounts owed the County to compensate the County for any DSH Deficiency against District funds held by the Treasurer as agent for the District in connection with the AHCCCS Acute Plan.

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3.10.5.6 For services provided by the District to the County other than the services described in Section 3.10.5.5 of this Agreement, the County may set-off amounts owed the County to compensate for any DSH Deficiency against amounts owed the District for such services.

3.10.5.7 The District will provide the County any and all reasonable protections available to a secured creditor to secure the payments due under this Agreement. For example, the District will give the County a security interest in funds (including Transferred Funds, to the extent permitted by law) deposited with the Treasurer.

SECTION 4. TRANSFER OF RIGHTS AND CORRESPONDING OBLIGATIONS.

4.1 Assignment of Contracts. The County shall assign to the District and the District shall assume all of the County's rights and obligations under all contracts related to the operation, maintenance, management and administration of the Delivery System by Assignment of Contracts ("**Assignment of Contracts**") in the form of Exhibit IGA-24, which shall be executed and delivered to the District on the Leaseback Termination Date.

4.2 Licenses, Permits and Registrations. The County shall assign to the District all licenses, permits, registrations and other documents issued or granted to the County in connection with the operation, maintenance, management and administration of the Delivery System by Assignment of Licenses, Permits and Registrations ("**Assignment of Licenses, Permits and Registrations**") in the form of Exhibit IGA-25, which shall be executed and delivered to the District on the Leaseback Termination Date.

4.3 Warranties. The County shall assign and transfer to the District all third-party warranties from and liabilities of any vendor, distributor, manufacturer, architect, engineer, consultant or any other third party, arising from, related to or connected with the design, condition, fitness, use or operation of the Delivery System by Assignment of Warranties

("**Assignment of Warranties**") in the form of Exhibit IGA-26, which shall be executed and delivered to the District on the Transfer Date; provided, however, that the County may retain an interest in such warranties or liabilities to the extent necessary to enforce or prosecute such warranties or liabilities in the name of the County for claims arising prior to the Leaseback Termination Date. The County agrees, as may be reasonably requested by the District, to execute such reasonable documents and to take such reasonable actions, or refrain from taking such actions, which expense for any such action or inaction by the County shall be borne by the District, as may be necessary or appropriate to enforce or prosecute such warranties and liabilities. Should any such warranties or liabilities not be assignable, the County will, at the sole cost and expense of the District and to the extent requested by the District, prosecute in the name of the County, but for the benefit of the District, any such warranty or liability.

4.4 Insurance. On and after the Leaseback Termination Date, the District shall be insured pursuant to the District-County Self Insurance Trust IGA attached hereto as Exhibit IGA-27 (the "**Insurance IGA**"). If and when the Insurance IGA terminates, the District shall obtain insurance that satisfies the requirements set forth below in this Section 4.4.

4.4.1 Policies. The DisUnofficial Documentn at its own cost and expense, and keep in full force and effect during the term of this Agreement and for any other periods that the District may use, occupy, or maintain all or any part of the Delivery System, the types and amounts of insurance coverage described on Exhibit IGA-28, attached hereto.

4.4.2 Named and Additional Insureds. Under each of the insurance policies required by this Section 4.4, the District shall be the named insured and the County shall be an additional insured, as their interests may appear.

4.4.3 General Provisions.

4.4.3.1 Endorsements. Each of the insurance policies required by this Section 4.4 shall stipulate that the insurance afforded by such insurance policies shall be primary insurance and that any other insurance, self-insured retention, deductibles, or risk retention trusts maintained or participated in by the District, the County or their agents, officials or employees shall be excess and not contributory to such insurance.

4.4.3.2 Waiver. The District shall cause insurers providing the insurance policies required by this Section 4.4 to waive all rights of recovery against the District, the County, and their respective agents, officials and employees. The District waives all rights of recovery against the County for any losses or damages covered by insurance proceeds received by the District, unless the District's failure to receive such proceeds arises out of an act or omission of the District, in which case, the District waives all such rights of recovery notwithstanding the failure to receive insurance proceeds. The County waives all rights against the District for any loss or damage covered by insurance proceeds received by the County, unless the County's failure to receive such proceeds arises out of an act or omission of the County, in which case, the County waives all such rights of recovery notwithstanding the failure to receive insurance proceeds.

4.4.3.3 No Limit on Obligations. Any insurance required under this Agreement shall in no way limit the District's obligations under this Agreement, and shall not be construed to relieve the District from liability with respect to any deductible and/or self retention provisions which may be contained in the insurance policies required under this Section 4.4 and which may be applicable to any claim or loss for which insurance coverage is provided, nor from any other liability in excess of such insurance coverage.

4.4.3.4 Delivery of Documents. At least thirty (30) days before the termination of the Insurance IGA, the District shall deliver for review and approval by the County the form of insurance policies to be furnished pursuant to Section 4.4 of this Agreement. Upon the termination of the Insurance IGA, the District shall deliver fully executed originals of the insurance policies furnished pursuant to this Section 4.4 (or certificates of insurance) in a form reasonably acceptable to the County. Thereafter, the District shall deliver to the County not less than thirty (30) days prior to the expiration dates of the insurance policies furnished pursuant to this Section 4.4, originals of the insurance policies (or certificates of insurance) in a form reasonably acceptable to the County, unless a period of time shorter than thirty (30) days is necessary due to the inability of the District to place such insurance after making diligent efforts to do so. In such case, the District shall [illegible] required documents under this section to the County upon receipt, but no later than twenty-four (24) hours prior to the expiration dates of the then current insurance policies. Upon the delivery of such fully executed insurance policies or certificates of insurance, the District shall also deliver evidence satisfactory to the County of payment of the first installment of all premiums.

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4.4.3.5 Other Provisions. All insurance coverage required by this Section 4.4 must provide that (i) no material change, modification, cancellation or termination of such insurance coverage shall be effective until at least thirty (30) days after written notice thereof has been provided to the County; and (ii) such insurance shall not be invalidated by any act, omission or negligence of the County, the District, any contractors or subcontractors of the District or the County, or any person or entity having an interest in the Delivery System, nor by any foreclosure, process or other proceedings or notices thereof relating to the Delivery System, nor by any change in title to ownership or management of the Delivery System.

4.4.4 Insurance Review. All insurance policies required by this Agreement shall be reviewed by the County and the District not less than every three (3) years for the purpose of mutually agreeing to increase or decrease the minimum limits and deductibles of such insurance policies to amounts which may be reasonable and customary for facilities of similar size and operation to the Delivery System; provided, however, that pending such mutual agreement, the then current insurance policies shall remain in effect.

4.4.5 Coverage by County. In the event the District shall fail to obtain or maintain any of the insurance policies required by this Agreement, then the County shall have the right, but not the obligation, to obtain such insurance policies at the District's sole cost and expense if such insurance is reasonably available. If such insurance is not reasonably available, the parties will mutually agree as to suitable insurance requirements for the District. The District must pay all premiums and costs associated with or attributable to any and all such insurance policies obtained by the County upon five (5) days' written notice from the County. If the

District fails to make such payment, the County may set-off the amounts not paid by the District against amounts owed the District by the County under this Agreement.

4.5 Accreditation. The District shall administer the Delivery System in accordance with all applicable standards for hospital accreditation as are now and hereafter may be adopted and applied by JCAHO or a duly constituted successor thereof reasonably acceptable to CMS or its successor.

4.6 Records.

4.6.1 Non-Medical Records. On the Leaseback Termination Date the County shall deliver or make available to the District records and other documents and data necessary and appropriate to operate the transferred activities and facilities. Following the Leaseback Termination Date the County shall maintain and promptly make available for the reasonable inspection by the District such other records other documents and data that the County maintains and that relate to the operation, maintenance, management or administration of the Delivery System prior to the Transfer Date.

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4.6.2 Medical Records. In order (i) to enable the District to carry out its obligations under this Agreement and the Medical Center Lease, (ii) to assist the District in collecting receivables, and (iii) to otherwise facilitate the operation of the Delivery System by the District, the County shall deliver to the District any and all Medical Records maintained by the County in connection with the Delivery System. The District shall at all times maintain the confidentiality of all records provided pursuant to this Section 4.6.2.

4.7 Medicare/Medicaid Cost Reimbursement. The District shall provide such staff and information as the County may reasonably require to complete and submit any Medicare/Medicaid Cost Reimbursement Reports pertaining to the Delivery System for any reporting period prior to the Leaseback Termination Date.

