

(3) ALL CONDITIONS OF THE TRANSFER HAVE BEEN SATISFIED.

13-1B-08.

(A) ON THE TRANSFER DATE THE MEDICAL SYSTEM CORPORATION SHALL TAKE ALL LEGAL ACTION NECESSARY TO ASSUME THE MEDICAL SYSTEM LIABILITIES, BUT ONLY TO THE EXTENT EXPRESSLY PROVIDED IN THIS SUBTITLE AND THE ANNUAL CONTRACT; THE MEDICAL SYSTEM CORPORATION SHALL NOT BE LIABLE FOR ANY OTHER DEBTS, OBLIGATIONS, OR LIABILITIES OF THE STATE OR THE UNIVERSITY INCURRED OR ARISING IN CONNECTION WITH THE MEDICAL SYSTEM PRIOR TO THE TRANSFER DATE. THIS ASSUMPTION OF LIABILITIES SHALL BE AN ASSUMPTION OF SUCH LIABILITIES AS THEY EXIST ON THE TRANSFER DATE; PROVIDED, HOWEVER, THIS PROVISION SHALL BE CONSTRUED AND APPLIED TO GIVE EFFECT TO ALL PROVISIONS OF LAW AND DEFENSES APPLICABLE TO SUCH LIABILITIES PRIOR TO THE TRANSFER DATE.

(B) REGARDLESS OF ANY ASSUMPTION OF LIABILITY BY THE MEDICAL SYSTEM CORPORATION, THE PAYMENT OF ANY SETTLEMENT OR JUDGMENT AGAINST A STATE OFFICER OR EMPLOYEE INCURRED OR ARISING IN CONNECTION WITH THE MEDICAL SYSTEM PRIOR TO THE TRANSFER DATE SHALL BE DETERMINED PURSUANT TO ARTICLE 78A, § 16C OF THE CODE, AND, IF THE BOARD OF PUBLIC WORKS DETERMINES TO MAKE A PAYMENT TO SATISFY SUCH SETTLEMENT OR JUDGMENT, SUCH PAYMENT SHALL BE MADE ONLY FROM THE STATE GENERAL EMERGENCY FUND OR THE STATE INSURANCE TRUST FUND.

(C) EFFECTIVE ON THE TRANSFER DATE, THE MEDICAL SYSTEM CORPORATION SHALL ASSUME RESPONSIBILITY FOR AND SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS THE UNIVERSITY AND THE STATE WITH RESPECT TO:

(1) ALL LIABILITIES AND DUTIES OF THE UNIVERSITY PURSUANT TO CONTRACTS AND AGREEMENTS FOR COMMODITIES, SERVICES, AND SUPPLIES UTILIZED BY THE MEDICAL SYSTEM;

(2) ALL CLAIMS RELATED TO THE EMPLOYMENT RELATIONSHIP AFTER THE TRANSFER DATE BETWEEN MEDICAL SYSTEM PERSONNEL AND THE UNIVERSITY AND THE STATE; AND

(3) ALL CLAIMS FOR BREACH OF CONTRACT RESULTING FROM THE MEDICAL SYSTEM CORPORATION'S ACTION OR FAILURE TO ACT AFTER THE TRANSFER DATE.

(D) THE MEDICAL SYSTEM CORPORATION WILL DESIGNATE LEGAL COUNSEL TO REPRESENT MEDICAL SYSTEM UNIVERSITY PERSONNEL DETERMINED BY THE ATTORNEY GENERAL TO BE ENTITLED TO LEGAL REPRESENTATION PURSUANT TO ARTICLE 32A, § 12B OF THE CODE, WITH RESPECT TO ACTS OR OMISSIONS IN THE COURSE OF SERVICES RELATED TO THE MEDICAL SYSTEM ON OR AFTER THE TRANSFER DATE. THE ATTORNEY GENERAL SHALL NOT BE RESPONSIBLE FOR REPRESENTING SUCH INDIVIDUALS FOR ACTIONS ON OR AFTER THE TRANSFER DATE. THE MEDICAL SYSTEM CORPORATION SHALL BE RESPONSIBLE FOR PAYING ANY