

## GUARANTY

THIS GUARANTY ("**Guaranty**") dated as of September 10, 2020 (the "**Effective Date**"), of **UNIVERSAL HEALTH SERVICES, INC.**, a Delaware corporation ("**Guarantor**"), is for the benefit of and delivered to the **DISTRICT OF COLUMBIA**, a municipal corporation ("**District**").

## RECITALS

WHEREAS, District is the fee simple owner of the parcel of real property located in the District of Columbia and known for assessment and taxation purposes as Lot 0859, Square 5868-S (the "**Land**");

WHEREAS, simultaneously herewith, District, UHS East End Sub, LLC, a wholly-owned subsidiary of Guarantor (including any permitted successors or assigns, the "**Operating Entity**"), and UHS Building Solutions, Inc., a wholly-owned subsidiary of Guarantor (including any permitted successor or assign, the "**Development Entity**") entered into a Collaboration Agreement (as may be amended in accordance with its terms, the "**Collaboration Agreement**") outlining a collaboration between the District, the Operating Entity, and the Development Entity with respect to the construction and operation of a Hospital and Parking Facility (as such terms are defined in the Collaboration Agreement) and other related matters;

WHEREAS, simultaneously herewith, District and Development Entity entered into a Development Agreement (as may be amended in accordance with its terms, the "**Development Agreement**") pursuant to which District contracted with Development Entity to provide program management services in connection with the design, construction, furnishing, equipping, activation, and commissioning of the Hospital and supporting facilities, and Development Entity wishes to provide those services on the terms and conditions set forth therein;

WHEREAS, simultaneously herewith, District and Operating Entity entered into a Hospital Operations Agreement (as may be amended in accordance with its terms, the "**Hospital Operations Agreement**") pursuant to which Operating Entity agreed to operate the Hospital and Parking Facility in accordance with the terms and conditions set forth therein;

WHEREAS, simultaneously herewith, District and Operating Entity as the "**Tenant**" entered into a Lease Agreement (as may be amended in accordance with its terms, the "**Lease Agreement**") pursuant to which District agreed to lease to Operating Entity and Operating Entity agreed to use, operate, maintain, and improve the Hospital and Parking Facility in accordance with the terms and conditions of the Lease Agreement and the Hospital Operations Agreement during the time the Hospital Operations Agreement is in effect;

WHEREAS, Operating Entity is a subsidiary of Guarantor;

WHEREAS, it is the intention of Guarantor, and a condition to the willingness of District to enter into the Collaboration Agreement, Development Agreement, Hospital Operations Agreement, and Lease Agreement (collectively, the “**Guaranteed Agreement**”) that Guarantor guaranties all of the payment and performance obligations of Operating Entity and the Development Entity (Development Entity shall for the purposes of this Guaranty be deemed to be included in the definition of “Operating Entity”) under the Guaranteed Agreement, as set forth in this Guaranty;

WHEREAS, Guarantor has substantial direct or indirect economic and/or ownership interest in Operating Entity and will derive substantial benefit from the District’s lease of the Hospital and Parking Facility to Operating Entity and Operating Entity’s operation of the Hospital and Parking Facility;

NOW, THEREFORE, in consideration of the premises and an inducement for and in consideration of the agreement of District entering into and performing its obligations under the Guaranteed Agreement, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, Guarantor, intending to be legally bound, hereby agrees and covenants to District as follows:

1. Guarantor does hereby irrevocably guarantee (i) the full and prompt payment by Operating Entity of all of Operating Entity’s payment obligations to District under the Guaranteed Agreement, including, without limitation, payment obligations arising as a result of a breach or failure by Operating Entity to perform any of its respective obligations at the times and in the manner provided in the Guaranteed Agreement, and (ii) the full and timely performance of all obligations of Operating Entity under the Guaranteed Agreement, including, without limitation, obligations of Operating Entity to operate the Hospital and Parking Facility pursuant to the terms of the Hospital Operations Agreement (collectively (i) and (ii) referred to as “**Guaranteed Obligations**”).

2. Intentionally Deleted.

3. This Guaranty may only be assigned, amended or modified by a writing signed by the parties hereto and any successors and assigns of District’s rights under the Guaranteed Agreement.