4.8 Graduate Medical Education.

4.8.1 Graduate Medical Education. The parties acknowledge that one of the primary purposes of the Delivery System is to support and facilitate medical and public health research and clinical education for health care professionals and paraprofessionals. The District shall at all times that the Medical Center Lease is in place, use reasonable efforts in its sound business judgment to conduct and maintain graduate medical education programs that reflect the needs of the community and the health care industry. Such training programs shall be conducted by the District in a manner fully approved by the Accreditation Council for Graduate Medical Education.

4.8.2 Health Professional and Allied Health Education. The District shall at all times that the Medical Center Lease is in place, use reasonable efforts in its sound business judgment to provide clinical training education and experience for health care professional and technical students at levels and in categories of training which reflect the needs of the community and the health care industry.

4.9 Transfer of Medical and House Staff. The County shall transfer to the District and the District shall accept such transfer from the County, all members of the MIHS House Staff and the MIHS Medical Staff, effective as of the Leaseback Termination Date. This transfer will be accomplished in such a manner that will ensure that each member of the MIHS House Staff and the MIHS Medical Staff will be transferred with or at the same level(s) of membership, privileges, practice prerogatives, credentials, appointments, reappointments, and status as a member of the MIHS House Staff or the MIHS Medical Staff that such member held immediately prior to the Leaseback Termination Date. In addition, the County will transfer to the District on or before the Leaseback Termination Date, all books, records and any other documents related to the MIHS House Staff membership or the MIHS Medical Staff membership. Subject to amendment by the District Board of Directors, the current Medical Staff Bylaws shall apply to the District.

4.10 Patient Care. The County shall transfer to the District and the District shall accept the transfer from the County of the duty and responsibility for the provisions of health care and health care related services to all individuals who are receiving health care and health care related services from the Delivery System as of the Leaseback Termination Date.

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SECTION 5. TRANSFER AND ASSUMPTION OF LIABILITIES

5.1 Transferred Liabilities. All liabilities of the County associated with the Delivery System as reflected on the Audited Balance Sheet (collectively, the "**Assumed Liabilities**") shall be transferred to and assumed by the District as of the Leaseback Termination Date, except as set forth in Section 5.2 of this Agreement.

5.2 Retained Liabilities. The following liabilities shall be retained by the County and the County shall defend and indemnify and hold the District harmless on a current basis in connection with such liabilities ("**Retained Liabilities**").

5.2.1 Tort Liabilities. Any and all tort liabilities arising out of the operation, management and ownership of the Maricopa Integrated Health System prior to the Leaseback Termination Date.

5.2.2 Contract Liabilities. Any and all liabilities arising out of any act or omission that occurs prior to the Leaseback Termination Date that upon the giving of notice and the expiration of any applicable cure period would constitute a contractual breach of the County.

5.2.3 Violations of Law. Any claim that any act or omission prior to the Leaseback Termination Date of the County or any of its officers, employees, agents or contractors violates any law, statute, regulation, rule, ordinance or any other federal or State law, including (without limitation) the United States Constitution or the Constitution of the State of Arizona.

SECTION 6. OPERATION OF DELIVERY SYSTEM BY DISTRICT AND WORKING CAPITAL.

6.1 Operation.

6.1.1 Compliance with Law. The District shall operate the Delivery System in accordance with all Federal, State and local laws, rules, and regulations.

6.1.2 Compliance with Financing Covenants. The District shall not, without the County's prior written consent (i) assign, transfer or pledge the Comprehensive Health Care Center, the Avondale FHC or the Desert Vista Hospital or any part thereof or any interest therein, (ii) sublet the Comprehensive Health Care Center, the Avondale FHC or the Desert Vista Hospital or any part thereof, or (iii) permit the Comprehensive Health Care Center, the Avondale FHC or the Desert Vista Hospital to be used or possessed by any persons for any purpose which violates Section 141 of the Internal Revenue Code; provided that it is expressly understood that the District shall be permitted to use the Comprehensive Health Care Center or the Desert Vista Hospital for the uses existing as of the Leaseback Termination Date if such uses do not violate Section 141 of the Internal Revenue Code. The District shall notify the County of any proposed change in the use or tenancy of the Comprehensive Health Center or the Desert Vista Hospital. If the County determines that such a proposed change would violate Section 141 of the Internal Revenue Code, the County will use its best efforts to allow such a change in use. The cost of such debt restructuring or refinancing shall be a District expense. If in the opinion of Greenberg Traurig, L.L.P. or another nationally recognized firm of attorneys practicing in the field of municipal bonds, a violation of Section 141 of the Internal Revenue Code has occurred prior to the Leaseback Termination Date, the County shall be financially responsible for appropriate corrective action and shall indemnify the District for any and all costs and liability arising out of such violation.

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6.2 Funding.

6.2.1 Budget. The County has approved a FY 2004-05 Delivery System Budget, and the District has approved a Special Health Care District budget. The County budget and the District budget have been combined to create the District's "**Initial FY 2004-05 Budget**," attached hereto as Exhibit IGA-29.

6.2.2 Working Capital. No later than the Leaseback Termination Date, the County shall deposit an amount not to exceed Fifteen Million Dollars ($15,000,000.00) in a special account with the Treasurer to fund the "**Working Capital Line of Credit.**" If the amount of cash on hand less all outstanding warrants and less any Special Payments held for the account of the District ("**Available Cash**") falls below Five Million Dollars ($5,000,000.00) prior to the date that tax anticipation notes can be issued by the District, the Treasurer shall draw the difference from the Working Capital Line of Credit account to the District's accounts. Such draws shall be interest free. If Available Cash in the District's accounts exceed Ten Million Dollars ($10,000,000.00), the Treasurer shall repay the County account, but only to the extent that such repayment does not cause Available Cash to fall below Five Million Dollars ($5,000,000.00). Such advances shall be repaid by November 30, 2005, unless an extension is granted by the County. The District must explore all reasonable sources of working capital

before requesting a Working Capital Line of Credit repayment extension from the County. The County shall have no obligation under this Section 6.2.2 if the District is then in default under the terms of the Medical Center Lease.

6.2.3 Excess Working Capital Needs. Any amounts in excess of the initial Working Capital Line of Credit reasonably needed by the District after the Transfer Date and prior to the earlier of (i) the date that tax anticipation notes can be issued or (ii) October 31, 2005, may be advanced to the District, subject to reasonable approval of the County. The parties acknowledge that the County may deny a District request for amounts in excess of the initial Working Capital Line of Credit if (i) the District has not explored all reasonable sources of working capital or (ii) in the case of requests prior to June 30, 2005, the District has incurred a discretionary expense greater than the amount budgeted therefor in the Initial FY 2004-05 Budget. Unless otherwise agreed, such amounts shall be repaid by November 30, 2005, pursuant to a repayment schedule with interest at the rate the County could earn on funds in the County Treasurer's Investment Pool.

6.3 Operational Restriction. The following restriction shall be placed in (a) all deeds conveying real property from the County Unofficial Document ; (b) the deed to the Medical Center; and (c) the Medical Center Lease.

"No abortion shall be performed at any facility under the jurisdiction of the District unless such abortion is necessary to save the life of the woman having the abortion or is otherwise required by law."

SECTION 7. DISTRICT ACCEPTANCE OF DELIVERY SYSTEM.

7.1 Condition of Property and Disclaimer of Warranty. Except as specifically set forth in this Agreement or the Medical Center Lease, the County has not made, and does not make, any representations, warranties, promises, covenants, agreements or guaranties of any kind whatsoever, whether express or implied, oral or written, relating to the Delivery System. Except as provided herein, the District shall accept the Delivery System "as is" and in the condition, including, without limitation, all faults, imperfections, defects, flaws and weaknesses, existing as of the Leaseback Termination Date. Except as set forth in this Agreement or in the Medical Center Lease, neither the County nor any of its agents or employees shall be liable for the condition of the Delivery System. Except as provided herein, THE DISTRICT UNDERSTANDS AND AGREES THAT THE COUNTY HAS NOT MADE AND DOES NOT HEREBY MAKE ANY EXPRESS OR IMPLIED WARRANTIES, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE CONCERNING THE DELIVERY SYSTEM. EXCEPT AS PROVIDED IN THIS SECTION 7.1, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED ARE EXCLUDED FROM THIS AGREEMENT AND SHALL NOT APPLY IN ANY RESPECT TO THE DELIVERY SYSTEM.

SECTION 8. SERVICES TO BE PROVIDED BETWEEN THE COUNTY AND THE DISTRICT.

