

COOPERATIVE ENDEAVOR AGREEMENT

BY AND AMONG

LOUISIANA CHILDREN'S MEDICAL CENTER;

**UNIVERSITY MEDICAL CENTER
MANAGEMENT CORPORATION;**

**BOARD OF SUPERVISORS OF
LOUISIANA STATE UNIVERSITY
AND AGRICULTURAL AND MECHANICAL COLLEGE;**

THE LOUISIANA DIVISION OF ADMINISTRATION;

**THE LOUISIANA DEPARTMENT OF HEALTH AND
HOSPITALS;**

AND

**THE STATE OF LOUISIANA
THROUGH THE DIVISION OF ADMINISTRATION**

DATED MAY 29, 2013

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COOPERATIVE ENDEAVOR AGREEMENT

THIS COOPERATIVE ENDEAVOR AGREEMENT (“CEA” or “Agreement”) is made and entered into this 29th day of May, 2013 (“Effective Date”), by and among Louisiana Children’s Medical Center, a Louisiana nonprofit corporation (“LCMC”), University Medical Center Management Corporation (A Major Affiliate of LSU pursuant to La. R.S. 17:3390), a Louisiana nonprofit corporation (“UMCMC”), Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (“LSU”), the Louisiana Division of Administration, acting through the Commissioner (the “DOA”), the Louisiana Department of Health and Hospitals, acting through the Secretary (“DHH”), and the State of Louisiana, through the Commissioner of Administration (the “State”). LCMC, UMCMC, LSU, DOA, DHH and the State are referred to together as the “Parties,” and each, a “Party.” Capitalized terms shall have the meanings set forth on Appendix 1.

RECITALS

WHEREAS, the State of Louisiana, through public and private educational institutions, facilities and health providers, has long endeavored to create and maintain a system of medical education and training of the highest quality while also providing the highest quality of health care services to all citizens of the State;

WHEREAS, it is a collective goal of the Parties to enhance the stability and competitiveness of Louisiana’s medical education and training programs so that Louisiana is positioned to continue to attract the most talented faculty, students, residents and other medical professionals;

WHEREAS, a highly competitive academic and training environment furthers the additional goal of the Parties to leverage the research capabilities of Louisiana's public and private educational institutions, facilities and health providers;

WHEREAS, sustainable partnerships among health providers and LSU and the Administrators of the Tulane Educational Fund, d/b/a Tulane University (“Tulane”), as well as other universities and training institutions in Louisiana, are necessary to optimize the medical training resources available in Louisiana and to ensure that sufficient numbers of qualified health care professionals are trained to address the current and future healthcare needs of the State;

WHEREAS, Louisiana has traditionally relied on a state-wide public hospital system, most recently owned and operated by LSU pursuant to constitutional and statutory authority, to (i) provide health care to the State’s uninsured and high-risk Medicaid populations, as well as the State’s inmates, and (ii) serve as the primary training sites for LSU’s medical education programs;

WHEREAS, the state-wide public hospital system is financially unsustainable, compromising LSU’s and the State’s ability to provide medical education opportunities, a full range of clinical services to all Louisiana citizens, including the uninsured and Medicaid high-risk populations, and promote clinical research and other advances in health care;

WHEREAS, Louisiana’s health care reform effort has focused on ways to remodel the delivery of care through partnerships and cooperative efforts between the public and private sectors;

WHEREAS, LSU owns the facility located at 2021 Perdido Street, New Orleans, Louisiana 70112 that since Hurricane Katrina has served as an interim facility (along with the related facilities, the “Interim Facility”) for the LSU hospital with Medicare Provider Number 190005 (the “Hospital”) and the ongoing operations of the Hospital;

WHEREAS, upon completion of construction by the Office of Facilities Planning and Control within the DOA, LSU will own the facility currently under construction in New Orleans

to serve as the Hospital's new, permanent facility, as well as an ambulatory care building and parking garage currently under construction as part of the Hospital's new campus (collectively, the "New Facility");

WHEREAS, in accordance with a Memorandum of Understanding dated August 2, 2009, as amended by amendment thereto dated March 2, 2010, by and among LSU, DOA, DHH and Tulane (the "MOU"), it is contemplated that UMCMC will assume the operations of the Hospital upon completion of the New Facility as a private enterprise in accordance with the terms of this CEA and part of a collaborative academic medical center (the "AMC") to serve and enhance opportunities to achieve the State's medical education, clinical care and research goals;

WHEREAS, due to (i) the closing of the former Charity Hospital facility, the Federal Emergency Management Agency ("FEMA") provided funds to convert the former University Hospital to the Interim Facility to provide services until construction of the New Facility could be completed and the commencement of operations therein, and (ii) the subsequent execution of the MOU by LSU, Tulane, DOA and DHH, the provisions of La. R.S. 17:1519.9 are no longer applicable to the Hospital's operations and so are not applicable to this CEA or the Contemplated Transactions (as hereinafter defined);

WHEREAS, the LCMC health care system (the "LCMC System" or "System") has extensive experience in nonprofit hospital operations and finances, including management and operation of Touro Infirmary ("Touro") and Children's Hospital of New Orleans ("Children's"), ongoing academic relationships with LSU, Tulane, and other academic and community organizations throughout New Orleans and Louisiana, and is committed to the growth and expansion of the charitable clinical, teaching and research missions in the communities it serves;

WHEREAS, UMCMC has determined that the System has the resources and expertise necessary to help UMCMC achieve its vision of an integrated, world class academic medical center consistent with the MOU;

WHEREAS, to maintain the viability of Hospital operations and the current range of patient care services and programs in the Interim Facility, and to protect and enhance the Hospital's vital role in the AMC as the Hospital transitions to the New Facility, the Parties desire to immediately bring LCMC's financial, operational and relationship and other expertise and resources to the Hospital for the mutual benefit of the State and LSU by entering into a series of transactions in which (i) LCMC will become the sole member of UMCMC with certain reserved powers, resulting in UMCMC becoming an Affiliate of LCMC; (ii) UMCMC will assume responsibility for Hospital operations in accordance with and subject to the terms and conditions of this CEA, (iii) LSU will lease the Interim Facility and the New Facility and certain furniture, fixtures and equipment used in connection with the Hospital's operations to UMCMC pursuant to the Master Hospital Lease and the Equipment Lease (both as hereinafter defined); (iv) UMCMC will purchase certain consumable inventory and the accounts receivable of the Hospital; (v) LSU and the State will grant to UMCMC a right of use of the land upon which the New Facility is being constructed and will be operated and certain land and improvements surrounding the New Facility pursuant to the Right of Use Agreement (as hereinafter defined); (vi) LSU will assist in transitioning Hospital operations from LSU to UMCMC; (vii) UMCMC and LCMC will commit to supporting the academic, clinical and research missions of the AMC in accordance with this CEA; and (viii) such other or additional transactions or agreements as may be necessary to effect the foregoing (collectively, the "Contemplated Transactions");

WHEREAS, among other things, the Contemplated Transactions will afford LCMC and its Affiliates the opportunity to extend their management abilities and mission to additional hospital facilities in the New Orleans area, access and support a Level 1 Trauma Center and a robust clinic infrastructure, create innovative health care delivery systems (such as accountable care organizations), and facilitate greater clinical integration across a broader base of providers in and around New Orleans, all of which will serve to expand and diversify the LCMC System to better serve its patient population and the patient population of the greater New Orleans area;

WHEREAS, among other things, this CEA and the Contemplated Transactions will: (i) stabilize and enhance the medical education and training experiences and opportunities available to LSU students and residents, as well as students and residents of other educational institutions; (ii) optimize the training resources to build Louisiana's health care workforce and further the health care enterprise in Louisiana; (iii) based on available and reasonable means of financing, provide better access to a full range of clinical care services to the uninsured and high risk Medicaid populations; (iv) allow the AMC to compete with academic medical centers in other states to attract the best faculty, residents and students; (v) enhance opportunities for faculty to perform and attract funding for cutting edge research; (vi) attract private and publicly financed third party payments in order to compete in the health care marketplace; and (vii) promote better health care for Louisiana citizens through an evidence-based, outcomes-driven integrated delivery system focused on high quality, cost-effective health care.

WHEREAS, LCMC is willing and desires to provide, either directly or through UMCMC, the financial resources, operational expertise, and other necessary resources and to take steps to ensure that the Hospital continues to and, upon completion of construction of the New Facility, will: (i) serve as a safety-net hospital, and play a central role in providing

healthcare services to the uninsured and high-risk Medicaid populations; (ii) provide the citizens of Louisiana, whether through the Hospital or another LCMC Affiliate, with services that might not otherwise be available in their communities; (iii) preserve the quality of medical education in Louisiana through medical training partnerships and academic affiliations with LSU, Tulane, and other universities and training institutions; and (iv) prevent the major reductions currently contemplated for the Hospital and their devastating effects on LSU's academic programs in the health sciences and patient access to clinical care;

WHEREAS, the Parties recognize that UMCMC's assumption of the operations and management of the Hospital and the physical transition from the Interim Facility to the New Facility will include the commitment and the assumption of significant financial and operational investments by UMCMC and its Affiliates, including without limitation, working capital, transition costs, and funding or financing for certain improvements for the New Facility, and UMCMC and its Affiliates desire to assure sustainable reimbursement levels commensurate with such investments;

WHEREAS, as contemplated by the MOU, it will be necessary for the Hospital to be operated in a manner consistent with the best practices of private, non-profit institutions, and it must function responsibly as an independent entity;

WHEREAS, the Parties recognize the importance of and desire to ensure the continued provision of charitable care at the Hospital to the extent it is funded by the State and DHH or otherwise required by law;

WHEREAS, DHH, DOA, LSU, LCMC and UMCMC recognize the need to work collaboratively and exercise their best efforts to secure funding from the State for the cost of the services provided to uninsured patients at the Hospital;

WHEREAS, the Louisiana Constitution in Article VII, Section 14(C) permits the State and its political subdivisions or political corporations to engage in cooperative endeavors with any public or private association, corporation or individual for a public purpose;

WHEREAS, LSU has the legal authority to provide the health care services that are the subject of this cooperative endeavor;

WHEREAS, the Parties desire to enter into this CEA, as well as related agreements, to facilitate and advance the goals recited herein;

WHEREAS, in addition to this CEA and the Exhibits hereto, LSU and UMCMC will enter into an agreement to address ancillary matters related to the Contemplated Transactions (the “Master Collaborative Agreement”);

WHEREAS, the Parties recognize this CEA has been presented to and reviewed by the Louisiana Legislature’s Joint Legislative Committee on the Budget in accordance with Legal Requirements; and

WHEREAS, the Parties intend and expect that this CEA and the Contemplated Transactions will benefit the State and LSU, and such expenditure is not gratuitous.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I.
STATEMENT OF PUBLIC PURPOSE

Section 1.1 Public Purpose. In accordance with Article 7, Section 14(c) of the Louisiana Constitution, the Parties enter into this CEA for the public purpose of creating an academic medical center in which the Parties continuously work in collaboration and are committed and aligned in their actions and activities, in a manner consistent with a sustainable

business model and adequate funding levels, to serve the State and its citizens: (i) as a premier site for graduate medical education, capable of competing in the health care marketplace, comparable among its peers, with the goal of attracting the best faculty, residents and students, to enrich the State's health care workforce and their training experience; (ii) in fulfilling the State's historical mission of assuring access to Safety Net Services to all citizens of the State, including its Medically Indigent, high risk Medicaid and State inmate populations, and (iii) by focusing on and supporting the Core Services and Key Service Lines, as defined and agreed by the Parties, necessary to assure high quality GME Programs and access to Safety Net Services.

Section 1.2 Contract Monitor. LSU shall appoint a contract monitor ("Contract Monitor") whose role shall be to monitor the Parties' compliance with the terms of this CEA. The Contract Monitor shall be an employee of LSU Health Care Services Division ("HCSD") or a successor or related institution under the supervision of the LSU Board of Supervisors. The Contract Monitor's responsibilities with respect to this CEA shall be to perform all public accountability and reporting functions in accordance with Legal Requirements. LSU may assign such other duties and responsibilities to the Contract Monitor in its discretion.

ARTICLE II. MEDICAL EDUCATION AND RESEARCH SUPPORT

Section 2.1 Commitment to Academic Mission. Recognizing the special character of an academic medical center, including the vital role the Hospital plays in medical education, research and patient care, and the vital role academic institutions play and will play in the Hospital's financial viability and potential to succeed in a dynamic health care marketplace, and the interdependence among the Hospital and academic institutions in establishing and maintaining the AMC as a world-class academic medical center, UMCMC's governance documents, including its Articles of Incorporation and Bylaws, will recognize the traditional

roles the Hospital, LSU and Tulane have played in providing medical education, research and patient care. UMCMC will enter into academic affiliation agreements with LSU, Tulane, Xavier University, Dillard University, University of New Orleans, Delgado Community College and other academic institutions to strengthen and enhance medical education in the AMC and the health care workforce in Louisiana.

Section 2.2 Office of Academic Affairs. UMCMC will establish an Office of Academic Affairs (“OAA”) to be led by UMCMC’s Chief Academic Officer. The Chief Academic Officer shall be a physician employed by UMCMC who has experience and demonstrated capability in the management and administration of an academic medical center. The Chief Academic Officer will report to the UMCMC’s Chief Executive Officer and will be supported by UMCMC’s Academic Advisory Committee as provided in the UMCMC Bylaws (“AAC”). The AAC’s operating procedures will provide for representation on the AAC by LSU, Tulane, UMCMC and other LCMC institutions involved in GME. The Chief Academic Officer, as supported by the AAC, will be responsible for recommending to the UMCMC Board of Directors and Chief Executive Officer the overall educational strategy for the AMC, giving appropriate consideration to the AMC’s mission, budgetary impacts, fulfillment of Residency Review Committee requirements, and other relevant factors. The AAC will seek to create structures and promote collaboration and support among LSU, Tulane, UMCMC and other LCMC institutions involved in GME such as coordination of patient care through clinical service line committees that will allow each institution to achieve its respective goals and optimize opportunities for the AMC enterprise. The AAC operating procedures will provide that the AAC will develop a dispute resolution process for resolving disputes among AAC members and their

Sponsoring Institutions that will foster collaboration, input, and decision-making in making recommendations in the best interests of the entire AMC enterprise.

Section 2.3 Academic Affiliation with LSU. UMCMC and LSU will enter into an Academic Affiliation Agreement (“AAA”) that sets forth the terms and conditions upon which UMCMC and LSU specifically agree and will collaborate to strengthen LSU, the Hospital, the AMC and their respective programs, particularly when the Hospital relocates to the New Facility. The AAA will provide that (i) LSU maintains ultimate authority over its academic programs, policies and procedures as they directly relate to the LSU faculty, residents and students, and (ii) UMCMC maintains ultimate authority over the business, management, policies, operations and assets of the Hospital. Without limiting the foregoing, the AAA between UMCMC and LSU will provide for the following:

(a) Flagship Agenda. LSU and UMCMC will agree to and implement a comprehensive flagship agenda (“Flagship Agenda”) for the Hospital designed to promote and attract (i) skilled and highly-regarded medical faculty, fellows, residents and students; (ii) research grants of the type associated with leading academic institutions; (iii) sufficient patient volumes with an appropriate payer mix to sustain high quality, accredited education and research programs; and (iv) innovative models of patient care delivery and financing that are quality and evidence-based, patient-centered and data-driven.

(b) Hospital Residency Caps. Although the Hospital Residency Caps are attached to the Hospital through the Hospital’s Medicare Provider Agreement and Provider Number, the Parties agree that the AAA will include provisions regarding the

allocation of Hospital Residency Caps that acknowledge and bind LSU, UMCMC and LCMC to certain provisions, including, but not limited to, the following:

(i) UMCMC will support the graduate medical education programs for which LSU is the Sponsoring Institution (an “LSU GME Program”) and Tulane residency programs by allocating the Hospital Residency Caps between LSU and Tulane in accordance with the UMCMC Bylaws.

(ii) The commitment of LSU’s academic training programs to the Hospital as provided in the Flagship Agenda, including provisions that the Hospital shall receive a right of first refusal with respect to any new LSU GME Program that LSU does not offer at the time such new program is proposed.;

(iii) LSU’s prior commitments of Hospital Residency Caps to other academic partners in accordance with the AAA;

(iv) LSU’s placement of residents through affiliation agreements will preferentially be to the Hospital or another LCMC institution unless GME needs may dictate placement of such residents in an unrelated institution. The assignment of Hospital Residency Caps shall be under the authority of the UMCMC Chief Executive Officer in consultation with the Chief Academic Officer and the AAC, and may be separate from LSU’s assignment of residents;

(v) UMCMC shall not be required to provide any financial or administrative support for any resident or fellow which is not supported by federal program funding, unless agreed to by UMCMC.

(c) Academic Autonomy. Subject to commitments made to the Flagship Agenda, LSU will retain discretion to determine how to develop and where to place its

research and education programs, including their clinical components. The LSU Board, administration and various academic deans will retain authority over educational policy, curriculum design, educational program leadership, research policy, academic appointments and all other academic policy matters. The AAA shall not impinge on LSU's academic integrity and independence. Without limiting the foregoing, if LSU and Tulane determine they can no longer support a certain academic program, UMCMC shall be permitted to staff such program in its discretion with non-faculty members, or the faculty of other educational institutions, and operate the relevant unit as a non-academic department or unit of the Hospital.

(d) Research Support. The AAA will address a method for determining Hospital support for LSU's research activities, including, without limitation, infrastructure support for funded research grants, access to data, Institutional Review Board support, and, potentially, Hospital funding of LSU faculty research at the Hospital.

(e) Intellectual Property. The AAA will include provisions to address the ownership and use of intellectual property between UMCMC and LSU.

Section 2.4 Academic Affiliation with Tulane. UMCMC shall enter into an academic affiliation agreement with Tulane, which agreement shall contain provisions related to academic autonomy, Tulane research support, and Tulane's educational mission at the Hospital.

ARTICLE III. COMMITMENTS TO PATIENT CARE

Section 3.1 Care for the Medically Indigent and Uninsured. Recognizing (i) the State's historical commitment to providing free or reduced cost health care to the uninsured and Medically Indigent populations, and (ii) LSU's mission of providing access to high quality medical care for all patients, including the Medically Indigent and uninsured populations, within

available financing and approved budgets, and (iii) the need to support the AMC's education and training mission, UMCMC agrees, subject to its receipt of the Required Funding as provided in Article VIII, to provide free or reduced cost health care to Medically Indigent and uninsured patients of the Hospital in accordance with a charity care policy that is consistent in all material respects with LSU Policy Number 2525-12 attached as Exhibit 3.1, the current policy for determining eligibility for free or reduced cost health care services at the Hospital, which may be amended from time-to-time by LSU or UMCMC with proper notice to the other Party in a manner consistent with the Public Purpose.

Section 3.2 Care for High-Risk Medicaid Patients. Recognizing LSU's traditional role as a high-volume provider of health care services to patients covered by Medicaid, particularly medically complex and otherwise high-risk Medicaid patients, and the AMC's capability and capacity to provide specialized physician and hospital care not always readily available to these patients in the private sector, UMCMC and LSU will make available the Core Services and Key Services Lines as described in this Article III to high-risk Medicaid patients in accordance with the terms of this CEA.

Section 3.3 State Inmate Care. Subject to its receipt of reasonable and appropriate cost reimbursement, UMCMC, with the support of LSU, will provide medically necessary health care to the State's inmates. In the event UMCMC does not receive reasonable and appropriate cost reimbursement, it may suspend the provision of health care services to State inmates, and the State shall arrange for alternative sources of medically necessary health care until such time as reasonable and appropriate cost reimbursement is provided to UMCMC for such medically necessary services. Suspension of care to State inmates due to lack of reasonable and appropriate cost reimbursement for such services shall not constitute a violation of this CEA. UMCMC will

assure that telemedicine capability is available to LSU in accordance with Section 3.6 for use in providing cost-effective, medically necessary health care to State inmates.

Section 3.4 Core Services. The Parties acknowledge and agree that the services identified on Schedule 3.4 are core Safety Net services (“Core Services”) currently being provided to the community and the region through the Hospital, and that UMCMC will continue to provide the Core Services through the Hospital on and after the Commencement Date, subject to the terms of this CEA, including receipt of the Required Funding. Except for reasons of (i) UMCMC’s inability to reasonably obtain professional staff through LSU or other resources, or (ii) a lack of Required Funding, UMCMC will not unilaterally discontinue any Core Service currently provided at or through the Hospital. Notwithstanding the foregoing, the Core Services, and Schedule 3.4, may be amended in the future to add or delete a Core Service by mutual agreement of LSU and UMCMC based on community need, patient access, cost, available resources and other relevant considerations.

Section 3.5 Key Service Lines. The parties acknowledge and agree that the clinical service lines identified in the AAA (“Key Service Lines”) are critical not only to comprehensive patient care, but also to the AMC’s mission of providing robust medical education and clinical research experiences. LSU and UMCMC agree that, subject to UMCMC’s receipt of the Required Funding, the Hospital will offer a baseline of services in the Key Service Lines at least at the level provided at the Interim Facility on the Commencement Date as agreed upon by UMCMC and LSU (“Key Service Baseline”), and will work collaboratively with LSU, Tulane and other academic partners within the AMC to grow the Key Service Lines above the Key Service Baseline with a financially sustainable payer mix in the New Facility. Subject to receipt of the Required Funding, UMCMC will not eliminate or substantially reduce a Key Service Line

below the Key Service Baseline without first consulting LSU and engaging in the Consultative Process, taking into account medical education needs, services available at other LCMC facilities, community needs, and other relevant factors.

Section 3.6 Telemedicine.

(a) UMCMC and LSU will maintain the infrastructure, such as nursing support, space, and scheduling, of telemedicine services provided at the Interim Facility in order to continue providing cost-effective care to State inmates as provided in Section 3.3, as well as other patients in remote locations, and work to grow the Hospital's telemedicine program at the New Facility. LSU will provide the physician support and UMCMC, subject to receipt of the Required Funding, will provide the infrastructure support necessary to maintain the Hospital's telemedicine program at least at the level provided in the Interim Facility as of the Commencement Date. LSU and UMCMC will collaborate to grow the Hospital's telemedicine program, provided that a sustainable business model can be created and UMCMC receives the Required Funding, to serve patients in remote locations and fulfill the Hospital's role as a regional referral center within the AMC.

Section 3.7 Closure; Reduction of Services. UMCMC will not close the Hospital or the Hospital's emergency room or reduce services except in compliance with Legal Requirements.

Section 3.8 Open Medical Staff. Consistent with the Public Purpose, UMCMC may maintain an open medical staff as may be determined by its Board of Directors.

**ARTICLE IV.
FACILITIES AND EQUIPMENT**

Section 4.1 UMCMC Lease of Interim Facility and New Facility.

Contemporaneous with and subject to the terms and conditions of this CEA, LSU, the State and UMCMC shall enter into, and LCMC shall intervene for certain purposes in, that certain Master Hospital Lease in the form attached as Exhibit 4.1 (“Master Hospital Lease”). Under the Master Hospital Lease, LSU agrees to take all the necessary actions required to transfer possession of the Interim Facility and, upon its completion, the New Facility, to UMCMC. The Master Hospital Lease shall include all property set forth in the Master Hospital Lease (the “Leased Premises”), but shall not include the land upon which the New Facility is located and shall not include any liens, claims, security interests, charges, privileges, pledges, mortgages, deeds of trust or encumbrances, except as may be further described in the Master Hospital Lease. Without limiting the foregoing, the Master Hospital Lease will also provide for the following:

(a) Rental Payments. The rental payments paid by UMCMC for the Interim Facility and New Facility (“Rent”) represent fair market value, as set forth in the Master Hospital Lease.

(b) LCMC Guarantee. Payment of Rent by UMCMC to LSU will be guaranteed by LCMC in accordance with the Master Hospital Lease.

(c) Master Hospital Lease Term, Renewal Options. The Master Hospital Lease shall provide for a term of forty-two years, and shall include three (3) fifteen (15) year options to extend the term of the Master Hospital Lease.

(d) Option to Amend the Master Hospital Lease. If the Parties deem it advantageous to the implementation of this CEA, the Parties may amend the Master Hospital Lease to exclude certain portions of the Leased Premises (the “Excluded Premises”) from the Master Hospital Lease and enter into a separate lease for the

Excluded Premises. Any such amendment and separate lease of the Excluded Premises shall provide for fair market value Rent for the Leased Premises and the Excluded Premises, shall continue the guarantee of Rent for the Leased Premises by LCMC, and shall have the same forty-two (42) year initial term and three (3) optional fifteen (15) year renewal terms as the current Master Hospital Lease.

Section 4.2 Right of Use Agreement. Contemporaneous with and subject to the terms and conditions of this CEA, LSU, the State, and UMCMC shall enter into a Right of Use, Possession and Occupancy Agreement by and among LSU, the State, and UMCMC in the form attached as Exhibit 4.2 (the “Right of Use Agreement”). Under the Right of Use Agreement, UMCMC shall have the right of ingress, egress, and other rights over the entirety of the land upon which the New Facility is located and certain surrounding land (the “Land”). DOA shall be responsible for maintenance of the McDonough School and the tract upon which it is located. The Parties understand and agree that none of UMCMC or any of its Affiliates shall have any responsibility for the maintenance, upkeep, repair, renovation or security of the McDonough School and tract on which it sits (which tract has been excluded from the Right of Use Agreement) and the McDonough School may not be placed on any of the immovable property subject to the Right of Use Agreement.

Section 4.3 UMCMC Lease of Certain Equipment. Contemporaneous with and subject to the terms and conditions of this CEA, LSU and UMCMC shall enter into an Equipment Lease Agreement in the form attached as Exhibit 4.3 (“Equipment Lease”), which shall govern the lease of certain equipment necessary for UMCMC’s operation of the Hospital.

Section 4.4 Subleases and Rights of Use. In addition to the Master Hospital Lease for the Leased Premises, UMCMC will enter into sublease and/or right of use agreements with LSU

having mutually agreeable terms for certain properties currently used in connection with Hospital operations in the Interim Facility and its related outpatient clinics.

**ARTICLE V.
MEMBER SUBSTITUTION**

Section 5.1 Member Substitution. Immediately following the execution of this CEA by the Parties, UMCMC shall execute and file with the Louisiana Secretary of State and the Clerk and Recorder of East Baton Rouge Parish the Amendment to and Restatement of the Articles of Incorporation of UMCMC and LCMC shall thereby be substituted as and become the sole member of UMCMC as of the Effective Date (the “Member Substitution Date”) in accordance with the Member Substitution Agreement as approved by the UMCMC Board of Directors. All assets and properties, whether tangible or intangible, of UMCMC shall at the Member Substitution Date remain assets of UMCMC and all liabilities of UMCMC shall at the Member Substitution Date remain with UMCMC.

Section 5.2 Member Withdrawal. LCMC shall have the right or obligation, as applicable, to withdraw as the sole member of UMCMC prior to the expiration of the Term only in accordance with Article XVI, and for no other reason, including, without limitation, any Breach of this CEA, the Master Collaborative Agreement or other agreement related to the Contemplated Transactions. Subject to the Parties’ compliance with the provisions of Article XVI, LCMC shall have the right or obligation, as applicable, to withdraw as the sole member of UMCMC in accordance with Article XVI. Any withdrawal by LCMC as the sole member of UMCMC shall be subject to the provisions of Article XVI.

Section 5.3 Amendments upon LCMC Withdrawal. Effective upon LCMC’s voluntary withdrawal as the sole member of UMCMC, the Parties agree that the following

amendments to this Agreement shall become effective on the Member Withdrawal Date without further action by the Parties:

(a) All references to LCMC in Article VIII (Required Funding) shall be deleted and, if the context so requires, replaced with UMCMC or any successor entity to LCMC, as the case may be, such that UMCMC or LCMC's successor, as the case may be, may continue to receive the funding contemplated in Article VIII (Required Funding).

(b) Section 4.1(b) (LCMC Guarantee) shall be deleted in its entirety unless a successor entity to LCMC agrees to guarantee the Master Hospital Lease, in which case LCMC shall be replaced with the name of such successor entity. In any event, at the time of LCMC's withdrawal from UMCMC, the Parties agree that LCMC shall no longer guarantee the Master Hospital Lease or the Right of Use Agreement with respect to obligations accruing under the Master Hospital Lease or the Right of Use Agreement after the Member Withdrawal Date.

(c) UMCMC Articles and Bylaws will be amended according to the terms of the Member Substitution Agreement.

ARTICLE VI. CONSUMABLES, INVENTORY AND ACCOUNTS RECEIVABLE

Section 6.1 Purchase of Inventory. All usable inventories of (i) supplies, drugs, food, and other disposables, and (ii) tangible assets valued at less than one thousand dollars (\$1,000.00) and which are untagged and untracked by LSU and DOA and on hand at the Interim Facility as of the Commencement Date, will be transferred to UMCMC for fair market value pursuant to the terms and conditions to be set forth in the Master Collaborative Agreement.

Section 6.2 Purchase of Accounts Receivable UMCMC may purchase some or all of the Hospital's outstanding accounts receivable existing as of 12:00 a.m. on the Commencement

Date for fair market value pursuant to the terms and conditions to be set forth in the Master Collaborative Agreement, subject to and in accordance with applicable law.

**ARTICLE VII.
HOSPITAL EMPLOYEES**

Section 7.1 Employee Matters.

(a) Termination of Employment by LSU. LSU will timely file a layoff plan (the “Layoff Plan”) with the Louisiana Department of State Civil Service that will provide for the layoff of certain of LSU’s Hospital employees, subject to the approval of the Louisiana Department of State Civil Service Commission, as of 11:59:59 p.m. on the day before the Commencement Date.

(b) Offers of Employment. LSU’s Hospital employees who are to be laid off in accordance with the Layoff Plan may apply to UMCMC for employment and UMCMC may offer employment to such LSU Personnel as UMCMC, in its discretion, deems necessary for the operation of the Hospital. At any time prior to the Commencement Date, UMCMC may communicate with any of LSU’s Hospital employees to the extent necessary to allow such LSU employees to apply for employment, to offer employment and to otherwise reasonably permit UMCMC to act in accordance with this Section.

(c) UMCMC Terms and Conditions of Employment. All of LSU’s Hospital employees who are offered employment by UMCMC shall be hired on an at-will basis for job classifications and job descriptions established by UMCMC, and shall be employed subject to terms and conditions established by UMCMC.

(d) Employee Assistance. UMCMC shall establish a website through which LSU Hospital employees may apply for positions at UMCMC. In addition, LSU shall

arrange for the Louisiana Workforce Commission to host a job fair at the Interim Facility. UMCMC, as well as other public and private sector employers, shall conduct on-site interviews at the job fair. LSU may arrange for Louisiana Rehabilitation Services within the Louisiana Workforce Commission to participate in the job fair and provide individual assistance and guidance to employees in response to the implications of an impending layoff. Other agencies or entities that may participate in the job fair include (i) the LaChip program within DHH to inform and offer assistance and services to LSU Personnel that may qualify; (ii) the Louisiana State Employees Retirement System; and (iii) banking institutions and credit unions. LSU will provide LSU Hospital employees with a “Frequently Asked Questions” document regarding the civil service process, retirement benefits and health benefits.

(e) LSU Wages, other Compensation and Employee Benefits. LSU shall retain all liabilities and obligations in respect of past, present and future employees of LSU, including but not limited to Hospital employees, for wages and other compensation, under any LSU Benefit Plans and under applicable Laws. LSU will provide health benefits coverage for LSU Hospital employees in accordance with the LSU Benefit Plans through June 30, 2013. Without limiting the generality of the foregoing, UMCMC shall have no liability or obligation whatsoever under any LSU Benefit Plans and/or for any wages and other compensation that may be due to LSU Hospital employees including any past, present and future employees of LSU.

(f) Employee Information. Subject to applicable legal restrictions, UMCMC and LSU shall provide each other, in a timely manner, with any information which the other may reasonably request with respect to (i) any LSU Personnel or, after the

Commencement Date, any Person employed by UMCMC who formerly was an employee of LSU, (ii) his or her employment with and compensation from LSU or UMCMC, or (iii) rights or benefits under any employee plan or any personnel policy of LSU.

ARTICLE VIII. REQUIRED FUNDING

Section 8.1 Required Program Funding.

(a) Rulemaking. Subject to any approvals required by CMS, DHH shall publish and promulgate reimbursement rules which will provide that DHH will pay to UMCMC or LCMC Affiliates total funding obligations (“Required Program Funding” or “Required Funding”) as defined in Exhibit 8.1(a)(i) (“Cost Analysis Worksheet”) and Exhibit 8.1(a)(ii) (“Shared Cost Savings Incentive Worksheet”). Failure to publish and promulgate these rules, the amendment or repeal of these rules without the consent of LCMC, or the failure to pay amounts to UMCMC or a reduction in the amount of funding, with the exception of funding reductions that have been uniformly applied across the State to private non-state acute care hospital participants in Louisiana’s medical vendor payment program as provided in Section 8.2, in effect as of the Commencement Date to any LCMC Affiliate, as the case may be, pursuant to such rule as may be applicable to the funding in question, will constitute a Potential Elective Withdrawal Event and LCMC will have the option, subject to Section 8.3 and Section 16.7, to initiate the Pre-Withdrawal Process and, if applicable, effect a Member Withdrawal in accordance with Section 16.8.

(b) Methodology. With respect to determining the Required Program Funding, LCMC, UMCMC, and DHH agree that the funding methodologies set forth and embodied in the Cost Analysis Worksheet (the “Cost Methodology”) and the Shared Cost

Savings Incentive Worksheet (the “Shared Savings Methodology”) shall be used to determine the Required Program Funding, which calculations are based on estimates, payment sources and CMS cost reporting principles as they exist on the Commencement Date.

(i) **Required Program Funding and Ancillary Program Funding.**

As defined on the Cost Analysis Worksheet, Exhibit 8.1(a)(i), the Required Program Funding shall equal the total of (i) the program costs listed in Line 11, Column 4 of the Cost Analysis Worksheet, less the total DHH payments listed in Line 15, Column 4, plus the ancillary program costs listed in Line 22, Column 4.

(ii) **Shared Cost Savings Funding Requirement.** The purpose of the Shared Savings Methodology is to incentivize more efficient and effective delivery of care. Thus it will create a shared cost savings incentive payment to direct cost savings that UMCMC achieves, resulting in a decrease in required expenditures by the State and DHH, which is shared with the LCMC Affiliates to further enhance their delivery of quality Medicaid program services, promote health care effectiveness, further support the educational and training mission of LCMC and its Affiliates, promote greater medical services access, and provide additional funding to maintain and enhance programs for indigent patients.

(A) **Shared Cost Savings (Existing Hospital)** As defined in the Shared Cost Savings Incentive Worksheet, Exhibit 8.1(a)(ii), the demonstrated Medicaid and uninsured cost adjusted per patient cost savings in State funding created through the efficiencies generated by the System parent through effective cost

management, while maintaining patient care quality, shall be utilized to improve the overall financial performance and cost-effectiveness of the health care services provided by the System to Medicaid and Medically Indigent patients.

(B) Shared Cost Savings Funding Requirement for New Facility. Following the filing of the first full Annual Cost Report for the New Facility, DHH and LCMC agree to negotiate in good faith to increase the demonstrated Medicaid and uninsured cost (Shared Cost Savings Incentive Worksheet Line 17) and the Projected Growth Rate (Shared Cost Savings Incentive Worksheet Line 19) to account for the increased capital and operational cost structure of the New Facility. Thereafter, adjustments to the Shared Savings Methodology shall be made in such a fashion as to not deprive LCMC of the economic benefits realized as a result of prior years' realized cost savings as determined in Exhibit 8.1(a)(ii).

(c) Modification to Methodology. So long as the assumptions, payment sources and CMS cost reporting principles of the Cost Analysis Worksheet and Shared Cost Savings Incentive Worksheet remain as they are on the Commencement Date, LCMC and DHH will continue to use the Cost Analysis Worksheet and Shared Cost Savings Incentive Worksheet in determining the Required Program Funding for the period in question. In the event of a change in the assumptions, payment sources, and CMS cost reporting principles, the Parties to the Required Funding provisions agree that

the Cost Methodology or Shared Savings Methodology for determining Required Program Funding shall be modified to account for such changes in a manner that is revenue neutral to UCMCMC and the LCMC Affiliates with respect to the amounts that would have been paid had the Cost Methodology or Shared Savings Methodology in effect as of the Commencement Date continued to be applied to determine the Required Funding. In that case, the affected party will provide the other party with written notice (a “Methodology Adjustment Notice”) of such request for modification, which notice shall include an explanation of why the Cost Analysis Worksheet or Shared Cost Savings Incentive Worksheet is to be adjusted, and describe the proposed adjustments to the Cost Methodology and/or Shared Savings Methodology, as applicable. DHH and LCMC shall engage in good faith negotiations for a period of ten (10) business days following the receipt of the Methodology Adjustment Notice in an attempt to agree on any proposed adjustments to the Cost Methodology and Shared Savings Methodology, as applicable. If DHH and LCMC agree on the adjustments to the applicable Methodology, such adjusted Methodology shall be set forth in an amended Cost Analysis Worksheet or Shared Cost Savings Incentive Worksheet, as applicable, and shall apply in determining the Required Program Funding going forward from the date of the change which gave rise to the adjustment. The amended Cost Analysis Worksheet or Shared Cost Savings Incentive Worksheet shall be attached to and made part of this Agreement as of the Methodology change date. If DHH and LCMC do not agree on any proposed adjustments to the applicable Methodology within such ten (10) day period, such failure to reach agreement shall constitute a Potential Elective Withdrawal Event and LCMC will have the option, subject to Section 8.3 and Section 16.7, to initiate the Pre-Withdrawal Process and, if

applicable, effect a Member Withdrawal in accordance with Section 16.8. During the Transition Period, the Required Program Funding shall be determined and paid in accordance with the Cost Analysis Worksheet and Shared Cost Savings Incentive Worksheet in place immediately before the Methodology Adjustment Notice.

(d) Processes for Payment and Addressing Inadequate Funding.

(i) Payments. DHH shall make payments to UMCMC based on the administrative rules described in Section 8.1(a). DHH, LCMC and UMCMC shall establish and use a reasonable process for reconciling all costs and payments made pursuant to this Article VIII and the repayment or offset of any differences resulting from such reconciliation.

(A) Medicaid. Medicaid per diem and other applicable payments pursuant to such rule shall be paid in accordance with DHH's normal payment procedure.

(B) Uncompensated Care Cost and Disproportionate Share Amounts. DHH shall make estimated prospective supplemental payments, with respect to Uncompensated Care Cost ("UCC") and Disproportionate Share amounts as will ultimately be determined in accordance with the Cost Analysis Worksheet. The prospective supplemental payment will be 85% of the estimated annual amount of UCC and shall be due no later than fifteen (15) days following the end of the first quarter of the State fiscal year or, alternatively, paying 95% of the estimated quarterly amount of UCC, which shall be due within ten (10) days of the commencement of each quarter of the State's fiscal year. DHH and UMCMC agree to

periodically adjust the interim payment amounts and estimated annual UCC amount due based on the actual operating experience and interim Medicaid cost reports of the Hospital during its occupancy of the Interim Facility, or New Facility, as applicable, in order to equitably and ratably make interim payments so as to minimize the potential payments required for the final year end settlement. UMCMC will reconcile the Cost Analysis Worksheet no later than May 1st of the then-current State fiscal year, and DHH shall pay the balance of the interim estimated annual amount of UCC based on the reviewed reconciliation no later than June 30th of the then-current State fiscal year. Tentative and final settlement amounts will be based on as-filed and final cost reports and follow normal cost report settlement processes and DSH audit procedures.

(C) Upper Payment Limit Payments/Medicaid Supplemental Payments (Other than Shared Savings Payments). DHH shall make estimated prospective supplemental payments, other than Shared Savings Payments. The prospective supplemental payment will be 85% of the estimated annual amount and shall be due no later than fifteen (15) days following the end of the first quarter of the State fiscal year or, alternatively, 100% of the estimated quarterly amount, which shall be due within thirty (30) days of the commencement of each quarter of the State fiscal year. The balance of any unpaid annual supplemental payment must be paid no later than June 30th of the then-current State fiscal year. Adjustments to the annual supplemental payments resulting from the final cost report reconciliation

process will be considered in establishing the subsequent period annual supplemental payment.

(D) Shared Savings Payments. At its election, DHH may pay 90% of the Shared Savings Payments prior to the completion of the applicable 12-month measurement period using interim cost estimates and other appropriate cost determination methodology. DHH shall make any payments due, or remaining payments due, as applicable, under the Shared Savings Methodology, no later than thirty (30) days after the filing of the applicable cost report and Shared Cost Savings Incentive Worksheet, provided that the Shared Cost Savings Incentive Worksheet shall not be submitted before July 1 of the then-current State fiscal year. A minimum 12-month measurement period must be used to determine a final Shared Savings Payment. An initial estimated payment due will be calculated using the cost report filed for the period June 24, 2013, through December 31, 2013, with reasonable adjustments made to estimate a full period cost per adjusted patient day; provided, however, that the payment related to this initial estimate may not be made until after July 1, 2014. The final Shared Savings payment for the period June 24, 2013, through December 31, 2014, will be based on the evaluation of the first full cost reporting period January 1, 2014, through December 31, 2014.

(ii) Disputes Regarding Cost Calculations; Notice and Review. In reconciling the payments due to UCMCMC as provided in Section 8.1(d)(i), the Required Program Funding will be based on the Cost Methodology and Shared

Savings Methodology as applicable under Section 8.1(b). If DHH disagrees with the nature or amount of the costs submitted by UMCMC, DHH shall prepare its calculations of the Required Program Funding (the “DHH Funding Calculations”) and provide a copy of such calculations to UMCMC and LCMC. LCMC will have eighteen (18) Business Days (the “Funding Review Period”) to review the DHH Funding Calculations. If LCMC agrees with the DHH Funding Calculations, the DHH Funding Calculations shall constitute the Required Program Funding for the period in question. If LCMC disagrees with the DHH Funding Calculations, it shall provide written notice to DHH of the objection not later than the end of the Funding Review Period, which notice shall include a copy of LCMC’s calculations of the Required Program Funding (the “LCMC Funding Calculations”) and Section 8.1(d)(iii) shall apply.

(iii) Good Faith Negotiations. If LCMC timely delivers notice of objection as provided in Section 8.1(d)(ii) above, LCMC and DHH will diligently work in good faith for a period of ten (10) Business Days to resolve the disputed amounts in the DHH Funding Calculations and the LCMC Funding Calculations. Final determination of acceptable solutions pursuant to such good faith negotiations, if any, will reside with the LCMC CEO and the Secretary of DHH. If LCMC and DHH do not resolve such objections within such ten (10) Business Day period, the determination of Required Program Funding shall be submitted to an Academic Health System CPA as provided in Section 8.1(d)(iv) below.

(iv) Independent Review. If LCMC and DHH are not able to resolve the disputed amounts in the DHH Funding Calculations and the LCMC Funding

Calculations as provided in Section 8.1(d)(iii), such disputed amounts shall be submitted to an independent third party certified public accountant. Such certified public accountant must be nationally recognized and possess significant experience in the review and analysis of the financial and reimbursement operations of hospital systems and academic medical centers and may not have been engaged by UCMC, LCMC, LSU or DHH during the two (2) year period prior to delivery of the objection notice by LCMC described in Section 8.1(d)(iii) above (an “Academic Health System CPA”). LCMC and DHH shall select a mutually agreeable Academic Health System CPA meeting the requirements described above. If LCMC and DHH cannot agree on an Academic Health System CPA within five (5) days of expiration of the ten (10) Business Day negotiation period in Section 8.1(d)(iii), each of LCMC and DHH shall within five (5) Business Days of the expiration of such five (5) day period designate a certified public accountant (who will not be required to meet the experience requirements above) and those certified public accountants shall within five (5) Business Days select a mutually agreeable Academic Health System CPA. If the certified public accountants selected by LCMC and DHH are unable to select an Academic Health System CPA by agreement, then such certified public accountants shall submit a request to the American Arbitration Association for appointment of an Academic Health System CPA. The appointment of the Academic Health System CPA by the American Arbitration Association shall be final and binding on LCMC and DHH, provided that nothing herein shall be construed as an intent to institute arbitration. Each of LCMC and DHH shall be

entitled to engage, at its own expense, any other professionals or advisors to assist in preparing or analyzing material to be presented to the Academic Health System CPA. The Academic Health System CPA so selected shall review the DHH Funding Calculations and the LCMC Funding Calculations and render a written report to LCMC and DHH within thirty (30) days of being engaged as to his or her conclusion as to what portion of the disputed amounts should be included in the Required Program Funding, determined by applying the Cost Methodology or Shared Savings Methodology, as applicable under Section 8.1(b). Such determination shall be final, binding and conclusive as to how to treat the disputed amounts in determining the Required Program Funding. If the report of the Academic Health System CPA verifies or validates the DHH Funding Calculations, the cost of the Academic Health System CPA will be borne by LCMC. If the report of the Academic Health System CPA verifies or validates the LCMC Funding Calculations, the cost of the Academic Health System CPA will be borne by DHH. The party whose Funding Calculations are farthest from the funding calculations determined by the Academic Health System CPA shall pay the full costs of the Academic Health System CPA.

(e) Request for Appropriations.

(i) Obligations Conditioned on Appropriations; Notice of Expected Event of Inadequate Funding. All payment obligations under this Agreement may be subject to appropriation by the Louisiana Legislature of sufficient funds and the availability of funds following such legislative appropriation. If DHH becomes aware of circumstances that lead it to conclude that UMCMC is unlikely

to receive the Required Program Funding or the financial performance of health care services provided to Medicaid and Medically Indigent patients at another LCMC Affiliate will be adversely impacted without additional legislative appropriations, DHH shall immediately notify UMCMC and LCMC of such conclusion and the amounts by which DHH expects payments to UMCMC will fall short of the Required Program Funding or the anticipated adverse impact on LCMC Affiliate funding for health care services for Medicaid and Medically Indigent patients.

(ii) Commissioner's Required Efforts. The DOA, through the Commissioner of Administration, covenants to (i) include in its annual budget request a request for the appropriation of funds necessary to pay to UMCMC and other LCMC Affiliates for the State's next fiscal year the Required Program Funding for such period, and (ii) use its best efforts to get such budget amount approved and funded by the Legislature. If the funds necessary to satisfy these budget amounts are appropriated, the DOA agrees to use its best efforts to ensure such funding is used by DHH for the intended purpose and use of such funds under this Agreement.

(iii) DHH's Required Efforts. DHH covenants to (i) include in its annual budget a request for the appropriation of funds necessary to pay to UMCMC or an LCMC Affiliate for the State's next fiscal year the Required Program Funding for such period, (ii) use its best efforts to get such budget amount approved and funded by the Legislature and if such funds are appropriated, to provide such funding to UMCMC or an LCMC Affiliate for the

intended purpose and use of such funds under this Agreement, and (iii) if the funds necessary to prevent an event of Inadequate Funding are not specifically identified as such and appropriated to DHH by the Legislature, use its best efforts to allocate and pay such amounts to UMCMC or an LCMC Affiliate from all appropriate funds available to DHH.

(iv) LSU's Required Efforts. LSU covenants to use its best efforts to support UMCMC, LCMC, DOA and DHH in their efforts to obtain the funding necessary to pay to UMCMC and its Affiliates for the State's next fiscal year the Required Program Funding for such period.

(v) Obligations to Implement Upper Payment Limit. Subject to CMS approval, DHH will submit State Plan Amendments, and promulgate conforming rules, that will obligate it to make supplemental Medicaid payments to UMCMC or an LCMC Affiliate equal to a range of eight percent (8%) to twenty-five percent (25%) of billed and allowable Inpatient Hospital and Distinct Part Psychiatric Unit Medicaid charges, as necessary to effectuate the Shared Savings Methodology, appropriately fund health care services provided to Medicaid and Medically Indigent patients of LCMC Affiliates and provide for the low income and needy and improve access to care and health care effectiveness. The Parties agree that the methodology in this Section 8.1(e)(v) applies to the charging structure as of the date of this Agreement and, in the event significant changes occur to the charging structure, the Parties agree, in good faith, to renegotiate a change in the applicable percent of charges referenced in this Section 8.1(e)(v). DHH will make these payments in accordance with Section 8.1(d)(i).

Section 8.2 No Diminution in System Funding. The State, acting through DOA and DHH, warrants that the payment of the Required Program Funding shall not result in a diminution in funding to an LCMC Affiliate, unless any such diminution in funding is applicable to all similarly situated non-state owned private hospitals in the State of Louisiana. A violation of this Section 8.2 shall constitute a Potential Elective Withdrawal Event and LCMC will have the option, subject to Section 8.3 and Section 16.7, to initiate the Pre-Withdrawal Process and, if applicable, effect a Member Withdrawal in accordance with Article XVI.

Section 8.3 Withdrawal Considerations. In determining whether to exercise its option to initiate the Pre-Withdrawal Process and effect a Member Withdrawal as the result of a Potential Elective Withdrawal Event arising under the provisions of this Article VIII, LCMC will consider the total amount of funds provided by the State and DHH to all of the LCMC Affiliates, UMCMC's role as a non-profit health care provider, and the aggregate impact of financial reimbursement levels made with respect to health care services provided to Medicaid and Medically Indigent patients throughout the System.

Section 8.4 Payments During Pre-Withdrawal Process and Transition Period. If LCMC elects to initiate the Pre-Withdrawal Process in accordance with Article XVI, during the Pre-Withdrawal Process and the Transition Period, if applicable, DHH shall continue to pay UMCMC or an LCMC Affiliate the Required Program Funding accruing during the Pre-Withdrawal Process and Transition Period (collectively the "Transition Payments"). Notwithstanding the foregoing, DHH shall have a Cure Period beginning on the first day of the Transition Period described above in which to pay all Required Program Funding accrued to but not yet paid to UMCMC or an LCMC Affiliate, as applicable. If such payment is made within such Cure Period, the Transition Period described above shall cease, the withdrawal by LCMC

shall not occur, and the Parties shall continue to operate pursuant to the terms of this Agreement. If all accrued Required Program Funding is not paid during the Cure Period, the Transition Period will continue uninterrupted. If UMCMC or an LCMC Affiliate fails to receive all Transition Payments during the Transition Period, LCMC shall provide written notice to LSU and DHH and LCMC will automatically withdraw from UMCMC upon conclusion of the Transition Period, provided that UMCMC shall remain entitled to receive the Transition Payments.