4. Guarantor’s obligation of payment pursuant to this Guaranty is an absolute, primary, unconditional, and irrevocable guaranty of payment and not of collection and, except with respect to the performance obligations set forth in Section 1(ii), Guarantor shall have no obligation to perform under the Guaranteed Agreement. This Guaranty shall remain in full force and effect until all of the obligations of the Operating Entity under the Guaranteed Agreement to District have been satisfied in full. Guarantor acknowledges that District has executed the Guaranteed Agreement in material reliance upon this Guaranty. District shall have no obligation to assert any claim or demand or to enforce any remedy under the Guaranteed Agreement or to proceed first against Operating Entity or any other person or entity, or resort to any security or make of any effort to obtain payment or performance by Operating Entity or any other person or entity. No delay or omission by District to exercise any right under this Guaranty shall impair any right, nor shall it be

construed to be a waiver thereof. No waiver of any single breach or default under this Guaranty shall be deemed a waiver of any other breach or default.

5. If Operating Entity fails or refuses to pay or perform any Guaranteed Obligation when due (subject to any applicable notice and/or cure period of the Operating Entity pursuant to the Guaranteed Agreement) and District elects to exercise its rights under this Guaranty, District shall make demand upon Guarantor (a “**Demand**”). Such Demand shall be in writing, shall refer to this Guaranty, shall specifically identify Operating Entity, shall reasonably and briefly specify in what manner and what amount Operating Entity has failed to pay or what obligation Operating Entity has failed to perform and provide an explanation of why such payment or performance is due, with a specific statement that District is calling upon to pay or to perform or to cause performance in accordance with this Guaranty. A Demand satisfying the foregoing requirements when delivered to Guarantor shall be required in respect of any Guaranteed Obligation before Guarantor is required to pay or to perform or to cause performance of such Guaranteed Obligation in accordance with this Guaranty and shall be deemed sufficient notice to Guarantor that it must pay or perform or cause performance of such Guaranteed Obligation. A single written Demand that complies with the terms of this Guaranty shall be effective as to any specific failure to pay or perform during the continuance of such failure to pay or perform, until Operating Entity, or Guarantor, has fully cured such failure to pay or perform, and additional written demands concerning such failure to pay or perform shall not be required until such failure to pay or perform is fully cured.

6. The liability of Guarantor under this Guaranty shall be absolute, primary (with respect to payment), unconditional, and irrevocable, irrespective of: (a) any change in time, manner or place of payment of, or in any other term of, all or any of the Guaranteed Obligations or any other amendment to, modification of (including change orders), waiver of, or any consent to departure from, the Guaranteed Agreement; (b) any change in ownership of Guarantor or Operating Entity; (c) any bankruptcy, insolvency, or reorganization of, or other similar proceedings involving Operating Entity; (d) any assignment or transfer of the Guaranteed Agreement by the Operating Entity (excluding when a replacement guaranty is provided by a new guarantor approved by District in accordance with the terms of Section 4.8 of the Lease Agreement); or (e) any other circumstances which might otherwise constitute a legal or equitable discharge of a surety or guarantor. Guarantor’s obligations under this Guaranty shall not be released, impaired, reduced or otherwise affected by, and shall continue in full force and effect notwithstanding the occurrence of, any event, including, without limitation, the insolvency, bankruptcy, arrangement, adjustment, composition, liquidation, dissolution, or lack of authority of the Operating Entity whether now existing or hereafter arising.

7. Nothing in this Guaranty diminishes or waives Operating Entity rights, setoffs, counterclaims, and other defenses to which Operating Entity is or may be entitled under the Guaranteed Agreement.

8. If a claim is made upon District at any time for repayment or recovery of any amounts received by District from any source on account of any of the Guaranteed

Obligations and District, pursuant to a court order or applicable law, repays or returns any amounts so received, then Guarantor shall remain liable for the amounts so repaid (such amounts being deemed part of the Guaranteed Obligations) to the same extent as if such amounts had never been received by District, notwithstanding any termination hereof or the cancellation of any instrument or agreement evidencing any of the Guaranteed Obligations.

9. Guarantor hereby irrevocably, unconditionally, and expressly waives, to the fullest extent permitted by applicable law, promptness, diligence, presentment, notice of acceptance, and other notice (except as for any notice required pursuant to the terms of this Guaranty) with respect to any of the Guaranteed Obligations and this Guaranty and any requirement that District protect, secure or perfect any security interest, or exhaust any right or first proceed against Operating Entity or any other person or entity.