8.1 Purchases From County. The District may purchase supplies and utilize County services according to the terms set forth on Exhibit IGA-30 attached hereto.

8.2 Purchases from District.

8.2.1 Rates. The County may purchase supplies and utilize District services and according to the terms set forth on Exhibit IGA-30 attached hereto.

8.2.2 Treasurer. The District hereby appoints the Treasurer as the District's agent for the purpose of transferring funds to the County in the event of a DSH Triggering Event pursuant to Section 3.10.5.5 of this Agreement, as set forth with more particularity in the Fund Transfer IGA.

8.2.3 Minimum Purchase. Pursuant to A.R.S. § 48-5571, the County shall purchase and the District shall provide correctional health services in an amount of at least Five Million Dollars ($5,000,000) per fiscal year for the term of any tax that is authorized for the District pursuant to A.R.S. § 48-5565, at rates set forth on Exhibit IGA-30; provided that if the District can demonstrate to the reasonable satisfaction of the County that the costs to provide such correctional health services exceed the rates set forth on Exhibit IGA-30, the rates to provide such services shall be promptly increased to cover such demonstrated costs. Once the County has purchased Five Million Dollars ($5,000,000) in such services during any fiscal year, the District may thereafter elect to provide no additional correctional health services to the County during such fiscal year unless the County and the District can agree upon rates for the provision of such services, which agreement is subject to the sole and absolute discretion of the parties.

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8.3 Invoice and Payment. For services purchased and facilities used pursuant to Section 8.1 or Section 8.2 of this Agreement, within thirty (30) days following the receipt of an invoice (unless AHCCCS rules require a different cure period), together with supporting data, the party receiving services or using facilities shall pay amounts due the party rendering the service or permitting the use of facilities.

SECTION 9. DISTRICT NEGATIVE COVENANTS AND PRE-TRANSFER DATE COVENANTS.

9.1 Encumbrances. The District shall not grant a lien or security interest with respect to any Encumbered Real Property to collateralize an obligation of the District, except for the permitted encumbrances set forth below (collectively, the "**Permitted Encumbrances**"):

9.1.1 Any encumbrance created by the Medical Center Lease or any Encumbered Facility Lease.

9.1.2 Any encumbrance against the District arising out of a dispute in litigation or a judgment, so long as the claim in the litigation or the finality of such judgment is being contested and execution thereon is stayed.

9.1.3 Any encumbrance created to finance an improvement located on any Encumbered Real Property, subject to the approval of the County, which shall not be unreasonably withheld.

9.2 Conduct of Business Post-Transfer Date and Pre-Leaseback Termination Date. During the period commencing on the Transfer Date and ending on the Leaseback Termination Date, the County shall:

9.2.1 Carry on the business of the Delivery System in the usual, regular and ordinary course and consistent with past practice;

9.2.2 Not sell, lease, license, encumber or otherwise dispose of any of the Transferred Real Property and assets, except in the ordinary course of business consistent with past practice;

9.2.3 Not incur or guarantee any indebtedness for borrowed money or issue or sell any debt securities or warrants or rights to acquire any debt securities, except in the ordinary course of business consistent with past practice;

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9.2.4 Except as required by GAAP, not make or commit to make any material changes in its accounting methods or principles;

9.2.5 Not take any action that would result in any of its representations and warranties contained in this Agreement becoming untrue or inaccurate in any material respect;

9.2.6 Maintain in force its insurance policies; and

9.2.7 Not permit any lien or other encumbrances to attach to any of the Transferred Real Property, except in the ordinary course of business consistent with prior practice.

SECTION 10. INDEMNITIES.

10.1 Indemnity to County. The County shall not be liable for, and the District shall defend, indemnify and hold the County, its departments, agencies, officers and employees, harmless on a current basis for, from and against any (i) Assumed Liabilities, (ii) any claim, expense, loss, damage, demand, liability or judgment resulting from any misstatement, error or omission in any of the representations or warranties of the District set forth in this Agreement or any Related Agreement, and (iii) any other claims, expenses, loss, damage, demand, liability or judgment of any nature whatsoever, including, without limitation, health or safety conditions that are caused by or relate to any activity, condition or event arising out of any condition or operation of the Delivery System or the performance or non-performance by the District of the provisions of this Agreement or any Related Agreement on and after the Leaseback Termination Date, together with any expenses, including reasonable costs of investigation and attorneys' fees, incurred by the County in connection with the defense of any such claim, demand or liability.

10.2 Indemnity to the District. The District shall not be liable for, and the County shall defend, indemnify and hold the District, it officers, director and employees, harmless on a current basis for, from and against any (i) Retained Liability, (ii) any liability accruing prior to the Leaseback Termination Date, and (iii) any claim, expense, loss, damage, demand, liability or judgment resulting from any misstatement, error or omission in any of the representations or warranties of the County set forth in this Agreement or any Related Agreement, together with any expenses, including reasonable costs of investigation and attorneys' fees, incurred by the District in connection with the defense of any such claim, demand or liability.

10.3 Concerning Indemnification. Promptly upon receipt by any party to this Agreement (the "**Indemnitee**") of any claim or demand or of any notice of the commencement of any litigation or other proceeding for which the other party hereto ("**Indemnitor**") is obligated to defend, indemnify and/or hold such other part harmless, the Indemnitee shall notify the Indemnitor thereof. No failure by the Indemnitee to so notify the Indemnitor shall relieve the Indemnitor of any obligation to so defend, indemnify or hold the Indemnitee harmless imposed by this Agreement, unless and except to the extent that the failure to provide notice prejudices the defense of such claim, demand or litigation. Upon demand by the Indemnitee, the Indemnitor shall resist or defend such claim, demand or proceeding in the Indemnitee's name, if necessary, by the attorneys for Indemnitor's insurance carrier, or otherwise by such attorneys as the Indemnitor selects and the Indemnitee approves. Notwithstanding the foregoing, after notice to Indemnitor, the Indemnitee may engage its own attorneys to defend it or assist in its defense, and the Indemnitor shall pay the reasonable fees, costs and disbursements of such attorneys. The Indemnitee shall as a condition to the indemnification by the Indemnitor from and against any such claim, demand or litigation: (i) cooperate with the Indemnitor in the defense of such claim, demand or litigation and (ii) so long as the Indemnitor provides assurances satisfactory to the Indemnitee that funds (by insurance or otherwise) are available and sufficient to satisfy any such claim, demand or litigation, the Indemnitee will not, without the written consent of the Indemnitor, settle, compromise or make payment on account of such claim, demand or litigation.

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10.4 Environmental Liability. Except as set forth in this Section 10.4, the District shall accept the real and personal property transferred pursuant to Section 3 of this Agreement "as-is" pursuant to Section 7.1 of this Agreement. The parties will share equally in the purchase of a Phase I Environmental Site Assessments (other than asbestos abatement) on the Transferred Real Property. If any Phase I Environmental Assessment recommends that a Phase II Environmental Assessment is necessary (for reasons other than asbestos abatement), the parties will cooperate in obtaining such Phase II Environmental Assessments. If such Phase II Environmental Assessments cannot be obtained prior to the Transfer Date, the property (other than the Medical Center) that is the subject of the Phase II Environmental Assessment shall be transferred to the District, subject to the District's review of the Phase II Environmental Assessments. If after reviewing such Phase II Environmental Assessments, the District Board that is elected on November 2, 2004 determines (in the exercise of its sole discretion) that the District desires to reconvey the subject property to the County, the District Board shall notify the County no later than December 15, 2004. At that time, the County may either elect to remediate the subject property to the satisfaction of the District, or the County may elect not to remediate such property. If the County elects not to remediate such property, the subject property shall be reconveyed to the County no later than the Leaseback Termination Date. The County shall indemnify the District for any environmental liability associated with the District's ownership of

the subject property prior to the Leaseback Termination Date. The parties acknowledge that asbestos abatement efforts are continuing. The County shall complete scheduled asbestos abatement efforts through the Leaseback Termination Date, and the District shall be responsible for asbestos abatement efforts thereafter.

SECTION 11. REPRESENTATIONS, WARRANTIES AND COVENANTS.

11.1 Representations, Warranties and Covenants of District. The District represents and warrants to the County as follows:

11.1.1 Organization and Standing. The District is a tax-levying public improvement district and has full power and authority to execute and deliver this Agreement and the Related Agreements and all other documents contemplated hereby and necessary to carry out the transactions contemplated hereby.