Section 8.5 Amendment. In the event that the State expands its Medicaid program to provide coverage to adults with income below 133% of the federal poverty line pursuant to the authority contained in Social Security Act section 1902(a)(10)(i)(VIII) (42 U.S.C. section 1396a(a)(10)(i)(VIII)), as added by the Patient Protection and Affordable Care Act, then DOA, DHH and LCMC agree to review, and if necessary, amend this Article VIII to accommodate such expansion in such a manner as to continue to assure funding levels are comparable in terms of support for providing health care services to patients for whom health care services must be provided under the terms and conditions of this CEA. In the event that such funding is not reached, then LCMC may elect to withdraw in accordance with the provisions of Article XVI.

ARTICLE IX. MASTER COLLABORATIVE AGREEMENT

Section 9.1 In General. Subsequent to the execution and consistent with the terms of this CEA, but prior to the Commencement Date, LSU, UMCMC and LCMC will enter into a Master Collaborative Agreement (the “MCA”) to address key operational issues related to the transition of the Hospital from LSU to UMCMC in accordance with this CEA. The MCA shall address, without limitation, the mutually agreeable terms and conditions under which:

(a) Provider Numbers. UMCMC shall accept the Hospital's (i) Medicare Provider Agreement and corresponding provider number 190005, and (ii) Medicaid Provider Agreement and corresponding provider number 1765651;

(b) Professional Services. UMCMC shall contract with LSU to obtain the services of LSU physicians and related services necessary to provide patient care in the Hospital and its provider-based outpatient clinics;

(c) Accountable Care Services. UMCMC shall contract with LSU for data warehouse, disease management and related health care effectiveness services designed to improve quality and patient outcomes, and reduce to cost of health care services, particularly among the uninsured and high risk Medicaid populations;

(d) Medical Staff. In accordance with policies and procedures to be determined by the UMCMC Board of Directors, the Hospital's current medical staff will be credentialed and/or recredentialed by UMCMC's governing body upon transition of the Hospital to UMCMC;

(e) Medical Records. The Parties will arrange for UMCMC to become the custodian of the Hospital's patient records for the period prior to the Commencement Date and maintain such records in accordance with the Legal Requirements, provided that LSU and its agents and attorneys shall have access to such records as needed for litigation and other appropriate purposes in accordance with the Legal Requirements; and

(f) Transition Support Services. UMCMC shall contract with LSU for certain support services during a transition period, including, without limitation, certain information technology, billing and collections, and other support and maintenance services.

ARTICLE X.
LSU REPRESENTATIONS AND WARRANTIES

LSU represents and warrants that the statements contained in this Article are correct and complete as of the date of this CEA.

Section 10.1 Organization and Standing. LSU is a public constitutional corporation organized under the laws of Louisiana. LSU is validly existing and in good standing under the laws of Louisiana, with full power and authority to perform all of its obligations under this CEA.

Section 10.2 Authority; No Conflict.

(a) This Agreement constitutes the legal, valid and binding obligation of LSU, enforceable against it in accordance with its terms, and any other agreement executed and delivered by LSU in connection with this Agreement will constitute the legal, valid and binding obligation of LSU, enforceable against it in accordance with its terms. LSU has the power and authority to execute and deliver this Agreement and such other documents to which it is a party and such action has been duly authorized by all necessary action by LSU's Board of Supervisors. A copy of the authorizing consent resolution or meeting minutes as certified by LSU's board secretary is attached as Exhibit 10.2(a).

(b) Neither the execution and delivery of this Agreement nor the consummation or performance of any of the Contemplated Transactions hereby will, directly or indirectly (with or without notice or lapse of time):

- (i) Breach any resolution adopted by LSU's Board of Supervisors;
- (ii) Cause UMCMC or LCMC to become subject to, or to become liable for the payment of, any Liability of LSU; or
- (iii) Result in the LSU GME Programs violating any rules, policies, procedures or accreditation requirements of ACGME or otherwise result in (A)

the LSU GME Programs ceasing to be accredited by ACGME, (B) the LSU GME Programs ceasing to be funded by DOA, or (C) LSU ceasing to comply with or satisfy any CMS reimbursement requirements or regulations applicable to the LSU GME Programs.

(c) LSU warrants that it will not take any action, fail to take any action, enter into any agreement or consummate any transaction that would prevent LSU from performing the Contemplated Transactions or performing its obligations under this Agreement or any agreement delivered in connection with this Agreement or otherwise have a Material Adverse Effect on the Hospital or the LSU GME Programs without the prior written consent of an authorized representative of UMCMC.

Section 10.3 Employee Benefits. No event has occurred that would result in, and consummation of the Contemplated Transactions shall not result in, UMCMC incurring any Liability for any Benefit Plan of LSU or to any employee of LSU with respect to such Benefit Plan of LSU or to any employee of LSU with respect to such Benefit Plans, to the extent such plans are established and administered by LSU. LSU has and will comply with all of the requirements of the Consolidated Omnibus Budget Reconciliation Act of 1985 with respect to all of its employees, including but not limited to the LSU Personnel, before and after the Commencement Date.

Section 10.4 Compliance with Legal Requirements. To LSU's Knowledge, LSU Personnel have operated the Hospital and the LSU GME Programs in compliance with all Legal Requirements, including Health Care Laws. To LSU's Knowledge, in connection with LSU's operation of the Hospital and LSU GME Programs, neither (i) LSU nor any LSU Personnel has received or made any payment or any remuneration whatsoever to induce or encourage the

referral of patients or the purchase of goods and/or services as prohibited under any state law or Health Care Law, nor (ii) has any Governmental Body or third-party payer formally alleged in writing or LSU received any notice of any violation of any Health Care Law within the last ten (10) years. Without limiting the generality of the foregoing:

(a) Permits, Licenses and Accreditation. The Hospital has all permits and licenses and other governmental authorizations required by all Legal Requirements and is not in violation of any of said permitting or licensing requirements. The Hospital is owned and duly licensed by the State and operated by LSU as a general acute care hospital. LSU has all permits and licenses necessary for the proper operation of the Hospital and LSU GME Programs, including a valid Medicare provider number. The LSU GME Programs are accredited by ACGME and, to LSU's Knowledge, are in compliance with the ACGME requirements necessary for accredited GME programs.

(b) Medicare/Medicaid Participation. The Hospital and all LSU Personnel who are medical providers are participating in or otherwise authorized to receive reimbursement from Medicare and Medicaid. All necessary certifications and contracts required for participation in such programs are in full force and effect and have not been amended or otherwise modified, rescinded, revoked or assigned, and, to LSU's Knowledge, no condition exists or event has occurred which in itself or with the giving of notice or the lapse of time or both would result in the suspension, revocation, impairment, forfeiture or non-renewal of any such third-party payer program, or the obligation to make any repayment with respect to any federal health care program. No LSU Personnel is an Excluded Provider.

(c) Fraud and Abuse. To LSU's Knowledge, neither the Hospital nor LSU Personnel has engaged in any activities which are prohibited under any Health Care Law, or the regulations promulgated thereunder pursuant to such statutes, or related state or local statutes or regulations, or which are prohibited by rules of professional conduct, including the following: (i) knowingly and willfully making or causing to be made a false statement or representation of a fact in any application for any benefit or payment; (ii) knowingly and willfully making or causing to be made any false statement or representation of a fact for use in determining rights to any benefit or payment; (iii) knowingly and willingly concealing any event affecting the initial or continued right to receive any benefit or payment with intent to fraudulently secure such benefit or payment in an amount or quantity greater than that which is due or which is authorized; or (iv) knowingly and willfully soliciting or receiving any remuneration (including any kickback, bribe, or rebate), directly or indirectly, overtly or covertly, in cash or in kind or offering to pay or receive such remuneration (1) in return for referring an individual to a person for the furnishing or arranging for the furnishing of any item or service for which payment may be made in whole or in part by Medicare or Medicaid or (2) in return for purchasing, leasing, or ordering or arranging for or recommending purchasing, leasing or ordering any good, facility, service or item for which payment may be made in whole or in part by Medicare or Medicaid. LSU is not a party to any corporate integrity agreement or similar settlement, compliance or oversight agreement with any Governmental Body relating to LSU's services provided at the Hospital.

Section 10.5 Legal Proceedings; Orders. There is no Order to which LSU is subject that would limit or affect LSU's ability to enter into this Agreement or consummate the

Contemplated Transactions. Except as set forth on Schedule 10.5 of the LSU Disclosure Schedules, there is no Proceeding pending, or to LSU's Knowledge threatened against, or affecting the Hospital, LSU GME Programs, or any LSU Personnel

Section 10.6 Insurance; Malpractice. All clinical LSU Personnel have been continuously insured for professional malpractice claims during the lesser of (i) the last three (3) years, or (ii) the period during which such LSU Personnel has been authorized to provide professional medical services on behalf of LSU. All clinical LSU Personnel are "qualified state health care providers" as defined in LA R.S. 40:1299.39, et seq., and are thus named insureds covered under the State's professional liability insurance administered through the Office of Risk Management within DOA. To LSU's Knowledge, no LSU Personnel is in default with respect to any provision contained in any policy covering the professional acts of such LSU Personnel and none of them has failed to give any notice or present any claim under any such policy in a due and timely fashion. LSU has maintained in effect and continues to maintain in effect such other policies of insurance as are customary for an academic medical center of size and scope of the operations of LSU, with such limits and other terms of coverage as are commercially reasonable for an academic medical center similar in size and scope to LSU.

Section 10.7 Taxes.

(a) With respect to the Hospital, LSU has, to its Knowledge, filed, all federal, state, county and local tax returns it is required to file, including, without limitation, income, sales, single business, payroll, premium, withholding, informational, real estate, school and, personal property tax returns, required to be filed and, such returns have been duly prepared and filed and were true, correct, and complete. All taxes due by reason of the operations conducted by LSU with respect to the Hospital have, to LSU's Knowledge,

been paid, including, without limitation, all taxes which LSU is obligated to withhold from accounts owing to employees, creditors, and third parties. There is no tax lien, whether imposed by any federal, state, county or local taxing authority outstanding against the assets, properties or businesses of LSU as they relate to the Hospital. Other than regular property assessments, there is no pending examination or proceeding by any authority or agency relating to the assessment or collection of any such taxes, interest, or penalties thereon, nor to LSU's Knowledge does there exist any facts that would provide a basis for any such assessment. With respect to the Hospital, LSU has not filed any consent or agreement to extend the period for assessment or collection of any such taxes.

(b) Except as set forth in Schedule 10.7(b) of the LSU Disclosure Schedules, the Hospital is exempt from Federal income tax under the applicable provisions of the Internal Revenue Code ("IRC") and the Hospital is a "hospital" within the meaning of Section 170(b)(1)(A)(iii) of the IRC. LSU is not aware of any proceeding, pending or threatened, or of any existing circumstances, which could reasonably be anticipated to result in the loss or revocation of any of the aforementioned exemptions held by LSU or the imposition of tax liability which would have a Material Adverse Effect on the business and operations of the Hospital.

Section 10.8 Contracts and Other Commitments.

(a) LSU has provided to UCMCMC copies of all material written agreements and all material oral understandings including, but not limited to, all material provider contracts, material management agreements, material leases and material services contracts to which the Hospital will be subject on the Commencement Date. For the purposes of this Section 10.8, "material" shall mean any agreement or understanding

having an aggregate value of at least Fifty Thousand Dollars (\$50,000), and each such agreement or obligation is listed in Schedule 10.8(a) of the LSU Disclosure Schedules.

(b) Schedule 10.8(b) of the LSU Disclosure Schedules lists the following contracts, agreements and understandings, whether or not the same have been reduced to writing: (a) all agreements with health care providers from which the Hospital receives referrals of patients; (b) all agreements involving or affecting the Hospital that are not terminable by LSU upon twelve (12) months or less notice; and (c) all joint venture, partnership, residency training agreement, or affiliation agreements involving or affecting Hospital.

(c) To LSU's Knowledge, each such material contract or commitment is a valid and binding obligation of the parties thereto, enforceable in accordance with its terms (subject to bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights generally and except for limitations upon the availability of equitable remedies, including specific performance).

Section 10.9 Reimbursement Contracts. Neither DHH nor CMS, during the past five (5) years, has refused to enter into or has terminated any participation agreement pursuant to which the Hospital was entitled to reimbursement for services or facilities provided to patients. LSU is a party to contracts with Medicare and Medicaid with respect to payment for services to beneficiaries and is eligible to participate therein, which contracts and certification are currently in full force and effect, and to LSU's Knowledge no event has occurred which, with or without the giving of notice or passage of time or both, would constitute a material default thereunder.

Section 10.10 Cost Reports. LSU has delivered to LCMC true and exact copies of (i) all cost reports which LSU has filed with Medicare and Medicaid for the last three (3) years with

respect to the Hospital, as well as all correspondence and other documents relating to any disputes and/or settlements with Medicare or Medicaid within the last five (5) years regarding the Hospital; and (ii) all appraisal reports, surveys, or other documents which evaluate or describe any of the assets of any of the Hospital. The Medicare and Medicaid cost reports of the Hospital were filed when due. Except for disputes between LSU and the intermediary which concern the payment of an individual claim (as opposed to such disputes concerning the right of LSU to receive Medicare or Medicaid reimbursement generally or to participate in the Medicare or Medicaid programs), there is no dispute between LSU and any governmental authorities or the Medicare fiscal intermediary, or any other amounts owing by LSU, regarding any open cost reporting periods, and UCMC shall have no liability with respect to any cost reports for any open cost reporting periods, other than with respect to adjustments thereto made in the ordinary course of business which do not involve amounts in excess of One Hundred Thousand Dollars (\$100,000) in the aggregate. LSU will file the closing cost report for period through June 23, 2013.

(a) Medicare and Medicaid Certification. With respect to the Hospital, LSU has met and does meet, without material exception, the conditions for participation in the Medicare and Medicaid programs, and LSU does not have Knowledge of any pending or threatened proceeding or investigation under such programs involving the Hospital or any basis for the revocation or limitation on such participation. To LSU's Knowledge, there is no pending or threatened criminal, civil, or administrative action, audit, or investigation by a fiscal intermediary or by the federal government with respect to the Hospital, which could reasonably be anticipated to affect adversely the right of the Hospital to receive Medicare and Medicaid reimbursement or to participate in the Medicare and Medicaid

programs, or which could reasonably be anticipated to otherwise have an adverse effect on the receipt of Medicare and Medicaid reimbursement by the Hospital.

Section 10.11 Interim Changes. Except as set forth in Schedule 10.11 of the LSU Disclosure Schedules, after January 1, 2013, there has not been:

(a) Any change in the financial condition, assets, liabilities, properties or results of operation of either of the Hospital which has had or could reasonably be expected to have, in the aggregate, a Material Adverse Effect on the Hospital;

(b) Any damage, destruction or loss, whether or not covered by insurance, which has had or could reasonably be expected to have, in the aggregate, a Material Adverse Effect on the Hospital;

(c) Any disposition which has or could have a Material Adverse Effect on the Hospital of any property, rights or other assets owned by or employed by it other than in the ordinary course of business;

(d) Any amendment or termination of any material contract which has had or could have, in the aggregate, a Material Adverse Effect on the Hospital;

Section 10.12 Full Disclosure. No representation or warranty made by LSU in this Agreement contains or will contain any untrue statement of fact or omits or will omit to state a fact necessary to make the statements contained herein or therein not misleading.

ARTICLE XI. STATE REPRESENTATIONS AND WARRANTIES

The State, through DOA and DHH, represents and warrants that the statements contained in this Article XI are correct and complete as of the date hereof.

Section 11.1 Organization and Standing.

(a) The State of Louisiana has full power and authority to perform its obligations under this CEA.

(b) DOA is an agency within the Office of the Governor and DHH is a department of the State of Louisiana, each of which validly exist under the laws of Louisiana, with full power and authority to perform their obligations under this CEA.

Section 11.2 Enforceability; Authority; No Conflict.

(a) This Agreement constitutes the legal, valid and binding obligation of the State, through DOA and DHH, enforceable against it in accordance with its terms. Upon the execution and delivery by DOA and DHH of any document or agreement to be executed in connection with this Agreement, each such other agreement will constitute the legal, valid and binding obligation of the State, through DOA and DHH, enforceable against the State, through DOA and DHH, as applicable, in accordance with its terms. DOA and DHH have the absolute and unrestricted right, power and authority to execute and deliver this Agreement on behalf of the State and such other documents to which it is a party and to perform its obligations under this Agreement and such other documents.

(b) Neither the execution and delivery of this Agreement nor the consummation or performance of any of the Contemplated Transactions hereby will, directly or indirectly (with or without notice or lapse of time):

(i) Breach any provision of any of the governing statutes or authorities of DHH or DOA;

(ii) To DHH's or DOA's Knowledge, give any Governmental Body or other person the right to validly challenge any of the Contemplated Transactions.

or to exercise any remedy or obtain any relief under, any Legal Requirement to which the State, DHH or DOA may be subject;

(iii) Contravene, conflict with or result in a violation or breach of any of the terms or requirements of, or give any Governmental Body the right to revoke, withdraw, suspend, cancel, terminate or modify, any Governmental Authorization that is held by the State, DHH or DOA; or

(iv) Cause UMCMC or LCMC to become subject to, or to become liable for the payment of, any Liability of the State, DHH or DOA.

(c) The State, through DHH and DOA, warrants that it will not take any action, fail to take any action, enter into any agreement or consummate any transaction that would prevent the State, DHH or DOA from performing the Contemplated Transactions or performing its obligations under this Agreement or any agreement delivered in connection with this Agreement or otherwise have a Material Adverse Effect on the Hospital without the prior written consent of an authorized representative of UMCMC.

Section 11.3 Employee Benefits. No event has occurred that would result in, and consummation of the Contemplated Transactions shall not result in, UMCMC incurring any Liability for any Benefit Plan of the State or to any employee of the State with respect to such Benefit Plans.

Section 11.4 Legal Proceedings; Orders. To the DOA's and DHH's Knowledge, there is no Order to which the State, DOA or DHH is subject that would limit or affect the State's, DOA's or DHH's ability to enter into this Agreement or consummate the Contemplated Transactions.

Section 11.5 Full Disclosure. No representation or warranty made by the State, through DHH or DOA, in this Agreement contains or will contain any untrue statement of fact or omits or will omit to state a fact necessary to make the statements contained herein or therein not misleading.

ARTICLE XII.
UMCMC REPRESENTATIONS AND WARRANTIES

UMCMC represents and warrants that the statements contained in this Article XII are correct and complete as of the date hereof.

Section 12.1 Organization and Good Standing. UMCMC is a nonprofit Louisiana corporation. UMCMC is validly existing and in good standing under the laws of the State of Louisiana, with full corporate power and authority to perform all its obligations under this Agreement.

Section 12.2 Enforceability; Authority; No Conflict.

(a) This Agreement constitutes the legal, valid and binding obligation of UMCMC, enforceable against it in accordance with its terms subject as to enforcement of remedies to the discretion of courts in awarding equitable relief and to applicable bankruptcy, reorganization, insolvency, moratorium and similar laws affecting the rights of creditors generally. Upon the execution and delivery by UMCMC of the Master Hospital Lease, Equipment Lease, Right of Use Agreement and Member Substitution Agreement (each, an "Ancillary Agreement"), each such Ancillary Agreement will constitute the legal, valid and binding obligation of UMCMC, enforceable against it in accordance with its terms subject as to enforcement of remedies to the discretion of courts in awarding equitable relief and to applicable bankruptcy, reorganization, insolvency, moratorium and similar laws affecting the rights of creditors generally.

UMCMC has the corporate power and authority to execute and deliver this Agreement and each Ancillary Agreement, and such action has been duly authorized by all necessary action by UMCMC's Board of Directors and members. A copy of the authorizing resolutions or certified meeting minutes are attached as Exhibit 12.2(a).

(b) Neither the execution and delivery of this Agreement nor the Ancillary Agreements, directly or indirectly (with or without notice or lapse of time):

(i) will breach (A) any provision of any of the governing documents of UMCMC, as amended or restated, or (B) any resolution adopted by UMCMC's Board of Directors;

(ii) will contravene, conflict with or result in a violation or breach of any of the terms or requirements of, or give any Governmental Body the right to revoke, withdraw, suspend, cancel, terminate or modify, any Governmental Authorization that is held by UMCMC;

(iii) will result in the creation of any lien, charge, or encumbrance of any kind against UMCMC's assets except as contemplated therein or the acceleration of any indebtedness or other obligation of UMCMC;

(iv) are prohibited by, materially violate or conflict with any provision of, and constitute a default under or a breach of (x) any judgment, decree, order, regulation or rule of any court or regulatory authority applicable to UMCMC, or (y) any law, statute, rule, regulation, order, writ, injunction, judgment or decree of any court or governmental authority or arbitration tribunal to which UMCMC is subject; or

(v) will have a Material Adverse Effect upon any contract, lease, agreement, indenture, mortgage, pledge, lease, sublease, option or commitment to which UMCMC is a party or by which UMCMC is bound, or any assignment, permit, license, approval or other commitment to which UMCMC is a party or by which UMCMC is bound.

Section 12.3 No Operations. UMCMC has conducted no operations, has not had any employees and holds no licenses or permits.

Section 12.4 Legal Proceedings; Orders. There is no Order to which UMCMC is subject that limits or adversely affects UMCMC's ability to execute and deliver this Agreement. There is no material Proceeding pending against UMCMC.

Section 12.5 Insurance. DOA's Office of Risk Management has issued a certificate of insurance to LSU which shows UMCMC as insured thereon.

Section 12.6 Compliance with Legal Requirements. To UMCMC's Knowledge, UMCMC has operated in compliance with all Legal Requirements, including Health Care Laws. Neither UMCMC nor any director, officer, or agent of UMCMC is an Excluded Provider. UMCMC is not a party to any corporate integrity agreement or similar settlement, compliance or oversight agreement with any Governmental Body.

Section 12.7 Title to Assets. UMCMC does not own or lease any real property, personal property, or intellectual property.

Section 12.8 Contracts, Leases, Indebtedness. Except for those agreements previously provided to LCMC, UMCMC is not a party to any contract, lease, or agreement. UMCMC has no indebtedness for borrowed funds.

Section 12.9 Undisclosed Liabilities. To UMCMC's Knowledge, other than amounts owing for professional services and owing to LCMC under the management agreement between UMCMC and LCMC, UMCMC does not have any liabilities or obligations of any nature whatsoever, due or to become due, accrued, absolute, contingent or otherwise, that would have a Material Adverse Effect on UMCMC.

Section 12.10 Financial Statements. UMCMC has provided LCMC with a copy of the "UMCMC Financial Statements" (as defined below). The UMCMC Financial Statements (a) were prepared in accordance with UMCMC's books of account and other financial records and (b) present fairly in all material respects the financial condition and results of UMCMC's business operations as of the respective dates thereof and for the respective periods covered thereby. For purposes of this Agreement, the term "UMCMC Financial Statements" shall mean UMCMC's audited financial statements for the fiscal year ended 2011.

Section 12.11 Taxes/Tax Returns. Pursuant to a letter from the IRS dated January 11, 2006, UMCMC (then named Earl K. Long Medical Foundation, Inc.) was recognized as exempt from federal income tax under Section 501(c)(3) of the IRC. UMCMC has no knowledge of any action by the Internal Revenue Service to revoke or terminate its tax exempt status. UMCMC has filed, or has caused to be filed, on a timely basis and subject to all permitted extensions, all tax returns with appropriate governmental agencies in all jurisdictions in which such tax returns are required to be filed, and all such tax returns were correct and complete. All taxes that are shown as due on such tax returns, if any, have been timely paid, or delinquencies cured with payment of any applicable penalties and interest.

ARTICLE XIII.
LCMC REPRESENTATIONS AND WARRANTIES

LCMC represents and warrants that the statements contained in this Article XIII are complete and correct as of the date hereof.

Section 13.1 Organization and Standing. Each of LCMC, Touro and Children's is validly existing and in good standing under the laws of the State of Louisiana, with full power and authority to conduct its operations as it is now being conducted, to own or use the properties and assets that it purports to own or use, and to perform all its obligations under this Agreement.

Section 13.2 Authority to Enter into Agreement; Consent. LCMC has all corporate right, power, legal capacity and authority to enter into and perform its respective obligations under this Agreement. No approvals or consents of any persons are necessary for the execution, delivery and performance of this Agreement by LCMC, except those that have been obtained or will be obtained prior to the close of each of the Contemplated Transactions. The execution and delivery of the Agreement by LCMC, and the performance by LCMC of all of its obligations hereunder, have been duly authorized by all necessary corporate action. The Agreement is a valid obligation of LCMC, enforceable against LCMC in accordance with its terms.

Section 13.3 Enforceability; Authority; No Conflict.

(a) This Agreement constitutes the legal, valid and binding obligation of LCMC, enforceable against it in accordance with its terms. Upon the execution and delivery by LCMC, of any document or agreement to be executed in connection with this Agreement, each other agreement will constitute the legal, valid and binding obligation of LCMC, enforceable against it in accordance with its terms. LCMC has the absolute and unrestricted right, power and authority to execute and deliver this Agreement and such other documents to which it is a party and to perform its obligations under this

Agreement and such other documents, and such action has been duly authorized by all necessary action by LCMC Board. A copy of the authorizing consent resolution or certified meeting minutes is attached as Exhibit 13.3(a).

(b) Neither the execution and delivery of this Agreement nor the consummation or performance of any of the Contemplated Transactions hereby will, directly or indirectly (with or without notice or lapse of time):

(i) Breach (A) any provision of any of the Governing Documents of LCMC or (B) any resolution adopted by LCMC's Board;

(ii) Contravene, conflict with or result in a violation or breach of any of the terms or requirements of, or give any Governmental Body the right to revoke, withdraw, suspend, cancel, terminate or modify, any Governmental Authorization that is held by LCMC.

Section 13.4 Financial Statements. LCMC has furnished to LSU (i) LCMC's audited consolidated financial statements for the three (3) most recent fiscal years and the balance sheet and the related statements of income, and changes in financial position of LCMC for the three (3) most recent fiscal years with available reports thereon from an independent certified public accounting firm, (the "Audited Financial Statements") including any management letters regarding the operations of LCMC with respect to such fiscal year, and (ii) unaudited interim financial statements for the monthly periods from the close of the most recently completed fiscal year through March 31, 2013, or if LCMC prepares unaudited interim financial statements on a quarterly basis, for the last quarter which ended no more than ninety (90) calendar days prior to the date of execution of this Agreement, and shall furnish such unaudited interim financial statements for the monthly or quarterly periods, respectively, through the month or quarter

ending immediately prior to the Commencement Date (collectively referred to as the “Unaudited Financial Statements”) (the Audited Financial Statements and the Unaudited Financial Statements are sometimes referred to herein collectively as the “Financial Statements”). The Financial Statements have been prepared in accordance with generally accepted accounting principles (“GAAP”) consistently applied (except, in the case of the Unaudited Financial Statements, for the absence of footnotes and year-end adjustments), reflect all liabilities of LCMC, Touro and Children’s, including all contingent liabilities, and fairly present the financial position of LCMC, Touro and Children’s and the results of operations and changes in financial position as of the dates and for the periods specified. Except as set forth in the Financial Statements, none of LCMC, Touro or Children’s has incurred any liability other than in the ordinary course of business. Since the date of the most recent Audited Financial Statements, none of LCMC, Touro or Children’s has incurred any liabilities other than in the ordinary course of business and consistent with past practice.

Section 13.5 Compliance with Legal Requirements. To LCMC’s Knowledge, LCMC, Touro and Children’s have each materially operated in material compliance with the Legal Requirements, including applicable Health Care Laws, which would affect the ability of LCMC, Children’s and Touro to continue to operate as providers under any federal or state health care program. To LCMC’s Knowledge, none of LCMC, Touro or Children’s currently employed staff has received or made any payment or any remuneration whatsoever to induce or encourage the referral of patients or the purchase of goods and/or services as prohibited under any state law or Health Care Law, nor has any Governmental Body or third-party payer formally alleged in writing any violation of Health Care Law by LCMC, Touro, or Children’s, or any of their currently employed

staff, within the last ten (10) years. Without limiting the generality of the foregoing:Permits and Licenses. LCMC, Touro and Children's each has, or shall have at the time such services are performed, all permits and licenses and other Governmental Authorizations required by all Legal Requirements for the operation of LCMC, Touro and Children's, and are not in material violation of any of said permitting or licensing requirements. Touro and Children's are currently duly licensed by the State of Louisiana.

(b) Medicare/Medicaid Participation. Touro and Children's are participating in or are otherwise authorized to receive reimbursement from Medicare and Medicaid. All necessary certifications and contracts required for participation in such programs are in full force and effect and have not been amended or otherwise modified, rescinded, revoked or assigned, and, to LCMC's Knowledge, no condition exists or event has occurred which would result in the suspension, revocation, impairment, forfeiture or non-renewal of any such third-party payer program. None of LCMC, Touro or Children's is an Excluded Provider.

Section 13.6 Legal Proceedings; Orders. There is no pending Proceeding that challenges, or that may have the effect of preventing, delaying, making illegal or otherwise interfering with, any of the Contemplated Transactions. To LCMC's Knowledge, no event has occurred or circumstance exists that is reasonably likely to give rise to, or serve as a basis for, the commencement of any such Proceeding which is reasonably likely to result in an inability to perform the terms and conditions of this Agreement. There is no Order is subject that would limit or affect LCMC's ability to enter into this Agreement or consummate the Contemplated Transactions.

Section 13.7 Insurance; Malpractice. Touro and Children's are, and have been for the past three consecutive (3) years, qualified health care providers covered under the provisions of the Louisiana Medical Malpractice Act, La. R.S. 40:1299.41, *et seq.*, and are, and have been for the past three consecutive (3) years, members of the Louisiana Patient's Compensation Fund.

Section 13.8 Full Disclosure. No representation or warranty made by LCMC in this Agreement contains or will contain any untrue statement of fact or omits or will omit to state a fact necessary to make the statements contained herein or therein not misleading.

Section 13.9 Definition of Knowledge. For purposes of this Article, the term "Knowledge" shall mean the actual knowledge of (i) the President and Chief Executive Officer and (ii) the Chief Financial Officer of LCMC.

ARTICLE XIV. FURTHER COVENANTS OF THE PARTIES

The Parties covenant that between the Effective Date and the Commencement Date:

Section 14.1 Master Collaborative Agreement. LSU and UMCMC will enter into the Master Collaborative Agreement and its associated agreements.

Section 14.2 Compliance with ACGME Requirements. The Parties shall use commercially reasonable efforts to cause the LSU GME Programs to maintain their accreditation by ACGME and to cause the LSU GME Programs to continue to be in material compliance with all ACGME rules, regulations, policies, procedures and other accreditation requirements. UMCMC and LCMC shall use commercially reasonable efforts to cause the Hospital to maintain its status as a Major Participating Site as defined by the ACGME and in compliance with all ACGME rules, regulations, policies, procedures and other accreditation requirements.

Section 14.3 Third Party Consents and Approvals. The Parties will have obtained all consents, approvals, Orders or authorizations of, or registrations, declarations or filings with any Person required in connection with the execution, delivery or performance of this CEA.

Section 14.4 Continuation of Hospital Operations. From the Effective Date of this Agreement until the earlier of the Commencement Date or the termination of this Agreement, LSU shall, and shall cause the Hospital to: (i) conduct the Hospital's operations in the ordinary course; and (ii) use commercially reasonable efforts to maintain in all material respects the assets, properties and business organizations and current relationships and goodwill with their respective customers, suppliers and payors of the Hospital.

Section 14.5 Preservation of Property. From the Effective Date of this Agreement until the earlier of the Commencement Date or the termination of this Agreement, LSU shall not sell, transfer, lease, sublease, license or otherwise dispose of any material properties or assets (real, personal or mixed, including intangible property) of the New Facility or Interim Facility, other than in the ordinary course of business.

Section 14.6 Further Acts and Assurances. The Parties shall, at any time and from time to time at and after the execution of this Agreement, upon request of another Party, take any and all steps reasonably necessary to consummate the Contemplated Transactions, and will do, execute, acknowledge and deliver, or will cause to be done, executed, acknowledged and delivered, all such further acts, deeds, assignments, transfers, conveyances, powers of attorney and assurances as may be required to consummate the Contemplated Transactions.

ARTICLE XV. TERM AND TERMINATION

Section 15.1 Term. Unless earlier terminated as provided herein, the Term of this Agreement shall begin on the Effective Date and shall expire forty-two (42) years following the

Commencement Date (the “Initial Term”) and may be renewed by UMCMC, at its option, for three (3) consecutive periods of fifteen (15) years each (each a “Renewal Term”), for a total of forty-five (45) additional years, under the same terms and conditions herein. To exercise any of said options to renew, UMCMC shall notify LSU, DOA, and DHH, in writing, at least one hundred eighty (180) days prior to the scheduled expiration date of the then current Term of this CEA, of its election to renew this CEA under the terms of this Section 15.1.

Section 15.2 Early Termination. This Agreement shall terminate prior to the expiration of the Term only in accordance with this Section 15.2, and for no other reason, including, without limitation, any Breach of this CEA, the Master Collaborative Agreement or other agreement related to the Contemplated Transactions. Any early termination of this CEA shall be subject to the six (6) month Termination Wind Down Period provided in Section 15.4. Subject to the foregoing, this CEA may terminate prior to the expiration of the Term for the following (each a “Terminating Event”):

- (a) upon the mutual agreement of all Parties;
- (b) if the Contemplated Transactions have not occurred by June 24, 2013;
- (c) except as otherwise provided in Article VIII, there is a change in (or a new interpretation of) the law, whether statutory, regulatory or other position or rule set forth by a Governmental Body, that has a Material Adverse Effect on any of the Parties, and the Parties are unable to agree, following the process in Section 19.4, on terms to amend the CEA or otherwise address the consequences of the change in or new interpretation of the law. If the Parties agree that a change in laws or interpretation thereof has a Material Adverse Effect on any of the Parties and are unable to reach a new agreement or otherwise address the consequences of the change in or new interpretation of the law, no

Party shall be liable or responsible for any damages suffered by any other Party as a result of a termination pursuant to this subsection, provided that the State shall return to UMCMC the payments described in Section 15.3(f); or

(d) Termination prior to its term or expiration of the Master Hospital Lease or Right of Use Agreement in accordance with its terms.

Section 15.3 Effects of Termination. Subject to the Termination Wind Down Period in Section 15.4, the following shall apply consistent with the Termination Wind Down Period:

(a) Each Party shall surrender possession, and deliver to another Party, all property belonging to the other Party, update and complete all files, records and charts and cooperate with each other as may be necessary to insure uninterrupted treatment of patients;

(b) Each Party shall cooperate in the defense of any claims or suits for acts or omissions occurring during the term of this Agreement;

(c) UMCMC shall vacate facilities owned by LSU;

(d) The Master Hospital Lease and Right of Use Agreement shall terminate;

(e) Ownership of the Hospital's Medicare and Medicaid Provider Numbers shall be transferred to LSU; and

(f) If the termination is for reasons provided in Section 15.2(a), (b), (c) or (d) (other than a termination of the Master Hospital Lease caused by a UMCMC Event of Default as defined in the Master Hospital Lease), the State shall return to UMCMC (i) unearned prepaid rent under the terms of the Master Hospital Lease and any related lease for the New Facility entered into by the Parties in accordance with Section 4.1(d) ("Prepaid Rent"), and (ii) the value as of the termination date of unamortized capital

expenditures computed on a GAAP basis made by UMCMC or an LCMC Affiliate to the New Facility and other buildings and other capital improvements paid for by LCMC or UMCMC on the land subject to the Right of Use Agreement and not part of the New Facility (“Unamortized Improvements”).

Section 15.4 Wind Down Period Upon Termination. Any early termination of this Agreement allowed under Article XV shall be subject to a period not to exceed six (6) months (the “Termination Wind Down Period”), if applicable, during which the Parties will transition Hospital operations in an orderly fashion to assure the Public Purpose continues to be satisfied at all times. Upon the occurrence of an event giving rise to an early termination right under Section 15.2, any Party may give written notice to the other Parties of its intent to terminate this CEA. The Termination Wind Down Period shall begin two (2) days after the terminating Party or Parties give notice of intent to terminate (the “Wind Down Commencement Date”) and end on the six (6) month anniversary of the Wind Down Commencement Date. Subject to the ultimate authority of the UMCMC Board of Directors, during the Termination Wind Down Period, LSU, DOA, DHH, UMCMC and LCMC will establish a transition committee consisting of at least eight (8) people, with each of LSU, UMCMC, and LCMC appointing an equal number of members to the committee and each of DOA and DHH appointing one member to the committee, to work with the UMCMC Board of Directors in the transition of Hospital operations. The Tulane representative on the UMCMC Board of Directors shall serve on the transition committee. To the extent necessary and applicable, the Parties will continue to comply with the terms and conditions of this Agreement during the Termination Wind Down Period.

ARTICLE XVI.
LCMC WITHDRAWAL

Section 16.1 Limitations on Withdrawal. LCMC shall be allowed or required, as applicable, to withdraw as a member of UMCMC prior to the expiration of the Term of this CEA (a “Member Withdrawal”) only in accordance with this Article XVI, and for no other reason, including, without limitation, any Breach of this CEA, the Master Collaborative Agreement or other agreement related to the Contemplated Transactions. Any early Member Withdrawal shall be subject to the six (6) month Transition Period provided in Section 16.9.

Section 16.2 Elective Withdrawal Events. Subject to the Parties’ good faith participation in the Pre-Withdrawal Process set forth in Section 16.7, upon the occurrence of one or more of the following events (each, a “Potential Elective Withdrawal Event”), LCMC shall have the option to withdraw from UMCMC in accordance with Section 16.8:

- (a) Mutual agreement of all the Parties;
- (b) Any action, or pattern or practice of action, by LSU that is materially inconsistent with the Public Purpose of this Cooperative Endeavor Agreement;
- (c) The Required Program Funding as provided in Article VIII has not been timely received by UMCMC or LCMC Affiliates;
- (d) Any final, non-appealable judgment against a Public Party in favor of UMCMC or LCMC that remains unpaid for more than one (1) year from the date of the final judgment;
- (e) A Public Party fails to perform or observe any covenant, term or condition of this Agreement to be performed by it which is solely within such Party’s ability to satisfy and which has a Material Adverse Effect on LCMC or UMCMC’s ability to perform its obligations under this CEA; or

(f) A Public Party shall have made any representation or warranty in this Agreement or in any document or certificate which is executed by such Party incident to this Agreement, which is at any time found to have been inaccurate in any material respect at the time such representation or warranty was made and the consequences of such inaccuracy has a Material Adverse Effect on LCMC's or UMCMC's ability to perform its obligations under this CEA, provided that inaccuracies that are not the result of intentional misrepresentation, and which inaccuracies are corrected at or prior to the Commencement Date, shall be excused.

Section 16.3 Amendments Upon Elective Withdrawal. Effective upon LCMC's elective withdrawal as a member of UMCMC, the Parties agree that the following amendments to this Agreement shall become effective at the time of the withdrawal without further action by the Parties:

(a) All references to LCMC in Article VIII (Required Funding) shall be deleted and, if the context so requires, replaced with UMCMC or any successor entity to LCMC, as the case may be, such that UMCMC or LCMC's successor, as the case may be, may continue to receive the funding contemplated in Article VIII (Required Funding).

(b) Section 4.1(b) (LCMC Guarantee) shall be deleted in its entirety unless a successor entity to LCMC agrees to guarantee the Master Hospital Lease, in which case LCMC shall be replaced with the name of such successor entity. In any event, at the time of LCMC's withdrawal from UMCMC, the Parties agree that LCMC shall no longer guarantee the Master Hospital Lease or the Right of Use Agreement.

Section 16.4 Other Effects of Elective Withdrawal. Subject to the provisions of Section 17.2(a) regarding stipulated damages in the event of LCMC's elective withdrawal as a

member of UMCMC due to (i) Inadequate Funding, (ii) failure to pay any final, binding, and non-appealable judgment in favor of UMCMC or LCMC within one (1) year of the date of judgment, or (iii) Breach of any representation or warranty by LSU or the State that this CEA constitutes a valid and binding contract enforceable in accordance with its terms, upon LCMC's elective withdrawal, LCMC and UMCMC shall be entitled to pursue any damages or remedies available at law.

Section 16.5 Involuntary Withdrawal Events. Subject to the Parties' good faith participation in the process set forth in Section 16.7, upon the occurrence of one or more of the following events (each, a "Potential Involuntary Withdrawal Event"), LSU shall have the option to compel LCMC to withdraw as a member of UMCMC in accordance with Section 16.8:

- (a) Any action, or pattern or practice of action, by LCMC or UMCMC that is materially inconsistent with the Public Purpose of this Cooperative Endeavor Agreement;
- (b) Termination of the Master Hospital Lease or the Right of Use Agreement for any reason;
- (c) A Change in Control of UMCMC or LCMC without LSU's consent;
- (d) Either of the UMCMC Articles of Incorporation or Bylaws is amended except in accordance with its terms;
- (e) LCMC or UMCMC fails to perform or observe any covenant, term or condition of this Agreement to be performed by it which is solely within LCMC's or UMCMC's ability to satisfy and which has a Material Adverse Effect on another Party's ability to perform its obligations under this CEA.
- (f) LCMC or UMCMC shall have made any representation or warranty in this Agreement or in any document or certificate which is executed by LCMC or UMCMC

incident to this Agreement, which is at any time found to have been inaccurate in any material respect at the time such representation or warranty was made and the consequences of such inaccuracy has a Material Adverse Effect on another Party's ability to perform its obligations under this CEA, provided that inaccuracies that are not the result of intentional misrepresentation, and which inaccuracies are corrected at or prior to the Commencement Date, shall be excused.

Section 16.6 Effect of Involuntary Withdrawal. Subject to the provisions of Section 17.2(b) regarding stipulated damages upon LCMC's involuntary withdrawal as a member of UMCMC due to a Breach of the Master Hospital Lease or Right of Use Agreement by a Public Party, or a casualty or expropriation event, LCMC shall not be entitled to any payment upon its involuntary withdrawal as a member of UMCMC, including, without limitation, refund or payment of (i) unearned Prepaid Rent; (ii) Unamortized Improvements; or (iii) the difference between UMCMC's current assets and current liabilities, as computed on a GAAP basis ("Working Capital").

Section 16.7 Process for Addressing Potential Withdrawal Events. The process the Parties shall follow for addressing Potential Elective Withdrawal Events and Potential Involuntary Withdrawal Events (collectively, a "Potential Withdrawal Event") upon the occurrence of a Potential Withdrawal Event (the "Pre-Withdrawal Process") with the objective of avoiding a Member Withdrawal shall be as follows:

(a) Notice and Cure Period. A Party asserting a Potential Withdrawal Event shall provide the other Party or Parties written notice of such event, which notice shall include a detailed description of the basis for such event and the Party's requirements to remedy such asserted event. The Party asserted to have caused the Potential Withdrawal

Event shall be entitled to a Cure Period, or such other time period agreed to by the Parties, to remedy the asserted Potential Withdrawal Event.

(b) Consultative Process. If such Potential Withdrawal Event is not cured within the Cure Period, the Parties shall engage in the Consultative Process for a period of not less than thirty (30), but not more than sixty (60), days to attempt to resolve the Potential Withdrawal Event. Unless this Agreement provides that the Consultative Process is to proceed automatically, the Consultative Process shall commence upon receipt of written notice from the Party requesting the Consultative Process by the other Parties.

(c) Executive Level Negotiations. If an alleged Potential Withdrawal Event is not resolved in the Consultative Process, the president or equivalent executive of each such Party, or his or her designee, shall discuss and negotiate in good faith for thirty (30) calendar days, or such longer period as the Parties may agree, to attempt to resolve the issue.

Section 16.8 Withdrawal Rights. If the asserted Potential Withdrawal Event is not resolved pursuant to the procedures in Section 16.7 set forth above, then LCMC, in the case of a Potential Elective Withdrawal Event, may declare its intent to withdraw from UMCMC, or the affected Party, in the case of a Potential Involuntary Withdrawal Event, may declare its intent to cause LCMC's withdrawal from UMCMC, as the case may be, by delivery written notice of such intent to the other Parties (the "Withdrawal Notice"). Such a withdrawal shall be in addition to any other remedies which the applicable Party may have at law, including damages, but shall be subject to the Transition Period provided in Section 16.9.

Section 16.9 UMCMC Transition upon Withdrawal.

(a) Transition Generally. During the period commencing on the effective date of the Member Withdrawal Notice and ending on the date of LCMC's withdrawal as a member of UMCMC (the "Member Withdrawal Date") (such period, the "Transition Period"), LCMC, UMCMC, and LSU shall coordinate LCMC's withdrawal to minimize the likelihood of any adverse impact on the Hospital's operations, including, without limitation, inpatient and outpatient hospital care, outpatient clinics, and GME. The Transition Period shall be for a period of six (6) months beginning two (2) days after the date of the Withdrawal Notice, unless otherwise extended by the Board of Directors of UMCMC or the Transition Board of Directors (as defined below), as the case may be, and approved by LCMC, provided that any payments due LCMC upon its withdrawal shall not be due until one (1) year after the Member Withdrawal Date as provided in Section 17.5. The Member Withdrawal Date shall be the last day of the Transition Period.

(b) New Member. During the Transition Period, UMCMC may seek a new Person to become the member(s), and to replace LCMC as the member, of UMCMC (the "New Member") that, upon such terms and conditions as UMCMC, LCMC and the New Member agree in writing, will support UMCMC's management and operation of the Hospital in accordance with the CEA. For purposes of this Agreement, LSU and UMCMC agree, absent a mutual agreement otherwise among them and Tulane, that, in the event a New Member(s) is substituted for LCMC as the sole member(s) of UMCMC:

(i) The New Member(s) shall be required to honor and shall be bound by the Graduate Medical Education provisions (the "GME Provisions") set forth in the MOU, including, without limitation, (1) the GME Provisions related

to the allocation and use of residency slots, (2) the GME Provisions requiring non-discrimination in the administration of Graduate Medical Education programs (“GME Programs”) with respect to any Sponsoring Institutions, or any Sponsoring Institution’s students, faculty and residents, and (3) the GME Provisions related to entering into and administering certain GME contracts.

(ii) The New Member(s) shall be required to (1) maintain Tulane’s and LSU’s respective rights with respect to representation on UMCMC’s Board of Directors as set forth in the MOU; (2) ensure that no alterations, modifications or changes are made to any GME Programs, or the administration of such programs, without the approval of the affected Sponsoring Institution; (3) have provisions contained in UMCMC’s bylaws consistent with the MOU pertaining to the GME Programs and the allocation of residency slots and ensure there are no modifications, alterations, changes or amendments to such provisions without the consent of the affected Sponsoring Institution; and (4) ensure that a majority of the members of UMCMC’s Board of Directors shall continue to be independent of Tulane and LSU.

(iii) The New Member(s) shall be required to agree to and be bound by the terms of the CEA.

Section 16.10 UMCMC Transition Period Governance.

(a) Special Meeting of Board of Directors. Within thirty (30) days following the Member Withdrawal Notice, the UMCMC Board of Directors shall convene a special meeting to determine the composition of the UMCMC Board of Directors during the Transition Period. Upon an affirmative supermajority vote of the UMCMC Board of

Directors, defined as eleven (11) of fourteen (14) voting Directors (including the affirmative vote of at least two (2) of the academic appointee Directors), the existing composition of the Board of Directors shall continue during the Transition Period.

(b) Transition Board of Directors. If an affirmative supermajority vote to maintain the composition of the UMCMC Board of Directors does not occur, then LCMC and the UMCMC Board of Directors shall immediately cause the UMCMC Articles and Bylaws then in effect to be amended to (i) provide for a reconstituted UMCMC Board of Directors to serve UMCMC during the Transition Period (the “Transition Board of Directors”), and (ii) remove the reserved powers of LCMC. The Transition Board of Directors shall consist of:

(i) One (1) Director who shall be a representative of LSU appointed by the President of LSU after obtaining the advice and consent of the LSU Board of Supervisors;

(ii) One (1) Director who shall be appointed by the President of Tulane;

(iii) One (1) Director who shall be appointed by the President of Xavier University (“Xavier”); and

(iv) Three (3) Directors who shall be appointed by LCMC.

(c) Appointment of Special Director. If any vote of the Transition Board of Directors results in deadlock and such deadlock extends for two (2) consecutive meetings of the Transition Board of Directors, then the Transition Board of Directors shall petition the Chief Bankruptcy Judge of the United States District Court, Eastern District of Louisiana to appoint a neutral special director (the “Special Director”), with the

qualifications set forth in Section 16.10(d) below. In the event that such bankruptcy judge does not have jurisdiction to appoint the Special Director, then the Special Director shall be appointed by the American Arbitration Association. The Special Director shall only participate in the activities of the Transition Board of Directors to cast the deciding vote in the event of a deadlock that has lasted for two (2) consecutive meetings. In making a deciding vote, the Special Director shall consider the following factors:

- (i) The impact of the exercise on UMCMC;
- (ii) The impact of the exercise on the educational programs operated by UMCMC;
- (iii) The impact of the exercise on the System; and
- (iv) The impact of the exercise on the delivery of Safety Net Services in the New Orleans area and the State.

(d) Qualifications, Compensation and Indemnification of Special Director.

The Special Director shall have (i) at least fifteen (15) years' experience in hospital administration as a senior executive, and (ii) experience with distressed hospitals. UMCMC shall enter into such compensation and indemnification arrangements with the Special Director as the Transition Board of Directors deems necessary to attract a qualified Special Director.