10. District may, without notice to Guarantor and without affecting in any way its rights hereunder:

- a. modify or otherwise change any terms of all or any part of the Guaranteed Agreement or grant any extension(s) or renewal(s) for any period or periods of time for payment or performance or grant any other indulgence(s) with respect thereto and effect any release, compromise or settlement with respect thereto;
- b. enter into any agreement of forbearance with respect to all or any part of the payment or performance due under the Guaranteed Agreement, or with respect to all or any part of the collateral securing the payment and performance by Operating Entity or Guarantor of its obligations, and change the terms of any such agreement;
- c. enter into any agreement or agreements with the Operating Entity concerning then existing or additional obligation; and/or
- d. release or effect any settlement or compromise with respect to the payment or performance of the Guaranteed Agreement by Operating Entity or any other party primarily or secondarily liable for the payment or performance of the Guaranteed Agreement.

Notwithstanding anything to the contrary contained in the foregoing, to the extent that any of the events referred to above directly reduces the extent or nature of, or eliminates any or all of, the Guaranteed Obligations, Guarantor shall be entitled to the benefit of such reduction in, or elimination of, the Guaranteed Obligations.

11. Subject to Paragraphs 6, 8, and 9 hereof, Guarantor hereby reserves to itself all rights, setoffs, counterclaims, and other defenses to which Operating Entity is or may be entitled to under the Guaranteed Agreement, except for defenses arising out of bankruptcy, insolvency, dissolution, or liquidation of Operating Entity.

12. Guarantor represents and warrants to District as of the Effective Date that:
- a. It is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and has full power and legal right to execute and deliver this Guaranty and to perform the provisions of this Guaranty on its part to perform.
  - b. The execution, delivery, and performance of this Guaranty by Guarantor has been and remains duly authorized by all necessary action, corporate or otherwise, and do not contravene any provision of its certificate of incorporation or bylaws or any law, regulation or contractual restriction binding on it or its assets.
  - c. All consents, authorizations, approvals, registrations, and declarations required for the due execution, delivery, and performance of this Guaranty have been obtained from or, as the case may be, filed with the relevant governmental authorities having jurisdiction and remain in full force and effect, and all conditions thereof have been duly complied with and no other action by, and no notice to or filing with, any governmental authority having jurisdiction is required for such execution, delivery or performance; and
  - d. This Guaranty constitutes the legal, valid, and binding obligation of Guarantor, enforceable against it in accordance with its terms, except as enforcement hereof may be limited by applicable bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' rights or by general equity principles.
  - e. Except as disclosed by Guarantor to District, no actions, suits, or proceedings are pending or, to, as applicable, Guarantor's knowledge, threatened against or affecting Guarantor before any governmental authority which could, if adversely decided, result in a material adverse change in the financial condition of Guarantor (in comparison to any state of affairs existing before the Effective Date) or adversely affect the ability of Guarantor to perform, or of District to enforce, any provision of this Guaranty.
  - f. Guarantor is not insolvent (as such term is defined or determined for purposes of the Bankruptcy Reform Act of 1978 (11 U.S.C. § 101-1330), as amended or recodified, or any other bankruptcy law, and the execution and delivery of this Guaranty will not make Guarantor insolvent.
  - g. Neither this Guaranty nor any certificate or written statement furnished to District by or on behalf of Guarantor contains any untrue statement of a material fact or intentionally, or knowingly, omits to state a material fact necessary to make the statements herein and therein, in the light of the circumstances under which they are made, not misleading.
  - h. There are no conditions precedent to the effectiveness of this Guaranty.

- i. Guarantor is not a Prohibited Person (as such term is defined in the Lease Agreement).
- j. Prior to the Effective Date, Guarantor provided to District (i) a certification from the Chief Financial Officer of Guarantor confirming the ability of Guarantor to meet its obligations under this Guaranty; and (ii) unless not otherwise publicly available through SEC's EDGAR service, Guarantor's most recent audited annual financial statements (including without limitation, a balance sheet, income statement and statement of cash flows, and any footnotes related thereto), all prepared in accordance with generally accepted accounting principles.

All representations, warranties, and covenants made by Guarantor herein shall be considered to have been an inducement to and relied upon by District in consummating the transaction contemplated by the Guaranteed Agreement and shall survive the delivery to District of this Guaranty until payment of all Guaranteed Obligations has been received in full by District, regardless of any investigation made or not made by or on behalf of District.

13. This Guaranty shall be binding upon Guarantor and its successors and permitted assigns and inure to the benefit of and be enforceable by District and its successors and permitted assigns under the Guaranteed Agreement. Guarantor's liability under this Guaranty shall remain in full force and effect until the earlier of (a) (i) receipt by District of full payment of all Guaranteed Obligations under the Guaranteed Agreement in accordance with the terms hereof and thereof and (ii) performance in full of all Guaranteed Obligations under the Guaranteed Agreement in accordance with the terms hereof and thereof or (b) release by District.