11.1.2 Authority. The execution, delivery and performance by the District of this Agreement and the Related Agreements and all other documents contemplated hereby, the fulfillment of and compliance with the respective terms and provisions hereof, and the consummation by the District of the transaction contemplated hereby have been duly authorized by the District's Board of Directors (which authorization has not been modified or rescinded and is in full force and effect). No other action of the District is necessary for the District to enter into this Agreement, the Related Agreements and all other documents contemplated hereby and to consummate the transaction contemplated hereby.

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11.1.3 Binding Obli gation. This Agreement, the Related Agreements and all other documents to be executed by the District pursuant hereto, when executed and delivered in accordance with the provisions hereof, shall be valid and binding obligations of the District, enforceable in accordance with the respective terms hereof.

11.2 Representations and Warranties of County. The County represents and warrants to the District as follows:

11.2.1 Organization and Standing. The County is a political subdivision of the State of Arizona. The County has full power to execute and deliver this Agreement and the Related Agreements and all other documents contemplated hereby and to carry out the transactions contemplated hereby.

11.2.2 Authority. The execution, delivery and performance by the County of this Agreement and the Related Agreements and all other documents contemplated hereby, the fulfillment of and the compliance with the respective terms and provisions hereof, and the consummation by the county of the transactions contemplated hereby have been duly authorized by the County Board of Supervisors (which authorization has not been modified or rescinded and is in full force and effect). No other action of the County is necessary for the County to enter into this Agreement, the Related Agreements and all other documents contemplated hereby to consummate the transaction contemplated hereby.

11.2.3 Binding Obligation. This Agreement, the Related Agreements and all other documents to be executed by the County pursuant hereto, when executed and delivered in

accordance with the provisions hereof, shall be valid and binding obligations of the County, enforceable in accordance with the respective terms hereof.

11.2.4 Licenses and Permits. To the actual knowledge of the County, except as disclosed (if any) in Exhibit IGA-31, as of the Transfer Date, the County operates the Delivery System with the required state, federal, special or local governmental authorizations, licenses or permits, certificates and accreditations from third parties.

11.2.5 Reports. To the actual knowledge of the County, except as disclosed (if any) in Exhibit IGA-31, the County has filed or will cause to be filed all reports required by law or regulation to be filed concerning the operation of the Delivery System, including, but not limited to, all cost reports and other reports required by law or by written or oral contract or otherwise to be filed or made with respect to the purchase of services by third-party payors, including, without limitation, the Medicare and Medicaid programs and other insurance carriers and has paid all taxes and charges due on the basis of such returns and reports and the assessment of any material amount of additional taxes or charges in excess of those paid and reported is not reasonably expected.

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11.2.6 Investigations and Inquiries. To the actual knowledge of the County, no investigation or inquiry has been made by any regulatory authority concerningthe operation of the Delivery System and there are no proceedings by any such authority pending or threatened, except as disclosed (if any) in Exhibit IGA-31.

11.2.7 Condemnation. To the actual knowledge of the County, except as disclosed (if any) in Exhibit IGA-31, there is no pending or contemplated condemnation of any portion of the Delivery System assets.

11.2.8 Environmental.

11.2.8.1 To the actual knowledge of the County, except as disclosed (if any) in Exhibit IGA-31, no Hazardous Materials have been or are present on the real property transferred pursuant to Section 3 of this Agreement ("**Transferred Real Property**"), and no Hazardous Materials contamination has accrued on the Transferred Real Property other than as identified in such Phase I and Phase II Environmental Site Assessments obtained pursuant to Section 2.1.1.8 of this Agreement.

11.2.8.1.1 "**Hazardous Materials**" means (a) any "hazardous waste" as defined by the Resource Conservation and Recover Act of 1976 (42 U.S.C. § 6901, *et seq.*), as amended from time to time, and regulations promulgated thereunder; (b) any "hazardous substance" as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. § 9601, *et seq.*), as amended from time to time, and regulations promulgated thereunder; (c) radon and material quantities of petroleum products; (d) any substance the presence of which on the property is regulated by any federal, state or local law relating to the protection of the environment or public health; and (e) any other substance which by law requires special handling in its collection, storage, treatment or disposal.

11.2.8.1.2 "**Hazardous Materials Contamination**" means the contamination (whether presently existing or occurring after the date hereof) of the

improvements, facilities, soil, ground water, surface water, air or other elements on or under the Transferred Real Property by Hazardous Materials, or the contamination (whether presently existing or occurring after the date hereof) of the buildings, facilities, soil, ground water, surface water, air or other elements on or under any other property as a result of Hazardous Materials emanating from the Transferred Real Property.

11.2.9 Compliance with Laws. To the County's actual knowledge, except as disclosed (if any) in Exhibit IGA-31, the County has not received and is unaware of any notice of violation or noncompliance as it relates to the Delivery System from any governmental or regulatory authority having jurisdiction. To the County's actual knowledge, the County has at all times during its operation of the Delivery System complied in all material respects with all requirements of all governmental agencies having jurisdiction.

11.2.10 No Contract Liabilities. To the County's actual acknowledge, except as disclosed (if any) in Exhibit IGA-31, the County is in compliance with the terms and provisions of all contracts that relate to the use and operation of the Delivery System, and the County is not in breach of any such contracts.

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11.2.11 Compliance with Leases. To the County's actual knowledge, except as disclosed (if any) in Exhibit IGA-31, the County is in good standing and not in breach of any terms, conditions or obligations of any leases utilized in connection with operation of the Delivery System.

11.2.12 Litigation. Except as disclosed (if any) in Exhibit IGA-31, the County has not been served as a party to any pending action, suit or proceeding in, for or by any court or governmental board, commission, agency or department in connection with the Delivery System.

11.2.13 Financial Statements. To the County's actual knowledge, the financial statements delivered pursuant to Section 3.8 of this Agreement do not contain a material omission or misstatement. The District's sole remedy in the event the County's representation and warranty set forth in this Section 11.2.13 is inaccurate shall be an increase in the Working Capital Line of Credit or a reasonable extension in the length of repayment.

11.2.14 Actual Knowledge. For the purposes of this Section 11.2, the "Actual Knowledge of the County" means the actual knowledge of David Smith, Tom Manos, Sandi Wilson, Shawn Nau, Ted Shaw, Matt Nelson, Ann Thompson, Steve Ellis, Darrel Contreras, Jim Kennedy, Bill Ellert, Gwynn Simpson, Lucy Hall, Phyllis Biedess and Chris Keller.

11.2.15 Remedy. In the event of a Failed County Rep and Warranty, the District's sole remedies shall be any combination of the following:

11.2.15.1 Return of Property. The return of any Transferred Property pursuant to Section 10.4 of this Agreement.

11.2.15.2 Reduction in Value. Credits or adjustments for the purposes of calculating accrued rental payments or the present value of deferred rental payments

pursuant to Sections 3.10.5.1 or 3.10.5.4 of this Agreement or for the purpose of determining credits against promissory note payments pursuant to Section 3.2.2.1 of this Agreement.

11.2.15.3 Working Capital Line. An increase in the Working Capital Line of Credit and (if necessary) a reasonable extension in the time for repaying amounts owed under the Working Capital Line of Credit.

11.3 Representations and Warranties as of Leaseback Termination Date. The County shall prepare Exhibit IGA-31 no later than December 1, 2004 which shall be attached hereto. Such representations and warranties shall be effective as of November 1, 2004. Thereafter, Exhibit IGA-31 shall be amended no later than January 15, 2005 to cause the foregoing representations and warranties to be complete, true and correct as of the Leaseback Termination Date.

SECTION 12. DEFAULTS, AND REMEDIES.

12.1 Mediation. Subject to Section 12.8 of this Agreement, in the event that there is a dispute hereunder which the parties cann Unofficial Document veen themselves, the parties agree that there shall be a thirty (30) day moratorium on arbitration pursuant to Exhibit IGA-32, during which time the parties agree to attempt to settle the dispute by nonbinding mediation before commencement of arbitration pursuant to Exhibit IGA-32. The thirty (30) day moratorium shall commence on the day that one party gives the other party notice of the commencement of mediation pursuant to this Section 12.1 ("**Mediation Commencement Date**"). The mediation shall be held under the commercial mediation rules of the American Arbitration Association. The matter in dispute shall be submitted to a mediator mutually selected by the County and the District. In the event that the parties cannot agree upon the selection of a mediator within seven (7) days after the Mediation Commencement Date, then within three (3) days thereafter, the County or the District may request the presiding judge of the Maricopa County Superior Court to appoint an independent mediator. The mediator selected shall have experience in mediating or arbitrating disputes involving public agencies in the State of Arizona. The cost of any such mediation shall be divided equally between the County and the District. The results of the mediation shall be nonbinding on the parties, and any party shall be free to initiate arbitration pursuant to Exhibit IGA 32 ("**Arbitration**") subsequent to the moratorium.