**ARTICLE XVII.
SPECIAL REMEDIES**

Section 17.1 Remedies Cumulative. The Parties expressly agree that this CEA may only be terminated as provided in Article XV, and LCMC may only withdraw as a member of UMCMC, or be caused to withdraw as a member of UMCMC, as provided in Article XVI and for no other reason. Subject to the foregoing, and subject to any provision in this CEA to the

contrary, all rights and remedies of any Party provided for in this CEA shall be construed and held to be cumulative, and no single right or remedy shall be exclusive of any other which is consistent with the former. No waiver by any Party of a Breach of any of the covenants, conditions or restrictions of this Agreement shall be construed or held to be a waiver of any succeeding or preceding Breach of the same or of any other covenant, condition or restriction herein contained. The failure of any Party to insist in any one or more cases upon the strict performance of any of the covenants of this Agreement, or to exercise any option herein contained, shall not be construed as a waiver or relinquishment of future Breaches of such covenant or option. A receipt by any Party of payment by any other Party with knowledge of the Breach of any covenant hereof shall not be deemed a waiver of such Breach. No waiver, change, modification or discharge by any Party of any provision of this Agreement shall be deemed to have been made or shall be effective unless expressed in writing and signed by the Parties.

Section 17.2 Stipulated Damages. The Parties acknowledge and agree that the System is making a substantial financial and managerial commitment and will continue to make such commitments of resources over time, to support the Public Purpose as set forth in this CEA. The Parties further acknowledge and agree that the damages the System will sustain if LCMC elects or is required to withdraw under certain circumstances will be substantial and difficult to quantify. Accordingly, the Parties acknowledge and agree that stipulated damages are an appropriate remedy for LCMC in the event of its withdrawal as a member of UMCMC under certain circumstances as follows:

(a) Elective Withdrawal If LCMC elects to withdraw as a member of UMCMC due to (i) Inadequate Funding, (ii) failure of the State to pay a final, binding, and non-appealable judgment in accordance with Section 16.2(d), or (iii) it is ultimately

determined by a final, binding and non-appealable judgment by a court of competent jurisdiction that either LSU has breached its representation and warranty in Section 10.2 or the State has breached its representation and warranty in Section 11.2 that this CEA constitutes a valid and binding contract enforceable in accordance with its terms against LSU or the State, as the case may be, then upon LCMC's withdrawal as a member of UMCMC the State shall be obligated to pay LCMC stipulated damages in the amount of (1) unearned Prepaid Rent; (2) Unamortized Improvements; and (3) Working Capital.

(b) Involuntary Withdrawal.

(i) If LCMC is required to withdraw as a member of UMCMC upon termination of the Master Hospital Lease or the Right of Use Agreement due to the fault or Breach by a Public Party, then the State shall be obligated to pay UMCMC, and UMCMC shall be obligated to pay LCMC, the value, as of the Withdrawal Date, of UMCMC's: (1) unearned Prepaid Rent; (2) Unamortized Improvements; and (3) Working Capital. LSU and DOA hereby agree that LSU and DOA, at their sole cost, shall vigorously defend any and all claims and lawsuits challenging the right of UMCMC to lease and occupy, or otherwise asserting any claim seeking to disturb UMCMC's actual physical possession of, all or part of the Leased Premises (as defined in the Master Hospital Lease) or use of all or part of the Land and Surface Improvements (as defined in the Right of Use Agreement) that would result in a termination of the Master Hospital Lease or the Right of Use Agreement and LCMC's Involuntary Withdrawal due to the fault or breach of the Master Hospital Lease or the Right of Use Agreement by a Public Party. LCMC shall not be entitled to stipulated damages upon early termination

of the Master Hospital Lease or the Right of Use Agreement due to a UMCMC Event of Default as defined in the Master Hospital Lease.

(ii) If LCMC is required to withdraw as a member of UMCMC upon termination of the Master Hospital Lease due to a casualty or expropriation event as provided in the Master Hospital Lease, then UMCMC shall be obligated to pay LCMC the amount of compensation to which UMCMC is entitled under the terms of the Master Hospital Lease and Working Capital as of the Withdrawal Date.

Section 17.3 Federal Program Recoupment Action. In the event of a federal program recoupment action which results in a set-off of reimbursement due UMCMC as a result of an overpayment while LSU was responsible for the Hospital's Medicare and Medicaid Provider Numbers, the State will seek an immediate appropriation to reimburse UMCMC, and UMCMC will assign to LSU any rights to negotiate, contest, settle or otherwise resolve such recoupment action. Notwithstanding the foregoing, UMCMC shall have an immediate right of set-off against Rent due under the Master Hospital Lease to compensate UMCMC in an amount consistent with the amount withheld under the recoupment action.

Section 17.4 Defense and Indemnification for Expropriation-Related Claims. The State shall defend, indemnify and hold harmless UMCMC against all claims, suits and actions relating to the expropriation of all or any part of the immovable property upon which the New Facility is located or that is the subject of the Right of Use Agreement.

Section 17.5 Appropriation Contingency. Obligations of any Public Party arising under this CEA other than the Required Program Funding are contingent obligations and shall be subject to appropriation by the Louisiana Legislature of sufficient funds specifically and expressly appropriated therefor and shall not be due and payable until such funds are available

following Legislative appropriation. Whenever payment obligations under this Agreement are subject to appropriation by the Louisiana Legislature of sufficient funds and the availability of funds following such legislative appropriation, DOA and LSU covenant to include in their annual budget request for appropriation of the funds necessary to satisfy the applicable payment obligation; and use their best efforts to cause such obligations to be funded. Notwithstanding the foregoing, no amounts payable to LCMC upon its withdrawal from UMCMC shall be due sooner than one (1) year from the Member Withdrawal Date. The foregoing provisions shall not limit the application of Section 17.1 or Section 16.2(d) of this CEA.

ARTICLE XVIII. INSURANCE AND INDEMNIFICATION

Section 18.1 Insurance. UMCMC will provide commercially reasonable insurance as provided in the Master Hospital Lease, Equipment Lease, and the Professional Services Agreement.

Section 18.2 Indemnification.

(a) Survival. Except as expressly provided to the contrary, all representations, warranties, covenants and obligations in this Agreement and any other certificate or document delivered pursuant to this Agreement shall survive the consummation of the Contemplated Transactions and the termination of this Agreement.

(b) Indemnification. Each Party will indemnify the other Party in accordance with Paragraphs (c) through (e) of this Section 18.2.

(c) Time Limitations.

(i) To the extent permitted by applicable law, and except as otherwise provided in this Agreement, LSU will have liability (for indemnification or otherwise) for all costs, expenses, losses, damages, fines, penalties, forfeitures or

liabilities (including, without limitation, interest which may be imposed by a court in connection therewith), court costs, litigation expenses, reasonable attorneys' and paralegals' fees and accounting fees (collectively, the "Damages") incurred by UMCMC or LCMC as a result of (A) a Breach of any representation or warranty by LSU, disregarding any Knowledge qualification contained therein, or (B) the actions or failure to act by LSU Personnel; provided however, that LSU's obligation under this Section shall only apply if, on or before the third (3rd) anniversary of the Commencement Date, UMCMC or LCMC notifies LSU of a claim specifying the factual basis of the claim in reasonable detail to the extent then known by UMCMC or LCMC. Notwithstanding the foregoing, with respect to a Breach resulting from fraud or a Breach of Section 10.1, Section 10.2, Section 10.7 or Section 10.10, a claim may be made at any time subject to the applicable statute of limitations or prescriptive period. With respect to a Breach resulting from a violation of Health Care Laws, a claim may be made within ten (10) years of the Commencement Date.

(ii) To the extent permitted by applicable law, and except as otherwise provided in this Agreement, the State, through DOA, will have liability (for indemnification or otherwise) for all Damages incurred by UMCMC or LCMC as a result of (A) a Breach of any representation or warranty by DOA, disregarding any Knowledge qualification contained therein, which claim shall be made on or before the third (3rd) anniversary of the Commencement Date, except with respect to a Breach resulting from fraud or a Breach of Section 11.1 or Section 11.2, in which case a claim may be made at any time subject to the applicable statute of

limitations or prescriptive period, (B) any liability pertaining to FEMA funds related to the New Facility, in which case a claim must be made on or before the sixth (6th) anniversary of the Commencement Date, or (C) the expropriation of immovable property for the New Facility, in which case a claim may be made within the applicable statute of limitations or prescriptive period; provided however, that UMCMC or LCMC notifies DOA of a claim specifying the factual basis of the claim in reasonable detail to the extent then known by UMCMC or LCMC.

(iii) To the extent permitted by applicable law, and except as otherwise provided in this Agreement, DHH will have liability (for indemnification or otherwise) for all Damages incurred by UMCMC or LCMC as a result of a Breach of any representation or warranty by DHH, disregarding any Knowledge qualification contained therein; provided however, that DHH's obligation under this Section shall only apply if, other than with respect to a Breach resulting from fraud, in which case a claim may be made at any time, on or before the third (3rd) anniversary of the Commencement Date, UMCMC or LCMC notifies DHH of a claim specifying the factual basis of the claim in reasonable detail to the extent then known by UMCMC or LCMC. Notwithstanding the foregoing, with respect to a Breach of Section 11.1 or Section 11.2, a claim may be made at any time subject to the applicable statute of limitations or prescriptive period.

(iv) Except as otherwise provided in this Agreement, UMCMC will have liability (for indemnification or otherwise) for all Damages incurred by LSU or the State as a result of (A) a Breach of any representation or warranty by

UMCMC, or (B) the actions or failure to act by the employees or agents of UMCMC; provided however, that UMCMC's obligation under this Section shall only apply if, other than with respect to a Breach resulting from fraud, in which case a claim may be made at any time, on or before the third (3rd) anniversary of the termination of this Agreement, LSU, DOA or DHH notifies UMCMC of a claim specifying the factual basis of the claim in reasonable detail to the extent then known by LSU, DOA or DHH. Notwithstanding the foregoing, with respect to a Breach of Section 12.1 or Section 12.2, a claim may be made at any time subject to the applicable statute of limitations or prescriptive period.

(v) Except as otherwise provided in this Agreement, LCMC will have liability (for indemnification or otherwise) for all Damages incurred by LSU or the State as a result of (A) a Breach of any representation or warranty by LCMC, or (B) the actions or failure to act by the employees or agents of LCMC; provided however, that LCMC's obligation under this Section shall only apply if, other than with respect to a Breach resulting from fraud, in which case a claim may be made at any time, on or before the third (3rd) anniversary of the termination of this Agreement, LSU, DOA or DHH notifies UMCMC of a claim specifying the factual basis of the claim in reasonable detail to the extent then known by LSU, DOA or DHH. Notwithstanding the foregoing, with respect to a Breach of Section 13.1, Section 13.2, or Section 13.3, a claim may be made at any time subject to the applicable statute of limitations or prescriptive period.

(d) Third-Party Claims.

(i) Promptly after receipt by a Person entitled to indemnity under this Agreement (an “Indemnified Person”) of notice of the assertion of a Third-Party Claim against it, such Indemnified Person shall give notice to the Person obligated to indemnify under such Section (an “Indemnifying Person”) of the assertion of such Third-Party Claim, provided that the failure to notify the Indemnifying Person will not relieve the Indemnifying Person of any liability that it may have to any Indemnified Person, except to the extent that the Indemnifying Person demonstrates that the defense of such Third-Party Claim is prejudiced by the Indemnified Person’s failure to give such notice.

(ii) If an Indemnified Person gives notice to the Indemnifying Person pursuant hereto of the assertion of a Third-Party Claim, the Indemnifying Person shall be entitled to participate in the defense of such Third-Party Claim and, to the extent that it wishes (unless (i) the Indemnifying Person is also a Person against whom the Third-Party Claim is made and the Indemnified Person determines in good faith that joint representation would be inappropriate or (ii) the Indemnifying Person fails to provide reasonable assurance to the Indemnified Person of its financial capacity to defend such Third-Party Claim and provide indemnification with respect to such Third-Party Claim), to assume the defense of such Third-Party Claim with counsel satisfactory to the Indemnified Person. After notice from the Indemnifying Person to the Indemnified Person of its election to assume the defense of such Third-Party Claim, the Indemnifying Person shall not, so long as it diligently conducts such defense, be liable to the Indemnified Person under this Article for any fees of other counsel or any other

expenses with respect to the defense of such Third-Party Claim, in each case subsequently incurred by the Indemnified Person in connection with the defense of such Third-Party Claim, other than reasonable costs of investigation. If the Indemnifying Person assumes the defense of a Third-Party Claim, no compromise or settlement of such Third-Party Claim may be effected by the Indemnifying Person without the Indemnified Person's written consent unless (A) there is no finding or admission of any violation of a Legal Requirement or any violation of the rights of any Person; (B) the sole relief provided is monetary damages that are paid in full by the Indemnifying Person; and (C) the Indemnified Person shall have no liability with respect to any compromise or settlement of such Third-Party Claims effected without its consent.

(iii) Notwithstanding the foregoing, if an Indemnified Person determines in good faith that there is a reasonable probability that a Third-Party Claim may adversely affect it other than as a result of monetary damages for which it would be entitled to indemnification under this Agreement, the Indemnified Person may, by notice to the Indemnifying Person, assume the exclusive right to defend, compromise or settle such Third-Party Claim, but the Indemnifying Person will not be bound by any determination of any Third-Party Claim so defended for the purposes of this Agreement or any compromise or settlement effected without its written consent (which may not be unreasonably withheld).

(iv) With respect to any Third-Party Claim subject to indemnification under this Article: (i) both the Indemnified Person and the Indemnifying Person,

as the case may be, shall keep the other Person fully informed of the status of such Third-Party Claim and any related Proceedings at all stages thereof where such Person is not represented by its own counsel, and (ii) the Parties agree (each at its own expense) to render to each other such assistance as they may reasonably require of each other and to cooperate in good faith with each other in order to ensure the proper and adequate defense of any Third-Party Claim.

(v) With respect to any Third-Party Claim subject to indemnification under this Article, the Parties agree to cooperate in such a manner as to preserve in full (to the extent possible) the confidentiality of all Confidential Information and the attorney-client and work-product privileges. In connection therewith, each Party agrees that, to the extent allowed by law: (i) it will use its commercially reasonable efforts, in respect of any Third-Party Claim in which it has assumed or participated in the defense, to avoid production of Confidential Information (consistent with applicable law and rules of procedure), and (ii) all communications between any Party hereto and counsel responsible for or participating in the defense of any Third-Party Claim shall, to the extent possible, be made so as to preserve any applicable attorney-client or work-product privilege.

(e) Other Claims. A claim for indemnification for any matter not involving a Third-Party Claim may be asserted by notice to the Party from whom indemnification is sought and shall be paid promptly after such notice.

ARTICLE XIX.
GENERAL PROVISIONS

Section 19.1 Interpretation. In this Agreement, unless a clear contrary intention appears:

- (a) the singular number includes the plural number and vice versa;
- (b) reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are not prohibited by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually;
- (c) reference to any gender includes the other gender;
- (d) reference to any agreement, document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof;
- (e) reference to any Legal Requirement means such Legal Requirement as amended, modified, codified, replaced or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder, and reference to any section or other provision of any Legal Requirement means that provision of such Legal Requirement from time to time in effect and constituting the substantive amendment, modification, codification, replacement or reenactment of such section or other provision;
- (f) "hereunder," "hereof," "hereto," and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article, Section or other provision hereof;

- (g) “including” (and with correlative meaning “include”) means including without limiting the generality of any description preceding such term;
- (h) “or” is used in the inclusive sense of “and/or”;
- (i) with respect to the determination of any period of time, “from” means “from and including” and “to” means “to but excluding”;
- (j) references to “day,” rather than the defined term “Business Day,” shall mean a calendar day; and
- (k) references to documents, instruments or agreements shall be deemed to refer as well to all addenda, exhibits, schedules or amendments thereto.

Section 19.2 Legal Representation of the Parties. This Agreement was negotiated by the signatories hereto with the benefit of legal representation, and any rule of construction or interpretation otherwise requiring this Agreement to be construed or interpreted against any signatory hereto shall not apply to any construction or interpretation hereof.

Section 19.3 Expenses. Except as otherwise provided in this Agreement, each Party to this Agreement will bear its respective fees and expenses incurred in connection with the preparation, negotiation, execution and performance of this Agreement and the Contemplated Transactions, including all fees and expense of its representatives. If this Agreement is terminated, the obligation of each Party to pay its own fees and expenses will be subject to any rights of such Party arising from a Breach of this Agreement by another Party.

Section 19.4 Dispute Resolution. The Parties will attempt to resolve any material Breaches, disputes or issues of concern to or affecting the transactions or relationships contemplated by this CEA that are not Terminating Events (except as provided in Section 15.2(c)) or Potential Withdrawal Events as follows:

(a) Cure Period. If the basis of the dispute is alleged to constitute a Breach of the CEA, the Master Collaborative Agreement or any other agreement associated with the Contemplated Transactions, the Party alleging the Breach shall provide the alleged breaching Party with written notice of such alleged Breach, with sufficient detail to provide the alleged breaching Party with the factual basis or circumstances giving rise to the alleged Breach. The breaching Party shall be entitled to a Cure Period to cure the alleged Breach.

(b) Consultative Process. If the alleged Breach is not cured within the Cure Period, or if the dispute does not involve an alleged Breach or is not otherwise subject to cure, the Parties shall engage in the Consultative Process for a period of ten (10) days, or such longer period as may be appropriate but not to exceed sixty (60) days, to attempt to resolve the dispute.

(c) Right to Legal Remedies for non-Terminating Events and non-Potential Withdrawal Events; No Termination or Withdrawal Rights. If such dispute involves a non-Terminating Event or non-Potential Withdrawal Event and is not resolved pursuant to the Consultative Process and such other dispute resolution processes to which the Parties may agree, the Parties shall be entitled to such remedies as are available at law, including Damages, but not including any equitable or injunctive relief which could or would limit LSU's access to the Interim Facility or the New Facility, as applicable. No Party shall have the right to terminate this Agreement, nor may LCMC elect or be compelled to withdraw as a member of UMCMC, for a non-Terminating Event or a non-Potential Withdrawal Event, except by authority of a final order of a court of competent jurisdiction after all rights of appeal have been exhausted.

Section 19.5 Public Announcements. Any public announcement, press release or similar publicity with respect to entering this Agreement or the Contemplated Transactions will be issued in the best interests of the Parties.

Section 19.6 Confidential Information.

(a) Restricted Use of Confidential Information. Subject to Section 19.6(h) below, except as otherwise required by any Legal Requirement, each Receiving Party acknowledges the confidential and proprietary nature of the Confidential Information of the Disclosing Party and agrees that such Confidential Information to the extent allowed by law (i) shall be kept confidential by the Receiving Party; (ii) shall not be used for any reason or purpose other than to evaluate and consummate the Contemplated Transactions; and (iii) without limiting the foregoing, shall not be disclosed by the Receiving Party to any Person, except in each case as otherwise expressly permitted by the terms of this Agreement or with the prior written consent of an authorized representative of LSU with respect to Confidential Information of LSU or the LCMC CEO with respect to Confidential Information of LCMC, or the UMCMC CEO with respect to the Confidential Information of UMCMC. Each of LCMC, UMCMC and LSU shall disclose the Confidential Information of the other Party only to its representatives who require such material for the purpose of evaluating the Contemplated Transactions and are informed by LSU or LCMC or UMCMC, as the case may be, of the obligations of this Article with respect to such information. Each of LSU, LCMC and UMCMC shall (i) enforce the terms of this Article as to its respective representatives; (ii) take such action to the extent necessary to cause its representatives to comply with the terms and

conditions of this Article; and (iii) be responsible and liable for any Breach of the provisions of this Article by it or its representatives.

(b) Exceptions. This Section 19.6 does not apply to that part of the Confidential Information of a Disclosing Party that a Receiving Party demonstrates (i) was, is or becomes generally available to the public other than as a result of a Breach of this Article by the Receiving Party or its representatives; (ii) was or is developed by the Receiving Party independently of and without reference to any Confidential Information of the Disclosing Party; or (iii) was, is or becomes available to the Receiving Party on a non-confidential basis from a third party not bound by a confidentiality agreement or any legal, fiduciary or other obligation restricting disclosure.

(c) Legal Proceedings. Subject to Section 19.6(h) below, if a Receiving Party becomes compelled in any Proceeding or is requested by a Governmental Body having regulatory jurisdiction over the Contemplated Transactions to make any disclosure that is prohibited or otherwise constrained by this Article, that Receiving Party shall provide the Disclosing Party with prompt notice of such compulsion or request so that it may seek an appropriate protective order or other appropriate remedy or waive compliance with the provisions of this Article. In the absence of a protective order or other remedy, the Receiving Party may disclose that portion (and only that portion) of the Confidential Information of the Disclosing Party that, based upon advice of the Receiving Party's counsel, the Receiving Party is legally compelled to disclose or that has been requested by such Governmental Body, provided, however, that the Receiving Party shall use reasonable efforts to obtain reliable assurance that confidential treatment will be accorded

by any Person to whom any Confidential Information is so disclosed. The provisions of this Section do not apply to any Proceedings among the Parties to this Agreement.

(d) Return or Destruction of Confidential Information. Except as required by any Legal Requirement, if this Agreement is terminated, each Receiving Party shall, to the extent allowed by law, (i) destroy all Confidential Information of the Disclosing Party prepared or generated by the Receiving Party without retaining a copy of any such material; (ii) promptly deliver to the Disclosing Party all other Confidential Information of the Disclosing Party, together with all copies thereof, in the possession, custody or control of the Receiving Party or, alternatively, with the written consent of the Disclosing Party, destroy all such Confidential Information; and (iii) certify all such destruction in writing to the Disclosing Party, provided, however, that the Receiving Party may retain a list that contains general descriptions of the information it has returned or destroyed to facilitate the resolution of any controversies after the Disclosing Party's Confidential Information is returned.

(e) Attorney-Client Privilege. The Disclosing Party is not waiving, and will not be deemed to have waived or diminished, any of its attorney work product protections, attorney-client privileges or similar protections and privileges as a result of disclosing its Confidential Information (including Confidential Information related to pending or threatened litigation) to the Receiving Party, regardless of whether the Disclosing Party has asserted, or is or may be entitled to assert, such privileges and protections. The Parties (i) share a common legal and commercial interest in all of the Disclosing Party's Confidential Information that is subject to such privileges and protections; (ii) are or may become joint defendants in Proceedings to which the

Disclosing Party's Confidential Information covered by such protections and privileges relates; (iii) intend that such privileges and protections remain intact should either party become subject to any actual or threatened Proceeding to which the Disclosing Party's Confidential Information covered by such protections and privileges relates; and (iv) intend that after the consummation of the Contemplated Transactions the Receiving Party shall have the right to assert such protections and privileges. No Receiving Party shall admit, claim or contend, in Proceedings involving either Party or otherwise, that any Disclosing Party waived any of its attorney work-product protections, attorney-client privileges or similar protections and privileges with respect to any information, documents or other material not disclosed to a Receiving Party due to the Disclosing Party disclosing its Confidential Information (including Confidential Information related to pending or threatened litigation) to the Receiving Party.

(f) Trade Secret Protection. Any trade secrets of a Disclosing Party shall also be entitled to all of the protections and benefits under applicable trade secret law and any other applicable law. If any information that a Disclosing Party deems to be a trade secret is found by a court of competent jurisdiction not to be a trade secret for purposes of this Article, such information shall still be considered Confidential Information of that Disclosing Party for purposes of this Article to the extent included within the definition. In the case of trade secrets, each Party hereby waives any requirement that the other Party submit proof of the economic value of any trade secret or post a bond or other security.

(g) HIPAA Override. Notwithstanding anything to the contrary in this Agreement, any Confidential Information which constitutes "protected health information" as defined in HIPAA shall be maintained by the Parties in accordance with

the provisions of HIPAA and the Health Information and Technology Act and the rules and regulations promulgated thereunder, and such provisions, rules and regulations shall take precedence over any other provisions of this Agreement governing Confidential Information to the extent there is a conflict between the terms of this Agreement and such provisions, rules and regulations of HIPAA and each Party will act in accordance therewith.

(h) Public Records Request. The financial and other records created by, for or otherwise belonging to LCMC or UMCMC shall remain in the possession, custody and control of LCMC and UMCMC, respectively, regardless of whether, or the method by which, LSU reviews and/or audits such records in connection with the rights and obligations of this Agreement. LSU, LCMC and UMCMC consider records of LCMC to be proprietary to LCMC, and records of UMCMC to be proprietary of UMCMC, and, to the extent that LCMC or UMCMC makes any such records or documents available to LSU, such records shall be clearly marked as confidential and/or proprietary to indicate its or their position that such records or documents are not public records. To the extent a public records request is received by LSU pursuant to La. R.S. 44:1, *et seq.* (the “Public Records Act”) which may include documents marked as confidential and/or proprietary to LCMC or UMCMC, LSU will use its best efforts to give notice to LCMC or UMCMC, as applicable, that LSU has received such a public records request prior to producing any documents considered to be proprietary to LCMC or UMCMC, and if such notice cannot be provided to LCMC or UMCMC before LSU is required to produce such documents, LSU shall provide notice to LCMC or UMCMC, as applicable, as soon thereafter as possible. In the event that LCMC or UMCMC objects to the production and believes that

the records are not subject to production pursuant to the Public Records Act, LCMC or UMCMC, as appropriate, will immediately so notify LSU in writing and take such action as LCMC or UMCMC deems necessary to protect the disclosure of such records. In the event of a final, binding, non-appealable judgment that LSU's refusal to produce such documents was in violation of the Public Records Act, LCMC and UMCMC will indemnify and hold harmless LSU and the State, their employees, attorneys and agents from and against any Damages resulting from or relating to LSU's failure to produce such documents in response to a public records request.

Section 19.7 Notice of Force Majeure. In the event of a failure or anticipated failure by any Party to perform its obligations hereunder caused by Force Majeure, such Party shall provide notice to the other Parties within thirty (30) days of the occurrence of such Force Majeure event causing such failure or anticipated failure. A Party's failure to perform due to a Force Majeure shall not constitute a Breach.

Section 19.8 Notices. Except as otherwise provided in this Agreement, any notice, payment, demand, request or communication required or permitted to be given by any provision of this Agreement shall be in writing and shall be duly given by the applicable Party if personally delivered to the applicable Party, or if sent certified or registered mail, at its address set forth below:

If to LSU:

Board of Supervisors of Louisiana State
University
and Agricultural and Mechanical College
3810 West Lakeshore Drive
Baton Rouge, LA 70808
Attention: William L. Jenkins, President

With a copy to:

Taylor, Porter, Brooks & Phillips L.L.P.
8th Floor Chase Tower South
451 Florida Street
Baton Rouge, LA 70801
Attention: Patrick D. Seiter, Esq.

If to DOA:

State of Louisiana, Division of Administration
Claiborne Building, 7th Floor
1201 N. Third Street
Baton Rouge, LA 70802
Attention: Commissioner

With a copy to:

State of Louisiana, Division of
Administration
P. O. Box 94004
Baton Rouge, LA 70804-9004
Attention: Elizabeth Baker Murrill, Esq.

If to DHH:

State of Louisiana, Department of Health and
Hospitals
628 N. Fourth Street
P.O. Box 629
Baton Rouge, Louisiana 70821-0629
Attention: Secretary

With a copy to:

State of Louisiana, Department of Health
and Hospitals
628 N. Fourth Street
P.O. Box 629
Baton Rouge, Louisiana 70821-0629
Attention: Stephen Russo, Esq.

If to UMCMC:

University Medical Center Management
Corporation
(A Major Affiliate of LSU Pursuant to La. R.S.
17:3390)
P. O. Box 3374
Baton Rouge, LA 70821
Attention: Robert V. "Bobby" Yarborough, Chair

With a copy to:

Louisiana Children's Medical Center
200 Henry Clay Avenue
New Orleans, LA 70118
Attention: Richard Guevara,
Vice President of Legal Affairs
and

Kantrow, Spaht, Weaver & Blitzer
(APLC)
City Plaza, Suite 300
445 North Boulevard
Baton Rouge, LA 70802
Attention: Lee C. Kantrow, Esq

If to LCMC:

Louisiana Children's Medical Center
200 Henry Clay Avenue
New Orleans, LA 70118
Attention: Steve Worley, President and CEO
Richard Guevara, Vice President of Legal Affairs

With a copy to:

Foley & Lardner LLP
111 Huntington Avenue, Suite 2500
Boston, MA 02199
Attention: J. Mark Waxman, Esq.

or to such other address as such Party may from time to time specify by written notice to the other Parties.

Any such notice shall, for all purposes, be deemed to be given and received:

- (i) if by hand, when delivered;
- (ii) if given by nationally recognized and reputable overnight delivery service, the Business Day on which the notice is actually received by the Party; or
- (iii) if given by certified mail, return receipt requested, postage prepaid, three (3) Business Days after posted with the United States Postal Service.

Section 19.9 Jurisdiction; Service of Process. Any Proceeding arising out of or relating to this Agreement or any Contemplated Transaction may be brought in the Nineteenth Judicial District for the Parish of East Baton Rouge, Louisiana, or, if it has or can acquire jurisdiction, in the United States District Court for the Middle District of Louisiana; provided, however, that nothing herein is intended, nor shall it be deemed or interpreted, to waive any rights, privileges, or immunities available to any Party under the Eleventh Amendment, and each of the Parties irrevocably submits to the exclusive jurisdiction of each such court in any such Proceeding, waives any objection it may now or hereafter have to venue or to convenience of forum, agrees that all claims in respect of the Proceeding shall be heard and determined only in any such court and agrees not to bring any Proceeding arising out of or relating to this Agreement or any Contemplated Transaction in any other court. The Parties agree that any of them may file a copy of this Section with any court as written evidence of the knowing, voluntary and bargained agreement between the Parties irrevocably to waive any objections to venue or to convenience of forum. Process in any Proceeding referred to in the first sentence of this section may be served on any party anywhere in the world.

Section 19.10 Enforcement of Agreement; Legal Fees and Costs. Subject to the limitation on equitable or injunctive relief set forth in Section 19.4(c), each Party acknowledges

and agrees that the other Parties would be irreparably damaged if any of the provisions of this Agreement are not performed in accordance with their specific terms and that any Breach of this Agreement by a Party could not be adequately compensated in all cases by monetary damages alone. Accordingly, in addition to any other right or remedy to which a Party may be entitled, at law or in equity, it shall be entitled to enforce any provision of this Agreement by a decree of specific performance and to temporary, preliminary and permanent injunctive relief to prevent Breaches or threatened Breaches pursuant to Legal Requirements, without posting any bond or other undertaking. In the event that either Party elects to incur legal expenses to enforce or interpret any provision of this Agreement, the prevailing Party will be entitled to recover such legal expenses, including, without limitation, reasonable attorneys' fees, costs and necessary disbursements, in addition to any other relief to which such Party shall be entitled.

Section 19.11 Entire Agreement and Modification. This Agreement supersedes all prior agreements, whether written or oral, among the Parties with respect to its subject matter and constitutes (along with the other documents and Exhibits delivered pursuant to this Agreement) a complete and exclusive statement of the terms of the agreement between the Parties with respect to its subject matter. This Agreement may not be amended, supplemented, or otherwise modified except by a written agreement executed by LSU, DOA, DHH, LCMC and UMCMC.

Section 19.12 Assignments, Successors and No Third-Party Rights. No Party may assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the other Parties. Subject to the preceding sentence, this Agreement will apply to, be binding in all respects upon and inure to the benefit of the successors and permitted assigns of the Parties. Nothing expressed or referred to in this Agreement will be construed to give any Person other than the Parties to this Agreement any legal or equitable right, remedy or

claim under or with respect to this Agreement or any provision of this Agreement, except such rights as shall inure to a successor or permitted assignee pursuant to this Section.

Section 19.13 Severability and Reformation. If any term, provision, covenant or condition of this CEA is held unenforceable or invalid for any reason and not susceptible to reformation due to a change in applicable Legal Requirements, the remaining portions or provisions shall continue in full force and effect, unless the effect of such severance would be to substantially alter the CEA or obligations of the parties, in which case the CEA may be immediately terminated.

Section 19.14 Construction. The headings of Articles and Sections in this Agreement are provided for convenience only and will not affect its construction or interpretation. All references to “Articles and “Sections” refer to the corresponding Articles and Sections of this Agreement.

Section 19.15 Time of Essence. With regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence.

Section 19.16 Governing Law. This Agreement will be governed by and construed under the laws of the State of Louisiana without regard to conflicts-of-laws principles that would require the application of any other law.

Section 19.17 Execution of Agreement. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages by facsimile or electronic (in PDF format) transmission shall constitute effective execution and delivery of this Agreement as to the Parties and may be used in lieu of the original Agreement for all purposes. Signatures of

the Parties transmitted by facsimile or electronically (in PDF format) shall be deemed to be their original signatures for all purposes.

Section 19.18 Compliance with Health Care Laws. This Agreement is intended to comply with all Health Care Laws and nothing herein is intended to require, nor shall the Agreement be construed or interpreted as requiring, directly or indirectly, explicitly or implicitly, any Party to take any action that would violate any Health Care Law.

Section 19.19 Access to Records. To the extent that the services provided under this Agreement are deemed by the Secretary of the U.S. Department of Health and Human Services, the U.S. Comptroller General, or the Secretary's or Comptroller's delegate, to be subject to the provisions of Section 952 of Public Law 96-499, the Parties, until the expiration of four (4) years subsequent to the furnishing of services under this Agreement, shall make available, upon written request to the Secretary, the Comptroller, or any of their duly authorized representatives, this Agreement, and the books, documents and records of the Parties that are necessary to certify the nature and extent of the charges to each Party. If any Party carries out any of its duties under the Agreement through a subcontract, with a value of \$10,000 or more over a twelve (12)-month period, with a related organization (as that term is defined with regard to a provider in 42 C.F.R. § 413.17(1)), such subcontract shall contain a clause to the effect that until the expiration of four (4) years after the furnishing of such services pursuant to such subcontract, the related organization upon written request shall make available to the Secretary, the Comptroller, or any of their duly authorized representatives, the subcontract, and books, documents, and records of such organization that are necessary to verify the nature and extent of such costs. If any Party is requested to disclose any books, documents, or records relevant to this Agreement for the purpose of an audit or investigation relating directly to the provision of services under this

Agreement, such Party shall notify the other Parties of the nature and scope of such request and shall make available to the other Parties, upon written request, all such books, documents, or records. This Section is included pursuant to and is governed by the requirements of federal law. No attorney-client, accountant-client, or other legal privilege will be deemed to have been waived by the Parties or any of the Parties' representatives by virtue of this Agreement.

Section 19.20 Name and Trademark. Except as provided in this Agreement and the Master Collaborative Agreement, no Party will use any other Party's name, symbol, or trademark in any marketing, advertising, or any other public communications without the prior written consent of such Party regarding the use of its name, symbol, or trademark.

Section 19.21 LCMC and UMCMC Not Intended to be Public Bodies. Except as provided in Section 19.22, nothing in this Agreement is intended, and it is not the intent of the Parties, to cause or result in LCMC or UMCMC being considered a public or quasi-public body, governmental authority or subdivision thereof, other public entity or otherwise subject to public inspection laws of the State, public audit, public meeting, or other disclosure procedures generally applicable to public bodies in the State.

Section 19.22 Legislative Auditor. It is hereby agreed that the State and/or the Louisiana Legislative Auditor shall have the option of auditing all accounts of UMCMC which relate to this Agreement. Such audits shall be at the expense of the State or the Legislative Auditor and shall be done during customary business hours upon reasonable prior written notice. Non-Discrimination Clause. UMCMC agrees to abide by the requirements of the following as applicable: Title VI of the Civil Rights Act of 1964 and Title VII of the Civil Rights Act of 1964, as amended by the Equal Employment Opportunity Act of 1972, Federal Executive Order 11246 as amended, the Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's

Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, the Fair Housing Act of 1968 as amended, and UMCMC agrees to abide by the requirements of the Americans with Disabilities Act of 1990. UMCMC agrees not to discriminate in its employment practices, and will render services under this Agreement without regard to race, color, religion, sex, national origin, veteran status, political affiliation, or disabilities.

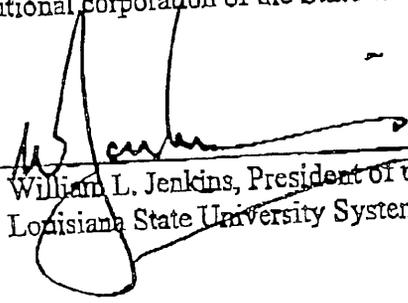
Section 19.24 Further Acts and Assurances. Each of the Parties shall, at any time and from time to time at and after the execution of this Agreement, upon the reasonable request of another Party, take any and all steps reasonably necessary to consummate the Contemplated Transactions, and will do, execute, acknowledge and deliver, or will cause to be done, executed, acknowledged and delivered, all such further acts, deeds, assignments, transfers, conveyances, powers of attorney and assurances as may be required to consummate the Contemplated Transactions.

[Signatures on following pages.]

Signature page to the Cooperative Endeavor Agreement
By and Among Louisiana Children's Medical Center, University
Medical Center Management Corporation, the Board of Supervisors
of Louisiana State University and Agricultural and Mechanical College,
Louisiana Division of Administration, Louisiana Department of Health and Hospital,
and the State of Louisiana, through the Division of Administration

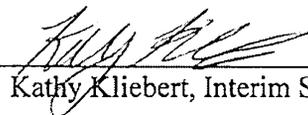
IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

**BOARD OF SUPERVISORS OF LOUISIANA
STATE UNIVERSITY AND AGRICULTURAL
AND MECHANICAL COLLEGE**, a public
constitutional corporation of the State of Louisiana

By: 
William L. Jenkins, President of the
Louisiana State University System

Signature page to the Cooperative Endeavor Agreement
By and Among Louisiana Children's Medical Center, University
Medical Center Management Corporation, the Board of Supervisors
of Louisiana State University and Agricultural and Mechanical College,
Louisiana Division of Administration, Louisiana Department of Health and Hospital,
and the State of Louisiana, through the Division of Administration

**STATE OF LOUISIANA, DEPARTMENT OF
HEALTH AND HOSPITALS**

By: 
Kathy Kliebert, Interim Secretary

**STATE OF LOUISIANA, DIVISION OF
ADMINISTRATION**

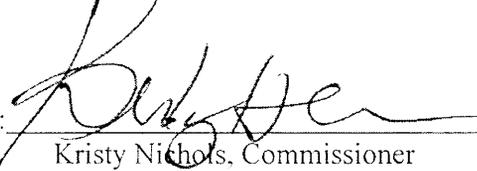
By: _____
Kristy Nichols, Commissioner

Signature page to the Cooperative Endeavor Agreement
By and Among Louisiana Children’s Medical Center, University
Medical Center Management Corporation, the Board of Supervisors
of Louisiana State University and Agricultural and Mechanical College,
Louisiana Division of Administration, Louisiana Department of Health and Hospital,
and the State of Louisiana, through the Division of Administration

**STATE OF LOUISIANA, DEPARTMENT OF
HEALTH AND HOSPITALS**

By: _____
Kathy Kliebert, Interim Secretary

**STATE OF LOUISIANA, DIVISION OF
ADMINISTRATION**

By:  _____
Kristy Nichols, Commissioner

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Medical Center Management Corporation, the Board of Supervisors
of Louisiana State University and Agricultural and Mechanical College,
Louisiana Division of Administration, Louisiana Department of Health and Hospital,
and the State of Louisiana, through the Division of Administration

**LOUISIANA CHILDREN'S MEDICAL
CENTER**

By: Steve Worley
Steve Worley, President and Chief
Executive Officer

**UNIVERSITY MEDICAL CENTER
MANAGEMENT CORPORATION (A
MAJOR AFFILIATE OF LSU
PURSUANT TO LA R.S. 17:3390)**

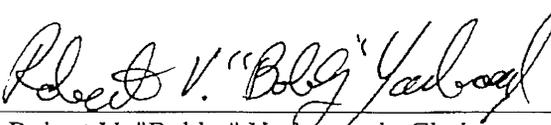
By: _____
Robert V. "Bobby" Yarborough, Chair

Signature page to the Cooperative Endeavor Agreement
By and Among Louisiana Children's Medical Center, University
Medical Center Management Corporation, the Board of Supervisors
of Louisiana State University and Agricultural and Mechanical College,
Louisiana Division of Administration, Louisiana Department of Health and Hospital,
and the State of Louisiana, through the Division of Administration

**LOUISIANA CHILDREN'S MEDICAL
CENTER**

By: _____
Steve Worley, President and Chief
Executive Officer

**UNIVERSITY MEDICAL CENTER
MANAGEMENT CORPORATION (A
MAJOR AFFILIATE OF LSU
PURSUANT TO LA R.S. 17:3390)**

By:  _____
Robert V. "Bobby" Yarborough, Chair

APPENDIX 1 DEFINITIONS

“AAA” means the Academic Affiliation Agreement between UMCMC and LSU.

“ACB” means the ambulatory care building currently under construction, which is part of the New Facility.

“AAC” means the UMCMC Academic Advisory Committee. “Academic Health System CPA” means an independent, nationally-recognized certified public accountant possessing significant experience in the review and analysis of the financial reimbursement operations of hospital systems and academic medical centers.

“Academic Medical Center” or “AMC” means the collaborative academic medical center operated by UMCMC.

“ACGME” means the Accreditation Council for Graduate Medical Education.

“Affiliate” means a Person that directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, another Person. “Control” (including the term “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of management policies of a Person, whether through membership in a non-profit corporation, appointment of the board of directors or board of supervisors, ownership of voting securities, by contract, as trustee or executor, or otherwise.

“Agreement” or “CEA” means this Cooperative Endeavor Agreement among LSU, UMCMC, LCMC, DOA, DHH and the State.

“Ancillary Agreement” has the meaning set forth in Section 12.2.

“Audited Financial Statements” shall mean audited consolidated financial statements for the LCMC System and the balance sheet and the related statements of income, and changes in financial position of the LCMC System with available reports thereon from an independent certified public accounting firm.

“Benefit Plans” means any pension, retirement, savings, disability, medical, hospital, surgical, dental, optical or other health plan (including such benefits that are provided through insurance or a health maintenance organization), life insurance (including any individual life insurance policy as to which LSU makes premium payments whether or not LSU is the owner, beneficiary or both of such policy) or other death benefit plan (including accidental, death insurance), profit sharing, present or deferred compensation, employment consulting, termination of employment, change-in-control, retention stock option, bonus or other incentive plan, excess benefit plan vacation benefit plan, holiday, sick pay, severance plan, “golden parachute”, prepaid legal services, day care, employee assistance (referral) benefits, cafeteria plan, scholarship, or educational benefit, supplemental unemployment, expense reimbursement, medical service discount, any fringe benefits referenced in Section 132 of the Code or other employee benefit plan or arrangement (whether written or arising from custom) to which LSU is a party or by

which LSU or any of the Hospitals (or any of its rights, properties or assets) is bound, or with respect to which LSU has made payments, contributions or commitments or may otherwise have any liability (including any such plan or arrangement formerly maintained by LSU), but in either case, which provide benefits to one or more employees, former employees or non-employees service providers of LSU, including without limit Employees, or any of their respective dependents or beneficiaries.

"Breach" means any action, inaction, omission, or other act of a Party that results in that Party's failure to perform or comply with any covenant or obligation in or of this Agreement or any other document or agreement delivered pursuant to this Agreement, or any inaccuracy in any representation or warranty in this Agreement or any other document or agreement delivered pursuant to this Agreement, or any event which with the passing of time or the giving of notice, or both, would constitute such a breach, inaccuracy or failure.

"Business Days" means Monday through Friday of each week, excluding legal holidays.

"Change of Control" means (i) a sale, merger or consolidation of LCMC or UMCMC, through a transaction or a series of related transactions, in which the members of LCMC or UMCMC immediately prior to such transaction would, following such transaction or series of related transactions, own, in the aggregate, less than fifty percent (50%) of the total combined voting power of the surviving entity normally entitled to vote for the election of directors of the surviving entity, or (ii) the sale by LCMC or UMCMC of all or substantially all of LCMC's or UMCMC's assets in one transaction or in a series of related transactions.

"Children's" means Children's Hospital of New Orleans in New Orleans, Louisiana.

"CMS" means the Centers for Medicare/Medicaid Services (CMS), an agency of the U.S. Department of Health and Human Services.

"Code" or "IRC" means the Internal Revenue Code of 1986.

"Commencement Date" means June 24, 2013, the date on which UMCMC shall assume operation and management of the Hospital subject to the terms of this CEA.

"Confidential Information" includes, to the extent allowed by law, any and all of the following information of any Party that has been or may hereafter be disclosed in any form, whether in writing, orally, electronically or otherwise, or otherwise made available by observation, inspection or otherwise by any Party or its Representatives (collectively, a "Disclosing Party") to the other party or its Representatives (collectively, a "Receiving Party"):

- (i) all information that is a trade secret under applicable trade secret or other law;
- (ii) all information concerning product specifications, data, know-how, formulae, compositions, processes, designs, sketches, photographs, graphs, drawings, samples, inventions and ideas, past, current and planned research and development, current and planned manufacturing or distribution methods and processes, customer lists, current and anticipated customer requirements, price

lists, market studies, business plans, computer hardware, software and computer software and database technologies, systems, structures and architectures;

- (iii) all information concerning the business and affairs of the Disclosing Party (which includes historical and current financial statements, financial projections and budgets, tax returns and accountants' materials, historical, current and projected sales, capital spending budgets and plans, business plans, strategic plans, marketing and advertising plans, publications, client and customer lists and files, contracts, the names and backgrounds of key personnel and personnel training techniques and materials, however documented), and all information obtained from review of the Disclosing Party's documents or property or discussions with the Disclosing Party regardless of the form of the communication; and
- (iv) all notes, analyses, compilations, studies, summaries and other material prepared by the Receiving Party to the extent containing or based, in whole or in part, upon any information included in the foregoing.

“Consultative Process” means an open, good faith dialogue among the appropriate individuals designated or identified by each Party on Breaches, disputes or issues of concern to or affecting the transactions contemplated by the Agreement. Unless this Agreement provides that the Consultative Process is to proceed automatically, the Consultative Process shall commence upon receipt of written notice from the Party requesting the Consultative Process by the other Party.

“Contemplated Transactions” means a series of transactions involving the Parties to the CEA, including (i) the substitution of LCMC as the sole member of UMCMC; (ii) UMCMC's lease of the Interim Facility, New Facility, and certain furniture, fixtures, and, equipment, and the purchase of usable consumable inventory and accounts receivable; (iii) execution of the Right of Use Agreement granted by LSU and the State to UMCMC (iv) transition of the Hospital from LSU to UMCMC; (v) UMCMC's support of the academic, clinical and research missions of the AMC, and (vi) such other or additional transactions or agreements as may be necessary to effect the purposes of the CEA.

“Contract Monitor” shall mean the individual appointed by LSU to monitor the Parties' compliance with the terms of this CEA as provided in Section 1.2.

“Core Services” means those core health care services that are described in Article III, Section 3.4 of this Agreement.

“Cost Analysis Worksheet” is the funding worksheet attached as Exhibit 8.1(a)(i) to this Agreement.

“Cost Methodology” means the funding methodologies set forth in the Cost Analysis Worksheet.

“Cure Period” means a sixty (60) day period of time during which a Party may attempt to cure an asserted Breach.

“Damages” for purposes of Article XVIII shall have the meaning set forth in Section 18.2(c).

“DHH” means the Louisiana Department of Health and Hospitals.

“DHH Funding Calculations” means the calculations of the Required Program Funding prepared by DHH, as described in Article VIII, Section 8.1(d)(ii).

“Disclosing Party” has the meaning set forth in the definition of “Confidential Information.”

“DOA” means the Louisiana Division of Administration.

“Effective Date” means the date that this Cooperative Endeavor Agreement becomes effective and enforceable.

“Equipment Lease” means the lease agreement between LSU and UMCMC for certain equipment necessary for UMCMC’s operation of the Hospital in the form attached as Exhibit 4.3 to the CEA.

“ERISA” means the Employee Retirement Income Security Act of 1974.

“Excluded Premises” has the meaning set forth in Section 4.1(d).

“Excluded Provider” means an individual or entity who or that is excluded from participating in any state or federal health care program pursuant to 42 U.S.C. § 1320a-7.

“FEMA” means the Federal Emergency Management Agency.

“Financial Statements” has the meaning set forth in Section 13.4.

“Flagship Agenda” has the meaning set forth in Section 2.3(a).

“Force Majeure” shall mean any (i) act of God, landslide, lightning, earthquake, hurricane, tornado, blizzard and other adverse and inclement weather, fire, explosion, flood, act of a public enemy, war, blockade, insurrection, riot or civil disturbance; (ii) labor dispute or strike; or (iii) order or judgment of any governmental authority, if not the result of willful or negligent action of a Party, any of which results in loss, delay or inability of any party to perform the obligations hereunder.

“Funding Review Period” means the eighteen (18) Business Day period for reviewing the DHH Funding Calculations as provided in Article VIII, Section 8.1(d)(ii)

“GAAP” means generally accepted accounting principles.

“GME” means graduate medical education.

“GME Provisions” means the provisions related to GME that are set forth in the MOU, including, without limitation, (i) the GME Provisions related to the allocation and use of residency slots, (ii) the GME Provisions requiring non-discrimination in the administration of Graduate Medical Education programs (“GME Programs”) with respect to any Sponsoring Institutions, or any Sponsoring Institution’s students, faculty and residents, and (iii) the GME Provisions related to entering into and administering certain GME contracts.

“GME Programs” means the GME Programs sponsored by LSU or Tulane.

“Governmental Authorization” means any consent, license, registration or permit issued, granted, given or otherwise made available by or under the authority of any Governmental Body or pursuant to any Legal Requirement.

“Governmental Body” or “Governmental Bodies” means any:

nation, state, parish, city, town, borough, village, district or other jurisdiction;

- (i) federal, state, local, municipal, foreign or other government;
- (ii) governmental or quasi-governmental authority of any nature (including any agency, branch, department, board, commission, court, tribunal or other entity exercising governmental or quasi-governmental powers);
- (iii) multinational organization or body; or
- (iv) body exercising, or entitled or purporting to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power.

“HCS D” means the LSU Health Care Services Division.

“Health Care Laws” means all federal, state or local laws, statutes, codes, ordinances, regulation manuals or principles of common law relating to healthcare regulatory matters, including without limitation (i) 42 U.S.C. §§ 1320a-7, 7a and 7b, which are commonly referred to as the “Federal Anti-Kickback Statute”; (ii) 42 U.S.C. § 1395nn, which is commonly referred to as the “Stark Law”; (iii) 31 U.S.C. §§ 3729-3733, which is commonly referred to as the “Federal False Claims Act”; (iv) Titles XVIII and XIX of the Social Security Act, implementing regulations and program manuals; and (v) 42 U.S.C. §§ 1320d-1320d-8 and 42 C.F.R. §§ 160, 162 and 164, which is commonly referred to as HIPAA; (vi) 42 U.S.C. §§ 1395dd, et. seq., which is commonly referred to as the “Emergency Medical Treatment and Active Labor Act” (EMTALA).