14. Guarantor subordinates and shall not assert any claim, right, or remedy that Guarantor may now have or hereafter acquire against Operating Entity, or any of its assets or property that arises from the performance by Guarantor hereunder, including, without limitation, any claim, right, or remedy of subrogation, reimbursement, exoneration, contribution, indemnification, or participation in any claim, right, or remedy that District may have against Operating Entity or any collateral for the Guaranteed Obligations that District now has or hereafter acquires, whether or not such claim, right or remedy arises in equity, under contract, by statute, under common law, or otherwise until such time as Operating Entity pays such Guaranteed Obligations in full.

15. Upon the occurrence and during the continuance of (a) any failure by Guarantor to pay the Guaranteed Obligations within twenty (20) days after the date that Guarantor receives written notice from District that Guarantor owes District such Guaranteed Obligations as provided in this Guaranty, (b) the dissolution or insolvency of Guarantor, (c) the inability of Guarantor to pay its debts generally as they mature, (d) a general assignment by Guarantor for the benefit of creditors that is not dismissed or stayed within one hundred twenty (120) days filing, (e) the institution of any proceeding by or against Guarantor in bankruptcy or for a reorganization or an arrangement with creditors,

or for the appointment of a receiver, trustee, or custodian for Guarantor or its properties that is not dismissed or stayed within one hundred twenty (120) days after receipt of notice of filing, (f) the falsity in any material respect of any representation made to District by Guarantor in this Guaranty, or (g) any other default by Guarantor of any other obligations owed to District by Guarantor in this Guaranty which is not remedied within the applicable notice and/or cure period (a “**Guarantor Default**”), District shall have such rights and remedies available to it as permitted by law and in equity and may enforce this Guaranty in accordance with the terms hereof, independently of any other remedy or security District at any time may have or hold in connection with the Guaranteed Obligations as to Operating Entity, and it shall not be necessary for District to marshal assets in favor of Operating Entity, Guarantor, or any other Person or to proceed upon or against and/or exhaust any security or remedy before proceeding to enforce this Guaranty in accordance with the terms hereof. Additionally, Guarantor agrees that during the continuance of any Guarantor Default, District may, without the consent of or notice to Guarantor take or refrain from taking such other action to enforce the provisions of this Guaranty against Guarantor as it may from time to time determine in its sole discretion as to any obligations then unperformed.

16. This Guaranty shall be governed by and enforced in accordance with the law of the District of Columbia without the application of principles of conflict of law which would apply the substantive law of any other jurisdiction. Each of Guarantor and District hereby expressly waives any right to a trial by jury in any action or proceeding to enforce or defend any rights (a) under this Guaranty or the Guaranteed Agreement, including any amendments thereto, or (b) arising from any relationship existing in connection herewith or therewith, and agrees that any such action or proceeding shall be tried before a court and not before a jury.

17. All demands, notices or communications to Guarantor shall be in writing and shall be directed by registered or certified mail or overnight delivery service to:

Universal Health Services, Inc.  
367 South Gulph Road  
King of Prussia, PA 19406  
Attn: General Counsel – Matthew Klein

or such other address as Guarantor shall from time to time specify in writing to District.

18. Notwithstanding anything to the contrary contained in this Guaranty, the maximum aggregate amount that Guarantor shall incur in connection with the payment and performance of any and all Guaranteed Obligations shall not exceed the total sum equal to the Maximum Amount (as defined below). As used in this Section, the term “**Maximum Amount**” shall mean (i) from the Effective Date until the fifth (5<sup>th</sup>) anniversary of the Effective Date, the amount of ONE-HUNDRED MILLION AND NO/100 DOLLARS (\$100,000,000.00) and (ii) after such fifth (5<sup>th</sup>) anniversary of the Effective Date, the amount of SEVENTY-FIVE MILLION AND NO/100 DOLLARS (\$75,000,000.00).


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IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be executed and delivered by its duly authorized officer, and District accepts and agrees to the terms hereof, as of the date first written above.

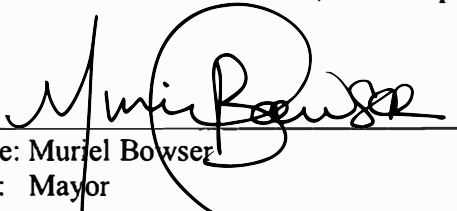
GUARANTOR:

**UNIVERSAL HEALTH SERVICES, INC.**

By:   
Name: Marc Miller  
Title: President

DISTRICT:

**DISTRICT OF COLUMBIA, a municipal corporation**

By:   
Name: Muriel Bowser  
Title: Mayor