12.2 District Events of Default. Any one or more of the following specified events shall be a "**District Event of Default**."

12.2.1 Payment. Failure of the District to pay, when due, any payments in accordance with this Agreement or any Related Agreement.

12.2.2 Bankruptcy.

12.2.2.1 Voluntary. The District shall have commenced any case, proceeding or other action (i) under the United States Bankruptcy Code, or of any other 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 the District seeking to adjudicate the District a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, discharge, composition or other

relief with respect to the District or the debts of the District, or (ii) seeking appointment of a receiver, custodian or other similar official for the District for all or any substantial part of the District's assets, or the District shall make a general assignment for the benefit of the District's creditors.

12.2.2.2 Involuntary. There shall be commenced against the District any case, proceeding or other action which results in the entry of any order for relief or the appointment of a trustee under the United States Bankruptcy Code, which action is not stayed or dismissed within a period of one hundred twenty (120) days.

12.2.2.3 Assignment for Creditors. The District makes an assignment for the benefit of creditors or any reorganization, receivership, moratorium or other debtor-relief proceedings are commenced by or against the District.

12.2.2.4 Other. There shall be commenced against the District (i) any case, proceeding or other action seeking issuance of a writ of attachment, execution, distraint or similar process against all or any substantial part of the District's assets ("**District Writ**"), or (ii) any reorganization, receiv Unofficial Document rium or other debtor relief proceeding which results in the entry of an order for any such relief ("**District Proceeding**"), which the District Writ or District Proceeding shall not have been vacated, discharged or stayed or bonded pending appeal within one hundred twenty (120) days from the entry thereof.

12.2.3 Arbitration. The District fails to comply with an award or determination issued pursuant to Arbitration.

12.2.4 Other Failures. The failure by the District to observe or perform any covenant, condition or agreement on its part to be performed or observed under this Agreement and not otherwise described in the foregoing provisions of this Section 12.2.

12.3 County Events of Default. Any one or more of the following specified events shall be a "**County Event of Default**."

12.3.1 Payment. Failure of the County to pay, when due, any payment in accordance with this Agreement or any Related Agreement.

12.3.2 Bankruptcy.

12.3.2.1 Voluntary. The County shall have commenced any case, proceeding or other action (i) under the United States Bankruptcy Code, or of any other 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 the County seeking to adjudicate the County a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, discharge, composition or other relief with respect to the County or the debts of the County, or (ii) seeking appointment of a receiver, custodian or other similar official for the County for all or any substantial part of the County's assets, or the County shall make a general assignment for the benefit of the County's creditors.

12.3.2.2 Involuntary. There shall be commenced against the County any case, proceeding or other action which results in the entry of any order for relief or the appointment of a trustee under the United States Bankruptcy Code, which action is not stayed or dismissed within a period of one hundred twenty (120) days.

12.3.2.3 Assignment for Creditors. The County makes an assignment for the benefit of creditors or any reorganization, receivership, moratorium or other debtor-relief proceedings are commenced by or against the County.

12.3.2.4 Other. There shall be commenced against the County (i) any case, proceeding or other action seeking issuance of a writ of attachment, execution, distraint or similar process against all or any substantial part of the Total System Property ("**County Writ**"), or (ii) any reorganization, receivership, moratorium or other debtor relief proceeding which results in the entry of an order for any such relief ("**County Proceeding**") which results in the entry of an order for any such relief, which the County Writ or County Proceeding shall not have been vacated, discharged or stayed or bonded pending appeal within one hundred twenty (120) days from the entry thereof.

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12.3.3 Arbitration. The County fails to comply with an award or determination issued pursuant to Arbitration.

12.3.4 Other Failures. The failure by the County to observe or perform any covenant, condition or agreement on its part to be performed or observed under this Agreement and not otherwise described in the foregoing provisions of this Section 12.3.

12.4 Notice. The non-breaching party shall give written notice of default to the breaching party, specifying the breach complained of by the non-breaching party. Failure or delay in giving such notice shall not constitute a waiver of any breach, but the non-breaching party shall not be entitled to exercise its rights and remedies (under this Agreement or otherwise) on account of any such breach unless and until it shall have given the breaching party notice of such breach and an opportunity to cure the same as hereinafter provided. Any failure or delay by either party in asserting any of its rights or remedies as to any breach, shall not operate as a waiver of any breach, or of any such rights or remedies, or deprive either such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

12.5 Acceptance of Legal Process.

12.5.1 Upon County. In the event that any legal action is commenced by the District against the County, service of process on the County shall also be made by personal service upon the Clerk of the Board at the address set forth in Section 13.11 of this Agreement, or in such other manner as may be provided by law.

12.5.2 Upon the District. In the event that any legal action is commenced by the County against the District, service of process on the District shall be made by personal service upon the Secretary of the Board of the District at the address set forth in Section 13.11 of this Agreement, or in such other manner as may be provided by law, whether made within or without the State of Arizona.

12.6 Cure Periods.

12.6.1 Accelerated Cure. In connection with the District Events of Default described in Sections 12.2.1, 12.2.2 and 12.2.3 of this Agreement, the County shall provide the District with written notice of such District Event of Default. The District then has five (5) Business Days within which to cure such District Event of Default. In connection with the County Events of Default described in Sections 12.3.1, 12.3.2 and 12.3.3 of this Agreement, the District shall provide the County with written notice of such County Event of Default. The County then has five (5) Business Days within which to cure such County Event of Default.

12.6.2 Extended Cure. In connection with the District Events of Default described in Section 12.2.4 of this Agreement, the County shall provide the District with written notice of such District Event of Default. The District then has thirty (30) days within which to cure such District Event of Default; provided, however, that if it is not reasonably possible to cure such District Event of Default within the thirty (30) day period, such cure period will be extended so long as the District has commenced and thereafter diligently continues to pursue a cure for such District Event of Default. In connection with the County Event of Default described in Section 12.3.4 of this Agree Unofficial Document ict shall provide the County with written notice of such County Event of Default. The County then has thirty (30) days within which to cure such County Event of Default; provided, however, that if it is not reasonably possible to cure such County Event of Default within the thirty (30) day period, such cure period will be extended so long as the County has commenced and thereafter diligently continues to pursue a cure for such County Event of Default.

12.7 Permitted Litigation. Subject to Section 12.8 of this Agreement, in certain types of disputes, the nondefaulting party may, after satisfying the requirements of Section 12.1 of this Agreement, in addition to any other remedy at law or in equity, elect to bring an action in a court of competent jurisdiction, as set forth in this Section 12.7. In the event of the Events of Default described in Section 12.2.1, 12.2.2, 12.2.3, 12.3.1, 12.3.2 and 12.3.3 of this Agreement (collectively, "**Permitted Litigation**"), the parties shall have all of the rights and remedies available at law or in equity as permitted pursuant to such Permitted Litigation, including, without limitation, the termination of this Agreement and other Related Agreements as ordered by a court of competent jurisdiction. All other disputes shall be resolved pursuant to Arbitration after first satisfying the requirements of Section 12.1 of this Agreement.

12.8 Specific Performance. Notwithstanding any other provision of this Agreement, if either party breaches with regard to any of the provisions of this Agreement, the nonbreaching party, at its option and following notice of default and opportunity to cure the same as provided in Section 12.6 of this Agreement, may commence an action for specific performance to enforce the terms of this Agreement if there is no adequate remedy at law.

SECTION 13. MISCELLANEOUS PROVISIONS.

13.1 Transaction Costs. All costs, expenses and fees accrued or accruing through the Leaseback Termination Date in connection with the transaction contemplated by this Agreement and the Related Agreements, including by not limited to legal, accounting, consulting, appraisal and title examination shall be paid by the parties as set forth on Exhibit IGA-33.

13.2 Independent Contractor. The parties acknowledge that nothing contained in this Agreement shall create any partnership, joint venture, or agency relationship between the parties and that the District is the independent contractor of the other.

13.3 Term. This Agreement shall become effective as of November 1, 2004 and filed with the Maricopa County Recorder and shall continue for the term of the Medical Center Lease.