“HIPAA” means the Health Information Protection and Portability Act of 1996, as amended.

“Hospital” means the patient care and business operations of Louisiana State University Health Sciences Center – Charity Hospital and Medical Center of Louisiana at New Orleans, bearing Medicare Provider Number 190005.

“Hospital Residency Caps” means the Medicare-funded residency slots associated with the Hospital’s Medicare Provider Number.

“Inadequate Funding” means that the Required Program Funding is not received by UCMCMC or LCMCMC Affiliates in accordance with the terms of Article VIII.

“Indemnified Person” shall mean the Person entitled to indemnity under this Agreement.

“Indemnifying Person” means the Person obligated to indemnify another Party under this Agreement. “Initial Term” means the period from the Effective Date until the date that is forty-two (42) years following the Commencement Date.

“Intellectual Property” means licenses and other rights owned by LSU for the use its material patents, trade names, business names, service marks, and logos, and all applications and registrations therefor.

“Interim Facility” means the temporary facility located at 2021 Perdido Street, New Orleans, Louisiana 70112 in which the Hospital is operating.

“IRC” means the Internal Revenue Code.

“Key Service Baseline” means the baseline of services in the Key Service Lines provided by the Hospital on the Commencement Date as described in Article III, Section 3.5.

“Key Service Lines” means those service lines described in Article III, Section 3.5.

“Knowledge” means, except as provided in Section 13.9, knowledge of a particular fact or other matter if:

- (i) that individual is actually aware of that fact or matter; or
- (ii) a prudent individual could be expected to discover or otherwise become aware of that fact or matter in the course of conducting a reasonably comprehensive investigation regarding the accuracy of any representation or warranty contained in this Agreement.
- (iii) a Person (other than an individual) will be deemed to have Knowledge of a particular fact or other matter if any individual who is serving, or who has at any time served, as an administrator, director, officer, partner, executor or trustee of that Person (or in any similar capacity) has, or at any time had, Knowledge of that fact or other matter (as set forth in (i) and (ii) above), and any such individual (and any individual party to this Agreement) will be deemed to have conducted a reasonably comprehensive investigation regarding the accuracy of the representations and warranties made herein by that Person or individual.

“Layoff Plan” means the layoff plan filed by LSU with the Louisiana Department of State Civil Service regarding the layoff of LSU Personnel.

“LCMC” means Louisiana Children’s Medical Corporation.

“LCMC Funding Calculations” means the calculations of the Required Program Funding prepared by LCMC, as described in Article VIII, Section 8.1(d)(ii).

“LCMC System” or “System” means LCMC and its Affiliates, including Children’s and Touro and, upon completion of the Contemplated Transactions, UCMC.

“Leased Premises” means all property set forth in the Master Hospital Lease attached as Exhibit 4.1 of this Agreement.

“Legal Requirement” means any applicable federal, state, local, municipal, foreign, international, multinational or other constitution, law, ordinance, principle of common law, code, regulation, statute or treaty, including without limitation Health Care Laws.

“Legislature” means the Senate and House of the Louisiana Legislature.

“Liability” means with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

“LSU” or “LSU Board of Supervisors” means the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College.

“LSU GME Program” means those Graduate Medical Education programs based in the greater New Orleans area for which LSU is the Sponsoring Institution. .

“LSU Personnel” means the employees of the LSU Health Care Services Division, School of Medicine, or the Hospital.

“Master Collaborative Agreement” or “MCA” means the agreement among LSU, UMCMC, and LCMC addressing matters related to the Contemplated Transaction and involving ancillary agreements pertaining to same.

“Master Hospital Lease” means the lease agreement among LSU, UMCMC and the State for the Interim Facility, New Facility and other properties described in the lease agreement attached as Exhibit 4.1 of this Agreement.

“Material Adverse Effect” means any action or inaction that, in the context of this Agreement as a whole, would prevent or significantly impair a Party’s ability to meet its own obligations in this Agreement.

“Medically Indigent” means any person whose income is below two hundred percent of the federal poverty level and who is uninsured unless otherwise defined by Louisiana law.

“Member Substitution Agreement” shall mean that certain agreement by and among UMCMC, LCMC, LSU and Tulane pursuant to which LCMC is substituted as the sole member of UMCMC.

“Member Substitution Date” means the date upon which LCMC will be substituted as the sole member of UMCMC, which shall be the Effective Date of this CEA.

“Member Withdrawal” has the meaning set forth in Section 16.1.

“Member Withdrawal Date” has the meaning set forth in Section 16.9(a).

“Memorandum of Understanding” or “MOU” means the agreement dated August 2, 2009, as amended by agreement dated March 2, 2010, among LSU, UMCMC, LCMC, DOA and DHH in which it was contemplated that University Medical Center Management Corporation would assume the operations of the Hospital.

“Methodology Adjustment Notice” means written notice from one Party to another Party requesting modification of the Cost Analysis Worksheet or Shared Cost Savings Incentive Worksheet.

“New Facility” means the new, permanent acute care hospital building, ambulatory care building, and parking garage currently under construction in New Orleans at which the Hospital will operate upon the completion of those buildings and grounds.

“New Member” means a new Person that becomes the sole member of UMCMC in accordance with the provisions of Article XVI.

“OAA” means the UMCMC Office of Academic Affairs.

“Office of Risk Management” means the Office of Risk Management within the DOA.

“Order” means any order, injunction, judgment, decree, ruling, assessment or arbitration award of any Governmental Body or arbitrator.

“Parking Garage” means the parking garage currently under construction, which is part of the New Facility.

“Party” or “Parties” means the State, LSU, UMCMC, LCMC, DOA and DHH.

“Person” means an individual, partnership, corporation, business trust, limited liability company, limited liability partnership, joint stock company, trust, unincorporated association, joint venture or other entity or a Governmental Body.

“Potential Elective Withdrawal Event” means an event that may potentially result in LCMC’s elective withdrawal as a member of UMCMC in accordance with Article XVI.

“Potential Involuntary Withdrawal Event” means an event that may potentially result in LCMC’s involuntary withdrawal as a member of UMCMC in accordance with Article XVI.

“Potential Withdrawal Event” means a Potential Elective Withdrawal Event or a Potential Involuntary Withdrawal Event.

“Prepaid Rent” has the meaning set forth in Section 15.3(f).

“Pre-Withdrawal Process” has the meaning set forth in Section 16.7.

“Proceeding” means any action, arbitration, audit, hearing, investigation, litigation or suit (whether civil, criminal, administrative, judicial or investigative, whether formal or informal.

whether public or private) commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Body or arbitrator.

“Provider Numbers” shall mean all numbers or other identifying designations issued or assigned to a provider for purposes of a provider agreement, reimbursement or other payment or claims processing, including without limitation provider numbers as designated for purposes of Medicare, Medicaid, CHAMPUS or other governmental or third party payer programs.

“Public Party” or “Public Parties” means the State, LSU, DOA and DHH.

“Public Purpose” means the purpose the Parties seek to accomplish through this Cooperative Endeavor Agreement, specifically, to create an academic medical center in which the Parties continuously work in collaboration and are committed and aligned in their actions and activities, in a manner consistent with a sustainable business model and adequate funding levels, to serve the State: (i) as a premier site for graduate medical education, capable of competing in the health care marketplace, comparable among its peers, with the goal of attracting the best faculty, residents and students, to enrich the State’s health care workforce and their training experience; (ii) in fulfilling the State’s historical mission of assuring access to Safety Net Services to all citizens of the State, including its Medically Indigent, high risk Medicaid and State inmate populations, and (iii) by focusing on and supporting the Core Services and Key Service Lines, as defined and agreed by the Parties, necessary to assure high quality GME Programs and access to Safety Net Services.

“Public Records Act” has the meaning set forth in Section 19.6.

“Receiving Party” has the meaning set forth in the definition of “Confidential Information.”

“Renewal Term” means one (1) of three (3) fifteen (15) year periods following the Initial Term and any previous Renewal Term for which UMCMC has exercised its option to renew this CEA, up to a total of forty-five (45) years following the Initial Term.

“Required Program Funding” or “Required Funding” means payments made by DHH to UMCMC or LCMC Affiliates as described in Article VIII, the Cost Analysis Worksheet attached as Exhibit 8.1(a)(i) to this CEA and the Shared Cost Savings Incentive Worksheet attached as Exhibit 8.1(a)(ii) to this CEA, expressly including, but without limitation, the funding necessary for UMCMC to purchase and participate in the Accountable Care Services as defined in, and to be provided by LSU in accordance with, the Master Collaborative Agreement.

“Right of Use Agreement” means the agreement between UMCMC, LCMC, LSU and DOA in the form attached as Exhibit 4.2 to the CEA.

“Safety Net Services” means health care services which are important to the health of the citizens of the State, and to which they may not otherwise have access, including, without limitation, the Core Services, whether such lack of access is due to the financial resources available to the patient, lack of availability of the service through alternative providers in the community, or other reason.

“Shared Cost Savings Incentive Worksheet” means the funding worksheet attached as Exhibit 8.1(a)(ii) to this Agreement.

“Shared Savings Methodology” means the funding methodology set forth in the Shared Cost Savings Incentive Worksheet.

“Special Director” means a neutral director appointed to serve as a member of the Transition Board of Directors to break a deadlock in accordance with Section 16.10.

“Sponsoring Institution” has the meaning set forth in the Glossary of Terms published by ACGME with respect to graduate medical education programs.

“State” means the State of Louisiana, acting herein through the Division of Administration.

“Term” means the Initial Term and any Renewal Term.

“Terminating Event” means the events that may give rise to early termination of the CEA in accordance with Section 15.2.

“Termination Wind Down Period” means the six (6) month period of time (or such longer period of time to which LCMC, LSU and DHH agree at such time), if applicable, in accordance with Section 15.4.

“Third-Party Claim” means any claim against any Indemnified Person by a third party, whether or not involving a Proceeding.

“Touro” means Touro Infirmary in New Orleans, Louisiana.

“Transition Board of Directors” means the reconstituted Board of Directors to serve UMCMC during the Transition Period and assume the reserved powers of LCMC if, following the Member Withdrawal Date, an affirmative supermajority do not vote to maintain the composition of the Board of Directors in place as of the Member Withdrawal Date.

“Transition Payments” shall have the meaning set forth in Section 8.4.

“Transition Period” shall have the meaning set forth in Section 16.9.

“Tulane” means the Administrators of the Tulane Educational Fund d/b/a Tulane University.

“UCC” means uncompensated care costs.

“Unamortized Improvements” means the value as of the Member Withdrawal Date of unamortized capital expenditures computed on a GAAP basis made by UMCMC or an LCMC Affiliate to the Interim Facility or New Facility while LCMC was a member of UMCMC.

“Unaudited Financial Statements” has the meaning set forth in Section 13.4.

“UMCMC” means University Medical Center Management Corporation.

“UMCMC Financial Statements” means UMCMC’s audited financial statements for the fiscal year ended 2011.

“Wind Down Commencement Date” has the meaning set forth in Section 15.4.

“Withdrawal Notice” has the meaning set forth in Section 16.8.

“Withdrawal Wind Down Period” has the meaning set forth in Section 16.9.

“Working Capital” means the difference between current assets and current liabilities, as computed on a GAAP basis.

“Xavier” means Xavier University in New Orleans, Louisiana.

EXHIBIT 3.1

LSU CHARITY CARE POLICY

The LSU Policy Number 2525-12 is attached hereto.

**LOUISIANA STATE UNIVERSITY
HEALTH CARE SERVICES DIVISION
BATON ROUGE, LOUISIANA**

POLICY NUMBER: 2525-12

CATEGORY: Patient Accounting Financial Services

CONTENT: Medically Indigent Eligibility Determination for LSU-HCSD
Provided Services

EFFECTIVE DATE: September 1, 2003
Revised October 21, 2003
Revised June 11, 2004
Revised March 31, 2005
Revised May 4, 2005
Revised January 27, 2006
Revised/Reviewed May 30, 2008
Revised/Reviewed: October 13, 2008
Reviewed/Revised March 31, 2010
Reviewed: June 1, 2011
Reviewed: April 1, 2012

INQUIRIES TO: Patient Financial Services
LSU Health Care Services Division
Post Office Box 91308
Baton Rouge, LA 70821-1308
Telephone (225) 763-8537 Facsimile (225) 763-8577



Interim Chief Executive Officer
LSU Health Care Services Division

5-9-12

Date



Deputy Chief Executive Officer
LSU Health Care Services Division

5/2/2012

Date



Director of Patient Accounting and Financial Services
LSU Health Care Services Division

4/30/2012

Date

I. STATEMENT OF PURPOSE, SCOPE AND ELIGIBILITY

The LSU-HCSD Medically Indigent Eligibility Determination policy will standardize the method by which LSU-HCSD facilities will determine patient responsibility for the charges incurred by the patients and how they can qualify for medically indigent services/treatment through its facilities or programs. For *non-Medicare patients*, the Federal Poverty Income Guidelines will be used as the basis for determining whether a person or family is financially eligible for assistance or service. For *Medicare beneficiaries*, in addition to the Federal Poverty Income Guidelines, an analysis of the patient's assets is required.

Any bona fide resident of the State of Louisiana in need of medical services, including but not limited to the uninsured, shall be eligible for treatment by any general hospital owned or operated by the LSU-HCSD. Those persons who are determined not to be medically indigent shall be processed in accordance with LSU- HCSD billing and collection policies. In no event shall emergency treatment be denied to anyone. Persons seeking medically indigent treatment shall furnish all information requested by the facility or program office providing the service. Eligibility established at any LSU – HCSD facility shall be used for service/treatment in any facility or program throughout the LSU-HCSD.

The LSU-HCSD Medically Indigent Eligibility Determination Policy will apply to all services for which there is a charge to the patient except as expressly prohibited by Federal or State statutes, rules or regulations, any services elective not-medically necessary in nature, and for patients that have third party payer coverage.

Nothing in this policy is intended to be in conflict with Federal or State law, rule or policy pertaining to the provision of services to the indigent.

II. DEFINITIONS

The following definitions shall apply to the LSU-HCSD Medically Indigent Eligibility Determination policy.

Assets – Only the resources or property that are easily convertible to cash and unnecessary for the patient's daily living. Examples are monies in a: Checking Account, Savings Account, Certificate of Deposit (CD), Cash in a Safety Deposit Box, Stocks, and/or Bonds. IRAs and 401Ks are excluded until money is removed.

Issued: September 1, 2003
Revised: January 27, 2006
Revised: February 8, 2007
Reviewed/Revised: October 13, 2008
Reviewed/Revised: March 31, 2010
Reviewed: June 1, 2011
Reviewed: April 1, 2012

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Medicare Assets Testing – An analysis performed on the assets presented and electronically documented are in total not to exceed the allowable limit of \$2,000 per person or \$3,000 per couple. Included in this analysis, the hospital should take into account any extenuating circumstances that would affect the determination of the Medicare patient's indigence.

Louisiana Resident - Persons are considered a resident of the State of Louisiana when they actually live in the state and can provide evidence of intent to remain: there is no requirement of United States citizenship, but the applicant must be a US citizen or a qualified alien.

Qualified Alien – Person authorized by the U.S. Citizenship and Immigration Services (USCIS) for legal entry and continued stay in this country.

Greater New Orleans Community Health Connection (GNOCHC) – effective October 1, 2010, the DHH Medicaid Waiver Program provides for primary and behavioral health care services to low-income (up to 200% of the FPL) uninsured residents of Jefferson, Orleans, Plaquemines and St. Bernard Parishes.

Medically Indigent - A person whose family unit resources or property and income is at or below two hundred percent (200%) of the Federal Poverty Level (FPL) for the size of the family unit, rounded to the nearest dollar, and in accordance with all regulations and qualifications set forth in this policy. As of the program implementation date, LSU HCSH Hospitals accepts DHH's eligible enrollees in the GNOCHC program as appropriately screened persons for the MI eligibility adjustment.

Gross Income - As used herein means sum of income from salaries, Social Security benefits, pensions, rents, self employment or any other source which is applicable to the family unit. This income shall be rounded to the nearest dollar when applied to the LSU-HCSH scale for medically indigent eligibility determination.

Family Unit/Dependent - A family unit is any group of individuals related by blood, marriage, adoption or resident, whose income can be legally applied to the patient's medical expenses. Children over eighteen (18) years of age and not in high school, emancipated minors and children living under the care of individuals, not legally responsible for their support shall not be considered in the family unit, unless they are claimed on their Federal Income Tax. For minor children, in the event there is a divorce in the family unit, a legal document is required to verify which parent is the responsible party. If no legal document is present, then the parent accompanying the child at the time of service is responsible for the bill until such documentation is obtained.

Issued: September 1, 2003

Revised: January 27, 2006

Revised: February 8, 2007

Reviewed/Revised: October 13, 2008

Reviewed/Revised: March 31, 2010

Reviewed: June 1, 2011

Reviewed: April 1, 2012

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In case of a minor not claimed as a dependent, such as, new birth or new custody, for income tax purposes, the parents are still responsible for payment based on the medically indigent eligibility qualification table but may increase the dependent deductions by the patient(s) in question.

Responsible Persons -As used herein, "Responsible Persons" means the patient's parents or guardians if the patient is under the age of eighteen, unless someone else claims the patient as a dependent, in which case it is that person. If the patient is over eighteen, the patient is responsible for his/her contribution based on his/her gross family income and allowed deductions, unless claimed as a dependent, in which case the claimant becomes responsible for the charges toward the cost of care based on the claimant's family income.

Third Party Payer - As used herein shall mean any Commercial Insurance or Commercial Health Benefit Plan which is or may be legally liable for payment of charges incurred from medical services.

Elective Not-Medically Necessary Procedures - As defined within this policy, elective not-medically necessary procedures are those considered cosmetic or reproductive in nature or are part of a special flat fee program.

III. REGULATIONS

- A. A person, who fails to supply the information necessary for accurate medically indigent eligibility determination, shall be presumed to be able to pay the full charge for services rendered. Emergency treatment shall not be denied to anyone. For non-emergent cases the patient should be given the option to either pay a non-refundable minimum deposit, a portion of the deposit or be rescheduled when the information can be provided. In emergency cases patients will be advised of their financial responsibility prior to discharge.
- B. Patients, who choose to pay the non-refundable deposit, will be given a reasonable deadline of ten (10) calendar days (for inpatients the 10 days will be from discharge) to provide the information to be evaluated for medically indigent eligibility determination. If information is supplied within the ten (10) calendar days and medically indigent eligibility is determined, the account will be appropriately classified as Medically Indigent for the balance of that account and through the next qualifying period. If the patient fails to provide the required information within the ten day time frame, the account will be considered as self-pay and billed accordingly. However, if the information is provided after the designated time frame and medically indigent eligibility is determined, the effective eligibility will apply for future cases only and not retroactive for previous services.

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Reviewed: April 1, 2012

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Page 2525-12.4

- C. Any person who is potentially eligible for medical assistance benefits from any Federal or State program that cannot or refuses to provide evidence of application for and follow through with application for said benefits shall be presumed to be able to pay the full charge for services rendered and shall be billed accordingly.
- D. Medically indigent eligibility will be determined at registration in accordance with this policy using the LSU-HCSD medically indigent eligibility qualification table (Attachment 1) based on household gross income and number in the family unit.

The GNOCHC program enrollees are considered medically indigent eligible when treated by a non-participating GNOCHC provider or for non-covered benefit services of the program. LSU HCSD Hospitals accepts DHH's eligible enrollees in the GNOCHC program as appropriately screened persons for the MI eligibility adjustment. No separate application will be required for free care eligible patients that have been enrolled into GNOCHC by DHH.

Eligibility for persons who are self employed will be based on guarantor's income as reflected on the most current year Federal Income Tax Form. The responsible person shall be advised of his responsibility to report any change in the family unit income, employment, composition, etc.

- E. In accordance with Medicare regulation: CCH 5239 Indigent or Medically Indigent Patients (Provider Reimbursement Manual, Part 1, 312 B), Medicare beneficiaries medically indigent eligibility will be determined once the patient has passed the "assets test" (Attachment 2). For Medicare patients, medically indigent eligibility applies only to the unpaid deductible and coinsurance amount of a patient hospital bill and does not apply to the deductibles or co-pays related to physician direct patient care services. Eligibility also does not apply to patient medical services which are the financial responsibility of the patient, i.e., medically unnecessary services, self-administered drugs, telephone charges. Medicare Advantage plans are health plan options that are separate from "original Medicare" and therefore are considered a Commercial Health Insurance Plan.
- F. For Medicaid recipients, medically indigent eligibility applies only on those portions of the hospital bill for which the patient has financial responsibility, i.e., patient spend-down portion, and non-covered medical services and does not apply to medical services that are non-compliant with the Medicaid Program requirements, i.e., Primary Care Physician referrals.

Issued: September 1, 2003
Revised: January 27, 2006
Revised: February 8, 2007
Reviewed/Revised: October 13, 2008
Reviewed/Revised: March 31, 2010
Reviewed: June 1, 2011
Reviewed: April 1, 2012

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- G. Patients with Commercial Insurance or Commercial Health Benefit Plan coverage are not eligible for medically indigent eligibility determination due to health plan and legal requirements requiring patients to be billed for their full cost-share portion of the provided services.

However, if the third party coverage does not provide benefits for the hospital services due to health plan exclusions, or other exclusions resulting from a pre-existing condition, or in a waiting period prior to eligibility, or if the policy benefits have been exhausted, the patient may be considered for medically indigent eligibility determination. This does not apply when a patient has third party coverage that does not provide hospital benefits at an LSU-HCSD facility for services that would otherwise be authorized in the payer's network of providers.

IV. MEDICAL EXPENSE QUALIFICATION RULE

- A. Self-pay patients may be determined medically indigent eligible by presenting documented previously incurred eligible medical expenses, for the twelve (12) months immediately preceding treatment, from any health care provider, which are equal or above twenty percent (20%) of the gross income of the family unit. Only approved valid medical expenses will qualify the patient for medical treatment at no additional cost to the family unit, for the next twelve months from the date of service.
- B. The charges incurred on current treatment or admission will be considered as a medical expense when computing the 20% calculation.

V. MEDICALLY INDIGENT ELIGIBILITY QUALIFICATION TABLE (Attachment 1)

- A. Family income shall be determined in accordance with gross monthly or annual income information provided by the patient/guarantor at the time of financial screening.
- B. Except as previously defined, any individual or family unit whose income is at or below two hundred percent (200%) of Federal Poverty Level will be determined as medically indigent and shall be eligible for treatment/services in any LSU-HCSD facility at no cost to the family unit.
- C. Any family unit whose gross income is greater than two hundred percent (200%) of the Federal Poverty Income Guidelines for that family unit will be responsible for the full amount of the charges for medical services, except as determined in Section IV.A.

Issued: September 1, 2003
Revised: January 27, 2006
Revised: February 8, 2007
Reviewed/Revised: October 13, 2008
Reviewed/Revised: March 31, 2010
Reviewed: June 1, 2011
Reviewed: April 1, 2012

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The gross income and the Federal Poverty Income Guidelines are rounded to the nearest dollar when determining eligibility.

- D. The Medically Indigent Eligibility Determination Table will be revised each year to include the changes in the Federal Poverty Income Guidelines that are published annually in the "Federal Register". The effective date of the annual update will be the first day of the month following the notification of the changes in the Federal Register.

VI. APPLICABILITY

This policy shall apply to all divisions and facilities of the LSU-HCSD.

VII. IMPLEMENTATION

This policy becomes effective upon the approval and the signature of the CEO of the LSU-HCSD. Subsequent revisions to this policy shall become effective on the date the revised policies are approved by the Executive Vice President/Chief Executive Officer of the LSU HCSD or designee.

VIII. RESPONSIBILITY

It shall be the responsibility of each Division Director and Hospital Administrator or designee(s) to adhere to the procedures set forth in this policy

Issued: September 1, 2003
Revised: January 27, 2006
Revised: February 8, 2007
Reviewed/Revised: October 13, 2008
Reviewed/Revised: March 31, 2010
Reviewed: June 1, 2011
Reviewed: April 1, 2012

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Louisiana State University – Health Care Services Division (LSU-HCSD)
Medically Indigent Qualification Table
 2012 Federal Poverty Guidelines Released February 1, 2012
 Effective date April 1, 2012

Family Unit	1	2	3	4	5	6	7	8
Poverty Guidelines	11,170	15,130	19,090	23,050	27,010	30,970	34,930	38,890
Guidelines X 200%	22,340	30,260	38,180	46,100	54,020	61,940	69,860	77,780
Monthly	1,861.67	2,521.67	3,181.67	3,841.67	4,501.67	5,161.67	5,821.67	6,481.67

Add \$3,960 to poverty guidelines for each additional member (over 8).

Medically Indigent Qualification Table

No. in Family Unit	Gross Monthly Income
1	\$1,861.67
2	\$2,521.67
3	\$3,181.67
4	\$3,841.67
5	\$4,501.67
6	\$5,161.67
7	\$5,821.67
8	\$6,481.67

Add additional \$660.00 to monthly income for each additional dependent.

Issued: September 1, 2003
 Revised: January 27, 2006
 Reviewed/Revised: October 13, 2008
 Reviewed/Revised: March 31, 2008
 Reviewed: June 1, 2011
 Reviewed: April 1, 2012

Policy 2525-12
 Page 2525-12.8

**LSU – HCS D Health System
Medicare Medically Indigent Assets Test**

Assets – Only the resources or property that are easily convertible to cash and unnecessary for the patient’s daily living. Examples are monies in a: Checking Account, Savings Account, Certificate of Deposit (CD), Cash in a Safety Deposit Box, Stocks, and/or Bonds. IRAs and 401Ks are excluded until money is removed.

Medicare Assets Testing – An analysis performed on the assets presented and electronically documented are in total not to exceed the allowable limit of \$2,000 per person or \$3,000 per couple. Included in this analysis, the hospital should take into account any extenuating circumstances that would affect the determination of the patient’s indigence.

General Information

- Count assets as of the first day of the month.
- Validate assets from most recent statement, i.e. monthly, quarterly, semi-annually.
- Changes in the assets during the month do not affect assets count for the month.
- Do not count as an asset any money considered as income.

Added to the beginning of the Medicare beneficiary’s MI Application:

- Amount in Checking Account \$ _____
- Amount in Savings Account, CDs \$ _____
- Cash in Safety Deposit Box \$ _____
- Amount in Stocks, Bonds \$ _____
- TOTAL \$ _____

Performed By

Date Performed

Issued: September 1, 2003
Revised: January 27, 2006
Revised: February 8, 2007
Reviewed/Revised: October 13, 2008
Reviewed/Revised: March 31, 2010
Reviewed: June 1, 2011
Reviewed: April 1, 2012

Policy 2525-12
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EXHIBIT 3.4
CORE SERVICES

1. Emergency Room
2. HIV Outpatient Clinic
3. Oncology (outpatient infusion chemotherapy)
4. Mental Health
5. Level 1 Trauma Center
6. Outpatient Pharmacy (340B and Patient Assistance Programs)

EXHIBIT 4.1
FORM OF MASTER HOSPITAL LEASE

The form of the Master Hospital Lease is attached hereto.

MASTER HOSPITAL LEASE

BY AND AMONG

**BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY
AND AGRICULTURAL AND MECHANICAL COLLEGE,**

UNIVERSITY MEDICAL CENTER MANAGEMENT CORPORATION,

AND

STATE OF LOUISIANA, THROUGH THE DIVISION OF ADMINISTRATION

DATED May 29, 2013

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MASTER HOSPITAL LEASE

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

PARISH OF ORLEANS

This Master Hospital Lease (the “**Lease**”) is made and entered into effective the 29th day of May, 2013 by and among:

BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE, a public constitutional corporation of the State of Louisiana, represented herein by William L. Jenkins, Interim President of the Louisiana State University System, duly authorized by virtue of a resolution of the Board of Supervisors, adopted April 17, 2013, a copy of which is on file and of record, with a mailing address of 3810 West Lakeshore Drive, Louisiana State University, Baton Rouge, Louisiana 70808 (Federal I.D. No. XX-XXX0848) (hereinafter referred to as “**LSU**”);

UNIVERSITY MEDICAL CENTER MANAGEMENT CORPORATION, a Louisiana nonprofit corporation represented herein by Robert V. “Bobby” Yarborough, Chair, duly authorized by virtue of a joint unanimous written consent of all members and directors, adopted April 23, 2013, a copy of which is on file and of record, with a mailing address of 200 Henry Clay Avenue, New Orleans, Louisiana 70118 (Federal I.D. No. XX-XXX-5187) (hereinafter referred to as “**UMCMC**”); and

STATE OF LOUISIANA, THROUGH THE DIVISION OF ADMINISTRATION, herein represented and appearing through Kristy H. Nichols, Commissioner of Administration, Division of Administration, Office of the Governor, State of Louisiana, under the authority granted pursuant to La. R.S. 39:11 and other applicable law, whose mailing address is Post Office Box 94095, Baton Rouge, Louisiana 70804-9095 (hereinafter referred to as the “**State**” or “**DOA**”),

provides as follows:

RECITALS

WHEREAS, LSU is a public constitutional corporation organized and existing under the laws of the State of Louisiana, and LSU’s institutions, including its medical schools and hospitals, are under LSU’s supervision and management pursuant to La. Const. Art. VIII, Section 7 and La. R.S. 17:3215;

WHEREAS, that certain Memorandum of Understanding dated August 2, 2009, as amended by amendment thereto dated March 2, 2010 (as so amended, the “**MOU**”), by and among LSU, DOA, the State of Louisiana Department of Health and Hospitals (“**DHH**”), and Administrators of the Tulane Educational Fund (“**Tulane**”), contemplates that UMCMC will operate the hospital with Medicare Provider Number 190005 (the “**Hospital**”) when the Hospital relocates to its new facility currently under construction in New Orleans, to be owned by LSU upon its completion (as more particularly described on **Exhibit “B”** hereto, the “**New Facility**,” which term includes the new In Patient Towers, the Diagnostic & Treatment Building, the Utility Building, the Ambulatory Care Building and the Garage);

WHEREAS, LSU owns the facility that since Hurricane Katrina has served as an interim facility, and also owns other buildings and structures in the said area which support the hospital operations, (as more particularly described on **Exhibit “A”** hereto, all of which buildings and structures constitute the “**Interim Facility**”) for the Hospital;

WHEREAS, UMCMC and LSU believe that they maintain shared values that support building a new model for the relationship between a major teaching hospital and a school of medicine and its teaching programs, and that this new model will provide physicians and patients with an environment of care that optimizes the use of all resources;

WHEREAS, contemporaneously herewith, LSU, UMCMC, DOA, DHH, and Louisiana Children’s Medical Center, a Louisiana nonprofit corporation that has or will become the sole member of UMCMC (“**LCMC**”), are entering into a Cooperative Endeavor Agreement (along with any subsequent amendments thereto, the “**CEA**”) to address the provision of healthcare in and through the Interim Facility and the New Facility and to address the stability and preservation of academic medicine in Louisiana, especially in New Orleans;

WHEREAS, this Lease is an integral aspect of the CEA and furthers the CEA and the above-stated goals; and,

WHEREAS, this Lease furthers the educational and public service missions of LSU and the State of Louisiana.

NOW, THEREFORE, in consideration of (1) LSU's obligation to lease the Leased Premises (as defined in this Lease) to be constructed pursuant to the Construction Contract Documents (as defined in this Lease) on the immovable property, which immovable property is the subject of that certain Right of Use, Possession and Occupancy Agreement of even date herewith attached as Exhibit 4.2 to the CEA, (2) the rent to be paid by UMCMC during the term of this Lease, and the mutual benefits accruing to the parties under this Lease and the CEA, and (3) the terms, conditions and obligations among the parties as stated in this Lease, the parties do enter into this Lease, on the following terms and conditions:

**ARTICLE I.
DEFINITIONS**

Defined Term:	Defined in Article or Section:
Additional Rent	Section 3.7
Adjustment Date	Section 3.5(a)
Advance Rent	Section 3.6
Ambulatory Care Building	Exhibit "B"
Architect	Section 2.4(b)
Business Day	Section 13.2(a)
Casualty	Section 9.4
CEA	Fifth Whereas Clause of Recitals
Commencement Date	Section 2.2
Construction Contract	Section 2.4(b)
Construction Contract Documents	Section 2.4(b)

Defined Term:	Defined in Article or Section:
CPI	Section 3.5(c)
CPI Calculation Date	Section 3.5(a)
CPI Fraction	Section 3.5(a)
Diagnostic & Treatment Building	Exhibit "B"
DHH	Second Whereas Clause of Recitals
DOA	Preamble
DOA Event of Default	Section 14.2
Equipment Lease	Section 6.2(b)
Expropriation	Section 9.4
Fair Market Rental Value	Section 3.5(e)(ii)
Fair Market Rental Value Adjustment Date	Section 3.5(e)
FPC	Section 2.1
Force Majeure	Section 16.12
Future Plans	Section 6.1(a)
Garage	Exhibit "B"
Hazardous Material	Section 10.1(c)
Hospital	Second Whereas Clause of Recitals
Improvements	Section 6.1(a)
Indemnified Person	Section 11.4(a)
Indemnifying Person	Section 11.4(a)
Index	Section 3.5(c)
Interim Facility	Third Whereas Clause of Recitals
Interim Quarterly Rent	Section 3.1
Interim Term	Section 2.3
In Patient Towers	Exhibit "B"
Land	Exhibit "B"

Defined Term:	Defined in Article or Section:
Law	Section 4.1
LCMC	Fifth Whereas Clause of Recitals
Lease	Preamble
Leased Premises	Section 2.1
Lease Year	Section 3.5(b)
LSU	Preamble
LSU Affiliate	Section 5.1
LSU Director of Facilities	Section 5.2
LSU Event of Default	Section 14.1
LSU Director of Facilities	Section 5.2
Hospital	Second Whereas Clause of Recitals
Material Change	Section 2.4(b)
Member Substitution Agreement	Section 2.5
MOU	Second Whereas Clause of Recitals
New Facility	Second Whereas Clause of Recitals
New Facility Commencement Date	Section 2.1
New Facility Equipment	Section 16.17
New Facility Quarterly Rent	Section 3.2
New Facility Term	Section 2.3
ORM	Section 9.2(a)
Permitted Subleases	Section 5.2
Permitted Uses	Section 4.1
Personal Property	Section 6.2
Plans and Specifications	Section 2.4(b)
Proceeding	Section 11.4(a)
Qualified Appraiser	Section 3.5(e)(ii)
Quarterly Rent	Section 3.4

Defined Term:	Defined in Article or Section:
Related Improvements	Section 2.1
Renewal Term	Section 2.6
Rent	Section 3.7
State	Preamble
Term	Section 2.3
Third-Party Claim	Section 11.4(a)
Transition Period	Section 2.1
Tulane	Second Whereas Clause of Recitals
UMCMC	Preamble
UMCMC Appropriation	Section 16.16
UMCMC Event of Default	Section 13.1
Unamortized Improvements	Section 6.2
Utility Building	Exhibit “B”
Utility Service	Article VIII

ARTICLE II. TERM AND LEASED PREMISES

Section 2.1 Term and Leased Premises. For the consideration and upon the terms and conditions hereinafter expressed, LSU leases the Leased Premises unto UMCMC, here present and accepting the Interim Facility, commencing on the Commencement Date (as defined below), for the Term (as defined below), unless otherwise terminated sooner in accordance with the terms and conditions set forth herein. For the period of time from the Commencement Date through and including the day on which DOA’s Office of Facility Planning and Control (“**FPC**”) releases the New Facility and other related improvements (the “**Related Improvements**”) constructed pursuant to the Construction Contract Documents on the immovable property that is the subject of the Right of Use , Possession and Occupancy Agreement described hereinabove

(the “**New Facility Commencement Date**”), the “**Leased Premises**” shall be the Interim Facility, as more particularly described on **Exhibit “A”** hereto. DOA shall cause the New Facility Commencement Date to occur no later than six (6) months after the Architect (as hereinafter defined) has issued a certificate of substantial completion that the New Facility and the Related Improvements have been substantially completed in accordance with the Construction Contract Documents (as hereinafter defined). FPC will cooperate with UMCMC to provide UMCMC with access to the New Facility beginning on the New Facility Commencement Date. Beginning on the New Facility Commencement Date and terminating on the completion of the transfer and transition of all Hospital operations from the Interim Facility to the New Facility as evidenced by a certificate to be executed by UMCMC and LSU certifying the date of completion of such transfer and transition (the “**Transition Period**”), the “**Leased Premises**” shall be both the Interim Facility, as more particularly described on **Exhibit “A”** hereto, and the New Facility, as more particularly described on **Exhibit “B”** hereto. For a period of forty (40) years beginning the day immediately following the end of the Transition Period, and any extensions thereto, the “**Leased Premises**” shall be the New Facility, as more particularly described on **Exhibit “B”** hereto. Notwithstanding anything to the contrary herein, the Transition Period shall not exceed ninety (90) days, and if UMCMC and LSU have not executed the certificate certifying the date of completion of the transfer and transition of all Hospital operations from the Interim Facility to the New Facility referenced in this Section 2.1 on or before the expiration of such ninety-day period, the Transition Period shall end on such ninetieth day. UMCMC shall vacate the Interim Facility on or before the last day of the Transition Period, other than those portions UMCMC shall continue to occupy as agreed to by UMCMC and LSU,

and UMCMC shall pay the fair market value rent on that portion of the Interim Facility that it continues to occupy for every day past the ninetieth day.

Section 2.2 Commencement Date. For the purposes of this Lease, the “**Commencement Date**” shall mean the 24th day of June, 2013.

Section 2.3 Interim Term and New Facility Term. The period of time from the Commencement Date through and including the day immediately prior to the New Facility Commencement Date shall be referred to herein as the “**Interim Term**.” The period of time from the New Facility Commencement Date through the expiration or earlier termination of this Lease shall be referred to herein as the “**New Facility Term**.” The Interim Term and the New Facility Term, together with any Renewal Term(s) as provided in Section 2.6, shall be referred to herein as the “**Term**.”

Section 2.4 Limited Waiver of Warranties.

(a) Except as otherwise provided in this Lease, DOA and LSU make no warranty of fitness, condition or title whatsoever, and UMCMC hereby waives any such warranties and acknowledges that DOA and LSU are not making any such warranties whatsoever, other than the warranty of peaceful possession against eviction from, or disturbance in fact caused by a person who successfully obtains pursuant to final definitive judgment ownership or a right to possession of, the Leased Premises, in whole or in material part, which adversely and materially affects the operations of the Hospital. Notwithstanding the foregoing, and to the extent allowed by Law, DOA and LSU hereby agree that DOA and LSU, at their sole cost, shall defend and indemnify UMCMC against any and all claims and lawsuits challenging the right of UMCMC to lease and occupy, or otherwise materially disturbing UMCMC’s actual

physical possession of, all or part of the Leased Premises which adversely affects the operations of the Hospital.

(b) Furthermore, DOA warrants that the New Facility Commencement Date will occur no later than July 31, 2016, subject to delay caused or contributed to by Force Majeure, and that the New Facility and the Related Improvements shall be constructed in accordance with the drawings, plans and specifications therefor prepared by Blich Knevel/NBBJ (the “**Architect**”), delivered on or before the date of execution of this Lease by DOA to UMCMC (the “**Plans and Specifications**”) provided, however, the parties acknowledge that "white box" buildout will occur for the hybrid, or IMRI and the biplane sterotoxics. DOA, LSU and UMCMC agree to work in a good faith, collaborative manner to most effectively utilize for the benefit of the New Facility, any unused project contingency funds or funds resulting from any other changes in the scope of the New Facility. DOA warrants that there will be no, and LSU warrants that it shall not consent to any, Material Change (as hereinafter defined) to the Plans and Specifications or the construction contract between FPC and Skanska MAPP, A Joint Venture, for the construction of the New Facility and the Related Improvements (the “**Construction Contract**” and, together with the Plans and Specifications, the “**Construction Contract Documents**”) without prior consultation with, and written approval of UMCMC or verbal approval by UMCMC’s designated representative at the Owner, Architect, Contractor’s meeting, which consent in any event shall not be unreasonably withheld, unreasonably conditioned or unreasonably delayed. For purposes of the foregoing provision, any delay on the part of UMCMC beyond fifteen (15) days from the receipt of a written request for approval shall be deemed consent; and in such event, DOA may proceed with the related material change order, amendment or modification to the Construction Contract Documents without the prior written

approval of UMCMC. In the event there is a Material Change to the Construction Contract Documents without UMCMC's written consent, there shall be an equitable reduction in the Rent (as hereinafter defined) to compensate UMCMC for not receiving the New Facility and the Related Improvements in accordance with the Construction Contract Documents. For purposes of this provision, a "**Material Change**" is any change to the Construction Contract Documents which (i) is structural in nature; (ii) would materially affect the exterior appearance or the footprint of the New Facility or the Related Improvements; (iii) would materially change or affect the electrical, mechanical, heating, ventilating or air conditioning or utilities systems or routing of information technology services of the New Facility or the Related Improvements; or (v) is programmatic in that it materially and adversely affects the function or quality of construction to be provided under the Construction Contract Documents.

(c) With respect to any and all claims related to the construction of the New Facility or the Related Improvements made within a period of five (5) years from the date on which the certificate of substantial completion has been issued by the Architect for the New Facility and the Related Improvements, DOA will pursue vigorously all such claims and will consult with UMCMC with respect to such pursuit. At the conclusion of such five (5) year period, any remaining claims available or any other manufacturer warranties shall be assigned by DOA to UMCMC, other than those relating to pending claims DOA is then pursuing. If any claims or manufacturer warranties are not assignable, DOA or LSU shall pursue vigorously all such claims and shall consult with UMCMC with respect to such pursuit.

(d) LSU warrants to the best of its knowledge and belief that the Interim Facility complies, and DOA, upon completion in accordance with the Construction Contract Documents, warrants that the New Facility shall comply with all applicable building codes and

regulations including La. R.S. 40:1731 through La. R.S. 40:1744, and all applicable Law. Notwithstanding the above, if there are violations of the codes or regulations herein referenced with respect to the Interim Facility, and UMCMC incurs expenses related thereto in excess of \$250,000.00, said expenses shall be a credit against future Rent until said credit is exhausted.

Section 2.5 Withdrawal of LCMC as sole member of UMCMC; Termination of CEA. In the event LCMC withdraws as the sole member of UMCMC, in accordance with the CEA and that certain Member Substitution Agreement by and among UMCMC, LCMC, LSU and Tulane (the “**Member Substitution Agreement**”), this Lease shall not terminate; provided, however, upon termination of the CEA, this Lease shall automatically terminate, and the CEA shall control with respect to the rights of the parties resulting from such termination.

Section 2.6 Options to Renew. Provided no uncured UMCMC Event of Default exists, UMCMC shall have three (3) consecutive options to renew this Lease for a period of fifteen (15) years each (each a “**Renewal Term**”), for a total of forty-five (45) additional years, under the same terms and conditions herein. In order to exercise any of said options to renew, UMCMC shall notify LSU in writing, at least one hundred eighty (180) days prior to the scheduled expiration date of the then current Term of this Lease, of its election to renew the Lease under the terms of this Section 2.6.

Section 2.7 Reservation of Right of Use. For the Interim Term of this Lease, LSU hereby reserves the right to use and occupy for LSU's administrative functions supporting or relating to the CEA:

(a) the following areas in the University Medical Office Building located at 2025 Gravier Street:

- | | | |
|------|-----------|-------------------|
| (i) | Suite 601 | 4,587 Square feet |
| (ii) | Room 740 | 108 Square feet |

and the right to use the common areas related thereto, all at no cost to LSU; and

(b) the following areas in the Delgado Building located at 1545 Tulane Avenue:

(i)	Room 105	208 Square Feet
(ii)	Room 208	192 Square Feet
(iii)	Room 209	192 Square Feet
(iv)	Room 210	192 Square Feet
(v)	Room 218	192 Square Feet
(vi)	Room 219	192 Square Feet
(vii)	Room 220	192 Square Feet
(viii)	Room 221	192 Square Feet
(ix)	Room 224	192 Square Feet
(x)	Room 226	192 Square Feet
(xi)	Room 312	108 Square Feet
(xii)	Room 314	108 Square Feet
(xiii)	Room 315	177 Square Feet
(xiv)	Room 316	108 Square Feet
(xv)	Room 317	108 Square Feet
(xvi)	Room 318	42 Square Feet

which rooms in the Delgado Building are reflected on Exhibit "C" hereto; and the right to use the common areas related thereto, and UMCMC shall pay for all expenses related to the above described rooms including, but not limited to, utilities, security and janitorial costs and expenses. The Rent to be paid by UMCMC takes into account the right of use retained by LSU as set forth above, and no other payment shall be required by LSU for such right of use.

LSU shall have 24 hour access to the above described rooms in the University Medical Office Building and the Delgado Building, and LSU agrees to adhere to UMCMC's facility security requirements with respect to such access. UMCMC reserves the right to relocate LSU to other space if UMCMC has need for part or all of the areas reserved to LSU pursuant to this Section 2.7; provided, however, in the event of such relocation, at UMCMC's expense, UMCMC will prepare and renovate any such substitute space to a condition comparable to that currently occupied by LSU in the above listed rooms, and UMCMC will pay all of LSU's reasonable out-

of-pocket expenses related to any such relocation. UMCMC will give reasonable prior written notice to LSU of any request that LSU be so relocated.

To the extent authorized by law, LSU agrees to indemnify, defend (with counsel reasonably acceptable to UMCMC at LSU's sole cost) and hold UMCMC, its board members, officers and employees harmless from and against any and all claims, liabilities, damages, costs, penalties, forfeitures, losses, obligations or expenses resulting from any injury, loss or damage to persons or property to the extent such claims, liabilities, damages, costs, penalties, forfeiture, losses, obligations or expenses directly result from LSU's use of the space to which it is granted a right of use and occupancy pursuant to this Section 2.7.

ARTICLE III. RENT

Section 3.1 Interim Term Quarterly Rent. During the Interim Term, the annual rent for this Lease is the payment by UMCMC to LSU of a sum \$24,101,208.00, payable in four (4) equal quarterly installments (the “**Interim Quarterly Rent**”) of \$6,025,302.00 each, with the first installment being due and payable on the Commencement Date and the remaining installments being due and payable, respectively, on the first day of each calendar quarter thereafter. In the event the Commencement Date should be a date other than the first day of a calendar quarter, the first Interim Quarterly Rent payment shall be prorated to the end of that calendar quarter. In the event that the last day of the Interim Term is a day other than the last day of a calendar quarter, the last Interim Quarterly Rent payment shall be prorated from the first day of that final quarter of the Interim Term to the last day of the Interim Term. Notwithstanding the foregoing, UMCMC may, at its option, make payments of the Rent annually, in advance, during the Interim Term.

Section 3.2 New Facility Term Quarterly Rent. During the New Facility Term, the annual rent for the lease of the New Facility, excluding the Ambulatory Care Building and the Garage, is the payment by UMCMC to LSU of an annual amount equal to the sum of \$69,409,750.00, payable in four (4) equal quarterly installments (the “**New Facility Quarterly Rent**”) of \$17,352,437.50, subject to a credit to be applied to each New Facility Quarterly Rent Payment during the first twenty (20) years of the New Facility Term, to be calculated in accordance with the procedure described below, with the first installment being due and payable on the first day of the New Facility Term and the remaining installments being due and payable, respectively, on the first day of each calendar quarter thereafter. In the event the first day of the New Facility Term should be a date other than the 1st day of a calendar quarter, the first New Facility Quarterly Rent payment shall be prorated to the end of that calendar quarter. In the event that the last day of the New Facility Term is a day other than the last day of a quarter, the last New Facility Quarterly Rent payment shall be prorated from the first day of the final quarter of the New Facility Term to the last day of the New Facility Term. Notwithstanding the foregoing, UMCMC may, at its option, make payments of the Rent annually, in advance, during the New Facility Term.

UMCMC shall receive an annual credit against New Facility Quarterly Rent in an amount equal to the product obtained by multiplying (i) \$5,500,000 (being 1/20th of the Advance Rent (defined below) payment made by UMCMC by (ii) the CPI Fraction (defined below). Such annual credit shall be applied equally among the four payments of New Facility Quarterly Rent due in each of the first twenty (20) Lease Years. An illustration of the calculation of such rent credits (using 1.03 as the assumed CPI Fraction for the entire period) is attached hereto as

Exhibit "F" and made a part hereof; provided, however, Exhibit "F" is provided for illustration purposes only and does not reflect the actual amount of any such rent credit.

Section 3.3 Rent During Transition Period. During the Transition Period, the Rent, as set forth herein, shall be due by UMCMC to LSU on only the New Facility. Rent for the Interim Facility during the Transition Period shall terminate on the New Facility Commencement Date.

Section 3.4 Quarterly Rent; Payment of Rent. The Interim Quarterly Rent and the New Facility Quarterly Rent together shall be referred to herein as the "**Quarterly Rent.**" All Quarterly Rent, as well as all other Rent, is payable by UMCMC to LSU at the following address, until notified in writing differently by LSU:

Health Care Services Division
P. O. Box 91308
Baton Rouge, LA 70821-1308

Section 3.5 Adjustments to Quarterly Rent Based on Consumer Price Index.

(a) The Quarterly Rent (i) during the Interim Term shall be increased annually, effective as of each anniversary of the Commencement Date, and (ii) during the New Facility Term shall be increased annually, effective as of each anniversary of the New Facility Commencement Date (each, an "**Adjustment Date**"), in each case by an amount equal to the product obtained by multiplying the then current Quarterly Rent times the CPI Fraction. (The "**CPI Fraction**" shall be determined as of sixty (60) days prior to the respective Adjustment Date (the "**CPI Calculation Date**"); the numerator shall be the CPI (as defined below) in effect as of such CPI Calculation Date and the denominator shall be the CPI in effect as of one (1) year prior to such CPI Calculation Date).

(b) In no event shall the CPI adjustment cause the Quarterly Rent to increase in any Lease Year by an amount greater than five (5%) percent more than the Quarterly Rent in

the Lease Year preceding such CPI adjustment. In no event shall the Quarterly Rent decrease. During the Interim Term, "**Lease Year**" shall mean the twelve (12) month period commencing on the Commencement Date and each twelve (12) month period thereafter. During the New Facility Term, "**Lease Year**" shall mean the twelve (12) month period commencing on the New Facility Commencement Date and each twelve (12) month period thereafter.

(c) "**CPI**" shall mean the Consumer Price Index – U.S. City Average For All Items For All Urban Consumers (1982-1984 = 100) (the "**Index**"), published monthly in the "**Monthly Labor Review**" of the Bureau of Labor Statistics of the United States Department of Labor, or if the current Index is no longer available, then the current equivalent of the Index.

(d) Advance Rent (as defined below) shall be subject to CPI increases (but not decreases) effective as of each anniversary of the Commencement Date, in accordance with Section 3.2 above.

(e) The parties agree that every twenty (20) years of the New Facility Term (i.e., the twenty (20) year anniversary of the New Facility Commencement Date, and to the extent applicable by renewal, each of the fortieth, the sixtieth and the eightieth year anniversaries of the New Facility Commencement Date (each a "**Fair Market Rental Value Adjustment Date**")), the Quarterly Rent shall be reviewed and adjusted to the Fair Market Rental Value (as hereinafter defined) for the leasehold estate of the New Facility to UMCMC as determined by written agreement of LSU and UMCMC at least six (6) months prior to the end of each such twenty (20) year period of the New Facility Term. On the first Fair Market Rental Value Adjustment Date, solely for purposes of this Section 3.5(e), the term "New Facility" shall exclude the Ambulatory Care Building and the Garage. The calculation of Fair Market Rental Value shall assume that the terms and conditions of this Lease, other than the Rent, will continue

to apply. In the event LSU and UMCMC cannot so agree in writing as set forth above no later than three (3) months prior to the end of such twenty (20) year period of the New Facility Term, then either LSU or UMCMC may initiate the following procedure to have the Quarterly Rent determined by independent appraisal:

(i) Either party may initiate the appraisal process by providing a written notice that it is invoking the procedure described in this Section 3.5(e).

(ii) Within twenty (20) days after the date of the written notice, LSU and UMCMC shall each appoint an appraiser having at least ten (10) years experience appraising commercial real estate in the New Orleans area and who is a member of the Appraisal Institute (hereinafter, a “**Qualified Appraiser**”). Each Qualified Appraiser shall make an estimate of the fair market rental value for the leasehold estate of the New Facility to UMCMC (the “**Fair Market Rental Value**”) as of the beginning of such twenty (20) year period. Each party shall notify the other of the appointment of its Qualified Appraiser within ten (10) days after the appointment. Each party shall deliver to the other party a copy of its Qualified Appraiser’s written report no later than thirty (30) days after the appointment of its Qualified Appraiser. If only one party appoints its Qualified Appraiser and delivers its Qualified Appraiser’s report within thirty (30) days of the appointment of its Qualified Appraiser, then the Fair Market Rental Value shall be the value determined by that Qualified Appraiser. If neither party invokes the appraisal process or neither party appoints a Qualified Appraiser or neither party delivers its Qualified Appraiser’s report within thirty (30) days after the appointment of its Qualified Appraiser, then UMCMC shall continue to pay the Quarterly Rent calculated in accordance with the terms of this Lease.

(iii) If the difference between the Fair Market Rental Value conclusions of the Qualified Appraisers is less than ten (10%) percent, the Quarterly Rent shall be set at the average of the two.

(iv) If the difference between the Fair Market Rental Value conclusions of the Qualified Appraisers is greater than ten (10%) percent, then the two Qualified Appraisers shall agree on a third Qualified Appraiser who shall be furnished the appraisal reports of the first two Qualified Appraisers along with any additional evidence the third Qualified Appraiser shall deem reasonably appropriate. The Fair Market Rental Value conclusion and report of such third Qualified Appraiser shall be conclusive as to the Fair Market Rental Value.

(v) Until the Fair Market Rental Value is determined, UMCMC shall continue to pay the Quarterly Rent in accordance with the terms of this Lease. If after the new Quarterly Rent is determined UMCMC has overpaid or underpaid the Quarterly Rent, as the case may be, UMCMC shall pay the underpayment or LSU shall refund the excess (or apply such excess as a credit against the Rent payment(s) next due), in each case without interest, upon demand.

(vi) The fees of the initial two Qualified Appraisers shall be borne by the party hiring them, and the fee of the third Qualified Appraiser shall be borne equally by LSU and UMCMC.

Section 3.6 Advance Rent. UMCMC shall pay to LSU the following (collectively, the “**Advance Rent**”): (i) on or before June 24, 2013, \$110,000,000.00, which represents a prepayment of a portion of the future New Facility Rent payments for occupancy of the New Facility other than the Ambulatory Care Building and the Garage, which amount shall be credited against future New Facility Rent payments in the manner described in Section 3.2

hereof and illustrated on Exhibit "F" attached hereto; and (ii) \$143,000,000.00, on or before June 24, 2013 which represents all future Rent payments for construction and occupancy of the Ambulatory Care Building and Garage during the first forty (40) years of the New Facility Term.

Section 3.7 Additional Rent. In addition to the Advance Rent and the Quarterly Rent, UMCMC shall also pay any and all other charges or payments which UMCMC is or becomes obligated to pay pursuant to this Lease (the "**Additional Rent**"). (The Advance Rent, Quarterly Rent and Additional Rent may be referred to collectively herein as the "**Rent**"). Except as otherwise set forth herein, any Additional Rent owed to LSU shall be due within thirty (30) days after UMCMC's receipt of the invoice with reasonable description and itemization of the charge from LSU.

Section 3.8 Triple Net Lease. This Lease is intended to be a triple net lease. UMCMC agrees that the Rent provided for herein shall be an absolute net return to LSU free and clear of any expenses, charges, insurance or taxes whatsoever of any kind, character or nature (except as otherwise, if any, provided herein); it being understood and agreed to by UMCMC that UMCMC shall bear responsibility during the Term for the payment of all costs and expenses associated with the management, operation, and maintenance of the Leased Premises, including without limitation all costs and expenses described in Article VII hereof. Except as expressly provided in Section 2.4(a) and Section 11.2, or as otherwise provided in the CEA, LSU will not be required to make any payment on UMCMC's behalf or for UMCMC's benefit under this Lease, or assume any monetary obligation of UMCMC under this Lease, or with respect to the Leased Premises.

Section 3.9 Off-set of Rent for Federal Program Recoupment Action. In the event of a federal program recoupment action which results in a set-off of reimbursement due

UMCMC as a result of an overpayment while LSU was responsible for the Hospital's Medicare and Medicaid Provider Numbers, the State will seek an immediate appropriation to reimburse UMCMC, and UMCMC will assign to LSU any rights to negotiate, contest, settle or otherwise resolve such recoupment action. Notwithstanding the foregoing, UMCMC shall have an immediate right of set-off against Rent due under this Lease to compensate UMCMC in an amount consistent with the amount withheld under the recoupment action; provided, however, within thirty (30) days of receipt by UMCMC of invoices, UMCMC shall pay to LSU any and all such invoices for amounts that UMCMC receives as repayment of any sums which were withheld from reimbursement due UMCMC to the extent so set off.

ARTICLE IV. USE

Section 4.1 Permitted Uses. The Leased Premises are to be used and occupied by UMCMC solely for a hospital, medical business offices, medical staff offices, medical education staff offices, medical clinics and related or customary uses incidental thereto ("**Permitted Uses**"), and for no other purposes without the prior written consent of LSU. UMCMC will conduct its business in the Leased Premises in material compliance with all federal, state, local and parish rules, laws, ordinances, and governmental regulations and orders, codes and decrees (herein "**Law**").

Section 4.2 Prohibited Uses. In addition to the foregoing, UMCMC agrees not to occupy or use, or permit any portion of the Leased Premises to be occupied or used for any business or purpose that is unlawful, illegal, disreputable or reasonably considered to be ultra-hazardous. UMCMC will not use, occupy or permit the use or occupancy of the Leased Premises for any purpose which may be unreasonably dangerous to life, limb or property, or permit the maintenance of any public or private nuisance.

ARTICLE V.
SUBLETTING AND ASSIGNMENT

Section 5.1 No Assignment. UMCMC may not, without the prior written consent of LSU, which consent shall not be unreasonably withheld, unreasonably conditioned or unreasonably delayed, assign, in whole or in part this Lease or any interest therein; provided, UMCMC may, with prior written notice to LSU, but without the consent of LSU, assign its interest under this Lease to a nonprofit corporation, nonprofit limited liability company, nonprofit limited liability partnership, or other nonprofit legal entity wholly owned or controlled by UMCMC or LCMC, which has been officially designated by LSU as an LSU Affiliate (an “**LSU Affiliate**”), provided that in the case of such assignment, such assignee shall agree to assume in writing UMCMC’s obligations hereunder without release of UMCMC, all in form and substance reasonably approved by LSU.

Section 5.2 No Subletting. UMCMC may not, without the prior written consent of the LSU Director of Facilities or the successor or equivalent position or other person designated by the President of the LSU System (the “**LSU Director of Facilities**”), which consent may not be unreasonably withheld, unreasonably conditioned or unreasonably delayed, sublease or grant any other rights of use or occupancy of all or any portion of the Leased Premises; provided, however, UMCMC may, with written notice to LSU, but without the written consent of LSU or the LSU Director of Facilities, sublease portions of the Leased Premises to the following (collectively “**Permitted Subleases**”): (1) a nonprofit corporation, nonprofit limited liability company, nonprofit limited liability partnership, or other nonprofit legal entity wholly owned or controlled by UMCMC or LCMC; (2) retail subtenants such as restaurants, drug stores, flower shops, newsstands, brace shops, and other subtenants which support the operations of the Hospital and which would be routinely housed in a hospital or medical clinic of similar scope

and operations; (3) a third party with which (i) UMCMC or LCMC and (ii) LSU have an affiliation agreement relating to the healthcare, academic or research activities conducted in the Hospital, and (4) Tulane's School of Medicine; provided that all such Permitted Subleases shall be subject and subordinate to all of the terms and conditions of this Lease and the use of the Leased Premises and/or equipment permitted under any such Permitted Sublease shall be in accordance with the applicable terms and conditions of this Lease, and further provided that any such sublessee expressly acknowledges the above in the sublease. Any such sublease for which such prior written consent of the LSU Director of Facilities is not required pursuant to this Section 5.2 shall: (a) not exceed 10,000 square feet of useable rental space; (b) have a term not exceeding fifteen (15) years; and (c) further the mission of the Hospital as set forth in the CEA. Furthermore, the total space subleased and not requiring consent of the LSU Director of Facilities shall not exceed ten percent (10%) of each building. Any subleases not meeting the foregoing criteria shall be submitted to LSU for its prior review and approval, which approval shall not be unreasonably withheld, unreasonably conditioned or unreasonably delayed. Any failure of LSU to respond within thirty (30) days of receipt of a written request shall be deemed consent. Under no circumstances may UMCMC sublease any space for any adult establishment including, but not limited to, adult bookstore, adult movie theater, adult novelty shop, tattoo shop, adult cabaret, liquor store or tobacco shop. The foregoing shall be exclusive of any sublease to LSU, or its affiliates, all of which subleases are hereby consented to. Furthermore, notwithstanding anything contained in this Lease to the contrary, UMCMC shall not enter into any sublease of all or part of the Leased Premises with any physicians group or medical practice if such sublease would be materially inconsistent with the Public Purpose as such term is defined in the CEA. Any sublease will contain a provision to the effect that if this Lease is terminated

for any reason, the sublease, at LSU's sole option, shall (i) continue in full force and effect with LSU being automatically substituted for UMCMC as the lessor under such sublease, but with no liability of LSU for any obligations of UMCMC (or any permitted assignee) which arose before LSU exercised its option to continue the sublease, or (ii) be terminated without any liability to LSU or DOA. Further, any sublease will contain a provision restricting the sub-sublease or assignment of all or any part of such sublease, and furthermore, prior to the transfer of title to the New Facility from DOA to LSU, DOA's consent shall be required pursuant to this Section 5.2 in addition to any consent required by LSU, which DOA consent shall not be unreasonably withheld, unreasonably conditioned, or unreasonably delayed.

Section 5.3 UMCMC Remains Liable. In no event shall any assignment or subletting of all or any portion of the Leased Premises release UMCMC from any obligations under the Lease, unless such release shall be evidenced by LSU's express written agreement at the time of the assignment or subletting, which agreement may be withheld in LSU's sole discretion.

Section 5.4 Leasehold Mortgage. UMCMC shall have the right to mortgage its interest in the Lease and interest in the Leased Premises with the prior written consent of LSU, which consent will not be unreasonably withheld, unreasonably conditioned or unreasonably delayed, and subject to terms and conditions reasonably acceptable to LSU. LSU agrees to review such request within sixty (60) days of UMCMC's request. LSU agrees that any third party obtaining a leasehold mortgage on UMCMC's interest in this Lease shall be entitled to commercially reasonable and customary protections with respect to this Lease, including without limitation notices of any UMCMC default hereunder and opportunities to cure any such default within reasonable time periods.

ARTICLE VI.
IMPROVEMENTS AND ALTERATIONS BY UMCMC

Section 6.1 UMCMC Improvements and Alterations.

(a) With the prior written approval of LSU and DOA, which approval shall not be unreasonably withheld, unreasonably conditioned or unreasonably delayed, and subject to the requirements of La. R.S. 17:3361, et seq., UMCMC may make such alterations and improvements to the Leased Premises as UMCMC may desire, at its own cost and expense. UMCMC shall furnish to LSU and DOA plans, drawings, specifications or other written or graphic descriptions reasonably acceptable to LSU and DOA (collectively, the “**Future Plans**”) for the alterations or improvements which UMCMC desires to make to the Leased Premises (the “**Improvements**”). Notwithstanding the foregoing, UMCMC shall not have to submit any plans and specifications with respect to the Ambulatory Care Building or the Garage. The Future Plans shall be subject to LSU’s and DOA’s approval, which will not be unreasonably conditioned, unreasonably delayed or unreasonably withheld, and will be deemed approved if neither LSU nor DOA responds to any request for approval within thirty (30) days of receipt of the Future Plans. Approval by LSU and DOA of any Future Plans and the Improvements shall not constitute any warranty by LSU or DOA to UMCMC of the adequacy of the design for UMCMC’s intended use of the Leased Premises. All work performed for or by UMCMC shall be free from defects in design and construction and shall be subject to and in accordance with all applicable federal, State, parish and city building and/or fire department codes and ordinances. Any required alterations performed in connection with such Improvements to meet said codes and ordinances shall be performed by UMCMC, or its assignee, at UMCMC’s expense. All work shall be performed for or by UMCMC in a good and workmanlike manner, and UMCMC shall prosecute the same to completion with reasonable diligence. UMCMC shall complete all Improvements so

as not to create any liens or encumbrances against the Leased Premises or any of LSU's property. Notwithstanding the foregoing, the Improvements costing less than \$500,000.00 shall not require prior consent of LSU and DOA; provided, however, UMCMC shall not artificially separate what would reasonably be considered to be one project in order to reduce the cost of the Improvements below \$500,000.00.

(b) Before the commencement of any work in excess of Two Million Dollars (\$2,000,000.00) for construction of the Improvements, UMCMC shall supply LSU with appropriate performance and payment bonds. These bonds are at UMCMC's expense and shall be issued in a form satisfactory to LSU and in such a manner as to protect LSU's interest in the Leased Premises. In the event UMCMC desires to commence any work having a value of more than \$500,000.00, but less than \$2,000,000, and UMCMC does not require or obtain performance and payment bonds, UMCMC shall establish an escrow account and deposit an amount equal to the value of the work to be performed so that sufficient funds are available to remove any liens that may be placed upon the Leased Premises as a result of the performance of the work, and such funds will be disbursed according to a schedule approved by LSU and which will provide for not less than a 10% hold back until the contractor has furnished a "clear lien certificate." UMCMC agrees to indemnify and defend LSU for any costs, including attorney fees, related to any claim that may relate to any work performed and/or for payment thereof.

Section 6.2 Cost of UMCMC Improvements; Personal Property.

(a) UMCMC shall be solely responsible for the costs of all Improvements to the Leased Premises undertaken by UMCMC pursuant to Section 6.1. On completion of the Improvements, UMCMC shall provide to LSU a lien waiver from UMCMC's contractor covering the cost of work, materials and equipment supplied, done by the contractor and all

material subcontractors and materialmen. All Improvements made to the Leased Premises by UMCMC, with LSU's consent, shall become the property of LSU at the termination or expiration of the Lease without any cost to LSU subject to any obligations of LSU and DOA and the State to reimburse UMCMC for the cost thereof as provided in the CEA and subject to the provisions of this Section 6.2(a). Upon expiration of this Lease as a result of the expiration of its Term, and provided that UMCMC is not then in default, with respect to any Improvements made by UMCMC, LSU and DOA, within one year of the expiration of this Lease, shall reimburse UMCMC for the book value as of such expiration date of unamortized capital expenditures made to the New Facilities computed on a GAAP basis made by UMCMC or an LCMC Affiliate (as such term is defined in the CEA) (the "**Unamortized Improvements**"); provided, however, if UMCMC has made the Improvements without LSU's and DOA's consent and such consent is required under this Lease, LSU and DOA shall have no obligation, notwithstanding anything in this Lease or the CEA to the contrary, to reimburse UMCMC for the cost thereof, and LSU may, at its option, in addition to any other remedy available for such violation, by written notice to UMCMC require that UMCMC remove any such Improvements specified in such notice and return the Leased Premises to their condition prior to the installation of such unauthorized Improvements. If UMCMC fails to remove such Improvements and restore the Leased Premises to their original condition, UMCMC shall promptly reimburse LSU for any expense that LSU incurs in performing such removal.

(b) UMCMC shall pay the cost for all personal property, fixtures, equipment, furniture and other items of personal property which UMCMC may place in the Leased Premises including, but not limited to, unattached counters, shelving, showcases, chairs and unattached movable machinery, equipment and inventory (collectively, the "**Personal Property**"), and the

Personal Property shall be and remain the property of UMCMC and may be removed by UMCMC at any time or times prior to the expiration of the Term; provided, however, that UMCMC shall repair any damage to the Leased Premises caused by such removal. Notwithstanding the foregoing, the Personal Property shall not include such movable and personal property owned by LSU or equipment leased by UMCMC from LSU pursuant to that certain Equipment Lease of even date hereof (the “**Equipment Lease**”) or any future equipment lease.

Section 6.3 FPC Regulatory and Statutory Authority. Nothing contained in this Article VI is intended to alter, negate or supersede FPC’s regulatory and statutory authority with respect to maintenance, repair and/or improvements to public buildings and property.

ARTICLE VII.
OPERATIONS, MAINTENANCE, REPAIR, SECURITY AND OTHER SERVICES

Section 7.1 Operations. UMCMC shall be responsible to procure and maintain all services and equipment necessary or required in order to adequately operate the Leased Premises in accordance with the Permitted Uses. UMCMC shall continuously operate the Interim Facility during the Interim Term (excluding the Transition Period) and the New Facility during the New Facility Term as a hospital and for the other Permitted Uses, and in accordance with all governmental regulations and the CEA. UMCMC shall procure and maintain all licenses permits and accreditation required for operation of a facility of the type of the Leased Premises, including without limitation those required by The Joint Commission or comparable accrediting agency.

Section 7.2 Maintenance and Repair.

(a) UMCMC shall, at its sole cost and expense during the Interim Term, maintain the Interim Facility in the same condition as received from LSU and DOA (ordinary

wear and tear and depreciation excepted), and UMCMC shall, at its sole cost and expense during the New Facility Term, maintain the New Facility as set forth herein, and in a condition consistent with the Environment of Care Standards of The Joint Commission, or any other applicable accreditation agency, as amended from time to time including, but not limited to, the CMS Conditions of Participation as may be applicable to such buildings. Subject to DOA's obligations regarding defects in the New Facility under Section 2.4(c) hereof, UMCMC shall make and perform all maintenance, repairs, restorations, and replacements to the Leased Premises, including without limitation the heating, ventilating, air conditioning, mechanical, electrical, elevators, plumbing, fire, sprinkler and security systems, computer services, air and water pollution control and waste disposal facilities, roof, structural walls, sewerage lines, including any septic tank and effluent disposal system that may be necessary, and foundations, fixtures, equipment, and appurtenances to the Leased Premises as and when needed to maintain them in such condition (ordinary wear and tear and depreciation excepted), regardless of whether such maintenance and repairs are ordinary or extraordinary, routine or major, foreseeable or unforeseeable, or are at the fault of UMCMC, or some other party, except to the extent caused by LSU, DOA, the State or their respective employees, and subject to UMCMC's rights of recovery and reimbursement from the party responsible for such damages. The repairs, maintenance and in-kind replacements required to be made by UMCMC hereunder shall not require approval of LSU or FPC.

(b) In addition to LSU's rights pursuant to Article XIII hereof, if UMCMC fails to make and perform required maintenance and repairs within 60 days of receipt by UMCMC of LSU's notice that such maintenance and repairs are necessary, or if any such maintenance and repairs cannot reasonably be completed within such 60-day period, within any

such longer period of time as may be reasonably required under the circumstances, LSU may (but shall not be obligated to) make or cause to be made such maintenance and repairs and LSU shall be entitled to collect the same from UMCMC as Additional Rental due hereunder within 30 days of written demand by LSU.

(c) Except as expressly provided in Section 7.2(a) above, it is understood and agreed that LSU shall have no obligation to incur any expense of any kind or character in connection with the maintenance, repair, restoration or replacement of the Leased Premises during the Term. LSU shall not be required at any time to make any improvements, alterations, changes, additions, repairs or replacements of any nature whatsoever in or to the Leased Premises, or maintain the Leased Premises in any respect whatsoever, whether at the expense of LSU, UMCMC, or otherwise.

(d) Subject to delivery of the New Facility in accordance with the Construction Contract Documents, UMCMC agrees that the Leased Premises shall comply with the requirements of Title 40, Part V, of the Louisiana Revised Statutes, "EQUAL ACCESS TO GOVERNMENTAL AND PUBLIC FACILITIES FOR PHYSICALLY HANDICAPPED," more specifically, sections La. R.S. 40:1731 through 40:1744, and any new or modified requirements imposed to make the Leased Premises accessible to persons with disabilities as would be applicable to LSU or to an agency of the State of Louisiana.

(e) Subject to delivery of the New Facility in accordance with the Construction Contract Documents, UMCMC further agrees to make, at its own expense, all changes and additions to the Leased Premises required by reason of any Law, including the furnishing of required sanitary facilities and fire protection facilities, and UMCMC shall furnish and maintain all fire extinguishers and other equipment or devices necessary to comply with any

order of the Louisiana State Fire Marshal; provided however, that in the event of any significant changes or structural alterations to the Leased Premises, the written consent of LSU and DOA must be obtained prior to the commencement of any work in accordance with Section 6.1 hereof. In such event, LSU's and DOA's consent shall not be unreasonably withheld, unreasonably conditioned or unreasonably delayed. A delay beyond thirty (30) days by LSU or DOA shall constitute its consent. UMCMC shall further be responsible for all costs associated with any required periodic inspections and servicing of fire extinguishers and other equipment or devices, or any required licenses or permits applicable to the Leased Premises and operation of the Interim Facility and the New Facility, respectively. At its sole cost and expense, UMCMC agrees to comply with any order issued during the Term by the State Fire Marshal's Office and FPC within the timeframe mandated by those Offices, subject to any appeal rights UMCMC may have. Failure to do so will constitute a UMCMC Event of Default as provided in Article XIII hereof; provided, however, that UMCMC shall have no responsibility for compliance with such orders and failure to comply will not constitute a UMCMC Event of Default, if such noncompliance results from the failure of the Construction Contract Documents to comply with applicable Law at the time construction of the New Facility is completed.

(f) Subject to delivery of the New Facility in accordance with the Construction Contract Documents and the obligations of DOA to pursue construction claims pursuant to Section 2.4 above, UMCMC accepts the Leased Premises, including the New Facility, in "as is" condition, and as to the Interim Facility, the current condition or state in which the Interim Facility exists at the effective date of this Lease, without representation or warranty, express or implied, in fact or in Law, oral or written, by LSU. UMCMC, to the extent allowed by Law, hereby acknowledges it has inspected the Interim Facility, is satisfied with the condition

of the Interim Facility, and assumes and agrees to accept all risk and responsibility for any and all defects, infirmities, and conditions in the Interim Facility and that the Interim Facility is fit for its intended purposes.

(g) UMCMC further agrees to do at its own expense, painting and/or other coatings, pressure washing and waterproofing of the exterior of the Leased Premises as necessary to maintain the Leased Premises in a neat, clean, safe, sanitary and habitable condition. UMCMC further agrees to do painting, papering, and tinting of the interior of the Leased Premises and all hallways and corridors associated with the Leased Premises, as the need may arise from time to time.

(h) Subject to delivery of the New Facility in accordance with the Construction Contract Documents, UMCMC shall have the sole responsibility of all maintenance and repairs to all operational building equipment at the time of occupancy, including but not limited to boilers, elevators, HVAC, fire panels, locks, security system and the public address system, and shall ensure that all building equipment is properly maintained and continues in an operable condition. UMCMC shall be responsible for all routine preventative maintenance and repairs on all such operational equipment, including but not limited to, the HVAC systems, provided, that any such routine preventive maintenance and repairs shall be performed in accordance with manufacturer recommended schedules and be performed by an authorized maintenance/repair contractor. UMCMC shall be responsible for ensuring that all necessary certification is maintained on any and all such equipment and machinery, including, but not limited to, certification required by the State Fire Marshal and DHH.

(i) UMCMC shall comply in all material respects with the standards outlined in **Exhibit "D"** hereto with respect to the Interim Facility and the New Facility.

(j) Nothing contained in this Section 7.2 is intended to alter, negate or supersede FPC's regulatory and statutory authority with respect to maintenance, repair and/or improvements to public buildings and property.

Section 7.3 Security and Other Services. UMCMC shall provide or cause to be provided all security service, custodial service, janitorial service, medical waste disposal, trash disposal, pest control services and all other services necessary for the proper upkeep and maintenance of the Leased Premises as required herein. UMCMC acknowledges that LSU has made no representation or warranty with respect to systems and/or procedures for the security of the Leased Premises, any persons occupying, using or entering the Leased Premises, or any equipment, finishing, or contents of the Leased Premises. It is the sole responsibility of UMCMC to provide for the security of persons on or entering the Leased Premises and/or property located at the Leased Premises, in accordance with reasonable and prudent business practices utilized for similar facilities.

ARTICLE VIII. UTILITIES

UMCMC shall arrange and pay for the furnishing of all utilities which are used or consumed in or upon or in connection with the Leased Premises during the Term, including without limitation water, gas, electricity, medical gases, sewerage, garbage, or trash removal, light, heat, cable, internet and telephone, power, and other utilities necessary for the operation of the Leased Premises (“Utility Service”), and all Utility Service shall be obtained in or transferred to UMCMC's name. Such payments shall be made by UMCMC directly to the respective utility companies furnishing such Utility Services under such contract or contracts therefor as UMCMC may make. LSU shall have no responsibility to UMCMC for the quality or availability of Utility Service to the Leased Premises, or for the cost to procure Utility Service.

LSU shall not be in default under this Lease or be liable to UMCMC or any other person for any direct, indirect or consequential damage, or otherwise, for any failure in supply of any Utility Service, heat, air conditioning, elevator service, cleaning service, lighting, security, or for surges or interruptions of electricity. Subject to delivery of the New Facility in accordance with the Construction Contract Documents: (1) all telephone lines shall be installed and maintained at the expense of UMCMC; (2) UMCMC shall be responsible for providing adequate entrance cable and facilities into the Leased Premises to accommodate the telephone, computer and other electronic needs of the Leased Premises; and (3) UMCMC shall provide terminal and equipment space where buildings and fire codes require, and conduits of sufficient size to meet adequate telecommunication installation requirements.

ARTICLE IX. INSURANCE

Section 9.1 UMCMC Responsibility for Insurance Coverage.

(a) UMCMC shall secure and maintain or cause to be secured and maintained at its sole cost and expense, the following insurance (or, in each case, commercially reasonable programs of self-insurance coupled with commercially reasonable excess insurance):

(i) A policy of comprehensive public liability insurance with respect to the Leased Premises, the Land and any additional improvements to be constructed thereon by UMCMC, and the operations related thereto, whether conducted in, on or off the said Leased Premises, the Land or any additional improvements to be constructed thereon by UMCMC against liability for personal injury (including bodily injury and death) and property damage, of not less than \$5,000,000 in combined single limit liability coverage. Such comprehensive public liability insurance shall specifically include, but shall not be limited to, sprinkler leakage legal liability, water damage legal liability and motor vehicle liability for all owned and non-owned vehicles, including rented or leased vehicles.

(ii) A policy insuring against demolition, pile or any precarious work.

(iii) Boiler and machinery insurance coverage against loss or damage by explosion of steam boilers, pressure vessels and similar apparatus now or hereafter installed on the Leased Premises, in an amount not less than \$5,000,000 with deductible provisions not exceeding \$100,000 per accident.

(iv) Workers' compensation insurance issued by a responsible carrier authorized under the laws of the State to insure employers against liability for compensation under the Labor Code of the State of Louisiana, or any act hereafter enacted as an amendment thereto or in lieu thereof, such worker's compensation insurance to cover all persons employed by UMCMC in connection with the Leased Premises and to cover full liability for compensation under any such act aforesaid.

(v) Pursuant to the provisions of La. R.S. 40:1299.39 or 40:1299.41, et seq., medical malpractice liability insurance insuring claims arising out of malpractice or negligence of the Hospital at the Leased Premises in an amount not less than \$1,000,000 or \$100,000, as the case may be; provided, however, the coverage will be increased to limits reasonably acceptable to LSU and UMCMC if Louisiana law limiting the amount of such Claims is repealed or amended to raise the limits on such Claims.

Section 9.2 ORM Insurance.

(a) LSU and DOA shall cause DOA's Office of Risk Management ("ORM") to provide coverage for the Leased Premises against such insurable perils as, under good insurance practice, from time to time are insured for properties of similar character and location which coverage and the premiums charged therefor shall be consistent with risk allocations and premium determination methodology reasonably applicable to state agencies, and UMCMC shall reimburse LSU as additional Rent for the cost of such coverage within fifteen (15) days of UMCMC's receipt of ORM's invoice to LSU therefore. In addition to the cost of ORM's invoice, UMCMC shall pay to LSU an administrative fee as agreed to by the parties in the Master Collaboration Agreement to be entered into by LSU and UMCMC in order to reimburse LSU for its administrative cost. Both the reimbursement of the ORM premium and the administrative fee shall be paid directly to LSU separate from any lease payments, and may be placed by LSU in a restricted account to fund the costs administered during the insurance program. The equipment shall be insured in accordance with the provisions of the Equipment Lease. With the consent of the parties, UMCMC can provide and pay for reasonably comparable coverage as that provided by ORM pursuant to this Section 9.2(a).

(b) UMCMC shall be responsible for administering the current ORM required facility safety program ILH shall be responsible for the development of the ORM required safety program in consultation with LSU and ORM for the New Facility. Furthermore, UMCMC shall comply with all ORM requirements and regulations required for LSU to obtain and maintain ORM coverage from ORM on the Interim Facility and on the New Facility.

(c) UMCMC shall be responsible for payment of any deductible equal to \$1,000.

Section 9.3 Additional Requirements.

(a) UMCMC shall obtain commercial insurance coverage or, where authorized in this Article IX, programs of self-insurance in order to comply with the insurance required to be maintained by UMCMC under this Article. All insurance policies required of UMCMC in this Article and all renewals of such insurance shall be issued by companies authorized to transact business in the State, and rated at least A- Class VIII by Best's Insurance Reports (property liability) or as approved by LSU. All insurance policies provided by UMCMC shall expressly provide that the policies shall not be canceled or altered without 30 days' prior written notice to LSU; and shall, to the extent obtainable, provide that no act or omission of UMCMC which would otherwise result in forfeiture or reduction of the insurance will affect or limit the obligation of the insurance company to pay the amount of any loss sustained. UMCMC may satisfy its obligation under this Section by appropriate endorsements of its blanket or excess insurance policies.

(b) All policies of insurance UMCMC maintains according to this Lease (other than any policy of worker's compensation insurance) will name LSU and such other LSU related persons or entities as LSU specifies from time to time as additional insureds, and LSU

shall also be named as a loss payee on any property damage insurance. Original or copies of original policies (together with copies of the endorsements naming LSU, and any related persons or entities specified by LSU, as additional insureds) and evidence of the payment of all premiums of such policies will be delivered to LSU upon occupancy of the Leased Premises and from time to time at least 30 days prior to the expiration of the term of each policy. All public liability, property damage liability, and casualty policies maintained by UMCMC shall be written as primary policies, not contributing with and not in excess of coverage that LSU may carry, if any.

(c) Any program of self-insurance by UMCMC authorized in this Article IX shall be a commercially reasonable program of self-insurance coupled with a reasonably acceptable excess insurance coverage complying with this Section 9.3.

(d) Waiver of Subrogation. Anything in this Lease to the contrary notwithstanding, LSU and UMCMC each hereby waive any and all rights of recovery, claims, actions and causes of action against the other, its directors, agents, officers, and employees for any injury, death, loss or damage that may occur to persons or the Leased Premises or to any part thereof or to any personal property of such party therein by reason of fire, the elements, or any cause which is insured against under the terms of the policy of casualty insurance that LSU or UMCMC may provide hereunder, to the extent and only to the extent of any proceeds actually received by LSU or UMCMC respectively, and only to the extent the insurer of LSU and UMCMC consents to the provisions of this Section 9.3(d). Each party agrees to use commercially reasonable efforts to obtain such consent and shall notify the other party whether or not such consent is obtained.

Section 9.4 Condemnation, Casualty and Other Damage. In the event of risk of loss or decrease in the enjoyment and beneficial use of the Leased Premises due to any damage or destruction thereof by acts of God, fire, flood, natural disaster, the elements, casualties, thefts, riots, civil strife, lockout, war, nuclear explosion, terrorist attack or otherwise (collectively “**Casualty**”); or in consequence of any foreclosures, attachments, levies or executions not arising out of acts of UMCMC, or by the taking of all or any portion of the Leased Premises by condemnation, expropriation, or eminent domain proceedings (collectively, “**Expropriation**”), the Rent shall be reduced equitably until the Leased Premises are restored.

Section 9.5 Restoration Obligations. UMCMC shall have no obligation to repair, restore or replace the Interim Facility in the event of a Casualty. If all or any portion of the New Facility is damaged or destroyed by a Casualty after the New Facility Commencement Date, DOA shall, as expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted the repair, restoration, or replacement thereof, at DOA’s sole cost and expense, in consultation with UMCMC and subject to the provisions of Section 9.6 below. DOA may opt to demolish the damaged or destroyed buildings and construct new replacement buildings or other improvements under the procedures described herein.

Section 9.6 Application of Insurance Proceeds. Upon receipt of any insurance proceeds received on account of any damage or destruction of all or any portion of the Leased Premises, LSU and/or DOA shall use best efforts to apply such proceeds to the repair, restoration and replacement of the Leased Premises. In no event shall LSU be responsible for the adequacy of the plans and specifications or construction contract relating to the replacement, restoration, or repair of the Leased Premises. Any additional funds needed by DOA and/or LSU to accomplish

repairs, restoration and replacement shall be paid and provided by UMCMC (to the extent of the funds paid by UMCMC pursuant to Section 9.2(c)) and DOA.

In the event LSU and/or DOA is unable to repair, restore or replace the Leased Premises for any reason, all insurance proceeds received or payable as a result of such Casualty shall be deposited consistent with state law and the Constitution, and this Lease shall terminate. Within one (1) year of such termination and subject to the provisions of Section 16.16 hereof, DOA shall pay to UMCMC the following: (1) unearned prepaid Rent as of the date of termination and (2) the value as of the termination date of the Unamortized Improvements up to the total amount of the insurance proceeds with respect to such loss, and DOA and LSU shall make best efforts to apply to and to persuade ORM to authorize the utilization of the insurance proceeds to fulfill DOA's obligations to make such payment. If this Lease is not terminated as provided in this Section 9.6, then the Rent shall be equitably abated while the Leased Premises are being replaced, restored or repaired. In the event that the Federal Emergency Management Agency (FEMA) provides funds to the State that are used for the repair, restoration, or replacement of the Leased Premises pursuant to any program under the Stafford Act and such repairs, restoration, or replacement are being or have been used to repair, restore, or replace the Leased Premises, the State shall have discretion to appropriate the funds in any manner not inconsistent with its obligations under the Stafford Act. To the extent of any construction resulting from a Casualty, DOA shall consult with UMCMC and LSU prior to finalizing plans and specifications for such construction, and during the construction when so requested by UMCMC and/or LSU.

Section 9.7 Compensation Award. If the entire Leased Premises shall be taken by Expropriation, this Lease shall terminate as of the date of such taking. If any part of the Leased Premises shall be taken by Expropriation, rendering the remaining portion unsuitable for the

business of UMCMC, UMCMC shall have the option to terminate the Lease. If the Lease is not terminated as provided in this Section 9.7, then the Rent shall be abated for the balance of the Term remaining in proportion to the area so taken, unless DOA and LSU, at their sole option, restore the remaining portion of the Leased Premises to a complete architectural unit of substantially like quality and character as existed prior to such taking or conveyance. Notwithstanding anything to the contrary contained herein, and to the extent permitted by Law, both UMCMC and LSU shall share in all compensation awarded or paid upon a total or partial taking of the Leased Premises based upon their respective interests in the Leased Premises, after taking into consideration any Rent abatement. To the extent permitted by Law, UMCMC shall also have the right to receive and shall be paid a portion of the award to the extent of **the Unamortized Improvements**, and unearned prepaid Rent. UMCMC shall provide all evidence and documentation to support such a claim at its sole cost and expense. If a separate award can be made to UMCMC, UMCMC shall have the right to enter a separate claim against the condemning authority, in which event UMCMC shall not participate in LSU's award.

ARTICLE X. HAZARDOUS MATERIALS

Section 10.1 Hazardous Materials.

(a) Subject to the terms of Section 10.1(k) below, UMCMC shall comply with all Laws relating to the use or occupation of the Leased Premises, including, but not limited to the Asbestos Hazardous Emergency Response Act (AHERA, 15 USC § 2641, et seq.).

(b) UMCMC shall not allow, cause or permit any Hazardous Materials (as defined below) to be generated, maintained, processed, produced, manufactured, used, treated, released, stored, or disposed of in or about the Leased Premises by UMCMC or its officers, directors, employees, agents, invitees or sub-lessees, other than those Hazardous Materials

usually and customarily generated, maintained, processed, produced, manufactured, used, treated, released, stored or disposed of in a hospital, medical office or clinic, as long as such materials are properly, safely, and lawfully stored and used by UMCMC and the quantity of such materials does not equal or exceed a “reportable quantity” as defined in 40 CFR §§ 302 and 305, and as may be amended, and so long as such Hazardous Materials are generated, maintained, processed, produced, manufactured, used, treated, released, stored or disposed of in compliance with all Laws applicable thereto. In no event shall UMCMC cause or permit the deposit, release, or discharge of any Hazardous Materials to the soil or groundwater of or, in the case of the New Facility, under the Leased Premises.

(c) LSU shall have the right to require that UMCMC engage, at its own expense, a contractor to remediate or dispose of all Hazardous Materials used, stored, generated or disposed of by UMCMC or its agents, contractors or subcontractors in the Leased Premises in accordance with Law. For purposes of this Lease, “**Hazardous Material**” means and includes any hazardous substance or any pollutant or contaminant defined as such in (or for purposes of) the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, any so-called “**Superfund**” or “**Superlien**” law, the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., or any other Law regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic or dangerous waste, substance or material, as may now or at any time in the future be in effect, or any other hazardous, toxic or dangerous, waste, substance or material.

(d) UMCMC shall promptly notify LSU in writing, if UMCMC has or acquires notice or actual knowledge that any Hazardous Material has been or is threatened to be released, discharged, disposed of, transported, or stored on, in, under, or from the Leased

Premises during the Term except as allowed by Law. UMCMC shall immediately notify LSU, and provide copies upon receipt of, all complaints, claims, citations, demands, inquiries, reports, or notices relating to the condition of the Leased Premises or the failure of the Leased Premises to comply with all Laws during the Term. UMCMC shall promptly deliver to LSU copies of all notices, reports, correspondence and submissions made by UMCMC to the United States Environmental Protection Agency (EPA), the United States Occupational Safety and Health Administration (OSHA), the Louisiana Department of Environmental Quality (DEQ), DHH, or any other Governmental Authority that requires submission of any information concerning environmental matters or hazardous waste or substances pursuant to all Laws.

(e) UMCMC agrees to indemnify, defend (with counsel reasonably acceptable to LSU at UMCMC's sole cost) and hold LSU, its board members, officers and employees harmless from and against all environmental liabilities and costs, liabilities and obligations, penalties, claims, litigation, demands, defenses, costs, judgments, suits, proceedings, damages (including consequential damages), disbursements or expenses of any kind (including attorneys' and experts' fees and fees and expenses incurred in investigating, defending, or prosecuting any litigation, claim, or proceeding) that may at any time be imposed upon, incurred by or asserted or awarded against LSU or any of them in connection with or arising from or out of:

(i) any misrepresentation, inaccuracy or breach of any warranty, covenant or agreement of UMCMC contained or referenced in this Article;

(ii) any violation by UMCMC of any Law that is the subject of this Article; or

(iii) any negligence, gross negligence, or intentional acts or omissions by UMCMC relating to the handling, transportation, storage, or use of any Hazardous Materials.

(f) Nothing herein shall require UMCMC to indemnify, defend and hold harmless LSU, its board members, officers or employees for any environmental liability arising

from any Hazardous Materials which were present on, in or under the Leased Premises prior to the execution of this Lease.

(g) To the extent authorized by Law, LSU agrees to indemnify, defend (with counsel reasonably acceptable to UMCMC at LSU's sole cost) and hold UMCMC, its board members, officers and employees harmless from and against all environmental liabilities and costs, liabilities and obligations, penalties, claims, litigation, demands, defenses, costs, judgments, suits, proceedings, damages (including consequential damages), disbursements or expenses of any kind (including attorneys' and experts' fees and fees and expenses incurred in investigating, defending, or prosecuting any litigation, claim, or proceeding) that may at any time be imposed upon, incurred by or asserted or awarded against UMCMC or any of them in connection with or arising from or out of:

(i) any misrepresentation, inaccuracy or breach of any warranty, covenant or agreement by LSU contained or referenced to in this Article;

(ii) any violation by LSU of any Law that is the subject of this Article;
or

(iii) any negligence, gross negligence, or intentional acts or omissions by LSU relating to the handling, transportation, storage, or use of any Hazardous Materials.

(h) Nothing herein shall require UMCMC to indemnify, defend and hold harmless DOA, its employees, contractors, or agents for any environmental liability arising from any Hazardous Materials which were present on, in or under the Leased Premises prior to the execution of this Lease.

(i) To the extent authorized by Law, DOA agrees to indemnify, defend (with counsel reasonably acceptable to UMCMC at DOA's sole cost) and hold UMCMC, its board members, officers and employees harmless from and against all environmental liabilities and costs, liabilities and obligations, penalties, claims, litigation, demands, defenses, costs,

judgments, suits, proceedings, damages (including consequential damages), disbursements or expenses of any kind (including attorneys' and experts' fees and fees and expenses incurred in investigating, defending, or prosecuting any litigation, claim, or proceeding) that may at any time be imposed upon, incurred by or asserted or awarded against UMCMC or any of them in connection with or arising from or out of:

(i) any misrepresentation, inaccuracy or breach of any warranty, covenant or agreement by DOA contained or referenced to in this Article;

(ii) any violation by DOA of any Law that is the subject of this Article;
or

(iii) any negligence, gross negligence, or intentional acts or omissions by DOA relating to the handling, transportation, storage, or use of any Hazardous Materials.

(j) The provisions of this Section will be in addition to any and all obligations and liabilities UMCMC may have to LSU and DOA, or LSU and DOA may have to UMCMC pursuant to other provisions of this Lease, and will survive expiration or earlier termination of this Lease.

(k) Notwithstanding the foregoing provisions of this Section 10.1: (i) UMCMC shall have no obligation to remove or remediate any Hazardous Materials contained in, on or under the Interim Facility and LSU shall be solely responsible therefor upon return of the Interim Facility to it at the expiration of the Interim Term, unless caused by or contributed to by UMCMC, and (ii) UMCMC's responsibility for Hazardous Materials with respect to the New Facility shall be limited to the time period following the New Facility Commencement Date.

ARTICLE XI. INDEMNIFICATION

Section 11.1 Additional UMCMC Indemnification. UMCMC shall fully indemnify, defend and hold harmless LSU and its board members, officers, and employees from and against all losses, claims, damages, liabilities, penalties, obligations and expenses, including, without

limitation, costs for counsel, when incurred, incidental to, caused by, connected with, relating to, arising out of, or based upon, directly or indirectly, UMCMC's use of, and/or the activities on, the Leased Premises by UMCMC, its board members, officers, and employees. UMCMC shall further indemnify, defend and hold harmless LSU and its respective officers, directors and employees from any and all claims, demands, litigation or governmental action involving the presence or suspected presence of Hazardous Materials on or in the Leased Premises (other than those present on, in or under the Leased Premises prior to the execution of this Lease or on, in or under the New Facility prior to the New Facility Commencement Date) and any violation of any Law, in each case solely to the extent due to the acts of UMCMC, its agents and employees, occurring after the Commencement Date.

All the foregoing indemnification provisions shall apply to Permitted Uses, as well as uses that are not permitted under this Lease.

Notwithstanding any provision to the contrary contained in this Lease, LSU acknowledges that UMCMC's obligation to indemnify and hold LSU harmless under this Article shall not extend to any loss to the extent arising out of the grossly negligent or willful misconduct of LSU or any of its officers or employees for which LSU is vicariously liable.

Section 11.2 LSU's Indemnification. To the extent authorized by Law, LSU will indemnify, defend and hold harmless UMCMC, and its respective officers, directors and employees from and against any claims, liabilities, damages, costs, penalties, forfeitures, losses, obligations or expenses resulting from any injury, loss or damage to persons or property arising out of the grossly negligent or willful misconduct of LSU and its board members, officers and employees.

Section 11.3 DOA's Indemnification. To the extent authorized by Law, DOA will indemnify, defend and hold harmless UCMCMC, and its officers, directors and employees from and against any claims, liabilities, damages, costs, penalties, forfeitures, losses, obligations or expenses resulting from any injury, loss or damage to persons or property arising out of the grossly negligent or willful misconduct of DOA, its officers and employees.

Section 11.4 Defense and Indemnification Procedures.

(a) Promptly after receipt by a party entitled to indemnity under this Lease (an **"Indemnified Person"**) of notice of the assertion of any claim by a third party (a **"Third-Party Claim"**), whether or not involving any action, arbitration, audit, hearing, investigation, litigation or suit (whether civil, criminal, administrative, judicial or investigative, whether formal or informal, whether public or private) commenced, brought, conducted or heard by or before, or otherwise involving, any governmental body or arbitrator (a **"Proceeding"**), such Indemnified Person shall give notice to the party obligated to indemnify pursuant hereto (an **"Indemnifying Person"**) of the assertion of such Third-Party Claim, provided that the failure to notify the Indemnifying Person will not relieve the Indemnifying Person of any liability that it may have to any Indemnified Person, except to the extent that the Indemnifying Person demonstrates that the defense of such Third-Party Claim is prejudiced by the Indemnified Person's failure to give such notice.

(b) If an Indemnified Person gives notice to the Indemnifying Person pursuant hereto of the assertion of a Third-Party Claim, the Indemnifying Person shall be entitled to participate in the defense of such Third-Party Claim and, to the extent that it wishes (unless (i) the Indemnifying Person is also a person against whom the Third-Party Claim is made and the Indemnified Person determines in good faith that joint representation would be inappropriate or

(ii) the Indemnifying Person fails to provide reasonable assurance to the Indemnified Person of its financial capacity to defend such Third-Party Claim and provide indemnification with respect to such Third-Party Claim), to assume the defense of such Third-Party Claim with counsel satisfactory to the Indemnified Person. After notice from the Indemnifying Person to the Indemnified Person of its election to assume the defense of such Third-Party Claim, the Indemnifying Person shall not, so long as it diligently conducts such defense, be liable to the Indemnified Person under this Article for any fees of other counsel or any other expenses with respect to the defense of such Third-Party Claim, in each case subsequently incurred by the Indemnified Person in connection with the defense of such Third-Party Claim, other than reasonable costs of investigation. If the Indemnifying Person assumes the defense of a Third-Party Claim, no compromise or settlement of such Third-Party Claim may be effected by the Indemnifying Person without the Indemnified Person's written consent unless (A) there is no finding or admission of any violation of a any applicable Law or any violation of the rights of any person; (B) the sole relief provided is monetary damages that are paid in full by the Indemnifying Person; and (C) the Indemnified Person shall have no liability with respect to any compromise or settlement of such Third-Party Claim effected without its written consent.

(c) Notwithstanding the foregoing, if an Indemnified Person determines in good faith that there is a reasonable probability that a Third-Party Claim may adversely affect it other than as a result of monetary damages for which it would be entitled to indemnification under this Lease, the Indemnified Person may, by notice to the Indemnifying Person, assume the exclusive right to defend, compromise or settle such Third-Party Claim, but the Indemnifying person will not be bound by any determination of any Third-Party Claim so defended for the

purposes of this Lease or any compromise or settlement effected without its written consent (which may not be unreasonably withheld).

(d) With respect to any Third-Party Claim subject to indemnification under this Article: (i) both the Indemnified Person and the Indemnifying Person, as the case may be, shall keep the other person fully informed of the status of such Third-Party Claim and any related Proceeding at all stages thereof where such person is not represented by its own counsel, and (ii) the parties agree (each at its own expense) to render to each other such assistance as they may reasonably require of each other and to cooperate in good faith with each other in order to ensure the proper and adequate defense of any Third-Party Claim.