13.4 Assets Upon Dissolution. Pursuant to A.R.S. § 48-5507, upon dissolution of the District, all assets of the District (after paying for or providing for all liabilities of the District) shall be transferred to the County.

13.5 Acknowledgement. Each party hereby acknowledges that the Division of County Counsel, Maricopa County Attorney's Office and its outside counsel (collectively, "**County Counsel**") represent both parties to this Agreement in accordance with the requirements of A.R.S. § 48-5541.01.M.2, and each party waives any claim of conflict of interest, which may arise by virtue of such representation of both parties to this Agreement.

13.6 Severability. If any provi[illegible] Unofficial Document [illegible] reement is held invalid or unenforceable, the remaining provisions shall continue valid and enforceable to the full extent permitted by law.

13.7 Compliance with Law. The County and the District shall comply with all applicable statutes, laws, regulations, rules and professional standards. To the extent that any term or provision of this Agreement is not in compliance with any such applicable statutes, laws, regulations, rules or professional standards, the County and the District shall negotiate in good faith to amend such term or provision so as to prevent or eliminate any such failure to comply.

13.8 Compliance with Intervening Acts. If legislation is enacted or a regulation is promulgated or a judicial or administrative decision is rendered that affects, or may affect, the legality of this Agreement or adversely affects the ability of either party to perform its obligations or receive the benefits intended hereunder, then, within fifteen (15) days following notice by either party of such event, each party will negotiate in good faith a substitute agreement to this Agreement which will carry out the original intention of the parties to the extent possible in light of such legislation, regulation or decision.

13.9 Judicial Interpretation. Should any provision of this Agreement require judicial interpretation, the court interpreting or construing the same shall not apply a presumption that the terms hereof shall be more strictly construed against one party by reason of the rule of construction that a document is to be construed more strictly against the party who itself or through its agent prepared the same, it being agreed that both parties have participated in the preparation hereto.

13.10 Conflict of Interest. This Agreement may be cancelled in accordance with A.R.S. § 38-511, if within three (3) years of its execution, any person significantly involved in the initiating, negotiating, securing, drafting or creation of this Agreement becomes an employee or agent of the other party to the Agreement in any capacity or a consultant to the other party with respect to the subject matter of this Agreement. As such, the parties to this Agreement do acknowledge that individuals by virtue of having been involved in preparing this Agreement may have had to act on behalf of both parties to this Agreement while the Maricopa County Board of

Supervisors served as the Board of Directors pursuant to A.R.S. § 48-5501.01.B and do hereby consent to such representation and hereby waive any right to cancellation pursuant to A.R.S. § 38-511 with respect thereto.

13.11 Notice. All notices or demands upon any party relating to this Agreement shall be in writing and shall be delivered in person or sent by mail addressed as follows:

County:	David Smith County Administrative Officer Maricopa County, Arizona 301 West Jefferson, 10th Floor Phoenix, Arizona 85007 Fax: (602) 506-3328
With a copy to	Maricopa County Attorney 301 West Jefferson, Suite 800 Phoenix, Arizona 85003 Fax: (602) 506-8102
District:	Maricopa County Special Health Care District 2601 East Roosevelt Phoenix, Arizona 85008 Fax: (602) 344-5190
With a copy to:	William J. Sims III Moyes Storey Ltd. 1850 North Central Avenue, Suite 1100 Phoenix, Arizona 85004 Fax: (602) 274-9135

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13.12 Entire Agreement. This Agreement with the following exhibits attached hereto and the Lease constitute the entire agreement and understanding of the parties with respect to the subject matter hereof and thereof. This Agreement may not be amended, modified, extended or renewed except in writing executed by the County and the District.

Exhibit IGA-1	Licenses, Permits and Registrations Required to Operate the Delivery System to be Assigned and Third Party Consents and Approvals.
Exhibit IGA-2	Tenant Leases to be assigned and assumed
Exhibit IGA-3	Personal Property Leases to be assigned or subleased
Exhibit IGA-4	Encumbered real property to be leased or subleased to District
Exhibit IGA-5	Licenses, Permits and Registrations required to operate the Health Plans
Exhibit IGA-6	Revenue Leases – Lessor's interest to be assigned
Exhibit IGA-7	Medical Center Lease
Exhibit IGA-8	Medical Center Security Agreement
Exhibit IGA-9	FHCs to be conveyed by quit claim deed
Exhibit IGA-10	Form of Quit Claim Deed
Exhibit IGA-11	Form of Deeds of Trust and Assignments of Rent

Exhibit IGA-12	Form of FHC Promissory Note
Exhibit IGA-13	Assignment and Assumption of Leases
Exhibit IGA-14	Health Center Sublease Agreement
Exhibit IGA-15	Sublease Purchase Agreements
Exhibit IGA-16	Leased Property Security Agreement and Deed of Trust and Assignment of Rents
Exhibit IGA-17	Leased Property Promissory Note
Exhibit IGA-18	Form of Assignment and Assumption of Lease
Exhibit IGA-19	Form of Bill of Sale
Exhibit IGA-20	Personal Property Security Agreement
Exhibit IGA-21	Personal Property Promissory Note
Exhibit IGA-22	Personal Property Sublease
Exhibit IGA-23	Fund Transfer Agreement
Exhibit IGA-24	Assignment of Contracts
Exhibit IGA-25	Assignment of Licenses, Permits and Registrations
Exhibit IGA-26	Assignment of Warranties
Exhibit IGA-27	District-County Self Insurance Trust IGA
Exhibit IGA-28	Types and Amounts of Insurance Coverage
Exhibit IGA-29	Initial FY 2004-05 Budget
Exhibit IGA-30	Supplies and Services Available for Purchase and Sale
Exhibit IGA-31	Representations and Warranties Disclosures
Exhibit IGA-32	Alternative Dispute Resolution Process
Exhibit IGA-33	Allocation of Transaction-Related Costs, Expenses and Fees

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13.13 Additional Acts and Documents.

13.13.1 Each party hereto agrees to do all such things and take all such actions, and to make, execute and deliver such other documents and instruments, as shall be reasonably requested to carry out the provisions, intent and purpose of this Agreement.

13.13.2 The parties agree that even though this Agreement, the Related Agreements and the Exhibits are being executed on the IGA Execution Date or promptly thereafter, the parties shall meet quarterly to discuss necessary revisions to each of these documents. The District Board may propose suggested revisions, which the County must reasonably consider.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

MARICOPA COUNTY, a political subdivision of the State of Arizona

By: _____
Andrew Kunasek, Chairman
Maricopa County Board of Supervisors

MARICOPA COUNTY SPECIAL HEALTH CARE DISTRICT, a tax-levying public improvement district of the State of Arizona

By: _____

Name: Andrew Kunasek

Title: Chairman, Board of Directors

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ATTEST:

_____ 11/01/04
Clerk of the Board

ATTEST:

_____ 11/01/04
Secretary of the Board

APPROVED AS TO FORM:

MARICOPA COUNTY ATTORNEY

_____
Deputy County Attorney

APPROVED AS TO FORM:

_____
William J. Sims III
Attorney for the Maricopa County Special Health Care District

EXHIBIT IGA-1

LICENSES, PERMITS AND REGISTRATIONS REQUIRED TO OPERATE THE DELIVERY SYSTEM TO BE ASSIGNED AND THIRD PARTY CONSENTS AND APPROVALS

Accrediting Council for Continuing Medical Education
Accrediting Council for Graduate Medical Education
Arizona Department of Environmental Quality (Mammography)
Arizona Department of Environmental Quality, Department of Hazardous Waste/Special Waste
Arizona Department of Health Services (for Maricopa Medical Center and Desert Vista)
Arizona Department of Health Services, Ambulatory Licensing Division
Arizona Department of Health Services, Bureau of State Lab Services (CLIA)
Arizona Department of Health Services, Division of Medical Licensure, Behavioral Division
Arizona Department of Health Services/HRSA - Grant Radios
Arizona Department of Health Service, Newborn Intensive Care Program Grant
Arizona Department of Revenue (ADOR)
Arizona Health Care Cost Containment Unofficial Document CS)
Arizona Radiation Regulatory Agency (for Dental Clinic)
Arizona Radiation Regulatory (for Eye Clinic laser use)
Arizona Radiation Regulatory (Radiology)
Arizona State Board of Pharmacy
Arizona State Fire Marshall
Arizona State Retirement System (ASRS)
Centers for Medicare and Medicaid Services (CMS)
City of Phoenix, Development Services
City of Phoenix, Hazardous Materials Permit
City of Phoenix, Water Services Department, Pollution Control Division
Drug Enforcement Administration (DEA)
Environmental Services Department, Eating/Drinking Permit
Federal Communication Commission (FCC), Radios
Food and Drug Administration (FDA)
Internal Revenue Service (IRS)
Joint Commission on Accreditation of Healthcare Organizations (JCAHO)
Office of Civil Rights
Wholesale Pharmacy License