(e) With respect to any Third-Party Claim subject to indemnification under this Article, the parties agree to cooperate in such a manner as to preserve in full (to the extent possible) the confidentiality of all Confidential Information (as defined in the CEA) and the attorney-client and work-product privileges. In connection therewith, each party agrees that, to the extent allowed by law: (i) it will use its commercially reasonable efforts, in respect of any Third-Party Claim in which it has assumed or participated in the defense, to avoid production of Confidential Information (consistent with applicable Law and rules of procedure), and (ii) all communications between any party hereto and counsel responsible for or participating in the defense of any Third-Party Claim shall, to the extent possible, be made so as to preserve any applicable attorney-client or work-product privilege.

(f) A claim for indemnification for any matter not involving a Third-Party Claim may be asserted by notice to the party from whom indemnification is sought and shall be paid promptly after such notice.

**ARTICLE XII.
TAXES, FEES AND LICENSES**

Section 12.1 Payment of Taxes. UMCMC shall collect and pay to the appropriate collecting authorities all federal, state and local taxes and fees, which may not or may hereafter be levied on the Leased Premises, UMCMC Improvements, or the business conducted by UMCMC in the Leased Premises.

Section 12.2 Licenses. UMCMC shall maintain in effect all federal, state and local licenses and permits required for the operation of the Hospital in the Leased Premises.

**ARTICLE XIII.
DEFAULT BY UMCMC; TERMINATION; OTHER REMEDIES**

Section 13.1 Default. Each of the following shall be an Event of Default by UMCMC (herein “**UMCMC Event of Default**”) under the terms of this Lease:

- (a) Failure by UMCMC to pay Rent to LSU on the date on which payment is due under this Lease, and this failure shall not be cured within ten (10) days after said Rent is due.
- (b) Failure by UMCMC to continually operate, prior to the Transition Period, the Interim Facility and, after the Transition Period, the New Facility as a hospital and for one or more of the Permitted Uses.
- (c) UMCMC’s use of the Leased Premises for any use that is not one of the Permitted Uses.
- (d) Any material representation or warranty made by UMCMC in this Lease shall be false or misleading on the date it was made.
- (e) Engaging in, or allowing its employees, contractors, subcontractors, permittees, invitees or agents to engage in unlawful activities in the Leased Premises and failing to take prompt action to stop said illegal activities after obtaining knowledge thereof.

(f) Failure to comply with any order issued by the State Fire Marshal's Office, other state or federal agency, or FPC as the building official within the timeframe mandated by such office, except to the extent UMCMC is appealing such order in any manner permitted by applicable Law.

(g) Failure to obtain and maintain all insurance as required under this Lease (other than that to be provided by ORM pursuant to Section 9.1 hereof), and/or to furnish evidence thereof and/or evidence of payment thereof to LSU and to ORM.

(h) Failure to obtain and maintain any material permits, licenses, or certification required by any federal or state agency or this Lease, if such failure would have a material adverse effect on the operation of the Leased Premises as a hospital.

(i) Failure to maintain the Leased Premises in accordance with this Lease.

(j) A court order for relief in any involuntary case commenced against UMCMC, as debtor, under the Federal Bankruptcy Code, as now or hereafter constituted, and said order is not vacated within 120 days, or the entry of a decree or order by a court having jurisdiction appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator, or other similar official of, or for UMCMC or a substantial part of the properties of UMCMC or order winding up or liquidation of the affairs of UMCMC, and the continuance of any such decree or order unstayed and in effect for 120 consecutive days.

(k) Commencement by UMCMC of a voluntary case under the Federal Bankruptcy Code, as now or hereafter constituted.

(l) Voluntary dissolution of UMCMC.

(m) Failure to comply with the material terms of this Lease.

Section 13.2 Termination; Other Remedies.

(a) Except as otherwise provided herein, LSU may, but shall not be obligated to, terminate this Lease upon the occurrence of any of the following UMCMC Events of Default:

(i) Failure by UMCMC to pay Rent to LSU on the date on which payment is due under this Lease, and this failure shall not be cured within ten (10) days after said Rent is due;

(ii) Failure by UMCMC to continually operate, prior to the Transition Period, the Interim Facility and, after the Transition Period, the New Facility as a hospital and for one or more of the Permitted Uses;

(iii) UMCMC's use of the Leased Premises for any use that is not one of the Permitted Uses;

(iv) A court order for relief in any involuntary case commenced against UMCMC, as debtor, under the Federal Bankruptcy Code, as now or hereafter constituted, and said order is not vacated within 120 days, or the entry of a decree or order by a court having jurisdiction appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator, or other similar official of, or for UMCMC or a substantial part of the properties of UMCMC or order winding up or liquidation of the affairs of UMCMC, and the continuance of any such decree or order unstayed and in effect for 120 consecutive days; or

(v) Commencement by UMCMC of a voluntary case under the Federal Bankruptcy Code, as now or hereafter constituted;

provided that UMCMC is given, in writing, notice specifying UMCMC's failure and UMCMC fails to correct the alleged failure within thirty (30) Business Days (a "**Business Day**" being any day except a Saturday, Sunday or other day on which the LSU System Office is closed) following UMCMC's receipt of the notice specifying the failure; or UMCMC fails to correct the alleged failure within such longer period of time as may be reasonably required to cure if UMCMC begins to cure this failure within thirty (30) Business Days after its receipt of this notice and continues this cure with reasonable diligence for such period as is reasonably necessary to cure the failure:

(b) Except as set forth in Section 13.2(a) above, LSU may, but shall not be obligated to, exercise any remedy provided by applicable Law, other than termination of this

Lease, upon the occurrence of a UMCMC Event of Default, provided that UMCMC is given, in writing, notice specifying UMCMC's failure and UMCMC fails to correct the alleged failure within thirty (30) Business Days following UMCMC's receipt of the notice specifying the failure; or UMCMC fails to correct the alleged failure within such longer period of time as may be reasonably required to cure if UMCMC begins to cure this failure within thirty (30) Business Days after its receipt of this notice and continues this cure with reasonable diligence for such period as is reasonably necessary to cure the failure.

(c) Notwithstanding the foregoing, in the event this Lease is terminated by LSU, pursuant to Section 13.2(a) prior to the expiration of the Term, the CEA shall control with respect to the rights of the parties resulting from such termination.

Section 13.3 Force Majeure. UMCMC shall not be deemed to be in default or otherwise responsible for delays or failures in performance resulting from events of Force Majeure.

ARTICLE XIV. DEFAULT BY LSU OR DOA; TERMINATION; OTHER REMEDIES

Section 14.1 LSU Default. A default by LSU (herein "**LSU Event of Default**") will occur under this Lease if LSU fails to perform any of its obligations under this Lease, and such failure is not cured within thirty (30) Business Days after LSU's receipt of written notice from UMCMC of this failure; however, no LSU Event of Default will occur if LSU begins to cure this failure within thirty (30) Business Days after its receipt of this notice and continues this cure with reasonable diligence for such period as is reasonably necessary to cure the failure.

Section 14.2 DOA Default. A default by DOA (herein "**DOA Event of Default**") will occur under this Lease if DOA or the State fails to perform any of its obligations under this Lease, and such failure is not cured within thirty (30) Business Days after DOA's receipt of

written notice from UMCMC of this failure; however, no DOA Event of Default will occur if DOA begins to cure this failure within thirty (30) Business Days after its receipt of this notice and continues this cure with reasonable diligence for such period as is reasonably necessary to cure the failure.

Section 14.3 Termination; Other Remedies.

(a) Except as otherwise provided herein, UMCMC may, but shall not be obligated to, terminate this Lease upon the occurrence of one or more of the following LSU Events of Default or DOA Events of Default:

(i) Default by LSU and/or DOA of the warranty of peaceful possession to the extent given in Section 2.4, or

(ii) Failure to achieve the New Facilities Commencement Date;

provided that LSU or DOA, as applicable, is given, in writing, notice specifying such failure and LSU or DOA, as applicable, fails to correct the alleged failure within thirty (30) Business Days following its receipt of the notice specifying the failure; or LSU or DOA, as applicable, fails to correct the alleged failure within such longer period of time as may be reasonably required to cure if LSU or DOA, as applicable, begins to cure this failure within thirty (30) Business Days after its receipt of this notice and continues this cure with reasonable diligence for such period as is reasonably necessary to cure the failure.

(b) Except as otherwise provided in Section 14.3(a) above, UMCMC may, but shall not be obligated to, exercise any remedy provided by applicable Law, other than termination of this Lease, upon the occurrence of a LSU Event of Default or a DOA Event of Default, provided that LSU or DOA, as applicable, is given, in writing, notice specifying such failure and LSU or DOA, as applicable, fails to correct the alleged failure within thirty (30) Business Days following its receipt of the notice specifying the failure; or LSU or DOA, as

applicable, fails to correct the alleged failure within such longer period of time as may be reasonably required to cure if LSU or DOA, as applicable, begins to cure this failure within thirty (30) Business Days after its receipt of this notice and continues this cure with reasonable diligence for such period as is reasonably necessary to cure the failure.

(c) Notwithstanding the foregoing, in the event this Lease is terminated prior to the expiration of the Term solely for a LSU Event of Default and/or a DOA Event of Default as set forth in Section 14.3(a) above, the CEA shall control with respect to the rights of the parties resulting from such termination.

Section 14.4 Force Majeure. Neither LSU nor DOA shall be deemed to be in default or otherwise responsible for delays or failures in performance resulting from an event of Force Majeure; provided, however, for purposes of Section 14.3(a)(i), a breach of the warranty against peaceful possession to the extent given in Section 2.4 shall not be subject to Force Majeure.

ARTICLE XV. NOTICES

Any and all notices required or appropriate under this Lease shall be in writing and shall be sent by (a) personal delivery; (b) recognized overnight delivery service with proof of delivery; or (c) registered or certified United States mail, postage prepaid, receipt requested, to the following addresses:

LSU:

Board of Supervisors of Louisiana State
University and Agricultural and
Mechanical College
3810 West Lakeshore Drive
Baton Rouge, Louisiana 70808
Attn: President of LSU System

With a copy to:

LSU System Office

UMCMC:

Louisiana Children's Medical Center
200 Henry Clay Avenue
New Orleans, Louisiana 70118
Attn: Steve Worley
Ricardo Guevara

With a copy to:

Louisiana Children's Medical Center

3810 West Lakeshore Drive
Baton Rouge, Louisiana 70808
Attn: Vice President of Health Affairs

200 Henry Clay Avenue
New Orleans, Louisiana 70118
Attn: General Counsel

With a copy to:

Taylor, Porter, Brooks & Phillips, L.L.P.
Attn: LSU Health Care Partner
451 Florida St., 8th Floor
Baton Rouge, Louisiana 70801

With a copy to:

Kantrow, Spaht, Weaver & Blitzer
(APLC)
Attn: Lee C. Kantrow, Esq.
445 North Blvd., Ste. 300
Baton Rouge, Louisiana 70802

DOA:

Division of Administration
Commissioner of Administration
Office of Facility Planning and Control
Division of Administration
Claiborne Building
1201 North Third Street
Baton Rouge, Louisiana 70801

Any such notice or communication shall be deemed to have been given either at the time of personal delivery, subject to verification of service or acknowledgement of receipt, one (1) Business Day after deposit with a nationally recognized overnight delivery service, or three (3) days after mailing via United States Certified Mail, return receipt requested.

Each party shall immediately inform all other parties, in writing and in accordance with this Section, of any changes in personnel or address for the purpose of sending required notices.

**ARTICLE XVI.
MISCELLANEOUS**

Section 16.1 LSU's Right to Enter Property. LSU reserves the right to enter the Leased Premises at any time to inspect the property, as long as LSU's inspection does not unreasonably interfere with the operation of UMCMC business or violate any privacy or confidentiality obligations owed by UMCMC to its patients or other persons. LSU shall provide

UMCMC with reasonable advance notice of its intent to inspect the Leased Premises, unless notice is impossible or impractical. UMCMC shall have the right to have a representative accompany LSU during such entry and inspection. UMCMC shall not deny LSU reasonable access to the Leased Premises as permitted hereby.

Section 16.2 Relationship of Parties. Nothing contained herein shall be deemed or construed by the parties, or by any third party, as creating the relationship of principal and agent, partners, joint venturers, or any other similar such relationship, between the parties. It is understood and agreed that no provision contained herein nor any actions of the parties hereto creates a relationship other than the relationship between LSU and UMCMC as lessor and lessee and as described in the CEA. In no event shall the officers, directors, employees or agents of UMCMC or its affiliates be liable personally for any of the obligations of UMCMC hereunder.

Section 16.3 Waiver. The parties agree that a party's failure to insist on strict performance of any term or condition of this Lease shall not constitute a waiver of that term or condition, even if the party accepting or acquiescing in the non-conforming performance knows of the nature of the performance and fails to object to it. No waiver or breach shall affect or alter this Lease but each of the terms of this Lease shall continue in full force and effect with respect to any other then existing or subsequent breach thereof. No waiver of any default hereunder by a party shall be implied from any omission by such party to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the express waiver for the time and to the extent therein stated. One or more waivers shall not be construed as a waiver of a subsequent breach of the same covenant, term, or condition.

Section 16.4 Severability and Reformation. If any term, provision, covenant or condition of this Lease is held unenforceable or invalid for any reason and not susceptible to reformation due to a change in applicable Law or regulation, the remaining portions or provisions shall continue in full force and effect, unless the effect of such severance would be to substantially alter the Lease or obligations of the parties, in which case the Lease may be immediately terminated.

Section 16.5 Recordation of Lease. UMCMC may, at its election, record an extract of this Lease in the Office of the Parish Recorder of the Parish of Orleans. The Extract of Lease agreement shall be in a form approved by LSU, which approval shall not be unreasonably withheld, unreasonably conditioned or unreasonably delayed. UMCMC shall provide LSU and DOA with a certified copy of the recorded Extract of Lease. Recordation of the Extract of Lease shall be at UMCMC expense.

Section 16.6 Successors and Assigns. This Lease shall be binding on and will inure to the benefit of the parties to this Lease and their respective successors and assigns, provided any such assignment was made in a manner consistent with the terms of this Lease.

Section 16.7 Counterparts. This Lease may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together will constitute only one agreement. For purposes hereof, facsimile and electronically scanned pdf copies hereof and facsimile and electronically scanned pdf signatures hereof shall be authorized and deemed effective.

Section 16.8 Entire Agreement. This Lease, which includes the Recitals and the Exhibits attached hereto, all of which are incorporated herein and made a part hereof, constitutes the entire agreement of the parties with respect to the subject matter hereof, and all terms and

conditions agreed upon among the parties with respect to the subject matter hereof are contained herein. No verbal commitments, except those reduced to writing in this Lease, have any binding effect. Any amendments to this Lease must be reduced to writing and signed by all parties.

Section 16.9 Choice of Law. This Lease shall be construed under and in accordance with the Laws of the State of Louisiana, and, in the event of a court proceeding, any such proceeding shall be filed in the Louisiana Nineteenth Judicial District Court.

Section 16.10 Authorized Representatives of the Parties. In any instance in which the approval or consent of a party is required, it shall be given on behalf of LSU by the President of the LSU System or his successor or designee, on behalf of UMCMC by UMCMC's President and Chief Executive Officer, and on behalf of DOA by the Commissioner of Administration. Except as otherwise specifically set forth in this Lease, any required consent from any party hereto shall not be unreasonably conditioned, unreasonably delayed or unreasonably withheld.

Section 16.11 Waiver of Lessor's Lien and Privilege. In the event UMCMC requests that LSU waive or subordinate its lessor's lien and privilege under Louisiana law, LSU shall not unreasonably withhold, unreasonably condition or unreasonably delay its consent to such request. Any failure of LSU to respond within thirty (30) days of receipt of such a written request shall be deemed consent.

Section 16.12 Force Majeure. For purposes of this Lease, the term "**Force Majeure**" shall include strike, lockout, earthquake, hurricane, flood, fire, or other acts of God or nature, war, rebellion, terror, civil disorders, laws, regulations, acts of civil or military authorities (including the denial or cancellation of any export or other necessary license), unavailability of materials, carriers or communications facilities, and any other causes beyond the reasonable

control of the party whose performance is affected. The parties shall use all reasonable efforts to minimize the consequences of Force Majeure.

Section 16.13 Right to Purchase Equipment and Inventory Upon Termination. LSU shall have the right to purchase UMCMC's then-owned equipment and inventory used in the Leased Premises upon termination of this Lease at fair market value as reasonably agreed upon by the parties. In the event LSU elects to exercise such option, LSU shall give UMCMC notice of such election not less than sixty (60) days prior to the termination date of the Termination Wind Down Period (as defined in the CEA). Failure of LSU to timely provide such notice, the parties to agree upon the fair market value, or LSU to pay the agreed upon fair market value prior to the termination of the Lease, shall be deemed a waiver of the right to purchase and UMCMC may remove the same. This right to purchase shall not be applicable to any equipment, inventory or other movables subject to security interests now or hereafter granted by UMCMC. Upon termination of this Lease and the waiver of the right to purchase, UMCMC shall have the right to remove all equipment and other movables owned or leased by it (other than equipment and inventory leased by LSU to UMCMC) so long as the removal occurs within thirty (30) days of termination of this Lease.

Section 16.14 Survival. The provisions of Sections 2.4(a), 6.1(b), 6.2(a), 6.2(b), 13.2, 14.3, 16.13 and 16.16 and of Articles X and XI shall survive termination of this Lease and shall continue until the obligations of DOA, LSU and UMCMC thereunder, as the case may be, are fully performed.

Section 16.15 Estoppel Certificate. Each of UMCMC, LSU and DOA shall at any time and from time to time, upon not less than fifteen (15) days' prior written request by any party hereto, execute, acknowledge and deliver to such other party, its respective mortgagee,

purchaser, or any other third party designated by such party, to the extent factually accurate, a statement in writing in the form of **Exhibit “E”** attached hereto and made a part hereof. Each of UMCMC and LSU further agrees to certify to any prospective purchaser or mortgagee any other reasonable information specifically requested by such prospective purchaser or mortgagee.

Section 16.16 Funding Requirement. Notwithstanding anything to the contrary contained in this Lease, all State, DOA and LSU obligations under this Lease to make payments of any kind in a future year, shall be subject to appropriation by the Louisiana Legislature of sufficient funds therefor and the availability of funds following Legislative appropriation; provided, however, and notwithstanding anything to the contrary contained herein or in the CEA, any and all obligations of any party pursuant to this Lease to refund prepaid Rent to UMCMC or to refund the Unamortized Improvements to UMCMC shall be subject to, and contingent upon, appropriation by the Louisiana Legislature of sufficient funds specifically and expressly appropriated for refunding or paying of such sums to UMCMC by LSU and/or DOA (the **“UMCMC Appropriation”**), and any such obligation by any obligor is limited only to the portion of said UMCMC Appropriation which the respective obligor receives. In the event that UMCMC is due a refund of prepaid Rent, or the Unamortized Improvements, pursuant to the provisions of this Lease or the CEA, the State, the DOA and LSU agree to make good faith best efforts to seek specific appropriation for such refund by the Louisiana Legislature each year until paid in full, and DOA and/or LSU shall include in one or more of their annual budget requests, a request for the appropriation of funds for the purpose of making such refund of prepaid Rent or the Unamortized Improvements to UMCMC pursuant to this Lease or the CEA. UMCMC may pursue all legal remedies available under applicable laws to enforce the obligations of LSU and DOA hereunder.

EXHIBIT 4.2

FORM OF RIGHT OF USE, POSSESSION AND OCCUPANCY AGREEMENT

The form of the Right of Use, Possession and Occupancy Agreement is attached hereto.

RIGHT OF USE, POSSESSION AND OCCUPANCY AGREEMENT

BE IT KNOWN, that on this 29th day of May, 2013, before the undersigned Notaries Public, duly commissioned and qualified and in the presence of the undersigned competent witnesses, personally came and appeared:

BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE, a public constitutional corporation of the State of Louisiana, represented herein by William L. Jenkins, Interim President of the Louisiana State University System, duly authorized by virtue of a resolution of the Board of Supervisors, adopted April 17, 2013, a copy of which is on file and of record, with a mailing address of 3810 West Lakeshore Drive, Louisiana State University, Baton Rouge, Louisiana 70808 (Federal I.D. No. XX-XXX0848) (hereinafter referred to as "**LSU**");

THE STATE OF LOUISIANA, THROUGH THE DIVISION OF ADMINISTRATION (the "**State**"), herein represented and appearing through Kristy H. Nichols, Commissioner of Administration, Division of Administration, Office of the Governor, State of Louisiana, under the authority granted pursuant to La. R.S. 39:11 and other applicable law, whose mailing address is Post Office Box 94095, Baton Rouge, Louisiana 70804-9095, (with the State and LSU collectively, "**Grantor**");

and

UNIVERSITY MEDICAL CENTER MANAGEMENT CORPORATION, a Louisiana nonprofit corporation represented herein by Robert V. "Bobby" Yarborough, Chair, duly authorized by virtue of a joint unanimous consent of its Members and Board of Directors, dated effective as of April 23, 2013, a copy of which is on file and of record, with a mailing address of 200 Henry Clay Avenue, New Orleans, Louisiana 70118 (Federal I.D. No. XX-XXX5187) (hereinafter referred to as "**UMCMC**" or "**Grantee**"), whose sole member, as of this date, is Louisiana Children's Medical Center, a Louisiana nonprofit corporation represented herein by Steve Worley, duly authorized by virtue of resolution of its Board of Directors adopted March 28, 2013, a copy of which is on file and of record, with a mailing address of 200 Henry Clay Avenue, New Orleans, Louisiana 70118 (hereinafter referred to as "**LCMC**"),

who declare and agree as follows:

THIS RIGHT OF USE, POSSESSION AND OCCUPANCY AGREEMENT (the "**Agreement**") is entered into as of the 29th day of May, 2013 by and among LSU and the State, as grantor, and UMCMC as grantee.

WHEREAS, Grantor is in possession of those certain parcels of land, located in New Orleans, Louisiana, as more fully described on **Exhibit A**, attached hereto, and made a part hereof, hereinafter referred to as the “**Land**”;

WHEREAS, Grantor has certain rights in and to the Land;

WHEREAS, Grantor has granted a lease of the new hospital buildings, an utility building, an ambulatory care building, and a parking garage building being constructed on the Land to UMCMC as set forth and described in that certain Master Hospital Lease by and among LSU, the State and UMCMC dated as of May 29, 2013 (the “**Hospital Lease**”), all as provided in that Cooperative Endeavor Agreement (the “**CEA**”) dated as of May 29, 2013 by and among the above parties and others;

WHEREAS, the buildings being leased to UMCMC pursuant to the Hospital Lease (other than the buildings comprising the “**Interim Facility**” as defined in the CEA) (collectively, the “**Leased Buildings**”) are located on portions of the Land;

WHEREAS, the Hospital Lease does not include the Land;

WHEREAS, the Leased Buildings and certain surface improvements (the “**Surface Improvements**”) are being constructed by the Division of Administration, Office of Facility Planning and Control (“**OFFP**”); and

WHEREAS, the parties hereto now desire to enter into this Agreement to provide UMCMC with the right of use, possession and occupancy of the Land, the Surface Improvements and other improvements now or hereafter located on the Land useful in connection with the operations of Grantee and others in the Leased Buildings as permitted by the Hospital Lease, in order to provide access to the Leased Buildings, allow the Leased Buildings to be located on the Land and as further described below.

NOW THEREFORE, in consideration of the above, the mutual covenants and promises contained herein, in the Hospital Lease and in the CEA, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Grant of the Right of Use, Possession and Occupancy; Construction of Improvements. Grantor hereby grants to Grantee, and Grantee hereby accepts from Grantor, a right of use and the right of possession and occupancy (collectively, the “**Right of Use**”) of the Land and the Surface Improvements for the purposes of allowing the Leased Buildings and future buildings and other improvements to be located on the Land, vehicular and pedestrian ingress and egress to and from the Leased Buildings and future improvements, parking and related uses. This grant of the Right of Use includes real rights in favor of Grantee. In connection with its exercise of the Right of Use, Grantee shall be entitled to permit its employees, contractors, agents, tenants, subtenants, assigns, invitees, licensees and/or permittees to use the Right of Use. The Right of Use includes, but is not limited to, a personal servitude of right of use under Civil Code Articles 639, et seq., and, as an additional independent right hereunder, a usufruct under Civil Code Articles 535, et seq. (which usufruct shall be for the maximum term allowed by law unless this Agreement is earlier terminated pursuant to the terms hereof), all subject to the terms of this

Agreement. The State shall cause OFP to complete the construction of the Leased Buildings and the Surface Improvements in accordance with the plans and specifications for such Leased Buildings and improvements as have heretofore been reviewed by and are acceptable to UMCMC (the “**Plans and Specifications**”), pursuant to the Construction Management Agreement, as amended to the date hereof (the “**Construction Contract**” and together with the Plans and Specifications, the “**Construction Contract Documents**”) between OFP and Skanska MAPP, a Joint Venture (the “**Construction Manager**”), subject to any future change orders/amendments as may be approved by OFP and subject to further approval of Grantee, such approval by Grantee not to be unreasonably withheld, unreasonably conditioned or unreasonably delayed. Grantee may, at its election, construct and install (i) additional surface parking, sidewalks, drives, lighting, signage, utilities, landscaping and non-building related improvements in, on or under the Land, and (ii) a second parking garage building on Tulane Avenue reasonably comparable in size and configuration to the parking garage being constructed under the Construction Contract Documents, in each case as may be required by Grantee, all subject to the prior written approval of Grantor, which approval shall not be unreasonably withheld, unreasonably conditioned or unreasonably delayed. Subject to the terms hereof, this Right of Use shall be exclusive except as to (i) rights of the public to use the park area in Block 519, (ii) access rights of the public over any open segments of the original street grid locations as they may exist from time to time, (iii) rights of Grantor to exercise reasonable access necessary to exercise Grantor’s rights and obligations under the CEA and the Hospital Lease, including completing the construction of the Leased Buildings and inspecting the Leased Buildings and the Land, and (iv) such future rights to which Grantee may hereafter approve. It is expressly agreed that neither LSU, nor the State, has any obligation to monitor the exclusivity of the Right of Use, provided, however, each of LSU and the State warrants Grantee’s peaceful possession as hereinafter described and agrees to defend the same. Any future construction of improvements including buildings on the Land by Grantor or Grantee after completion of the work under the Construction Contract Documents will require the written approval and consent of Grantor and Grantee, which consent shall not be unreasonably withheld, unreasonably conditioned or unreasonably delayed. Any improvements constructed by Grantee or Grantor will be used for reasonable and customary purposes consistent with and related to Grantee’s operation of a hospital and medical offices and ambulatory care services in the Leased Buildings (as provided in the Hospital Lease). The construction of any improvements shall be subject to design and construction oversight and approval by OFP, to the extent required under applicable law, which shall not be unreasonably withheld or unreasonably delayed, but may be conditioned upon OFP building and safety code requirements. Any building improvements constructed by Grantee hereunder shall be owned by Grantee during the term of this Agreement and may not be transferred, assigned, leased or encumbered by Grantee without the prior written consent of LSU which approval shall not be unreasonably withheld, unreasonably conditioned or unreasonably delayed; provided further that no such consent of LSU will be required to lease portions of such buildings to the extent such lease would constitute a permitted sublease under the terms of the Hospital Lease if the space was in the Leased Buildings and such lease would prohibit any subleases; and provided further that LSU may condition its approval on the proposed assignee, transferee, lessee or mortgagee agreeing to the provisions contained in the Hospital Lease as to restrictions and limitations on any subleases of the Leased Buildings.

2. Term. This Agreement shall commence upon the New Facility Commencement Date (as defined in the Hospital Lease) and shall only terminate and expire when the Hospital Lease terminates, whether by the expiration of its term (as it may be extended) or otherwise, and at that time all of the improvements, including buildings, landscaping, and any other permanent installations constructed on the Land, if not previously fully owned by LSU, shall vest in LSU in accordance with the CEA in full ownership, with no liability or responsibility for payment by Grantor, other than and only to the extent of Grantor's liability, as provided in the CEA or the Hospital Lease, if any, and with no liability or responsibility of Grantee for removal, if such improvements were constructed in accordance with this Agreement or the Hospital Lease with Grantor's consent. If the Hospital Lease terminates, and UMCMC continues to operate the hospital during any Termination Wind Down Period (as defined in the CEA), even though this Agreement has terminated, the rights of use, possession, occupancy and the right of ingress and egress over the Land granted hereunder shall continue during such period.

3. Grantee's Work. Grantee and its agents and contractors shall perform any necessary maintenance and repairs to any improvements to be located on the Land under the Right of Use in a workmanlike manner (the "Work"), and in compliance with applicable codes, laws, ordinances and regulations, including without limitation, the applicable building code, fire code, and handicap accessibility requirements. Grantee, at its sole cost and expense, will, with respect to the Work, acquire (or cause to be acquired) all permits, licenses and approvals required by all applicable law, ordinance or regulation.

4. Utilities and Services. Grantee shall promptly pay (or cause to be paid) all fees, costs and charges for all services used or consumed by or on behalf of Grantee, or its permitted tenants, subtenants, or assigns, if any, during the term of this Agreement, including without limitation, electricity, gas, water systems, septic systems, sewer systems, telephone, refuse, cable, communications, janitorial, and other services used by any of them in relation to their activities conducted under this Agreement on or in the Land.

5. Limited Waiver of Warranty; Indemnity; Defense of Peaceful Possession. Except as otherwise provided in this Agreement, Grantor makes no warranty of title, and makes no warranty of fitness or condition of the Land, including the subsoil, and/or any underground conditions, and/or any environmental matters (and Grantee waives and renounces any and all such warranties, including warranties against latent or redhibitory defects), other than the warranty of peaceful possession against eviction from, or disturbance in fact caused by a person who successfully asserts ownership or a right to possession pursuant to a final definitive judgment of, the Land or the Surface Improvements, in whole or in material part, which adversely and materially affects the operations of the hospital in the Leased Buildings. Notwithstanding the foregoing, the State and LSU hereby agree that the State and LSU, at their sole cost, shall defend and indemnify UMCMC against any and all claims and lawsuits challenging the right of UMCMC to use and occupy, or otherwise disturbing materially UMCMC's actual physical possession of, all or part of the Land or improvements which adversely affects the operations of the hospital in the Leased Buildings. Subject to the State's completion of the improvements in accordance with the Construction Contract Documents and the State's obligation to correct any construction defects as hereinbelow described, Grantee hereby accepts the Land in its present AS IS condition and agrees to indemnify and hold Grantor harmless from and against any claims, demands, or causes of action caused by the use of the

Land by Grantee or its employees, contractors, agents, tenants, subtenants, assigns, invitees and/or permittees.

6. Maintenance, Repairs and Replacement.

A. With respect to the activities that are contemplated to occur on and in the Land by or on Grantee's behalf under this Agreement, Grantee hereby agrees that Grantor shall have no responsibility for conducting any repair, replacement, or maintenance on or in the Land or any improvements located or to be located thereon, except that the State agrees to pursue vigorously all claims related to its construction of the improvements made by it under the Construction Contract Documents within a period of five (5) years from the date of substantial completion thereof and will consult with UMCMC with respect to such pursuit. At the conclusion of such five (5) year period, the State shall assign to UMCMC all of its respective warranty claims, if any, against the Construction Manager and any contractor, subcontractor and/or equipment suppliers/manufacturers under the Construction Contract Documents arising from the failure of the Leased Buildings and Surface Improvements to be constructed and delivered in accordance with the Construction Contract Documents, other than those relating to pending claims the State is then pursuing. If any claims or manufacturer warranties are not assignable, the State or LSU shall pursue vigorously all such claims and shall consult with UMCMC with respect to such pursuit.

B. In addition, except as provided in this Paragraph 6, Grantee shall perform any and all maintenance, repairs and replacements necessary to maintain the improvements on the Land in a good, workmanlike and safe condition, all at Grantee's sole cost and expense; provided however this obligation shall not apply to any improvements, if any, to be built by LSU or the State on the Land after the commencement of the term of this Agreement, unless and until Grantee is given a right of use and occupancy of said improvements or Grantee leases said improvements.

7. Taxes and Insurance. Grantee shall be responsible for paying all real property taxes (if any) assessed against the Land, and any improvements thereon during the term of the Hospital Lease. Grantee shall be responsible for all insurance, as required in the Hospital Lease, which insurance will also cover all of the Land and any additional improvements, if any, to be constructed by Grantee on the Land, and all insurance shall name Grantor as loss payee and as additional insured.

8. Attorneys' Fees and Expenses. In the event of any legal proceeding arising out of a dispute among the parties with regard to enforcement of any provision of this Agreement, the prevailing party will be entitled to an award for its reasonable attorney fees, to the same extent as provided in the Master Lease.

9. Amendment; Waiver. This Agreement may not be amended or modified except in a writing signed by Grantor and Grantee, nor may any party's respective rights hereunder be waived except by a writing signed by the party waiving such rights.

10. Grantor Not Liable. Grantor shall not be liable or responsible to Grantee, its employees, contractors, agents, invitees, licensees and/or permittees, or other party, for any liability, loss, damage, claim, penalty, cost, including bodily injury or death, demands, judgments, or inconvenience to any property or person that may arise by reason of any use of the Land by Grantee, and/or any of its employees, contractors, agents, invitees, licensees and/or permittees, except to the extent caused by the gross negligence or willful misconduct of Grantor or any of its employees or by its agents to the extent, if any, Grantor is liable for the gross negligence or willful misconduct of its agents.

11. Force Majeure. If any party shall be unable to carry out any of its obligations under this Agreement due to strike, lockout, earthquake, hurricane, flood, fire, or other acts of God or nature, war, rebellion, terror, civil disorders, laws, regulations, acts of civil or military authorities (including the denial or cancellation of any export or other necessary license), unavailability of materials, carriers or communications facilities, and any other causes beyond the reasonable control of the party whose performance is affected, this Agreement shall remain in effect, but the affected party's obligation shall be suspended for the period during which the affected party is unable to perform because of the event of force majeure. The parties shall use all reasonable efforts to minimize the consequences of force majeure.

12. Default. If any party defaults in any of its obligations hereunder, then any other party may provide written notice to the party in default. In addition, the non-defaulting party may, sue for and, to the extent allowed by law, obtain a money judgment against the defaulting party and any guarantor of that defaulting party's obligations hereunder for any loss or damages, including attorney fees and all costs, all of which will be paid by the defaulting party and any guarantor of the defaulting party. As set forth in paragraph 2, this Agreement shall only terminate when the Hospital Lease terminates.

13. Compliance with Environmental Laws.

(a) Subject to the terms of subsection (k), UMCMC shall comply with all laws relating to the use or occupation of the Land, including, but not limited to the Asbestos Hazardous Emergency Response Act (AHERA, 15 USC § 2641, et seq.).

(b) UMCMC shall not allow, cause or permit any Hazardous Materials (as defined below) to be generated, maintained, processed, produced, manufactured, used, treated, released, stored, or disposed of in or about the Land by UMCMC or its officers, directors, employees, agents, invitees or sub-lessees, other than those Hazardous Materials usually and customarily generated, maintained, processed, produced, manufactured, used, treated, released, stored or disposed of in a hospital, medical office or clinic, as long as such materials are properly, safely, and lawfully stored and used by UMCMC and the quantity of such materials does not equal or exceed a "reportable quantity" as defined in 40 CFR §§ 302 and 305, and as may be amended, and so long as such Hazardous Materials are generated, maintained, processed, produced, manufactured, used, treated, released, stored or disposed of in compliance with all Laws applicable thereto. In no event shall UMCMC cause or permit the deposit, release, or discharge of any Hazardous Materials to the soil or groundwater of the Land.

(c) LSU shall have the right to require that UMCMC engage, at its own expense, a contractor to remediate or dispose of all Hazardous Materials used, stored, generated or disposed of by UMCMC or its agents, contractors or subcontractors on the Land in accordance with law. For purposes of this Agreement, “**Hazardous Material**” means and includes any hazardous substance or any pollutant or contaminant defined as such in (or for purposes of) the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, any so-called “**Superfund**” or “**Superlien**” law, the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., or any other law regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic or dangerous waste, substance or material, as may now or at any time in the future be in effect, or any other hazardous, toxic or dangerous, waste, substance or material.

(d) UMCMC shall promptly notify LSU in writing, if UMCMC has or acquires notice or actual knowledge that any Hazardous Material has been or is threatened to be released, discharged, disposed of, transported, or stored on, in, under, or from the Land during the term of this Agreement except as allowed by law. UMCMC shall immediately notify LSU, and provide copies upon receipt of, all complaints, claims, citations, demands, inquiries, reports, or notices relating to the condition of the Land or the failure of the Land to comply with all environmental laws during the term of this Agreement. UMCMC shall promptly deliver to LSU copies of all notices, reports, correspondence and submissions made by UMCMC to the United States Environmental Protection Agency (EPA), the United States Occupational Safety and Health Administration (OSHA), the Louisiana Department of Environmental Quality (DEQ), DHH, or any other governmental authority that requires submission of any information concerning environmental matters or hazardous waste or substances pursuant to all laws.

(e) UMCMC agrees to indemnify, defend (with counsel reasonably acceptable to LSU at UMCMC’s sole cost) and hold LSU, its board members, officers and employees harmless from and against all environmental liabilities and costs, liabilities and obligations, penalties, claims, litigation, demands, defenses, costs, judgments, suits, proceedings, damages (including consequential damages), disbursements or expenses of any kind (including attorneys’ and experts’ fees and fees and expenses incurred in investigating, defending, or prosecuting any litigation, claim, or proceeding) that may at any time be imposed upon, incurred by or asserted or awarded against LSU or any of them in connection with or arising from or out of:

(i) any misrepresentation, inaccuracy or breach of any warranty, covenant or agreement of UMCMC contained or referenced to in this Section;

(ii) any violation by UMCMC of any law that is the subject of this Section; or

(iii) any negligence, gross negligence, or intentional acts or omissions by UMCMC relating to the handling, transportation, storage, or use of any Hazardous Materials.

(f) Nothing herein shall require UMCMC to indemnify, defend and hold harmless LSU, its board members, officers and employees for any environmental liability arising from any Hazardous Materials which were present on, in or under the Land prior to the commencement of the term of this Agreement.

(g) To the extent authorized by law, LSU agrees to indemnify, defend (with counsel reasonably acceptable to UMCMC at LSU's sole cost) and hold UMCMC, its board members, officers and employees harmless from and against all environmental liabilities and costs, liabilities and obligations, penalties, claims, litigation, demands, defenses, costs, judgments, suits, proceedings, damages (including consequential damages), disbursements or expenses of any kind (including attorneys' and experts' fees and fees and expenses incurred in investigating, defending, or prosecuting any litigation, claim, or proceeding) that may at any time be imposed upon, incurred by or asserted or awarded against UMCMC or any of them in connection with or arising from or out of:

(i) any misrepresentation, inaccuracy or breach of any warranty, covenant or agreement of LSU contained or referenced to in this Section;

(ii) any violation by LSU of any law that is the subject of this Section; or

(iii) any negligence, gross negligence, or intentional acts or omissions by LSU relating to the handling, transportation, storage, or use of any Hazardous Materials.

(h) Nothing herein shall require UMCMC to indemnify, defend and hold harmless the State, its employees, contractors or agents for any environmental liability arising from any Hazardous Materials which were present on, in or under the Land prior to the execution of this Agreement.

(i) To the extent authorized by law, the State agrees to indemnify, defend (with counsel reasonably acceptable to UMCMC at the State's sole cost) and hold UMCMC, its board members, officers and employees harmless from and against all environmental liabilities and costs, liabilities and obligations, penalties, claims, litigation, demands, defenses, costs, judgments, suits, proceedings, damages (including consequential damages), disbursements or expenses of any kind (including attorneys' and experts' fees and fees and expenses incurred in investigating, defending, or prosecuting any litigation, claim, or proceeding) that may at any time be imposed upon, incurred by or asserted or awarded against UMCMC or any of them in connection with or arising from or out of:

(i) any misrepresentation, inaccuracy or breach of any warranty, covenant or agreement of the State contained or referenced to in this Section;

(ii) any violation by the State of any law that is the subject of this Section; or

(iii) any negligence, gross negligence, or intentional acts or omissions by the State relating to the handling, transportation, storage, or use of any Hazardous Materials.

(j) The provisions of this Section will be in addition to any and all obligations and liabilities UMCMC may have to LSU and/or the State, and/or LSU and/or the State, may have to UMCMC pursuant to the Hospital Lease, and will survive expiration or earlier termination of this Agreement.

(k) Notwithstanding the foregoing provisions of this Section, UMCMC's responsibility for Hazardous Materials with respect to the Land shall be limited to the time period following the commencement of the term of this Agreement.

14. Notices. Any and all notices required or appropriate under this Lease shall be in writing and shall be sent by (a) personal delivery; (b) recognized overnight delivery service with proof of delivery; or (c) registered or certified United States mail, postage prepared, receipt requested, to the following addresses:

LSU:

Board of Supervisors of Louisiana State
University and Agricultural and
Mechanical College
3810 West Lakeshore Drive
Baton Rouge, Louisiana 70808
Attn: President of LSU System

UMCMC:

University Medical Center
Management Corporation
c/o Louisiana Children's Medical
Center
200 Henry Clay Avenue
New Orleans, Louisiana 70118
Attn: Steve Worley
Ricardo Guevara

With a copy to:

LSU System Office
3810 West Lakeshore Drive
Baton Rouge, Louisiana 70808
Attn: Vice President of Health Affairs

With a copy to:

Louisiana Children's Medical Center
200 Henry Clay Avenue
New Orleans, Louisiana 70118
Attn: General Counsel

With a copy to:

Taylor, Porter, Brooks & Phillips, L.L.P.
Attn: LSU Health Care Partner
451 Florida St., 8th Floor
Baton Rouge, Louisiana 70801

With a copy to:

Foley & Lardner LLP
Attn: Mark Waxman
111 Huntington Avenue
Suite 2500
Boston, Massachusetts 02199

With a copy to:

Kantrow, Spaht, Weaver & Blitzer
(APLC)
Attn: Lee C. Kantrow, Esq.
445 North Blvd., Ste. 300
Baton Rouge, Louisiana 70802

THE STATE:

**The State of Louisiana, through the
Division of Administration**
Commissioner of Administration
Office of Facility Planning and Control
Division of Administration
Claiborne Building

1201 North Third Street
Baton Rouge, Louisiana 70801

Any such notice or communication shall be deemed to have been given either at the time of personal delivery, subject to verification of service or acknowledgement of receipt, one (1) Business Day after deposit with a nationally recognized overnight delivery service, or three (3) days after mailing via United States Certified Mail, return receipt requested. For purposes hereof, "Business Day" shall mean any day except a Saturday, Sunday or other day on which the LSU System office is closed.

Each party shall immediately inform all other parties, in writing and in accordance with this Section, of any changes in personnel or address for the purpose of sending required notices.

15. Recordation. Either party may record this Agreement in the conveyance records of Orleans Parish at its expense.

16. Assignment; Encumbrance. Neither this Agreement nor Grantee's rights hereunder shall be transferred, assigned, mortgaged, pledged or encumbered in whole or in part by Grantee, without the prior written consent of LSU, which consent shall not be unreasonably withheld, unreasonably conditioned or unreasonably delayed, except no such consent shall be required to the extent any such transferee, assignee, mortgagee or pledgee would constitute a permitted assignee or mortgagee of all or part of Grantee's leasehold rights in the Leased Buildings under the Hospital Lease.

17. Waiver. The parties agree that a party's failure to insist on strict performance of any term or condition of this Agreement shall not constitute a waiver of that term or condition, even if the party accepting or acquiescing in the non-conforming performance knows of the nature of the performance and fails to object to it. No waiver or breach shall affect or alter this Agreement but each of the terms of this Agreement shall continue in full force and effect with respect to any other then existing or subsequent breach thereof. No waiver of any default hereunder by a party shall be implied from any omission by such party to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the express waiver for the time and to the extent therein stated. One or more waivers shall not be construed as a waiver of a subsequent breach of the same covenant, term, or condition.

18. Defense and Indemnification Procedures.

(a) Promptly after receipt by a party entitled to indemnity under this Agreement (an "**Indemnified Person**") of notice of the assertion of any claim by a third party (a "**Third-Party Claim**"), whether or not involving any action, arbitration, audit, hearing, investigation, litigation or suit (whether civil, criminal, administrative, judicial or investigative, whether formal or informal, whether public or private) commenced, brought, conducted or heard by or before, or otherwise involving, any governmental body or arbitrator (a "**Proceeding**"), such Indemnified Person shall give notice to the party obligated to indemnify pursuant hereto (an "**Indemnifying Person**") of the assertion of such Third-Party Claim, provided that the failure to notify the Indemnifying Person will not relieve the Indemnifying Person of any liability that it may have to

any Indemnified Person, except to the extent that the Indemnifying Person demonstrates that the defense of such Third-Party Claim is prejudiced by the Indemnified Person's failure to give such notice.

(b) If an Indemnified Person gives notice to the Indemnifying Person pursuant hereto of the assertion of a Third-Party Claim, the Indemnifying Person shall be entitled to participate in the defense of such Third-Party Claim and, to the extent that it wishes (unless (i) the Indemnifying Person is also a person against whom the Third-Party Claim is made and the Indemnified Person determines in good faith that joint representation would be inappropriate or (ii) the Indemnifying Person fails to provide reasonable assurance to the Indemnified Person of its financial capacity to defend such Third-Party Claim and provide indemnification with respect to such Third-Party Claim), to assume the defense of such Third-Party Claim with counsel satisfactory to the Indemnified Person. After notice from the Indemnifying Person to the Indemnified Person of its election to assume the defense of such Third-Party Claim, the Indemnifying Person shall not, so long as it diligently conducts such defense, be liable to the Indemnified Person under this section for any fees of other counsel or any other expenses with respect to the defense of such Third-Party Claim, in each case subsequently incurred by the Indemnified Person in connection with the defense of such Third-Party Claim, other than reasonable costs of investigation. If the Indemnifying Person assumes the defense of a Third-Party Claim, no compromise or settlement of such Third-Party Claim may be effected by the Indemnifying Person without the Indemnified Person's written consent unless (A) there is no finding or admission of any violation of any applicable law or any violation of the rights of any person; (B) the sole relief provided is monetary damages that are paid in full by the Indemnifying Person; and (C) the Indemnified Person shall have no liability with respect to any compromise or settlement of such Third-Party Claim effected without its written consent.

(c) Notwithstanding the foregoing, if an Indemnified Person determines in good faith that there is a reasonable probability that a Third-Party Claim may adversely affect it other than as a result of monetary damages for which it would be entitled to indemnification under this Agreement, the Indemnified Person may, by notice to the Indemnifying Person, assume the exclusive right to defend, compromise or settle such Third-Party Claim, but the Indemnifying person will not be bound by any determination of any Third-Party Claim so defended for the purposes of this Agreement or any compromise or settlement effected without its written consent (which may not be unreasonably withheld).

(d) With respect to any Third-Party Claim subject to indemnification under this section: (i) both the Indemnified Person and the Indemnifying Person, as the case may be, shall keep the other person fully informed of the status of such Third-Party Claim and any related Proceeding at all stages thereof where such person is not represented by its own counsel, and (ii) the parties agree (each at its own expense) to render to each other such assistance as they may reasonably require of each other and to cooperate in good faith with each other in order to ensure the proper and adequate defense of any Third-Party Claim.

(e) With respect to any Third-Party Claim subject to indemnification under this Article, the parties agree to cooperate in such a manner as to preserve in full (to the extent possible) the confidentiality of all Confidential Information (as defined in the CEA) and the attorney-client and work-product privileges. In connection therewith, each party agrees that, to

the extent allowed by law: (i) it will use its commercially reasonable efforts, in respect of any Third-Party Claim in which it has assumed or participated in the defense, to avoid production of Confidential Information (consistent with applicable Law and rules of procedure), and (ii) all communications between any party hereto and counsel responsible for or participating in the defense of any Third-Party Claim shall, to the extent possible, be made so as to preserve any applicable attorney-client or work-product privilege.

(f) A claim for indemnification for any matter not involving a Third-Party Claim may be asserted by notice to the party from whom indemnification is sought and shall be paid promptly after such notice.

19. Severability. The provisions of this Agreement are severable. Any terms and/or conditions that are deemed illegal, invalid or unenforceable shall not affect any other term or condition of this Agreement or of the CEA.

20. Construction. All of the parties to this Agreement have participated freely in the negotiation and preparation hereof; accordingly, this Agreement shall not be more strictly construed against any one of the parties hereto.

21. Successors and Assigns. This Agreement shall be binding on and will inure to the benefit of the parties hereto, and their respective successors and assigns, if any.

22. Survival. The expiration or termination of this Agreement, for any reason, shall not release any party from any obligation or liability to another party arising or accruing prior to expiration or termination.

23. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together will constitute only one agreement. For purposes hereof, facsimile and electronically scanned pdf copies hereof and facsimile and electronically scanned pdf signatures hereof shall be authorized and deemed effective.

24. Choice of Law. This Agreement is governed by the laws of the State of Louisiana, and in the event of a court proceeding, any such proceeding shall be filed in the Louisiana Nineteenth Judicial District Court.

25. Intervention. And now herein intervenes LCMC to consent to and approve the terms and conditions of this Agreement. LCMC also does hereby in solido with UMCMC guarantee the full and timely payment of all obligations of UMCMC under this Agreement, including particularly for any damages for which UMCMC may be liable (as provided in paragraph 12) of this Agreement, and for any defense, indemnity and hold harmless obligations of Grantee as provided in paragraph 13. Upon its withdrawal, pursuant to the CEA and the Member Substitution Agreement dated May 29, 2013, as the sole member of UMCMC pursuant to the Member Substitution Agreement by and among UMCMC, LCMC, LSU, and Administrators of the Tulane Educational Fund, LCMC's guarantee under this intervention for obligations of UMCMC accruing thereafter shall terminate.

Exhibits:

Exhibit "A" – Property Description and Exhibit "A-1" map are attached hereto.

Signature Page for Right of Use, Possession and Occupancy Agreement

THUS DONE AND SIGNED by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, on the 29th day of May, 2013, in the presence of the following competent witnesses.