EXHIBIT IGA-2

TENANT LEASES TO BE ASSIGNED AND ASSUMED

Lease No. L7292: McDowell Healthcare Center
1144 East McDowell Road
Phoenix, Arizona

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EXHIBIT IGA-3

PERSONAL PROPERTY LEASES TO BE ASSIGNED OR SUBLEASED

EQUIPMENT OUTSTANDING	LENDER	AMOUNT
MRI Equipment	Bank of America	$1,029,026.02
Cardiac Equipment	Bank of America	$61,207.86
CT Scanner	Public Offering	$649,898.00

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EXHIBIT IGA-4

ENCUMBERED REAL PROPERTY TO BE LEASED OR SUBLEASED TO DISTRICT

1. Avondale Family Health Center
   950 East Van Buren Street
   Avondale, Arizona

2. Desert Vista Hospital
   570 West Brown Road
   Mesa, Arizona

3. Comprehensive Health Care Center
   2601 East Roosevelt
   Phoenix, Arizona

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EXHIBIT IGA-5

LICENSES, PERMITS AND REGISTRATIONS REQUIRED TO OPERATE HEALTH PLANS

[Exhibit IGA-5 will be prepared as and when the Health Plans are transferred pursuant to Section 2.1.2 of the Agreement.]

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EXHIBIT IGA-6

REVENUE LEASES – LESSORS' INTERESTS TO BE ASSIGNED

Lease No. MC-10135
META Services, Inc.
2601 East Roosevelt
Phoenix, Arizona

Lease No. MC-10138
Arizona Department of Economic Security
2601 East Roosevelt
Phoenix, Arizona

Lease No. MC-10140
Valley of the Sun Hospice Association
d/b/aHospice of the Valley
2601 East Roosevelt
Phoenix, Arizona

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Lease No. MC-10142
Shriners Intermountain Hospital
2601 East Roosevelt
Phoenix, Arizona

Lease No. MC-10143
Centerre Rehabilitation Hospital of Arizona, LLC
2601 East Roosevelt
Phoenix, Arizona

Lease No. MC-10113
Crisis Nursery, Inc.
2711 East Roosevelt
Phoenix, Arizona

EXHIBIT IGA-7

MEDICAL CENTER LEASE AGREEMENT

THIS MEDICAL CENTER LEASE AGREEMENT ("**Lease**") is dated November 1, 2004 ("**Lease Execution Date**"), by and between MARICOPA COUNTY, a political subdivision of the State of Arizona ("**County**"), and the MARICOPA COUNTY SPECIAL HEALTH CARE DISTRICT, a tax-levying public improvement district of the State of Arizona ("**District**").

RECITALS:

A. The County currently owns and operates the Maricopa Medical Center and related facilities (collectively, the "**Medical Center**") pursuant to Sections 11-251, 11-291 and 11-306 (among others) of the Arizona Revised Statutes;

B. Pursuant to that certain Intergovernmental Agreement between the County and the District dated November 1, 2004 ("**IGA**"), the County agreed to transfer its Health System to the District upon the satisfaction of certain conditions as set forth in the IGA;

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C. Upon the satisfaction of the conditions to the transfer of the Delivery System, including the Medical Center, set forth in the IGA, the Medical Center will be transferred to the District pursuant to this Lease; and

D. The County desires to lease to the District and the District desires to lease from the County, the Medical Center pursuant to this Lease.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter contained, the parties hereto covenant, agree and bind themselves as follows:

ARTICLE 1. DEFINITIONS.

1.1 ADA means the Americans with Disabilities Act of 1990, as the same may be amended, modified, codified, supplemented or repealed from time to time.

1.2 ADR means the alternative dispute resolution process set forth in Exhibit Lease-12.

1.3 AHCCCS Acute Plan means a contract between the County and AHCCCSA, Contract No YH04-0001-04 issued February 3, 2003, as amended and supplemented for the provision of hospitalization and medical care coverage to eligible persons who are enrolled in AHCCCS as defined in A.R.S. §§ 36-2901, 36-2981 and 36-2981.01.

1.4 ALTCS Plan means the health insurance plan between the AHCCCSA and the County providing long term care for the aged, blind or physically disabled who need ongoing services at a nursing facility level of care.

1.5 A.R.S. means the Arizona Revised Statutes, as the same may be amended, modified, codified, supplemented or repealed from time to time.

1.6 Adjustment Date has the meaning set forth in Section 4.1 of this Lease.

1.7 Annual Fixed Rent has the meaning set forth in Section 4.1 of this Lease.

1.8 Business Day means all days of the year except Saturday, Sunday and State of Arizona or federal legal holidays.

1.9 CHC means the Comprehensive Health Care Center located at 2525 East Roosevelt, Phoenix, Arizona.

1.10 CHC Rent has the meaning set forth in Section 4.2 of this Lease.

1.11 Code means the Internal Revenue Code, as the same may be amended, modified, codified, supplemented or repealed from time to time.

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1.12 Condemnation Award means the payment or other award made in connection with a taking of all or a portion of the Demised Premises and/or this Lease by a governmental entity.

1.13 County means Maricopa County, a political subdivision of the State of Arizona.

1.14 County Administrative Officer means the person designated from time to time by the County Board of Supervisors as the chief executive officer of the County.

1.15 County Contract Administrator means the individual appointed by the County pursuant to Section 3.2.1 of this Lease.

1.16 County DSH Reimbursement Amount has the meaning set forth in Section 4.3.2.1 of this Lease.

1.17 County Event of Default has the meaning set forth in Section 19.2 of this Lease.

1.18 County Fiscal Year means the accounting period beginning on July 1 of each calendar year and ending on June 30 of the following calendar year.

1.19 County Proceeding has the meaning set forth in Section 19.2.2.4 of this Lease.

1.20 County Writ has the meaning set forth in Section 19.2.2.4 of this Lease.

1.21 CPI Index means the "All Items" portion of the All Urban Consumers Index published by the U.S. Bureau for Labor Statistics for Metropolitan Phoenix.

1.22 Deed Restriction has the meaning set forth in Article 8 of this Lease.

1.23 Default Rate has the meaning set forth in Section 19.6 of this Lease.

Original

LETTER AGREEMENT

BETWEEN

MARICOPA COUNTY SPECIAL HEALTH CARE DISTRICT ("DISTRICT") DISTRICT AND

MARICOPA COUNTY OFFICE OF THE MEDICAL EXAMINER ("OME")

This Letter Agreement ("Agreement") serves to outline the services purchased from the Maricopa County Special Health Care District (DISTRICT) by Maricopa County's Office of the Medical Examiner (OME). It specifically addresses the employee health, laboratory, and laundry services. The Letter Agreement is sufficient due to the previously approved Amended and Restated IGA between Maricopa County and the DISTRICT dated November 1, 2004 ("Master IGA").

1. PREFACE

The DISTRICT dba Maricopa Integrated Health Services ("MIHS") and OME have enjoyed a long-standing relationship with regard to certain services that MIHS provides to OME. Prior to the creation of the DISTRICT this relationship was documented in Interdepartmental Agreements, the last of which expired April 30, 2005. Since April 30 these services have continued and payments have been made for those services. The parties now believe that going forward it would be in their best interests to have this Letter Agreement reflect the duties and responsibilities of the respective parties.

2. PARTIES

The parties to this Letter Agreement ("Agreement") are Maricopa County Special Health Care District ("DISTRICT") dba Maricopa Integrated Health System ("MIHS") and Maricopa County ("County") for the Maricopa County Office of the Medical Examiner ("OME").

3. PURPOSE

The purpose of this Agreement is to establish guidelines for the provision of services to OME by DISTRICT including, but not limited to, services provided by the Maricopa Medical Center ("MMC"), and for the payment by County to DISTRICT for such services. Such services are to be provided by Qualified Personnel employed by or under contract to DISTRICT.

4. TERM AND TERMINATION

The term of this Agreement shall be from January 1, 2006, through June 30, 2008, with two (2) optional one-year renewal periods. Either party may terminate the Agreement with 60 days prior written notice to the other party.

5. DISPUTES

Any dispute arising out of this Agreement shall be resolved according to the Dispute provisions in the Master IGA.