WITNESSES:

Print Name: _____

Print Name: _____

**BOARD OF SUPERVISORS OF
LOUISIANA STATE UNIVERSITY AND
AGRICULTURAL AND MECHANICAL
COLLEGE**

By: _____

Name: William L. Jenkins

Title: Interim President

Signature Page for Right of Use, Possession and Occupancy Agreement

THUS DONE AND SIGNED by the State of Louisiana, Division of Administration, on the ____ day of _____, 2013, in the presence of the following competent witnesses.

WITNESSES:

**STATE OF LOUISIANA, DIVISION OF
ADMINISTRATION**

Print Name: _____

By: _____

Name: Kristy H. Nichols

Title: Commissioner of Administration

Print Name: _____

Signature Page for Right of Use, Possession and Occupancy Agreement

THUS DONE AND SIGNED by University Medical Center Management Corporation,
on the ____ day of May, 2013, in the presence of the following competent witnesses.

WITNESSES:

**UNIVERSITY MEDICAL CENTER
MANAGEMENT CORPORATION**

Print Name: _____

By: _____
Name: Robert V. "Bobby" Yarborough
Title: Chair

Print Name: _____

Signature Page for Right of Use, Possession and Occupancy Agreement

THUS DONE AND SIGNED by Louisiana Children's Medical Center, on the ____ day of May, 2013, in the presence of the following competent witnesses.

WITNESSES:

**LOUISIANA CHILDREN'S MEDICAL
CENTER**

Print Name: _____

By: _____

Name: Steve Worley

Title: President and Chief Executive Officer

Print Name: _____

Exhibit "A"
(Property Description)
Exhibit "A" to Right of Use Agreement

The Land consists of the following described immovable property:

Blocks 433 through 438, Block 466 through 471, Block 519 (the Park) and Blocks 520 through 522 (collectively the "BLOCKS"), of the City of New Orleans, located in Township 12 South, Range 11 East, Orleans Parish, Louisiana, as shown on Exhibit A-1, attached hereto, generally bounded on its northerly side by Canal Street, on its southerly side by Tulane Avenue, on its westerly side by S. Galvez Street, and on its easterly side by S. Claiborne Avenue, and any and all rights LSU and/or the State may have over portions of Cleveland Avenue, Palmyra Avenue, Banks Street, S. Derbigny Street, S. Roman Street, S. Prieur Street, and S. Johnson Street; located between the above BLOCKS; LESS AND EXCEPT any property located in Block 468 owned by Cox Communications, and LESS AND EXCEPT S. Derbigny Street and Cleveland Avenue adjacent to Block 435, and LESS AND EXCEPT the Orleans House and property appurtenant thereto located in Block 436, and LESS AND EXCEPT the McDonogh School property to be located in Block 434 on which site the Old McDonogh School will be located. Said Land, and this Right of Use, is subject to all servitudes, rights-of-way and easements of record.

It is agreed that neither LSU nor the State warrants title to the above immovable property.

APPROVED:

**STATE OF LOUISIANA, DIVISION OF
ADMINISTRATION**

By: _____
Kristy Nichols, Commissioner

**BOARD OF SUPERVISORS OF LOUISIANA
STATE UNIVERSITY AND AGRICULTURAL
AND MECHANICAL COLLEGE**

By: _____
Dr. William L. Jenkins, Interim President
Louisiana State University System

**UNIVERSITY MEDICAL CENTER
MANAGEMENT CORPORATION**

By: _____
Robert V. "Bobby" Yarborough
Chair

**LOUISIANA CHILDREN'S MEDICAL
CENTER**

By: _____
Steve Worley, President and Chief
Executive Officer

EXHIBIT "A-1"
Map

EXHIBIT 4.3

FORM OF EQUIPMENT LEASE AGREEMENT

The form of the Equipment Lease Agreement is attached hereto.

EQUIPMENT LEASE

THIS EQUIPMENT LEASE (the “Lease”) is made and entered into effective the 29th day of May, 2013, by and between

BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE, a public constitutional corporation of the State of Louisiana, represented herein by William L. Jenkins, Interim President of the Louisiana State University System, duly authorized by virtue of a Resolution of the Board of Supervisors, adopted April 17, 2013, with a mailing address of 3810 West Lakeshore Drive, Louisiana State University, Baton Rouge, Louisiana 70808 (Federal I.D. No. XX-XXX0848) (hereinafter referred to as “**LSU**” or “**Lessor**”),

and

UNIVERSITY MEDICAL CENTER MANAGEMENT CORPORATION, a Louisiana nonprofit corporation represented herein by Robert V. “Bobby” Yarborough, Chair, duly authorized by virtue of a joint unanimous written consent of its members and Board of Directors, adopted April 23, 2013, a copy of which is on file and of record, with a mailing address of 200 Henry Clay Avenue, New Orleans, Louisiana 70118 (Federal I.D. No. XX-XXX5187) (hereinafter referred to as “**Lessee**”)

and provides as follows:

WITNESSETH

WHEREAS, LSU is a public constitutional corporation organized and existing under the laws of the State of Louisiana, and LSU’s institutions, including its medical schools and hospitals, are under LSU’s supervision and management pursuant to La. Const. Art. VIII, Section 7 and La. R.S. 17:3215;

WHEREAS, contemporaneously herewith, LSU, Lessee, and others are entering into a Cooperative Endeavor Agreement (along with any subsequent amendments thereto, the “**CEA**”) and a Master Hospital Lease to address the provision of healthcare in and through the Interim Facility and the New Facility (as those terms are defined in the CEA and Master Hospital Lease)

and to address the stability and preservation of academic medicine in Louisiana, especially in New Orleans; and

WHEREAS, this Lease is an integral aspect of the CEA and furthers the CEA and the above-stated goals; and,

WHEREAS, this Lease furthers the educational and public service missions of LSU and the State of Louisiana.

NOW, THEREFORE, in consideration of the mutual covenants, conditions and agreements which follow, the parties agree:

ARTICLE I
LEASE OF EQUIPMENT

During the Term, Lessor does hereby lease unto Lessee, and Lessee does hereby lease from Lessor, certain equipment and other personal property located in the Interim Facility (as defined in the CEA), said equipment and other personal property being more fully described and itemized on the attached **Exhibit “A”** (the “**Equipment**”). The parties acknowledge and agree that Lessee, in its discretion, may, by the delivery of written notice to Lessor no later than forty-five (45) days after the Commencement Date, remove any items of Equipment from **Exhibit “A”** (identified by description, tag number, inventory number, location, and other information reasonably required to specifically identify such items) and upon the delivery of such notice, **Exhibit “A”** shall be deemed to have been amended thereby, such items (“**Excluded Equipment**”) shall not be subject to this Lease, shall not be deemed to be “Equipment” for any purposes hereunder, and, notwithstanding anything to the contrary contained herein, Lessee shall

owe no rent or other obligations, and shall have no liability of any kind with respect thereto, and Lessee shall be entitled to take as a credit against the remaining Quarterly Rent payments for the first lease year, that portion of the first Quarterly Rent payment allocable to any Excluded Equipment; provided, however, that in the event such credit exceeds the remaining Quarterly Rent payments for the first lease year, Lessee shall not be entitled to receive any refund of such excess from Lessor, and Lessor shall not be obligated to pay any refund of such excess to Lessee. The parties further acknowledge and agree that they may from time to time during the Term by mutual consent add additional equipment and personal and movable property owned by LSU to Exhibit "A," including but not limited to any additional equipment and property installed in the New Facility (as defined in the CEA), and such additional equipment and property shall be added to Exhibit "A" with a mutually agreeable rent amount and shall henceforth be considered Equipment subject to all of the terms and conditions of this Lease.

ARTICLE II **TERM**

Unless sooner terminated as herein provided, this Lease shall be effective for an initial term of ten (10) years (the "**Initial Term**") commencing on the 24th day of June, 2013 (the "**Commencement Date**"), with two (2) separate and successive options to renew the Lease (each a "**Renewal Term**"), with each such Renewal Term being for a period of five (5) additional and subsequent years (for a total possible Term of up to twenty (20) years), unless, in each case, this Lease is earlier terminated in accordance with the provisions hereof. In the event and on each occasion that Lessee desires to renew the Lease for either Renewal Term as provided for above, then provided Lessee is not then in default of this Lease, Lessee may exercise its right by

providing written notice of same to LSU no later than ninety (90) days prior to the expiration of the then current Term. Notwithstanding the foregoing, the Lease shall automatically terminate on the date that all items of Equipment have been removed from **Exhibit "A"** (whether pursuant to the terms of Section 5.1 hereof or otherwise). "**Term**" as used in this Agreement shall include the Initial Term and any exercised Renewal Term. For clarity, this Lease shall be null and void and of no force and effect in the event of the termination of the CEA prior to the consummation of the transactions contemplated thereby and provided further that the Lease shall otherwise terminate upon a termination of the CEA or the Master Hospital Lease.

ARTICLE III **CONSIDERATION**

The annual consideration for this Lease is the payment by Lessee to Lessor of a sum equal to the aggregate rental amount as reflected on **Exhibit "A"** for each item of Equipment listed on **Exhibit "A"** (as the items of Equipment on **Exhibit "A"** may be amended from time to time pursuant to the terms of this Lease) payable in four (4) equal quarterly installments (the "**Quarterly Rent**"), with the first installment being due and payable on the Commencement Date, and the remaining installments being due and payable, respectively, on the 1st day of each lease quarter thereafter. Quarterly Rent is payable by Lessee to Lessor at the following address, until notified in writing differently by Lessor: LSU Health Care Services Division, 5429 Airline Highway, Baton Rouge, Louisiana, 70805. Lessee shall have the right to reduce the rent amount as specific items of Equipment are released from the Lease and removed from **Exhibit "A"** pursuant to the terms of this Lease in the manner therein provided and effective as of the times therein provided. With respect to any Excluded Equipment, any rent payable hereunder shall be

deemed to have been reduced with respect to such Excluded Equipment effective as of the Commencement Date and Lessee shall be entitled to take as a credit against the remaining Quarterly Rent payments for the first lease year, that portion of the first Quarterly Rent payment allocable to any Excluded Equipment; provided, however, that in the event such credit exceeds the remaining Quarterly Rent payments for the first lease year, Lessee shall not be entitled to receive any refund of such excess from Lessor, and Lessor shall not be obligated to pay any refund of such excess to Lessee.

ARTICLE IV
USE, MAINTENANCE, AND REPAIRS

4.1 Permitted Use. Subject to the terms and provisions hereof, Lessee may use the Equipment solely for medical business offices, medical staff offices, medical education staff offices, medical clinics and/or any other medical, educational or hospital use or uses (including, without limitation, surgical, research and laboratory facilities), together with any uses that are accessory to any of the foregoing (the “**Permitted Use**”), and for no other purposes without the prior written consent of Lessor. Lessee shall ensure that its use of the Equipment (i) shall comply at all times in all material respects with all applicable laws, orders, ordinances, zoning ordinances, regulations, and statutes of any federal, state, parish, or municipal government now or hereafter in effect, including all environmental laws and regulations and further including all material orders, rules, and regulations of any regulatory, licensing, insurance underwriting or rating organization or other body exercising similar functions, and (ii) does not make void or voidable any policy of insurance required to be maintained by Lessee pursuant to this Lease.

4.2 Operation. Lessee shall be solely responsible for the provision of any equipment (other than the Equipment), furnishings, supplies, facilities, services, and personnel required for the proper use, operation, and management of the Equipment in an economical and efficient manner, consistent with standards of operation and administration generally acceptable for facilities of comparable size and scope of operations.

4.3 Maintenance. Lessee shall have full and sole responsibility for the repair, maintenance and management of the Equipment (but shall not be obligated to perform any repairs or maintenance except as otherwise specifically provided herein), and throughout the Term shall perform commercially reasonable routine maintenance on each item of Equipment until such time as Lessee provides a Return Notice to LSU pursuant to Section 5.1 for that item of Equipment or until said item of Equipment is otherwise removed from **Exhibit "A"** pursuant to the terms of this Lease; provided, however, that Lessee shall not owe any maintenance obligation under this Lease respecting any item of Equipment that is not in good working order as of the Commencement Date, and provided further that Lessee shall not owe any maintenance obligation (regardless as to when such maintenance obligation arose) under this Lease respecting any Excluded Equipment or for Equipment for which Lessee has provided a Return Notice (as hereinafter defined) to LSU pursuant to Section 5.1 or which is otherwise removed from **Exhibit "A"** pursuant to the terms of this Lease. Lessee shall provide written notice to LSU no later than forty-five (45) days after the Commencement Date of this Lease of any specific items of Equipment that were not in good working order as of the Commencement Date. Lessee shall maintain accurate records of all material maintenance performed in furtherance of its obligations under this Section 4.3.

4.4 Lost and Stolen Equipment.

a. In the event that Equipment is lost or stolen for reasons unrelated to the fault or negligence of Lessee, then Lessee shall either: (1) promptly replace the Equipment at Lessee's expense with comparable items of substantially similar specification and value, which items shall be owned by LSU, shall be added to Exhibit "A" with a rental value no less than the rental value of the lost / stolen Equipment, and shall be considered Equipment subject to this Lease (while at the same time contemporaneously removing the lost / stolen Equipment from Exhibit "A"), or (2) pay to LSU the fair market value of the Equipment, which shall then be removed from Exhibit "A" effective as of the date that such payment is made to LSU, no further rent shall be due with respect thereto, and Lessee shall also receive a credit against the following lease year's rent for any rent paid with respect to such Equipment for the period from such date of payment, or (3) in the event the loss/theft is covered in whole or in part by Lessee's insurance, then Lessee may pay to LSU the entirety of the insurance proceeds therefrom (plus the amount, if any, of any deductible applicable thereto), and said Equipment shall be removed from Exhibit "A" effective as of the date that such payment is made to LSU, no further rent shall be due with respect thereto, and Lessee shall also receive a credit against the following lease year's rent for any rent paid with respect to such Equipment for the period following such date of payment or (4) in the event the loss/theft is covered in whole or in part by the ORM insurance procured pursuant to Section 6.2(a), then LSU may retain the entirety of such insurance proceeds therefrom, and said Equipment shall be removed from Exhibit "A" effective as of the date that such payment is made to LSU, no further rent shall be due with respect thereto, and Lessee shall also receive a credit against the following lease

year's rent for any rent paid with respect to such Equipment for the period following such date of payment.

b. In the event that Equipment is lost or stolen due to the fault or negligence of Lessee, then Lessee shall promptly replace the Equipment at Lessee's expense with comparable items of substantially similar specification and value, which items shall be owned by LSU, shall be added to Exhibit "A" with a rental value no less than the rental value of the lost / stolen Equipment, and shall be considered Equipment subject to this Lease (while at the same time contemporaneously removing the lost / stolen Equipment from Exhibit "A").

c. Whenever Lessee has knowledge that any Equipment has been lost or stolen during the Term of this Lease, Lessee shall promptly notify LSU in writing and shall report such lost/stolen Equipment as required by this Lease. In the event that Lessee is entitled to a credit against the following lease year's rent pursuant to this Section 4.4 and the credit exceeds the following lease year's rent amount, Lessee shall not be entitled to receive any refund of such excess from Lessor, and Lessor shall not be obligated to pay any refund of such excess to Lessee.

4.5 Repair.

a. In the event that an item of Equipment is damaged, broken, becomes inoperable, or otherwise ceases to work as intended for reasons unrelated to the misuse of the Equipment by Lessee and/or the fault or negligence of Lessee (including but not limited to Lessee's failure to perform commercially reasonable routine maintenance on the Equipment), then Lessee shall either: (1) promptly repair the Equipment to good working order at Lessee's expense, or (2) replace the Equipment at Lessee's expense with

comparable items of substantially similar specification and value, which items shall be owned by LSU, shall be added to Exhibit "A" with a rental value no less than the rental value of the damaged/broken/inoperable/nonworking Equipment, and shall be considered Equipment subject to this Lease (while at the same time contemporaneously removing the damaged/broken/inoperable/nonworking Equipment from Exhibit "A"), or (3) declare the Equipment to be Non-Functional Equipment and return the Equipment to LSU pursuant to the procedure set forth in Section 5.1 below; provided, however, that in the event Lessee declares the Equipment to be Non-Functional Equipment and the Equipment was damaged, broken, became inoperable, or ceased to work as intended under circumstances covered in whole or in part by Lessee's insurance, then Lessee shall make a claim against Lessee's insurance to the fullest extent possible under such policy(s) and pay to LSU the entirety of the insurance proceeds therefrom (plus the amount, if any, of any deductible applicable thereto).

b. In the event that an item of Equipment is damaged, broken, becomes inoperable, or otherwise ceases to work as intended due to the misuse of the Equipment by Lessee or the fault or negligence of Lessee (including but not limited to Lessee's failure to perform commercially reasonable routine maintenance on the Equipment), then Lessee shall either: (1) promptly repair the Equipment to good working order at Lessee's expense, or (2) replace the Equipment at Lessee's expense with comparable items of substantially similar specification and value, which items shall be owned by LSU, shall be added to Exhibit "A" with a rental value no less than the rental value of the damaged/broken/inoperable/nonworking Equipment, and shall be considered Equipment

subject to this Lease (while at the same time contemporaneously removing the damaged/broken/inoperable/nonworking Equipment from Exhibit “A”).

c. Whenever Lessee has knowledge that any Equipment has been damaged during the Term of this Lease, Lessee shall promptly notify LSU in writing and shall report such damaged Equipment as required by this Lease. In the event that Lessee is entitled to a credit against the following lease year’s rent pursuant to this Section 4.5 and the credit exceeds the following lease year’s rent amount, Lessee shall not be entitled to receive any refund of such excess from Lessor, and Lessor shall not be obligated to pay any refund of such excess to Lessee. Lessee shall maintain accurate records of all material repairs performed in furtherance of its obligations under this Section 4.5. Lessee may not dispose of any damaged Equipment except as set forth in Section 5.1 below.

4.6 Relocation of Equipment. Lessee shall be solely responsible for any costs or expenses of any kind incurred relocating Equipment other than Lessor’s or Lessor’s agents taking physical possession of the Equipment and removing the Equipment from Lessee’s facility or other premises pursuant to Section 5.1 of this Lease.

4.7 Compliance. With respect to the Equipment, Lessee shall perform and comply with all of the procedures, processes, policies, and protocols established for property control by the Louisiana Commissioner of Administration (the “**Commissioner**”) and the Louisiana Property Assistance Agency (the “**LPAA**”), in the manner provided by the Commissioner and the LPAA, including but not limited to:

a. Lessee shall designate one of its officers or employees as property manager for the Equipment and shall notify LSU and the LPAA in writing of the designation. Lessee

shall ensure that the property manager has the necessary time, supplies, support and assistance for performance of his/her duties hereunder.

b. Lessee and Lessee's property manager shall maintain uniform State of Louisiana identification tags approved by the Commissioner on all items of Equipment.

c. Lessee and Lessee's property manager shall maintain the property location index for all Equipment and shall submit to the LPAA an up-to-date index each time a change or modification is made.

d. Lessee and Lessee's property manager shall submit monthly Louisiana Property Control Transmittal Forms to the LPAA listing all Equipment transactions for the month.

e. Lessee and Lessee's property manager shall make a complete physical inventory of the Equipment once for each fiscal year of the State of Louisiana and not more than twelve (12) calendar months since the last physical inventory, shall notify the LPAA in writing not later than thirty (30) days prior to the date the inventory is to begin, and shall follow the inventory procedures prescribed by the Commissioner and the LPAA.

f. Lessee and Lessee's property manager shall submit an inventory report to the LPAA and the Legislative Auditor for the State of Louisiana (the "**Legislative Auditor**") containing a list of all Equipment in Lessee's custody, together with descriptive information as set forth in Section 4.7(g) of this Lease. Upon completion of each annual inventory, Lessee and Lessee's property manager shall submit to the LPAA and the Legislative Auditor a certified report containing all exceptions or discrepancies found in relating physical inventory records with the State master file listing. The annual report

also shall include a listing of idle or surplus items of Equipment available for transfer or disposition.

g. Lessee shall maintain a master file of the Equipment. The master file shall contain the following information: (a) a description of the Equipment, (b) the manufacturer's serial number, if any, (c) the description and location of the identification mark, (d) the original cost of the Equipment, and (e) the principal place where the Equipment is housed, garaged, stored, or used.

h. Lessee and Lessee's property manager shall keep the Equipment master file updated by submitting to the LPAA monthly all Equipment transactions.

i. Lessee and Lessee's property manager shall make all Equipment records and reports and the invoices, receipts and other supporting documents therefor in their possession available for examination by the LPAA and the Legislative Auditor, and by their representatives, at reasonable times and upon reasonable advance notice to Lessee.

j. Lessee's property manager shall file with the Commissioner a bond furnished by a bonding company approved by the Commissioner and paid for by Lessee in an amount to be determined by the Legislative Auditor payable to the State of Louisiana, which bond shall serve as a guarantee or indemnity that Lessee's property manager will faithfully perform his duties.

k. Whenever Lessee's property manager ceases for any reason to be the property manager for the Equipment, Lessee shall immediately notify the LPAA and LSU in writing. The Equipment and the receipts held by the outgoing property manager shall be transferred to the new property manager, who shall execute his written receipt for all

Equipment received by him or coming into his custody, and the new property manager shall be the custodian of all of the Equipment.

l. Whenever Lessee's property manager has knowledge or reason to believe that any Equipment is lost, stolen or otherwise unaccounted for or is damaged or destroyed, Lessee's property manager shall report such knowledge or reason to Lessee, and Lessee shall immediately notify the LPAA.

m. Lessee and Lessee's property manager shall maintain for three years all inventories, forms, transmittals, letters of certification / acceptance / rejection, sequentially dated copies of all Equipment transaction listings, sequential BF-11s submitted and responses received, and other records and documents regarding the Equipment created after the Commencement Date.

4.8 Coordination Between Lessee and LSU.

a. To assist Lessee in its obligations under Section 4.7 hereof, LSU shall make available to Lessee, at such times as Lessee shall reasonably request and at no additional cost to Lessee, all of LSU's existing inventory schedules, property location indices, reports, records, and other documentation regarding the Equipment. LSU shall also assist Lessee in obtaining access to any online tracking and reporting systems and other secure sites necessary for Lessee to perform its obligations under Section 4.7 hereof at no additional cost to Lessee.

b. LSU shall monitor Lessee's performance of its obligations under Section 4.7 hereof to ensure compliance therewith and, when requested and when available, shall cooperate with Lessee and provide reasonable advice and assistance to Lessee. Lessee shall pay/reimburse Lessor for Lessor's reasonable costs and expenses related to its

obligations under this Section 4.8, including Lessor's employees' time and expenses, as additional Rent, not to exceed \$150,000.00 for any lease year, pro-rated for any partial lease year. Lessor shall invoice Lessee semi-annually for any such costs and expenses, which invoices shall set forth such costs and expenses in reasonable detail.

4.9 Alienation of Equipment. Lessee shall not sell, alienate, convey, or otherwise transfer any Equipment to any person or entity other than LSU without the advance written approval of LSU. In the event that Equipment is sold, alienated, conveyed or transferred without LSU's advance written approval, such shall be null and void and without legal effect.

4.10 Taxes and Liens. Lessee shall pay as they become due all taxes (other than income taxes) and assessments, whether general or special, and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Equipment while leased hereunder. Lessee shall not allow any part of the Equipment to become and remain subjected to any mechanic's, laborer's or materialman's lien. Notwithstanding the foregoing, Lessee may at its own expense and in its own name contest any such item of tax, assessment, lien, or other governmental charge and, in the event of such contest, may permit the item so contested to remain unpaid during the period of such contest and any appeal therefrom. LSU will cooperate to the extent reasonably necessary with Lessee in any such claim, defense, or contest.

4.11 Waiver and Disclaimer of Warranties. Except as may be otherwise set forth in this Lease, Lessee accepts the Equipment in its "as is" and existing condition, without any warranty of any kind or nature, whether express or implied, contractual or statutory and whether as to the condition (patent or latent) or state of repair of the Equipment or the fitness of same for

Lessee's purposes or for any other purpose whatsoever, except as otherwise specifically provided for herein.

ARTICLE V
EQUIPMENT RETURN AND LESSEE PLACED EQUIPMENT

5.1 Disposition of Equipment. Throughout the Term, Lessee may remove specific items of Equipment from the Lease (and **Exhibit "A"**) if either (i) Lessee determines (in its sole discretion) that Lessee no longer needs those specific items of Equipment for the purposes set forth in the CEA, or (ii) such Equipment can no longer be used in a commercially reasonable manner for the purposes for which it was intended to be leased hereunder (taking into account but not limited to consideration of such Equipment's condition and life expectancy and the cost of any reasonably necessary maintenance and/or repairs) (such Equipment as described in the foregoing clause (ii) being "**Non-Functional Equipment**"). Without limiting the generality of the foregoing, Lessee shall have the right to remove any item of Equipment from this Lease (and **Exhibit "A"**) upon the occupancy (a "**New Facility Occupancy**") of the New Facility (as defined in the CEA). Lessee's ability to reduce the annual consideration owed under Article III for items of Equipment removed from the Lease pursuant to this Section 5.1 shall be as set forth in Section 5.2. Once Lessee determines to remove a specific item of Equipment from the Lease (and **Exhibit "A"**):

- a. Lessee shall provide written notice of its determination to LSU in accordance with the notice provisions of this Lease and shall send an additional copy of the notice to the LSU Health Care Services Division, 5429 Airline Highway, Baton Rouge, Louisiana, 70805. Said notice shall identify the item of Equipment by its description, tag number,

inventory number, and other information reasonably required to specifically identify such items, shall state where the item of Equipment is physically located at the time notice is given, and shall state where the item of Equipment may be retrieved by LSU as provided for below (a “**Return Notice**”); provided further that with respect to Non-Functional Equipment, the Return Notice shall reasonably specify why such Equipment can no longer be used in a commercially reasonable manner for the purposes for which it was intended to be leased hereunder (taking into account but not limited to consideration of such Equipment’s condition and life expectancy and the cost of any reasonably necessary maintenance and/or repairs). Lessee shall deliver the Return Notice with respect to a return of Equipment pursuant to New Facility Occupancy no later than ninety (90) days prior to the date on which Lessee occupies the New Facility (as defined in the CEA) and begins treating patients therein (the “**Occupancy Date**”). Except for Excluded Equipment, Lessee shall take all reasonable steps to decommission the Equipment and prepare it for retrieval by LSU as set forth below, specifically including but not limited to Lessee removing any and all hazardous substances from the Equipment and disposing of same in accordance with law, and Lessee shall be responsible for all costs incurred in connection therewith. Lessee may store such items of Equipment off-site pending its retrieval by LSU as set forth below, provided that Lessee shall be responsible for all costs and expenses incurred storing the items of Equipment, and provided further that Lessee shall report the relocation if and as required by law.

b. Lessor shall, promptly after receipt of the Return Notice (but not prior to the Occupancy Date with respect to all items of Equipment returned in connection with the New Facility Occupancy), and in no event more than one hundred eighty (180) days

following such receipt (or, with respect to all items of Equipment returned in connection with the New Facility Occupancy, following the Occupancy Date), take physical possession of the item of Equipment and remove the item of Equipment from Lessee's facility (or such off-site location where Lessee may have stored the Equipment in accordance with clause (a) above), at which time the item of Equipment shall be considered as removed from **Exhibit "A"** and all of Lessee's obligations and liabilities with respect to the items of Equipment (including but not limited to Lessee's obligations and liabilities under Sections 4.3, 4.4, 4.5, 4.7 and 4.10) shall cease, except that Lessee shall remain liable: (i) as set forth in this Lease for any claims, costs, causes of action, expenses, damages, and liabilities (other than repair obligations) arising or incurred during the Term until the earlier of such time as LSU (or its agent) takes physical possession thereof or 180 days from the date of delivery of the applicable Return Notice (the "**End Date**"), and (ii) for any remaining rent as set forth in Section 5.2 and subject to any credits as set forth in Section 5.2 (the foregoing clauses (i) and (ii) being collectively the "**Remaining Obligations**"). LSU shall give reasonable prior notice to Lessee when it intends to take physical possession of the items of Equipment.

c. LSU shall, as of the End Date, be responsible for any claims, costs, causes of action, expenses, repairs, damages, and liabilities arising out of, or incurred with respect to, the Equipment and the use thereof, other than the Remaining Obligations, including, without limitation, for disposing of the Equipment in accordance with law, or for making other disposition of the Equipment, all at no cost, liability, or obligation to Lessee. In addition, for clarity, and notwithstanding anything to the contrary contained herein, Lessor shall bear all risk of loss or decrease in the enjoyment and beneficial use of the

Equipment, and shall otherwise be responsible for any claims, costs, causes of action, expenses, repairs, damages, and liabilities, in each case to the extent arising out of or incurred in connection with Lessor's or Lessor's agents taking physical possession of the Equipment and removing the Equipment from Lessee's facility (or such off-site location where Lessee may have stored the Equipment in accordance with clause (a) above) pursuant to this Lease.

5.2 Recalculation of Rent. With respect to items of Equipment that are returned pursuant to Section 5.1 or otherwise removed from Exhibit "A" pursuant to this Lease, Lessee shall be responsible for rent with respect to such as items as follows (or, as applicable in accordance with Section 4.4):

a. With respect to all items of Equipment removed from the Lease in connection with the New Facility Occupancy pursuant to the process set forth in Section 5.1 above, Lessee shall be entitled on the Commencement Date anniversary immediately following the Occupancy Date to prospectively reduce the amount of rent owed to LSU by the aggregate amount associated with such Equipment as set forth in Exhibit "A." Lessee shall also be entitled to take as a credit against the next lease year's rent, that portion of the previous lease year's rent allocable to such Equipment for the portion thereof allocable to any period following the Occupancy Date.

b. With respect to all items of Non-Functional Equipment for which a Return Notice was delivered during the previous lease year pursuant to the process set forth in Section 5.1, Lessee shall be entitled on the Commencement Date anniversary immediately following the delivery of the Return Notice to prospectively reduce the amount of rent owed to LSU by the aggregate amount associated with such Non-

Functional Equipment as set forth in Exhibit "A." Lessee shall also be entitled to take as a credit against the next lease year's rent, that portion of the previous lease year's rent allocable to such Non-Functional Equipment for the portion thereof allocable to any period following the date of delivery of the applicable Return Notice.

c. With respect to all items of Equipment not covered by the foregoing subsections (a) and (b) and for which a Return Notice was delivered during the previous lease year pursuant to the process set forth in Section 5.1 above, Lessee shall be entitled on the Commencement Date anniversary immediately following the delivery of the Return Notice to prospectively reduce the amount of rent owed to LSU by the aggregate amount associated with such Equipment set forth in Exhibit "A," but Lessee shall not be entitled to any credit against the next lease year's rent for any portion of the previous lease year's rent.

In the event that Lessee is entitled to a credit against the next lease year's rent pursuant to this Section 5.2 and the credit exceeds the next lease year's rent amount, Lessee shall not be entitled to receive any refund of such excess from Lessor, and Lessor shall not be obligated to pay any refund of such excess to Lessee.

5.3 New Equipment. Lessee may at any time place in the facilities governed by the CEA property and equipment owned or leased by it or its affiliates (other than Equipment leased pursuant to this Lease), which shall remain the property and equipment of Lessee (as owner or lessee) and shall not be considered Equipment subject to this Lease. Notwithstanding the foregoing, Lessor and Lessee may provide elsewhere for an option in favor of Lessor to purchase such property and equipment at a later date; provided, however, that Lessee shall be under no obligation under this Lease to make or accept any such provision.

ARTICLE VI
INSURANCE

6.1 Required Insurance. Subject to Section 6.2 hereof, throughout the Term of this Lease, Lessee shall at all times maintain or cause to be maintained, with respect to the Equipment, the following insurance (or, in each case, commercially reasonable programs of self-insurance coupled with commercially reasonable excess insurance):

a. Property insurance against loss and/or damage to the Equipment, including but not limited to loss or damage caused by fire, lightning, earthquake, collapse, sewer backup, vandalism and malicious mischief, flood and storm surge, and against such other perils as are included in so-called “extended coverage” and against such other insurable perils as, under good insurance practice, from time to time are insured for property of similar character and location, which insurance shall be in an amount not less than the actual cash value (replacement cost less depreciation) of the Equipment.

b. Commercial general liability insurance for injuries to persons (including bodily injury and death) and/or property damage caused by, attributed to, or incurred in connection in any manner with the lease, use, operation, management, maintenance, replacement, or repair of the Equipment, and for injuries to persons and/or property occurring in or about the Equipment, in the minimum amount of \$5,000,000 combined single limit per occurrence. Such comprehensive public liability insurance shall specifically include, but shall not be limited to, sprinkler leakage legal liability and water damage legal liability.

6.2 ORM Insurance. At the election of Lessee, LSU shall cause the Division of Administration’s Office of Risk Management (“**ORM**”) to provide coverage for the Equipment

against such insurable perils as, under good insurance practice, from time to time are insured for properties of similar character and location, and Lessee shall reimburse LSU for the cost of such coverage within fifteen (15) days of Lessee's receipt of ORM's invoice to LSU therefor. Upon any such election, and until such time as such election is withdrawn, if ever: (i) the coverage provided by ORM pursuant to Lessee's election shall be deemed to completely satisfy Lessee's obligation under Section 6.1(a), and (ii) Lessee shall have no additional obligations under Section 6.1(a). Such election may be withdrawn by Lessee at anytime upon sixty (60) days prior written notice. LSU shall provide all administrative services as are reasonably required to maintain any policy of insurance by ORM pursuant to this Section 6.2(a), subject to an administrative fee as provided in the Master Collaborative Agreement to be entered into by and between LSU and the Lessee. The reimbursement of the ORM premium shall be paid directly to LSU, separate from any Rent.

b. Lessee shall comply with all ORM requirements and regulations required for LSU to obtain and maintain ORM coverage from ORM on the Equipment.

c. Lessee shall be responsible for payment of any deductible up to \$1,000.

6.3 Additional Requirements. Lessee shall obtain commercial insurance coverage (or maintain commercially reasonable programs of self-insurance coupled with commercially reasonable excess insurance) in order to comply with the insurance requirements of Section 6.1(b) and, during those periods for which Lessee has not elected ORM coverage pursuant to Section 6.2(a), Section 6.1(a). All insurance policies which are obtained by Lessee for purposes of complying with its obligations in Section 6.1, and all renewals of such insurance policies, in each case other than any programs of self-insurance (the "**Required Policies**"), shall be issued by companies duly licensed and authorized to transact business in the State of Louisiana, and

rated at least A- Class VIII by Best's Insurance Reports or as otherwise approved in writing by Lessor. To the extent obtainable on a commercially reasonable basis, Lessee shall ensure that all of the Required Policies provide that (i) such policies shall not be canceled or materially altered without thirty (30) days' prior written notice to Lessor; and (ii) that no act or omission of Lessee which would otherwise result in forfeiture or reduction of the applicable insurance will affect or limit the obligation of the insurance company to pay the amount of any loss sustained.

6.4 Additional Insureds. LSU and its board members, officers, employees and agents (the "**LSU Insured Parties**") shall each be named as additional insureds on all Required Policies for liability coverage, and LSU shall also be named as a loss payee on all Required Policies for property damage.

6.5 Required Insurance Shall Be Primary. All Required Policies shall be written as primary policies, not contributing with and not in excess of coverage that Lessor may carry, if any.

6.6 Failure to Comply With Reporting Requirements. All Required Policies shall provide that any failure of Lessee to comply with reporting requirements of such Required Policy shall not affect coverage provided to the LSU Insured Parties.

6.7 No Recourse. The Lessee and the insurance companies issuing such Required Policies shall have no recourse against LSU for payment of premiums or for assessments under any form of the policies.

6.8 Deductibles and SIR's. Any deductibles or self-insured retentions under any Required Policies must be declared to and accepted by LSU, which acceptance shall not be unreasonably denied, withheld or delayed. Lessee shall be responsible for all deductibles and self-insured retentions with respect to any Required Policies.

6.9 Occurrence Based Policies. All Required Policies shall be occurrence coverage. Claims-made policies are not allowed.

6.10 Verification of Coverage. Lessee shall furnish LSU with declarations pages, certificates of insurance, and evidence of the payment of all premiums of all Required Policies prior to the Commencement Date. Lessee shall likewise furnish LSU with declarations pages, certificates of insurance, and evidence of the payment of all premiums of all renewals of Required Policies. LSU reserves the right to request complete copies of all original and renewal Required Policies (together with copies of all endorsements). Upon failure of Lessee to furnish, deliver and maintain insurance as provided herein, subject, in each case, to the right of Lessee to maintain commercially reasonable programs of self-insurance, and expiration of the cure period in Section 9.1(a), then LSU may, but shall not be obligated to, obtain said insurance on behalf of Lessee at Lessee's commercially reasonable cost and expense. Failure of Lessee to purchase and/or maintain any required insurance shall not relieve Lessee from any liability or indemnification hereunder.

ARTICLE VII **INDEMNIFICATION**

7.1 By Lessee. To the extent allowed by law, Lessee agrees to defend, indemnify, and hold LSU and its board members, officers, employees, agents, invitees, contractors, subcontractors, and attorneys, together with any of their respective successors and assigns (collectively the "**LSU Indemnitees**"), harmless from and against any and all losses, claims, damages, liabilities, penalties, obligations and expenses, including, without limitation, costs for counsel (collectively, "**Losses**"), when incurred, incidental to, caused by, connected with, relating

to, arising out of, or based upon, directly or indirectly, (i) the lease, use, operation, management, maintenance, repair, and/or replacement of the Equipment by Lessee, its officers, agents, employees, invitees, permittees, contractors and/or subcontractors, except to the extent caused by the fault and/or negligence of LSU Indemnitees, and/or (ii) the breach by Lessee of any representation, warranty, covenant or agreement of Lessee hereunder. All the foregoing indemnification provisions shall apply to Permitted Uses, as well as uses that are not permitted under this Lease. Said obligation shall include but shall not necessarily be limited to defending LSU Indemnitees in any legal action against them, paying in full and satisfying any claims, demands, or judgments made or rendered against LSU Indemnitees, and reimbursing LSU Indemnitees for any reasonable legal expenses, including reasonable attorney fees and court costs, which may be incurred by them in defense of any claim or legal action arising hereunder.

7.2 By Lessor. To the extent allowed by law, LSU agrees to defend, indemnify, and hold Lessee and its board members, employees, agents, invitees, contractors, subcontractors and attorneys, together with any of their respective successors and assigns (collectively the “**Lessee Indemnitees**”), harmless from and against any and all Losses when incurred, incidental to, caused by, connected with, relating to, arising out of, or based upon, directly or indirectly, (i) the ownership or use of the Equipment prior to the Commencement Date or following the Term (or, with respect to any individual item of Equipment, following LSU (or its agent) taking possession of such Equipment pursuant to Section 5.1), (ii) the removal of any Equipment by LSU or any of its agents, (iii) the ownership or use of the Excluded Equipment, (iv) the breach by LSU of any of representation, warranty, covenant or agreement of LSU hereunder (including, without limitation, its warranty of ownership of the Equipment and Lessee’s peaceful possession of the Equipment, or (v) the negligence or willful misconduct of Lessor. Said obligation shall include

but shall not necessarily be limited to defending Lessee Indemnitees in any legal action against them, paying in full and satisfying any claims, demands, or judgments made or rendered against Lessee Indemnitees, and reimbursing Lessee Indemnitees for any reasonable legal expenses, including reasonable attorney fees and court costs, which may be incurred by them in defense of any claim or legal action arising hereunder. LSU's obligation to indemnify, defend, and hold the Lessee Indemnitees harmless shall not extend to any Losses to the extent arising out of the fault and/or negligence of the Lessee Indemnitees.

ARTICLE VIII **NOTICES**

Any and all notices required or appropriate under this Lease shall be in writing and shall be sent by (a) personal delivery; (b) recognized overnight delivery service with proof of delivery; or (c) registered or certified United States mail, postage prepared, receipt requested, to the following addresses:

Lessor:

Board of Supervisors of Louisiana State
University and Agricultural and
Mechanical College
3810 West Lakeshore Drive
Baton Rouge, Louisiana 70808
Attn: President of LSU System
Attn: Vice President of Health Affairs

With a copy to:

LSU System Office
3810 West Lakeshore Drive
Baton Rouge, Louisiana 70808

With a copy to:

Lessee:

University Medical Center
Management Corporation
Care Of: Louisiana Children's
Medical Center
200 Henry Clay Avenue
New Orleans, Louisiana 70118
Attn: Steve Worley
Ricardo Guevara

With a copy to:

Louisiana Children's Medical Center
200 Henry Clay Avenue
New Orleans, Louisiana 70118
Attn: General Counsel

Taylor, Porter, Brooks & Phillips, L.L.P.
Attn: LSU Health Care Partner
451 Florida St., 8th Floor
Baton Rouge, Louisiana 70801

With a copy to:
Foley & Lardner LLP
Attn: Mark Waxman
111 Huntington Avenue
Suite 2500
Boston, Massachusetts 02199

Any such notice or communication shall be deemed to have been given either at the time of personal delivery, subject to verification of service or acknowledgement of receipt, one (1) Business Day (as hereinafter defined) after deposit with a nationally recognized overnight delivery service, or three (3) days after mailing via United States Certified Mail, return receipt requested.

Each party shall immediately inform all other parties of any changes in personnel or address for the purpose of sending required notices.

ARTICLE IX **EARLY TERMINATION**

9.1 Early Termination. The parties expressly agree that this Lease shall terminate prior to the normal expiration of the Term for no reason other than termination of the CEA or Master Hospital Lease and subject to any wind-down period(s) set forth therein. Subject to the foregoing, all rights and remedies set forth in this Lease shall be construed and held to be cumulative, no single right or remedy shall be exclusive of any other which is consistent with the former, and any party shall have the right to pursue any or all of the rights or remedies set forth herein, as well as any other consistent remedy or relief which may be available at law or in equity, but which is not set forth herein.

ARTICLE X
MISCELLANEOUS

10.1 LSU's Right to Inspect the Equipment. LSU reserves the right to enter the Leased Premises at any time to inspect the Equipment, as long as LSU's inspection does not unreasonably interfere with the operation of Lessee's business or violate any privacy or confidentiality obligations owed by Lessee to its patients or other persons. LSU shall provide Lessee with reasonable advance notice of its intent to inspect the Equipment, unless notice is impossible or commercially impractical. Lessee shall have the right to have a representative accompany LSU during such entry and inspection. Lessee shall not deny LSU reasonable access to the Equipment as permitted hereby.

10.2 Survival. Except as specifically set forth herein, the expiration or termination of this Agreement, for any reason, shall not release either party from any obligation or liability to the other party arising or accruing prior to expiration or termination.

10.3 Relationship of the Parties. Nothing contained herein shall be deemed or construed by the parties hereto, or by any third party, as creating the relationship of principal and agent, partners, joint venturers, or any other similar such relationship, between the parties hereto. It is understood and agreed that no provision contained herein nor any actions of the parties hereto creates a relationship other than the relationship between Lessor and Lessee and as described by the CEA.

10.4 Waiver. Lessor and Lessee agree that either party's failure to insist on strict performance of any term or condition of this Lease shall not constitute a waiver of that term or condition, even if the party accepting or acquiescing in the non-conforming performance knows of the nature of the performance and fails to object to it. No waiver or breach shall affect or alter this Lease but each of the terms of this Lease shall continue in full force and effect with respect

to any other then existing or subsequent breach thereof. No waiver of any default hereunder by either party shall be implied from any omission by the non-defaulting party to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the express waiver for the time and to the extent therein stated. One or more waivers shall not be construed as a waiver of a subsequent breach of the same covenant, term, or condition.

10.5 Severability. The provisions of this Lease are severable. Any terms and/or conditions that are deemed illegal, invalid or unenforceable shall not affect any other term or condition of the Lease or of the CEA.

10.6 Successors and Assigns. This Lease shall be binding on and will inure to the benefit of the parties to this Lease and their respective successors and assigns, provided any such assignment was made in a manner consistent with the terms of this Lease.

10.7 Counterparts. This Lease may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together will constitute only one agreement. For purposes hereof, facsimile and electronically scanned pdf copies hereof and facsimile and electronically scanned pdf signatures hereof shall be authorized and deemed effective.

10.8 Entire Agreement. This Lease, together with the exhibits attached hereto, all of which are incorporated herein and made a part hereof, and all terms and conditions agreed upon between the parties are contained herein. No verbal commitments, except those reduced to writing in this Lease, have any binding effect. Any amendments to this Lease must be reduced to writing and signed by both parties.

10.9 Louisiana Law to Apply. This Lease shall be construed under and in accordance with the laws of the State of Louisiana, and the sole forum for all disputes arising out of this

Lease shall be the Nineteenth Judicial District Court for the Parish of East Baton Rouge, State of Louisiana.

10.10 Attorney Fees. If either party is required to commence legal proceedings relating to this Lease, the prevailing party to the extent allowed by law shall be entitled to receive reimbursement for its reasonable attorney fees and costs of suit from the non-prevailing party.

10.11 Authorization. By execution of this Lease, Lessee and LSU each represent to the other that they are entities validly existing, duly constituted and in good standing under the laws of the jurisdiction in which they were formed and in which they presently conduct business; and that the persons signing this Lease on their behalf have due authorization to do so. LSU further represents that it has the power and authority to execute and deliver this Lease and such action has been duly authorized by all necessary action by LSU's Board of Supervisors.

10.12 Name, Logo, or Marks. Neither party shall make use of the other party's name, logo, or marks without its prior written consent.

10.13 Assignment. Lessee may not, without the prior written consent of LSU, which consent shall not be unreasonably withheld or delayed, assign or otherwise encumber in whole or in part this Lease or any interest therein; provided, Lessee may, with prior written notice to LSU, but without the consent of LSU, assign its interest under this Lease to a nonprofit corporation, nonprofit limited liability company, nonprofit limited liability partnership, or other nonprofit legal entity wholly owned or controlled by Lessee (each an "**Affiliate**"), provided that in the case of such assignment, such assignee shall agree to assume in writing Lessee's obligations hereunder without release of Lessee, all in form and substance approved by LSU..

10.14 Books, Records and Audit. The books, accounts and records of Lessee which pertain directly to the Equipment shall be maintained at the principal office of Lessee. LSU may

at its option and at its own expense during customary business hours and upon reasonable prior notice to Lessee, conduct internal audits of such books and records of Lessee and its contractor(s) to the extent necessary to verify compliance with this Lease or insofar as said books and records directly relate to Lessee's performance of its obligations under this Lease. Audits may be made on either a continuous or periodic basis or both and may be conducted by employees of LSU, by independent auditors retained by LSU to conduct such audit, by the Louisiana Legislative Auditor or by the Office of the Governor, Division of Administration, but any and all such audits shall be conducted without materially or unreasonably or unnecessarily interrupting or interfering with the normal conduct of business affairs of Lessee.

10.15 Casualty and Other Damage. Subject to the provisions of this Lease, during the Term (or until the earlier of such time as LSU (or its agent) takes physical possession of Equipment thereof or 180 days from the date of delivery of the applicable Return Notice, or from the Occupancy Date with respect to all items of Equipment returned in connection with the New Facility Occupancy) the risk of loss or decrease in the enjoyment and beneficial use of the Equipment due to any damage or destruction thereof by acts of God, fire, flood, natural disaster, the elements, casualties, thefts, riots, civil strife, lockout, war, nuclear explosion, terrorist attack or otherwise is expressly assumed by Lessee. For clarity, and notwithstanding anything to the contrary contained herein, Lessor shall bear all risk of loss or decrease in the enjoyment and beneficial use of the Equipment, to the extent arising out of or incurred in connection with Lessor's or Lessor's agents taking physical possession of the Equipment and removing the Equipment from Lessee's facility pursuant to this Lease. None of the forgoing events shall entitle Lessee to any abatements, set-offs or counter claims with respect to payment of its rent, or any other obligation hereunder, except as specifically set forth herein.

10.16 Representations of LSU. To induce Lessee to execute, deliver and perform this Lease and without regard to any independent investigations made by Lessee, Lessor represents to Lessee on and as of the date of execution and delivery of this Lease and on and as of the Commencement Date as follows:

a. Lessor owns the Equipment in fee simple, free of any liens, claims or encumbrances other than the title exceptions set forth on **Exhibit “A”** and warrants the peaceful possession of Lessee during the Term.

b. There are no claims, causes of action or other litigation or proceedings pending or, to the best of Lessor's knowledge, threatened in respect to the ownership, operation or environmental condition of the Equipment or any part thereof (including disputes with mortgagees, governmental authorities, utility companies, contractors, adjoining land owners or suppliers of goods or services).

c. Lessor has complied with all of the “Property Control” obligations for the Equipment set forth in Title 39 of the Louisiana Revised Statutes, Chapter 1, Part XI (La. R.S. 39:321 – 39:332), and in Title 34 of the Louisiana Administrative Code, Part VII (sections 101 – 901).

10.17 Title. During the Term, Lessor shall with respect to each item of Equipment, maintain fee simple title to such Equipment, free of any liens, claims or encumbrances other than the title exceptions set forth on **Exhibit “A”** and defend Lessee’s peaceful possession of the Equipment.

Signature Page For Equipment Lease

IN WITNESS HEREOF, the parties hereto have executed this Lease effective as of the Commencement Date.

**BOARD OF SUPERVISORS OF LOUISIANA
STATE UNIVERSITY AND AGRICULTURAL
AND MECHANICAL COLLEGE**

By: _____
William L. Jenkins, Interim President
Louisiana State University System
Date: _____

**UNIVERSITY MEDICAL CENTER
MANAGEMENT CORPORATION**

By: _____
Robert V. "Bobby" Yarborough, Chair
Date: _____

EXHIBIT “A”

[see attached]

EXHIBIT 8.1(a)(i)

COST ANALYSIS WORKSHEET

The Cost Analysis Worksheet is attached hereto.