6. SCOPE OF SERVICES

A. DISTRICT Laboratory Work Performed For OME:

1. OME may submit lab test requests to the MMC Laboratory, 2601 East Roosevelt, phone: 602-344-5520, as needed twenty-four (24) hours a day, seven (7) days a week.

2. Depending on the urgency and the type of test, OME shall receive the results by fax with follow up hard copies in the mail of the requested test within 24 hours of receipt of lab test request.

3. The laboratory name and name of the Director of the laboratory will appear on the result report.

4. Reports will include the decedent name, identification number, referring contracted medical provider, date of specimen receipt, date of service, results, location ID and any comments pertinent to the specimen or reported results.

5. Results will be conveyed to OME via fax upon completion of testing in a timely manner. A hard copy of the result will follow in the next working day. A written copy of the laboratory result must be submitted within three (3) working days upon completion of testing.

6. DISTRICT shall deliver results of lab tests by fax with follow up hard copies in the mail to:

Forensic Science Center
Toxicology Laboratory
701 West Jefferson
Phoenix, Arizona 85007

B. DISTRICT Laundry Services for OME

1. OME personnel shall deliver soiled linen to MMC's Laundry Department in red double bags. The bags shall not be over-filled.

2. Qualified MMC Laundry personnel shall wash the linen and then notify the OME when services are complete by calling:

   Office of Medical Examiner, Admitting Office
   701 West Jefferson
   Phone: 602-506-8110

3. OME personnel shall pick up clean linen from MMC.

4. MMC Laundry shall provide services within twenty-four (24) hours of receipt of OME laundry.

C. DISTRICT Employee Health Services for OME

1. Services shall be provided by qualified MMC Employee Health staff at MMC.

2. Services provided by Employee Health staff at MMC to OME employees shall include scheduled pre-placement physicals, medical job fitness assessments, and medical and preventive care due to injuries or accidents and other mutually agreed upon Employee Health services. .

3. Administration of annual T.B. tests shall be on-site once a year at a mutually agreed upon date and time at the Forensic Science Center.

4. MMC Employee Health staff shall maintain OME employee health records.

7. APPOINTMENTS AND TRANSPORTATION

DISTRICT will work with OME to arrange and schedule as efficiently as possible, the services to be provided under this Agreement.

8. LICENSURE/CERTIFICATION REQUIREMENTS

A. All MMC Physicians and staff providing services under this Agreement shall be qualified to provide services through appropriate training, education, experience and/or certification/licensure (if applicable). Documentation of qualifications shall be maintained in MMC personnel files.

B. MMC shall obtain and maintain licensure/certification/accreditation/permits necessary to do business under this Agreement and in accordance with applicable laws/regulations.

9. COLLABORATIVE USE OF CONTRACTS

When feasible and mutually advantageous, DISTRICT and OME agree to work collaboratively to effect savings through increased volume and efficiencies.

10. BILLING REIMBURSEMENT AND COMPENSATION

A. At the beginning of each month, DISTRICT shall provide separate claims (billings) for each of the different services provided to OME under this Agreement during the previous month. These claims (billings) shall include the following information:

1. Authorization number will consist of the OME file number, if applicable.
2. Name of individual(s) receiving services.
3. Date of service(s).
4. Service(s) provided.
5. Total billed charges.

B. Requested services provided to OME by DISTRICT shall be reimbursed in accordance with the most current DISTRICT applicable fee schedule.

C. DISTRICT shall provide OME with updated fee schedules as necessary when relevant fee changes occur or when requested by OME.

D. Lab Services:

OME shall pay DISTRICT 100% of the current AHCCCS fee schedule for lab services provided by MMC at MMC. For testing requested by OME that is sent to a subcontracted reference laboratory by MMC, OME shall be notified in advance and billed at the cost of the test as charged by the subcontracted laboratory plus a $10.00 handling fee for each test so referred.

E. Laundry Services:

The OME agrees to pay DISTRICT the most current rate per pound for all laundry services performed by the MMC Laundry.

F. Employee Health Services

The OME shall pay 50% of the rate identified for each specific service in the Employee Health Fee Schedule (Exhibit IGA-30 of the Master IGA), which is attached hereto.

G. Any costs related to transportation of or by DISTRICT or OME staff or employees shall be borne by the respective party.

11. UTILIZATION REVIEW

A. DISTRICT will maintain an internal utilization review process. Data from utilization review will be provided, as available, to facilitate evaluations and insure the most cost effective use of DISTRICT and OME resources.

B. Where appropriate DISTRICT will include OME staff in its utilization review and peer review programs and, where permitted by law, provide data to OME, as it is available, to facilitate the evaluation of services provided and ensure the most cost-effective use of DISTRICT and OME resources.

12. TERMINATION FOR LACK OF FUNDING

If any action is taken by any State, Federal or other agency or instrumentality to suspend, decrease or terminate its fiscal obligations under, or in connection with, this Agreement, DISTRICT or OME may amend, suspend, decrease or terminate its obligations under, or in connection with, this Agreement with 30 days written notice.

13. CONFIDENTIALITY OF RECORDS

DISTRICT shall maintain procedures and controls in accordance with federal and state law, Arizona Administrative Code and DISTRICT Policies for the purpose of assuring that no information contained in records or obtained from OME or from others in carrying out its duties under this Agreement shall be used or disclosed by DISTRICT except as is essential to performance of duties under this Agreement or as otherwise required by law.

14. SUBCONTRACTORS/ASSIGNMENTS/AGREEMENTS

A. No subcontract, assignment or agreement alters DISTRICT'S responsibility to OME to assure that all services provided under this Agreement are carried out. All terms and conditions in this Agreement shall be included in all subcontracts, assignments or agreements.

B. The CEO of MIHS or the Chief Medical Examiner may request the termination of any subcontract, assignment or agreements due to the subcontractor's inability to perform, professional misconduct, breach of agreement or continual neglect of duty.

15. AGREEMENT COMPLIANCE MONITORING

OME shall monitor DISTRICT compliance with, and performance under, the terms and conditions of this Agreement. On-site visits for compliance monitoring may be made by OME at any time during MMC normal business hours, announced or unannounced. DISTRICT shall make available for inspection and/or copying by OME monitors all records and accounts relating to the work performed or the services provided under this Agreement, unless prohibited by law. DISTRICT agrees to take corrective action to resolve issues identified through monitoring findings. OME shall maintain the confidentiality of any copied records, which contain patient identifying information.

16. COMMUNICATION

Informal communication for operational issues may be directed to the appropriate individual listed below:

Carol Heyse,
Laboratory
Maricopa Medical Center
2601 E. Roosevelt
Phoenix, Arizona 85008
Phone: (602) 344-5506

June Mikkila,
Employee Health
Maricopa Integrated Health System
2611 East Pierce, 2nd Floor
Phoenix, AZ 85008
Phone: 602-344-5273

Mike Sanders
Examination Supervisor
Forensic Science Center
701 West Jefferson
Phoenix, Arizona 85007
Phone: 602-506-8696

Neil Wittekindt,
Laundry Services
Maricopa Medical Center
2601 E. Roosevelt
Phoenix, Arizona 85008
Phone: (602) 344-5300

Betty Adams
OME Administrative Director
Forensic Science Center
701 West Jefferson
Phoenix, Arizona 85007
Phone: 602-506-8110

Norman Wade
OME Laboratory Director
Forensic Science Center
701 West Jefferson
Phoenix, Arizona 85007
Phone: 602-506-8697

17. FORMAL NOTICES

Formal notices to Special Health Care District and Medical Examiner shall be delivered to:

Maricopa Integrated Health System
Contract Specialist
Contracts Administration
2511 East Pierce, 2nd Floor
Phoenix, AZ 85008

Office of Medical Examiner
Betty Adams
Forensic Science Center
701 West Jefferson
Phoenix, AZ 85007

18. ENTIRE AGREEMENT

All amendments and modifications to this Agreement shall be in writing and signed by both parties and are subject to the approval of the CEO of MIHS and the Director of the Office of the Medical Examiner.

IN WITNESS WHEREOF, the parties have executed this Letter Agreement _____ 2006

MARICOPA COUNTY,

David R Smith 4/7/06

David R. Smith Date
Maricopa County Manager

MARICOPA COUNTY SPECIAL HEALTH CARE DISTRICT dba MARICOPA INTEGRATED HEALTH SYSTEM

Betsey Bayless 3-23-06

Betsey Bayless Date
Maricopa County Special Health Care District
CEO