**Exhibit 8.1(a)(i)A
UMCMC/LCMC/Louisiana State University Collaborative
Unfunded Cost Worksheet**

	Current FY Unfunded Cost
Shortfall on Physicians ^(a)	
1. Physician expense	
2. CRNA expense	
3. Physicians Assistant	
4. Physician billing non-reimbursable	
5. Subtotal Physician Cost	\$ -
6. Less: Net Collections on Professional Fee Billings	
7. Shortfall on Physicians	\$ -
Shortfall on Outpatient Pharmacy ^(a)	
8. Outpatient Pharmacy Cost	
9. Outpatient Pharmacy Collections	
10. Shortfall on Outpatient Pharmacy	\$ -
Shortfall on Other Non-Reimbursable cost centers ^(b)	
11. Dental Clinic	
12. Mobile Health Unit	
13. Disallowed Idle Space	
14. New Orleans School Based Clinics	
15. Shortfall on other Non-Reimbursable cost centers	\$ -
16. Shortfall on Charity Hospital Campus ^(b)	
17. NonReimbursable Accountable Care Service Expense	
18. Total Cost To Be Paid By State Per CEA	\$ -

W/S A-8, Line 10
W/S A-8, Line 28
W/S A-8, line 29
W/S B Part I, line 192.03
Sum Lines 1-4
Hospital Trial Balance
Line 5- Line 6

W/S B Part I, Column 26, line 192.02
Hospital Trial Balance
Line 8 - Line 9

W/S B Part I, Column 26, line 192.01
W/S B Part I, Column 26, line 193.01
W/S B Part I, Column 26, line 190.02
W/S B Part I, Column 26, line 190.03
Sum of Lines 11-14

ACS Cost allocated to NonReimb Cost Centers

Line 7 + Line 10 + Line 15 + Line 16 + Line 17

(a) Cost report line numbers reference the cost report from FYE 6/30/2012 (Provider #19-0005) subject to change as line numbers may be reassigned in subsequent years.

(b) Charity campus cost offset on FYE 06/30/2012 cost report on WS A-8 Lines 38.01-38.05. Shortfall to include full cost offset in subsequent periods.

EXHIBIT 8.1(a)(ii)

SHARED COST SAVINGS INCENTIVE WORKSHEET

The Shared Cost Savings Incentive Worksheet is attached hereto.

Exhibit 8.1(a)(ii)A
UMCMC/LCMC/Louisiana State University Collaborative
Baseline Cost - ILH

ILH	
Cost Report ^(a)	
FYE 6/30/2012	
	\$ -
	\$ -
	\$ -
	\$ -

ILH - FYE 6/30/2012 Cost Report or UCC Survey

- | | |
|---|--|
| 1. Medicaid and Uninsured Inpatient Days | W/S S-3 line 14 + Line 16 , Col 7 (all units) |
| 2. Medicaid and Uninsured IP Charges | E-3 part VII, Col 1, Line 12 (all units) |
| 3. Medicaid and Uninsured OP Charges | E-3 part VII, Col 2, Line 12 (all units) |
| 4. Gross Pt. Charges | Sum of Lines 2 - 3 |
| 5. Adjusted Patient Days | Line 1 X Line 4 / Line 2 |
| 6. Medicaid and Uninsured Cost | D-1, Ln 49 + D pt 5 Ln 202 -Cost columns (all units) |
| 7. Medicaid and Uninsured GME Cost | D part III + D part IV (IP and OP) ^(b) |
| 8. Medicaid and Uninsured Capital Cost | D part I + D part II (IP and OP) |
| 9. Medicaid and Uninsured Cost of ACS and Bus. Ops. | Allowable ACS cost x (Line 4 / W/S C, Line 200, Col 8) |
| 10. Medicaid and Uninsured Operating Cost | Line 6 Less Line 7, 8, 9 |
| 11. Operating Cost Per Adjusted Patient Day | Line 10 / Line 5 |

(a) The base year refers to Provider #19-0005 for the Fiscal Year Ended 6/30/2012 Medicaid cost report (revised 1/24/2012).
 Base Year subject to revision after audit.

(b) If Option (Option 12) to include GME cost is removed from electronic file, this line will be zero.

EXHIBIT 10.2(a)

AUTHORIZING RESOLUTION OF LSU BOARD OF SUPERVISORS

The Authorizing Resolution of the LSU Board of Supervisors is attached hereto,

Minutes-Regular Board Meeting
April 17, 2013

Cooperative Endeavor Agreement among the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, the State of Louisiana through the Division of Administration, the Louisiana Department of Health and Hospitals, University Medical Center Management Corporation and Louisiana Children's Medical Center for the management and operation of Charity Hospital and Medical Center of Louisiana at New Orleans

Upon motion by Ms. Duplessis, seconded by Mr. Perry, the Board voted unanimously to approve the following resolution: Mr. Jacobs did not participate in the discussion or vote on this item, excused and left the room.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of Louisiana State University and agricultural and Mechanical College that William L. Jenkins, Interim President of the Louisiana State University System, or his designee, is authorized on behalf of and in the name of the LSU Board of Supervisors to execute the Cooperative Endeavor Agreement, by and among Louisiana Children's Medical Center, University Medical Center Management Corporation, Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, State of Louisiana through the Division of Administration, and the Louisiana Department of Health and Hospitals.

BE IT FURTHER RESOLVED that William L. Jenkins, Interim President of the LSU System, or his designee, is hereby authorized by and empowered for and on behalf of and in the name of the LSU Board of Supervisors, in consultation with its legal counsel, to modify and execute said Cooperative Endeavor Agreement and any related documents necessary or desirable to accomplish and implement the purposes of the Cooperative Endeavor Agreement that he deems in the best interest of the Board of Supervisors, including, but not limited to, immovable property leases and subleases, equipment leases and sales of various movable property, all such related documents to be in such form and content and for such price and/or consideration as he, in his sole discretion, deems appropriate, and to also authorize William L. Jenkins, Interim President of the LSU System to execute all such leases, subleases, equipment leases and sales of various movable property and all other related documents (**Copy of Cooperative Endeavor Agreement on file in the Office of the LSU Board of Supervisors**).

CERTIFICATE

I, Carleen N. Smith, the duly qualified Administrative Secretary of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, hereby certify that the foregoing is a true and exact copy of the documents adopted by the Board of Supervisors at its meeting on April 17, 2013, at which meeting more than quorum was present and voted.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the official seal of said Board of Supervisors on this 17th day of May, 2013.



Administrative Secretary
Board of Supervisors of Louisiana State University and
Agricultural and Mechanical College

SEAL

SCHEDULE 10.5

PENDING LEGAL PROCEEDINGS

A spreadsheet of pending legal proceedings associated with the expropriation of immovable property for the New Facility is attached hereto.

LSU does not maintain a list of other types of legal proceedings involving the Hospital. Defense of such proceedings is handled by the Office of Risk Management.

LIST OF EXPROPRIATION LEGAL PROCEEDINGS

PROPERTY	OWNERS	STREET ADDRESS		EXPRO FILED	JUDGE	DOCKET NO.
433-01 433-03 433-15 433-16 438-09	Sam Tulane Properties	310-314 1734	S. Derbigny Palmyra	2011/04/28	Bagneris	11-04489
433-02	Down the Hill	1728	Palmyra	2011/04/21	Medley	11-04265
433-04 433-05 433-06	Bosworth, Eileen	1714 1718 1722	Palmyra Palmyra Palmyra	2011/04/28	Cates	11-04484
433-07 433-10	Levy, Donald	1701 1705	Cleveland Cleveland	2011/04/21	Bagneris	11-04266
433-08	Tamanaca Properties	251	S. Claiborne	2011/03/23	Ledet	11-03123
433-09	Villarrubia, Dominica	243	S. Claiborne	2011/04/08	Medley	11-03853
433-13 433-17	Dehlia Properties	1725 & 1731	Tulane	2011/03/11	Landrieu	11-02612
433-14	Tulane Baptist	1719	Tulane	2011/03/15	Cade	11-02725

434-01 434-02 434-03 434-04 434-05	Henry Herdman Properties	1722- 1730	Cleveland	2010/10/11	Cade	10-10382
434-09 434-10	N.O. Female Dominican	1708 201	Cleveland S. Claiborne	2011/02/11	Julien	11-01512
434-14	DiMaggio, Lawrence	237	S. Claiborne	2011/04/01	Cates	11-03558
434-18	Charles J. Novel	228-230	S. Derbigny	2010/10/07	Bagneris	10-10304
434-19	DiMaggio, Lawrence	Vacant	Vacant	2011/03/30	Griffin	11-03419
435-01	1732 Canal St. (Pallas Hotel)	1732	Canal	2010/10/13	Julien	10-10488
436-05 468-12	Ruiz, Ronald	127 1838	S. Roman Canal	2011/03/14	Julien	11-02676
436-06 436-16 436-17	Bouzon, Spiron	1820- 1824 120	Canal S. Roman	2011/03/01	Cade	11-02230
436-09	M.J. Falgoust, Inc.	127	S. Derbigny	2010/10/07	Cates	10-10305
436-10	Kirsch, James	131	S. Derbigny	2011/03/17	Irons	11-02819
436-11	Ynobe Property	1801	Cleveland	2011/02/11	Irons	11-01511
437-10 437-11 437-12	1837 Palmyra St. (Pincus Freidman)	1837	Palmyra	2010/10/18	Landrieu	10-10648

437-13	Wilson, Myrtle Mason (Unopened Succession of)	1808	Cleveland	2011/04/08	Bagneris	11-03854
437-14	Pizzo	211	S. Derbigny	2010/10/29	Irons	10-11065
437-15 437-25	Figueredo	219	S. Derbigny	2010/10/29	Giarrusso	10-11064
437-23	Georges, Alexandra	1822	Cleveland	2010/10/07	Giarrusso	10-10303
438-10	Rosenberg (Denn)	1801- 1807	Tulane	2011/03/11	Reese	11-02615
438-16 438-17	Gerson, Marshall	1831 1833-35	Tulane Tulane	2011/03/11	Griffin	11-02614
438-18 438-19	Villavaso, Michael	1837 316-318	Tulane S. Roman	2011/04/08	Medley	11-03852
438-21	Romano, Carole (Gehbauer)	1801	Tulane	2011/03/31	Bagneris	11-03506
466-13 466-14 466-15 466-16	Southern Electronics	315-319 1901- 1903 1905- 1909	S. Roman Tulane Ave Tulane Ave	2011/02/16	Reese	11-01631
467-16 thru 467-21	Jazzy Wheels	223 231 1901 1905 1907 1911	S. Roman S. Roman Palmyra Palmyra Palmyra Palmyra	2010/10/27	Landrieu	10-10984

467-23	Conde	1919	Palmyra	2010/10/27	Cade	10-10985
468-07	Tukandu	1926-1934	Canal	2011/02/15	Irons	11-01588
468-23	Ruiz, Ronald	131	S. Roman	2011/03/11	Reese	11-02613
469-01 469-02 469-03	GLK, LP	2024 2030 126	Canal Canal S. Johnson	2011/03/11	Julien	11-02611
469-05 469-06	Mid-City Holdings	2000 2014	Canal Canal	2011/03/16	Cates	11-02774
469-08	Fertel, Jerome	2035	Cleveland	2011/03/25	Landrieu	11-03227
470-05	220 S. Johnson (Pincus Friedman)	220	S. Johnson	2010/10/13	Irons	10-10484
470-08 470-09	Madary, Mark	2014-2016	Cleveland	2010/10/14	Reese	10-10518
470-10	Jefferson, Roile	2000	Cleveland	2011/03/01	Reese	11-02231
470-12 470-13	Orleans Parish School Board (McDonough #11)	236	S. Johnson			2011-3281
470-15	Williams, China	2034	Cleveland	2011/02/24	Ledet	11-02031

471-01	Blood Center	2020	Palmyra St	2011/03/25	Reese	11-03228 c/w 11- 3177
520-01	Blood Center and Cynthia Brown	315-317	S. Prieur	2011/03/24	Reese	11-03177 c/w 11- 3228
520-04	Randolph, Veronica	2107	Banks	2010/11/12	Landrieu	10-11455
521-04 521-05 521-06	PFD Three (Pincus Friedman)	217-221 2119- 2121	S. Johnson Palmyra	2010/10/27	Reese	10-10987
521-07	2105 Palmyra LLC (Pincus Friedman)	2105	Palmyra	2010/10/26	Reese	10-10945
521-08	2107-2109 Palmyra (Pincus Friedman)	2107- 2109	Palmyra	2010/10/27	Bagneris	10-10986
521-09	2113 Palmyra (Pincus Friedman)	2113	Palmyra	2010/10/26	Giarrusso	10-10947
521-10	2115 Palmyra (Pincus Friedman)	2115	Palmyra	2010/10/26	Bagneris	10-10946
521-11	2123 Palmyra St. (Pincus Friedman)	2123	Palmyra	2010/11/12	Julien	10-11456
521-27	Jacqueline Perry Rice	224	S. Galvez	2010/10/07	Griffin	10-10302

522-01 522-02 522-03 522-10	2120 Canal (Pincus Friedman)	2120	Canal	2010/10/13	Julien	10-10486
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SCHEDULE 10.7(b)

PENDING OR THREATENED TAX LIABILITY PROCEEDINGS

LSU is a tax exempt governmental entity. There are no pending or threatened tax liability proceedings.

SCHEDULE 10.8(a)

MATERIAL CONTRACTS WITH A VALUE OF GREATER THAN \$50,000.00

A list of the material contracts with a value of greater than \$50,000.00 is attached hereto.

Contracts Valued at \$50,000 or More

PURCHASE ORDER		DESCRIPTION	ACCOUNT	COST CENTER	AMOUNT	Total	VENDOR	Contract term
00194431		PHYSICIAN ORDER ENTRY CONSULTING PELICAN PRO	554000	2058865	108,465.00	108,465.00	BAHAMA CONSULTING	fiscal year
00179823-1		BLAZE COURIER	530311	2067150	141,038.00	141,038.00	BLAZE COURIER	fiscal year
00191050		MAINTENANCE ON GUARDRAILS SOFTWARE	534620	2069401	85,990.30	85,990.30	CAREFUSION	fiscal year
		HARDWARE/SOFTWARE SUPPORT FOR						
00198362		MEDSTATIONS	534620	2067340	76,956.00	76,956.00	CAREFUSION	fiscal year
00179804-1		INTERPRETER SERVICE	538600	2058870	54,000.00	54,000.00	CYRACOM INTERNATIONAL	fiscal year
00158151-2		MAINTENANCE ON EQUIPMENT	534620	2068420	586,677.60	586,677.60	GE MEDICAL SYSTEMS	fiscal year
00174771-1		SHUTTLE SERVICE	530310	2058730	647,348.40	647,348.40	GRACE'S TRANSPORTATION	fiscal year
00195351		VALET SERVICE for Lord and Taylor clinic building	535500	2058730	61,272.00	61,272.00	HEALTHCARE PARKING SYSTEM	fiscal year
00192858		BED RENTALS	537480	2069401	131,975.80	131,975.80	KCI	fiscal year
00183486-1		TRAUMA REGISTRY	539190	2068290	688,935.22	688,935.22	LEXICODE	fiscal year
		SOFTWARE SUPPORT FOR CHARTLINC &						
00191973		CHARTSCRIPT	534655	2058850	131,250.66	131,250.66	MINNESOTA MINING & MFG	fiscal year
00192316		TRANSCRIPTION SERVICES	539190	2068290	849,025.10	849,025.10	NCO FINANCIAL SERVICES	fiscal year
00188601		ELEVATOR MAINTENANCE	534620	2069150	219,838.44	219,838.44	OTIS ELEVATOR	fiscal year
00190820		MAINTENANCE ON ELEVATORS AT 136 S ROMAN ST	534630	2059150	139,440.00	139,440.00	OTIS ELEVATOR	fiscal year
191205		OXFORD IMMUNOTEC	533000	2019150	120,000.00	120,000.00	OXFORD IMMUNOTEC	fiscal year
00172838-2		MAINTENANCE ON EQUIPMENT	534620	2068420	945,643.44	945,643.44	PHILIPS MEDICAL SYSTEMS	fiscal year
00181791-1		COURIER SERVICE BETWEEN DEPARTMENTS	530311	2067150	137,490.00	137,490.00	QCS LOGISTICS	fiscal year
00191901		SUPPORT ON OEM EMC	534655	2058850	145,501.20	145,501.20	SIEMENS MEDICAL SOLUTIONS	fiscal year
00197217		HARDWARE MAINTENANCE OF THE SYNGO IMAGING	534656	2058850	52,220.00	52,220.00	SIEMENS MEDICAL SOLUTIONS	fiscal year
00174569-1		175 PARKING SPACES	534220	2058730	106,680.00	106,680.00	SMG AS MANAGER SUPERDOME	fiscal year
00192329		SOFTWARE SUPPORT FOR ICS SYSTEM	534650	2058850	78,047.16	78,047.16	SPACELABS	fiscal year
00190559		SHARPS WASTE DISPOSAL	534640	2059100	247,872.26	247,872.26	STERILCICLE	fiscal year
00173150-2		MAINTENANCE ON STERILIZERS & OR TABLES	534620	2068420	97,431.00	97,431.00	STERIS CORPORATION	fiscal year
00172708-2		SERVICE ON STRYKER NAVIGATION SYSTEM	534620	2068420	54,839.97	54,839.97	STRYKER INSTRUMENTS	fiscal year
00191100		SUPPORT FOR ARIA TLX2	534620	2067150	107,687.63	107,687.63	THERMO ELECTRON NORTH AMER	fiscal year
00190470		MANAGED HOST MONTHLY SERVICES	534600	2058850	51,780.00	51,780.00	VENYU SOLUTIONS	fiscal year
00191636		TOTAL ACCESS MONTHLY FEES	538651	2058870	118,557.72	118,557.72	VERIZON WIRELESS	fiscal year
00194303		GARBAGE REMOVAL	534640	2059100	186,161.25	186,161.25	WASTE PRO OF LOUISIANA	fiscal year

00191208	ONE UNIFORMED AND ARMED SECURITY OFFICER. PER ATTACHED TERMS, CONDITIONS AND SPECIFICATIONS.	530313	2059080	18.48000	161,441.28	Allied Barton Security Services	fiscal year
00191208	ONE MARKED SECURITY PATROL VEHICLE WITH ONE UNIFORMED AND ARMED SECURITY OFFICER. PER ATTACHED TERMS, CONDITIONS AND SPECIFICATIONS.	530313	2059080	18.88000	326,405.28	Allied Barton Security Services	fiscal year
00194131	ANNUAL PAYMENT OF ORM PREMIUM FOR WORKMAN'S COMPENSATION INSURANCE	532402	2028715	1.00000	1,399,768.00	LA Division of Admin	fiscal year
00194131	ANNUAL PAYMENT OF ORM PREMIUM FOR FIRE & EXTENDED INSURANCE	532403	2028715	1.00000	2,079,012.00	LA Division of Admin	fiscal year
00194131	ANNUAL PAYMENT OF ORM PREMIUM FOR MALPRACTICE INSURANCE	532404	2028715	1.00000	1,510,361.00	LA Division of Admin	fiscal year
00194131	ANNUAL PAYMENT OF ORM PREMIUM FOR OTHER INSURANCE	532405	2028715	1.00000	372,998.00	LA Division of Admin	fiscal year
00192626	MOBILE LITHOTRIPSY SERVICE FOR INTERIM LSU PUBLIC HOSPITAL (FORMERLY : MCLNO) LOCATED AT 2026 GRAVIER STREET, NEW ORLEANS, LA 70112 EFFECTIVE DATES JULY 1, 2010 THRU JUNE 30, 2013. THE UNIT OF MEASURE IS PER PROCEDURE. VENDOR IS TO PROVIDE:	538677	2037020	1695.00000	59,325.00	Gulf South Lithotripsy	fiscal year
00194049	SPINAL CORD MONITORING SERVICES ON AN AS NEEDED BASIS	538677	2037020	900.00000	270,000.00	Nimco, LLC	fiscal year
Listing of Professional, Personal, Consulting, Social Services, Intergovernmental/Interagency Contracts and Cooperative Endeavor Agreements							
CFMS#	DESCRIPTION	MAX AMOUNT	VENDOR				
718339	Dental Services	146,519.00	LSUHSC School of Dentistry	7/1/12 - 12/31/12			
714158	Oral & Maxillofacial Surgery Resident Supervision	990,965.00	LSUHSC School of Dentistry	7/1/12 - 6/30/13			
713491	Anesthesiology	2,838,758.00	LSUHSC School of Medicine	7/1/12 - 6/30/13			
714292	Audiology	75,122.00	LSUHSC School of Medicine	7/1/12 - 6/30/13			
713524	Cardiology	515,246.00	LSUHSC School of Medicine	7/1/12 - 6/30/13			
713530	Cardiovascular Surgery	439,729.00	LSUHSC School of Medicine	7/1/12 - 6/30/13			
714047	Diagnostics & Autopsies	125,000.00	LSUHSC School of Medicine	7/1/12 - 6/30/13			
713963	HIV Outpatient Program Services	1,431,495.00	LSUHSC School of Medicine	7/1/12 - 6/30/13			
717211	HIV Outpatient Program Services (Ryan White Part C)	518,912.00	LSUHSC School of Medicine	7/1/12 - 6/30/13			
713548	Hospitalists	477,064.00	LSUHSC School of Medicine	7/1/12 - 6/30/13			
713909	House Officers	13,255,647.00	LSUHSC School of Medicine	7/1/12 - 6/30/13			

717260	Medical Direction	3,030,745.00	LSUHSC School of Medicine	7/1/12 - 6/30/13
716348	Ophthalmic Technicians	174,389.00	LSUHSC School of Medicine	7/1/12 - 6/30/13
713518	Pathology	2,079,403.00	LSUHSC School of Medicine	7/1/12 - 6/30/13
714060	Psychologists-DePaul	192,229.00	LSUHSC School of Medicine	7/1/12 - 6/30/13
714040	Psychiatric Emergency Services	631,294.00	LSUHSC School of Medicine	7/1/12 - 6/30/13
714042	Psychiatric Residents-Extracurricular	326,850.00	LSUHSC School of Medicine	7/1/12 - 6/30/13
713509	Radiology	2,152,569.00	LSUHSC School of Medicine	7/1/12 - 6/30/13
713915	Resident Supervision & Education	15,428,298.00	LSUHSC School of Medicine	7/1/12 - 6/30/13
714493	Telemedicine	227,416.00	LSUHSC School of Medicine	7/1/12 - 6/30/13
714448	Trauma Call Services	1,923,305.00	LSUHSC School of Medicine	7/1/12 - 6/30/13
714114	Rehabilitation Services	1,882,883.00	LSUHSC School of Allied Health	7/1/12 - 6/30/13
714634	Breast & Cervical Cancer Program	332,500.00	LSUHSC School of Public Health	7/1/12 - 6/30/13
716379	Tumor Registry	356,250.00	LSUHSC School of Public Health	7/1/12 - 6/30/13
714377	Cardiology	585,098.00	Tulane University Medical Group	7/1/12 - 6/30/13
714310	Diagnostics & Autopsies	84,000.00	Tulane University Medical Group	7/1/12 - 6/30/13
713560	Hospitalists	475,410.00	Tulane University Medical Group	7/1/12 - 6/30/13
713863	House Officers	5,412,849.00	Tulane University Medical Group	7/1/12 - 6/30/13
718698	Medical Direction	909,968.00	Tulane University Medical Group	7/1/12 - 6/30/13
713883	Pediatric Intensivists	163,500.00	Tulane University Medical Group	7/1/12 - 6/30/13
713882	Resident Supervision & Education	7,967,679.00	Tulane University Medical Group	7/1/12 - 6/30/13
714085	Trauma Call Services	578,790.00	Tulane University Medical Group	7/1/12 - 6/30/13
699895	Dialysis Services	650,000.00	Tulane University Medical Group	7/1/12 - 6/30/13
695668	Extracorporeal Perfusion Services	235,000.00	Bio-Medical Applications of La.	7/1/12 - 6/30/13
714196	Urology Residents	215,693.00	Ochsner Clinic Foundation	7/1/12 - 6/30/13
713580	Emergency Medicine Services	3,517,300.00	Van Meter & Associates	7/1/12 - 6/30/13
718660	Hyperbaric/Wound Care Services	317,005.00	Van Meter & Associates	7/1/12 - 6/30/13
714173	Pharmacy Practice Residents	109,536.00	Xavier University of Louisiana	7/1/12 - 6/30/13
	Energy	Unknown	Entergy Thermal	

Non-Professional Contracts (Services)

		Estimated annual		More than one year
DESCRIPTION		Total	VENDOR	
Housekeeping services		316,642.00	Sodexo Housekeeping	5/23/10-5/22/15
Food svcs. Inpat. and cafeteria		65,989.22	Sodexo Food Services	1/17/11 -1/16/17
Billing for Professional fees based on Collection Svcs (13%)		77,967.37	Acadian Computer Svcs.	03/30/12-03-29-15
Lease of clinic space & parking near Superdome		165,153.11	Lord & Taylor	3/04/06 - 2/15/15
Lease of psychiatric beds		79,721.88	DePaul	8/02/07-8/01/13
Lease for HOP Clinic		67,200.00	Montagnet Properties	5/31/11-2/20/16
HIV drugs		\$10,940.81/mo	Avita Drugs	

EXHIBIT 10.8(b)

OTHER CONTRACTS

Lists of the following contracts are attached hereto:

1. Contracts that are not terminable upon notice of twelve (12) months or less;
2. LSU maintains a list of written contracts with health care providers (attached); however, it does not maintain an independent list of contracts with persons or entities from which the Hospital receives referrals of patients; and
3. Cooperative endeavor agreements, joint ventures, partnerships, and affiliation agreements.

Contracts Not Terminable Upon 12 Months or Less

PURCHASE ORDER	DESCRIPTION	ACCOUNT	COST CENTER	AMOUNT	Total	VENDOR	Contract term
	Lease of clinic space & parking near			165,153.11	1,981,837.32	Lord & Taylor	3/04/06 - 2/15/15
	Superdome			67,200.00	806,400.00	Montagnet Properties	5/31/11-2/20/16
	Lease for HOP Clinic			Unknown		Entergy Thermal	
	Entergy						

Contracts with Health Care Providers

PURCHASE ORDER	DESCRIPTION	ACCOUNT	COST CENTER	AMOUNT	Total	VENDOR	Contract term
718339	Dental Services			146,519.00		LSUHSC School of Dentistry	7/1/12 - 12/31/12
714158	Oral & Maxillofacial Surgery Resident Supervision			990,965.00		LSUHSC School of Dentistry	7/1/12 - 6/30/13
713491	Anesthesiology			2,838,758.00		LSUHSC School of Medicine	7/1/12 - 6/30/13
714292	Audiology			75,122.00		LSUHSC School of Medicine	7/1/12 - 6/30/13
713524	Cardiology			515,246.00		LSUHSC School of Medicine	7/1/12 - 6/30/13
713530	Cardiovascular Surgery			439,729.00		LSUHSC School of Medicine	7/1/12 - 6/30/13
714047	Diagnostics & Autopsies			125,000.00		LSUHSC School of Medicine	7/1/12 - 6/30/13
714065	EEG Call Services			40,000.00		LSUHSC School of Medicine	7/1/12 - 6/30/13
714046	Family Medicine Services at DePaul Mental Health Facility			90,448.00		LSUHSC School of Medicine	7/1/12 - 6/30/13
713963	HIV Outpatient Program Services			1,431,495.00		LSUHSC School of Medicine	7/1/12 - 6/30/13
717211	HIV Outpatient Program Services (Ryan White Part C)			518,912.00		LSUHSC School of Medicine	7/1/12 - 6/30/13
713548	Hospitalists			477,064.00		LSUHSC School of Medicine	7/1/12 - 6/30/13
713909	House Officers			13,255,647.00		LSUHSC School of Medicine	7/1/12 - 6/30/13
717260	Medical Direction			3,030,745.00		LSUHSC School of Medicine	7/1/12 - 6/30/13
716348	Ophthalmic Technicians			174,389.00		LSUHSC School of Medicine	7/1/12 - 6/30/13
713518	Pathology			2,079,403.00		LSUHSC School of Medicine	7/1/12 - 6/30/13
714060	Psychologists-DePaul			192,229.00		LSUHSC School of Medicine	7/1/12 - 6/30/13
714040	Psychiatric Emergency Services			631,294.00		LSUHSC School of Medicine	7/1/12 - 6/30/13
714042	Psychiatric Residents-Extracurricular			326,850.00		LSUHSC School of Medicine	7/1/12 - 6/30/13
713509	Radiology			2,152,569.00		LSUHSC School of Medicine	7/1/12 - 6/30/13
713915	Resident Supervision & Education			15,428,298.00		LSUHSC School of Medicine	7/1/12 - 6/30/13
714493	Telemedicine			227,416.00		LSUHSC School of Medicine	7/1/12 - 6/30/13
714448	Trauma Call Services			1,923,305.00		LSUHSC School of Medicine	7/1/12 - 6/30/13
714114	Rehabilitation Services			1,882,883.00		LSUHSC School of Allied Health	7/1/12 - 6/30/13
714634	Breast & Cervical Cancer Program			332,500.00		LSUHSC School of Public Health	7/1/12 - 6/30/13
716379	Tumor Registry			356,250.00		LSUHSC School of Public Health	7/1/12 - 6/30/13
714377	Cardiology			585,098.00		Tulane University Medical	7/1/12 - 6/30/13
714310	Diagnostics & Autopsies			84,000.00		Tulane University Medical	7/1/12 - 6/30/13
714265	HIV/Infectious Disease Services			32,700.00		Tulane University Medical	7/1/12 - 6/30/13
713560	Hospitalists			475,410.00		Tulane University Medical	7/1/12 - 6/30/13
713863	House Officers			5,412,849.00		Tulane University Medical	7/1/12 - 6/30/13

718698	Medical Direction	909,968.00	Tulane University Medical	7/1/12 - 6/30/13
713883	Pediatric Intenivisits	163,500.00	Tulane University Medical	7/1/12 - 6/30/13
713882	Resident Supervision & Education	7,967,679.00	Tulane University Medical	7/1/12 - 6/30/13
715640	Telemedicine-Pulmonary	20,000.00	Tulane University Medical	7/1/12 - 6/30/13
714085	Trauma Call Services	578,790.00	Tulane University Medical	7/1/12 - 6/30/13
699895	Dialysis Services	650,000.00	Bio-Medical Applications of La.	7/1/12 - 6/30/13
715963	Psychiatry Services-Community Clinics	20,000.00	Integrated Behavioral Health	7/1/12 - 6/30/13
695668	Extracorporeal Perfusion Services	235,000.00	Major Perfusion	7/1/12 - 6/30/13
714196	Urology Residents	215,693.00	Ochsner Clinic Foundation	7/1/12 - 6/30/13
713580	Emergency Medicine Services	3,517,300.00	Van Meter & Associates	7/1/12 - 6/30/13
718660	Hyperbaric/Wound Care Services	317,005.00	Van Meter & Associates	7/1/12 - 6/30/13
717306	Legal Assistance for HIV Patients	10,033.00	AIDSLaw of Louisiana, Inc.	7/1/12 - 6/30/13
			Catholic Charities Archdioces of	
708406	Sign Language Interpretation	4,000.00	N.O.	7/1/12 - 6/30/13
718533	Medical Records Coding	20,000.00	Kforce Healthcare, Inc.	12/17/12 - 6/30/13
714173	Pharmacy Practice Residents	109,536.00	Xaiver University of Louisiana	7/1/12 - 6/30/13

Letters of credit for patient specific services contracted by ILH - annualized

90% of Medicare-allowable for hyperbaric treatment	554500	2018710	162.13	1,945.50	Van Meter & Associates
90% of Medicare-allowable for radiation oncology treatment	554500	2018710	25,539.67	306,476.00	Touro Infirmary
90% of Medicare-allowable for radiation oncology treatment (estimated)	554500	2018710	5,652.33	67,828.00	Crescent City Physicians
90% of Medicare-allowable for radiation oncology treatment (estimated)	554500	2018710	17,492.17	209,906.00	Infusion Partners
post discharge IV therapy (estimated)					Tulane University Hospital &
90% of Medicare-allowable for radiation physician treatment	554500	2018710	21,989.83	263,878.00	Clinic
MRI services	554500	2018710	696.96	8,363.54	Open sided MRI
90% of Medicare-allowable for radiation oncology treatment	554500	2018710	1,627.17	19,526.00	Tulane Physicians Group
90% of Medicare-allowable for radiation oncology treatment	554500	2018710	41,463.50	497,562.00	University Health systems
90% of Medicare-allowable for radiation oncology treatment	554500	2018710	5,923.27	71,079.24	West Jefferson Hospital

CEA's, Joint Ventures, etc.

PURCHASE ORDER	DESCRIPTION	ACCOUNT	COST CENTER	AMOUNT	Total	VENDOR	Contract term
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Energy

Unknown

Energy Thermal

EXHIBIT 10.11

INTERIM CHANGES AT HOSPITAL

There have been no material changes at the Hospital since January 1, 2013.

EXHIBIT 12.2(b)

**AUTHORIZING RESOLUTIONS OF THE UMCMC MEMBERS AND
BOARD OF DIRECTORS**

The Unanimous Written Consent of the UMCMC Members and Board of Directors is attached hereto.

2

**JOINT UNANIMOUS WRITTEN CONSENT
OF ALL OF THE MEMBERS AND ALL OF THE DIRECTORS OF
UNIVERSITY MEDICAL CENTER MANAGEMENT CORPORATION
(A MAJOR AFFILIATE OF LSU PURSUANT TO LA. R.S. 17:3390)**

Pursuant to the provisions of Sections 223 and 224(E)(9) of the Louisiana Nonprofit Corporation Law (Section 201 et seq. of Title 12 of the Louisiana Revised Statutes), and in lieu of a joint meeting of the members and the Board of Directors of University Medical Center Management Corporation (A Major Affiliate of LSU Pursuant to La. R.S. 17:3390), a Louisiana nonprofit corporation (the "**Company**"), for such purposes, the undersigned, being all of the members and all of the directors serving on the Board of Directors of the Company, do hereby take and authorize by written consent the following action:

BE IT RESOLVED, that the directors and members of University Medical Center Management Corporation (A Major Affiliate of LSU Pursuant to La. R.S. 17:3390) (the "**Company**") waive notice of the actions authorized by this joint unanimous written consent, including without limitation, waiver of the notice and other provisions Section 5 of Article 6 and Article 9 of the Articles of Incorporation of the Company as restated pursuant to the restatement thereof dated July 9, 2010, and Article XIII of the Bylaws of the Company.

BE IT FURTHER RESOLVED, that the resignation of David Voelker as a member of the Board of Directors (the "**Board**") of the Company effective March 1, 2013, be and hereby is accepted pursuant to his letter to the Board dated March 1, 2013.

BE IT FURTHER RESOLVED, that the Company enter into that certain Cooperative Endeavor Agreement (the "**CEA**") by and among the Company, Louisiana Children's Medical Center ("**LCMC**"), Board of Supervisors of Louisiana State University and Agricultural and Mechanical College ("**LSU**"), State of Louisiana ("**State**"), Louisiana Division of Administration ("**DOA**"), and Louisiana Department of Health and Hospitals ("**DHH**"), in substantially the same form and content as provided to the directors and members of the Company; and in connection therewith, Robert V. "Bobby" Yarborough, Chair of the Company (the "**Designated Officer**"), acting singly, be and he is hereby authorized, empowered and directed, in the name of and on behalf of the Company, to execute and deliver the CEA and to include therein any and all amendments, supplements and modifications thereto as he deems necessary or appropriate in his sole discretion.

BE IT FURTHER RESOLVED, that upon the Company entering into the CEA, the Company also enter into the Member Substitution Agreement by and among the Company, LCMC, LSU and Administrators of the Tulane Educational Fund; the Master Lease Agreement by and among LSU, as landlord, the State, and the Company, as tenant; the Right of Use, Possession and Occupancy Agreement among LSU, the State and the Company; and the Equipment Lease by and between LSU, as lessor, and the Company, as lessee (the "**Transaction Agreements**"), each in substantially the same form and content as provided to the directors and members of the Company; and, in connection therewith, the

Designated Officer, acting singly, be and he is hereby authorized, empowered and directed, in the name of and on behalf of the Company, to execute and deliver (i) each of the Transaction Agreements, and to include therein any and all amendments, supplements and modifications thereto as he deems necessary or appropriate in his sole discretion, and (ii) all such other agreements, documents, certificates and instruments necessary or appropriate in order to accomplish the purposes of the CEA and to include therein all such terms and provisions as he deems necessary or appropriate in his sole discretion.

BE IT FURTHER RESOLVED, that the Company enter into a Management Agreement with LCMC (the “**Management Agreement**”) whereby LCMC will provide management and financial resources to the Company, and will be authorized to enter into agreements and take actions on behalf of the Company, prior to the execution of the CEA by the Company, LCMC and the other parties thereto; and in connection therewith, the Designated Officer, acting singly, be and he is hereby authorized, empowered and directed, in the name of and on behalf of the Company, to execute and deliver the Management Agreement and to include therein any and all such terms, provisions, stipulations and agreements as he in his discretion deems appropriate, and to take all other steps and execute all such other documents or instruments as he deems necessary or desirable in order to accomplish the purposes of the Management Agreement as aforesaid.

BE IT FURTHER RESOLVED, that the Amendment to and Restatement of Articles of Incorporation of the Company (the “**Amended and Restated Articles of Incorporation**”) as contemplated by the CEA in substantially the same form and content as provided to the directors and members of the Company, be and the same is hereby authorized and approved; and in connection therewith, upon the Company entering into the CEA, the Designated Officer be and he is hereby authorized, empowered and directed, in the name of and on behalf of the Company, to execute and deliver the Amended and Restated Articles of Incorporation and thereafter file the same with the Secretary of State of the State of Louisiana in accordance with La. R.S. 12:31, and record a certified copy thereof in the office of the Clerk and Recorder of East Baton Rouge Parish, State of Louisiana.

BE IT FURTHER RESOLVED, that the Amended and Restated Bylaws of the Company, in substantially the same form and content as provided to the directors and members of the Company, be and the same are hereby approved and adopted effective immediately.

BE IT FURTHER RESOLVED, that, in view of LCMC’s approval thereof, the Company enter into that certain Acknowledgment with LSU and Our Lady of the Lake Hospital, Inc. (the “**Acknowledgment**”) as provided to the directors and members of the Company; and, in connection therewith, the Designated Officer, acting singly, be and he is hereby authorized, empowered and directed, in the name of and on behalf of the Company, to execute and deliver the Acknowledgment, and any and all such other agreements, documents, certificates

and instruments necessary or appropriate in order to accomplish the purpose and intent of this resolution.

BE IT FURTHER RESOLVED, that the Company enter into Amendment #03 to that certain Cooperative Endeavor Agreement with DOA dated June 22, 2011, as amended by Amendment #01 dated December 1, 2011, and Amendment #02 dated July 2, 2012, whereby the maximum amount payable thereunder for administrative expenses incurred by the Company, including but not limited to consulting, legal and accounting professional services, be increased by an amount sufficient to pay such expenses incurred by the Company through the date of the substitution of LCMC as the sole member of the Company; and in connection therewith, Robert V. "Bobby" Yarborough, Chair of the Board of Directors of the Company, acting singly, be and he is hereby authorized, empowered and directed, in the name of and on behalf of the Company, to execute and deliver Amendment #03 and to include therein all such terms, provisions, stipulations and agreements as he in his discretion deems appropriate, and to take all other steps and execute all such other documents or instruments as he deems necessary or desirable in order to accomplish the purposes of Amendment #03 as aforesaid.

BE IT FURTHER RESOLVED, that Kaufman Hall & Associates, Inc. ("Kaufman Hall") be reimbursed for expenses in the amount of \$4,358.18 incurred by it in connection with professional services rendered by Kaufman Hall to the Company; and, in connection therewith, the Designated Officer be and he is hereby authorized, empowered and directed in the name of and on behalf of the Company to take all such actions as may be necessary or desirable to accomplish the purpose and intent of this resolution.

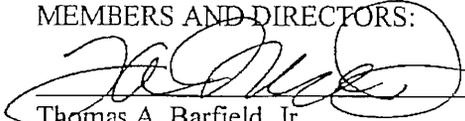
BE IT FURTHER RESOLVED, that the Designated Officer be and he is hereby authorized, empowered and directed, in the name of and on behalf of the Company, to execute and deliver any and all such other agreements, documents, certificates and instruments necessary or appropriate to consummate the transactions contemplated hereby and to include therein all such terms and provisions as he in his sole discretion deems necessary or appropriate.

BE IT FURTHER RESOLVED, that this Joint Unanimous Written Consent may be executed in any number of counterparts, each of which shall be an original, but all of which shall together constitute one and the same instrument; for purposes hereof, facsimile and electronically scanned pdf copies hereof and facsimile and electronically scanned pdf signatures hereof shall be authorized and deemed effective.

[Remainder of page intentionally left blank; signature page follows]

This Joint Unanimous Written Consent has been signed by all of the members and all of the Directors of the Company to be effective as of April 23, 2013, and this Joint Unanimous Written Consent shall be filed with or otherwise entered on the minutes or other appropriate records of the Company.

MEMBERS AND DIRECTORS:



Thomas A. Barfield, Jr.



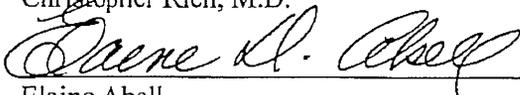
Byron R. Harrell, Sc.D.

Donald T. "Boysie" Bollinger

Robert V. "Bobby" Yarborough

Christopher Rich, M.D.

Stanley Jacobs



Elaine Abell

Darryl D. Berger

Harold Gaspard

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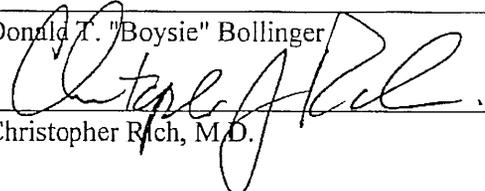
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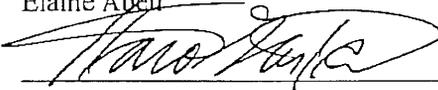
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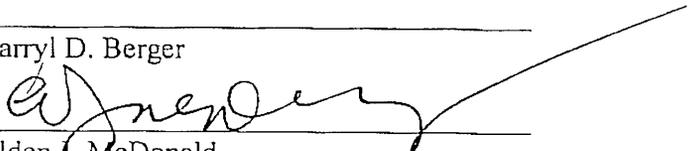
Christopher Rich, M.D.

Stanley Jacobs

Elaine Abell

Darryl D. Berger

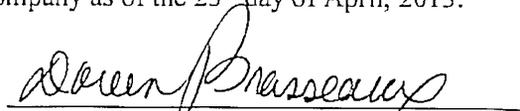
Harold Gaspard



Alden L. McDonald

CERTIFICATE

I, Doreen Brasseaux, Acting Secretary of University Medical Center Management Corporation (A Major Affiliate of LSU Pursuant to La. R.S. 17:3390) (the "Company") do hereby certify that the subscribers to the foregoing Joint Unanimous Written Consent constitute all of the members and all of the Directors of the Company as of the 23rd day of April, 2013.



Doreen Brasseaux, Acting Secretary

EXHIBIT 13.3(a)

AUTHORIZING RESOLUTION OF LCMC BOARD OF DIRECTORS

The authorizing resolution of the LCMC Board of Directors is attached hereto.

LCMC BOARD RESOLUTION

STATE OF LOUISIANA PARISH OF ORLEANS

On the 28th day of March, 2013, at a meeting of the Board of Trustees of LOUISIANA CHILDREN'S MEDICAL CENTER, INC., a non-profit corporation, held at 200 Henry Clay Avenue, in the City of New Orleans, Parish of Orleans, State of Louisiana with a quorum of the trustees present, the following business was conducted.

WHEREAS, Louisiana Children's Medical Center ("LCMC") is the parent organization of a health care delivery system ("the System") which currently includes Touro Hospital and Children's Hospital of New Orleans, which System is committed to providing high quality health care to the residents of the greater New Orleans area;

WHEREAS, the State of Louisiana ("State"), Board of Supervisors of Louisiana State University and Agricultural and Mechanical College ("LSU"), State of Louisiana, Division of Administration (the "DOA"), State of Louisiana, Department of Health and Hospitals ("DHH"), and other interested parties are in need of financial and managerial support because the state-wide public hospital system is financially unsustainable, compromising LSU's and the State's ability to provide medical education opportunities, a full range of clinical services to all Louisiana citizens, including the uninsured and Medicaid high-risk populations, and promote clinical research and other advances in health care;

WHEREAS, the State's health care reform effort has focused on ways to remodel the delivery of care through partnerships and cooperative efforts between the public and private sectors;

WHEREAS, LCMC and its affiliates wish to respond to the need for a charitable entity to provide financial and managerial support to the hospital currently operating under provider number 19-0005 known as the Charity Hospital and Medical Center of Louisiana at New Orleans ("Hospital") through an affiliation with University Medical Center Management Corporation (a Major Affiliate of LSU pursuant to La. R.S. 17:3390) ("UMCMC"), pursuant to which LCMC would, among other things, become the sole member of UMCMC (the "Transaction") under the provisions of Amended and Restated UMCMC Articles of Incorporation and Bylaws, which will provide for, among other things, certain reserved powers to be held by LCMC as the sole member;

WHEREAS, LCMC entered into an Amended and Restated Memorandum of Understanding effective on or about December 28, 2012 by and among LCMC, UMCMC, LSU, DHH, DOA and the Administrators of the Tulane Educational Fund ("Tulane") pursuant to which the parties agreed to collaborate with regard to the Transaction and the development of a Cooperative Endeavor Agreement ("CEA");

WHEREAS, LCMC, UMCMC, LSU, DOA, and DHH (the “CEA Parties”) are currently negotiating a CEA, which shall provide that LCMC will (1) become the sole member of UMCMC, which will then assume ownership of the operations and management of the Hospital; (2) guarantee UMCMC’s rental payments and other obligations under a Master Hospital Lease; and (3) have withdrawal rights from UMCMC upon certain specified events and potentially receive certain payments upon withdrawal;

WHEREAS, certain of the CEA Parties will also enter into a Master Hospital Lease, which will provide for the lease by UMCMC of the current interim facility in which the Hospital is located (“Interim Facility”), and upon its completion in accordance with terms and conditions set forth therein, the new facility in which the Hospital will be located (including an ambulatory care building and garage) (“New Facility”), and an Equipment Lease, which will provide for the lease by UMCMC of certain equipment and personal property in the Interim Facility;

WHEREAS, as part of the Transaction, LCMC and/or UMCMC may or will enter into certain other agreements, including a Member Substitution Agreement, Master Collaborative Agreement, and such other agreements as are necessary to effectuate the Transaction (together with the Master Hospital Lease and Equipment Lease, the “Ancillary Agreements”);

WHEREAS, participation in the CEA will advance the charitable purpose of LCMC by affording LCMC and its affiliates the opportunity to extend their management abilities and mission to additional hospital facilities in the New Orleans area, access and support a Level 1 Trauma Center and a robust clinic infrastructure, create innovative health care delivery systems (such as accountable care organizations), and facilitate greater clinical integration across a broader base of providers in and around New Orleans, all of which will serve to expand and diversify the LCMC system to better serve its patient population and the patient population of the greater New Orleans area;

WHEREAS, certain aspects of the CEA and Transaction are subject to ongoing negotiation among the CEA Parties;

WHEREAS, subject to the satisfactory conclusion of the negotiations, this Board of Trustees has determined that the Transaction is in the best interests of LCMC, and will advance LCMC’s mission, vision and values;

NOW, THEREFORE BE IT:

Authorization to enter into CEA and Ancillary Agreements

RESOLVED: that subject to the conclusion of the negotiations in a manner determined by the President and Chief Executive Officer of LCMC in his discretion to be consistent with the goals of LCMC in entering the CEA, the President and Chief Executive Officer of LCMC, acting in consultation with the Chairman, is hereby authorized, empowered and directed for and on behalf of LCMC and in its name to execute and deliver the CEA, on such terms and conditions as those presented to the Board of Trustees at its meeting, and with such changes therein as the President and Chief Executive

Officer so acting may by his execution thereof approve, in order to effectuate the Transaction.

RESOLVED: that subject to the conclusion of the negotiations in a manner determined by the President and Chief Executive Officer of LCMC in his discretion to be consistent with the goals of LCMC in entering the CEA, and acting in consultation with the Chairman, the President and Chief Executive Officer is hereby authorized, empowered and directed for and on behalf of LCMC and in its name to execute and deliver all documents contemplated by the CEA, including the Ancillary Agreements, or that are otherwise reasonable and necessary to effectuate the Transaction.

Authorization to Guarantee UMCMC Payments under the Master Hospital Lease

RESOLVED: the President and Chief Executive Officer of LCMC, acting in consultation with the Chairman, is hereby authorized, empowered and directed for and on behalf of LCMC and in its name to execute and deliver any additional documents necessary for LCMC to guarantee UMCMC's rental payments under the Master Hospital Lease.

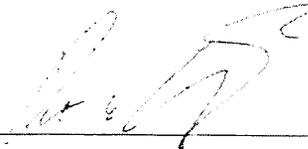
General

RESOLVED: that the Chairman, President and Chief Executive Officer, Treasurer and Secretary of LCMC be, and each of them individually hereby is, authorized and empowered, (i) to prepare or cause to be prepared, execute, enseal and deliver or cause to be delivered, in the name and on behalf of LCMC, any and all documents, agreements and instruments to effectuate any of the foregoing resolutions or any of the transactions contemplated thereby, all with such changes therein as any such officer may deem necessary or desirable, and (ii) to take such action, or to cause others to take such action, in the name and on behalf of LCMC, as may in the judgment of any such officer so acting be necessary or appropriate in connection with, or in furtherance of, any of the foregoing resolutions or any of the transactions contemplated thereby, the execution and delivery of any such document, agreement or instrument or the taking of any such action being conclusive evidence of such officer's authority hereunder to so act.

REVOLVED: to ratify, confirm and approve all actions taken or to be taken by the officers of LCMC in connection with any and all of the actions referred to in or contemplated by the foregoing resolutions.

CERTIFICATE

I certify that the above and foregoing constitutes a true and correct copy of a part of the minutes of a meeting of the Board of Trustees of the Louisiana Children's Medical Center, Inc. held on the 28th day of March, 2013.



Chairman



Secretary

SEEN TO AND SUBSCRIBED BEFORE ME
This 4th DAY OF April, 2013.

NOTARY PUBLIC

Ricardo M. Guevara
Notary Public
Louisiana Bar No. 06408
My Commission is for Life