COOPERATIVE ENDEAVOR AGREEMENT

BY AND AMONG

BIOMEDICAL RESEARCH FOUNDATION OF NORTHWEST LOUISIANA;

BRF HOSPITAL HOLDINGS, L.L.C.

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

THE STATE OF LOUISIANA THROUGH THE DIVISION OF ADMINISTRATION;

AND

THE LOUISIANA DEPARTMENT OF HEALTH & HOSPITALS

DATED SEPTEMBER 30, 2013
ARTICLE I STATEMENT OF PUBLIC PURPOSE .............................................................................................................. 2

Section 1.1.  Public Purpose of Cooperative Endeavor ........................................................................................................ 2
Section 1.2.  Contract Monitor ............................................................................................................................................. 2

ARTICLE II LEASE OF FACILITIES AND EQUIPMENT AND ASSET TRANSFER .......................................................... 3

Section 2.1.  BRFHH Lease of the Hospitals’ Operations and Facilities .................................................................................. 3
Section 2.2.  BRFHH Lease of Certain Equipment ................................................................................................................ 3
Section 2.3.  Asset Transfer .................................................................................................................................................... 3
Section 2.4.  Retained Liabilities ...................................................................................................................................... 4

ARTICLE III FUNDING ...................................................................................................................................................... 4

Section 3.1.  Required Funding .......................................................................................................................................... 4
Section 3.2.  No Diminution in Funding ............................................................................................................................. 8
Section 3.3.  Termination Considerations .......................................................................................................................... 8
Section 3.4.  Payments During Termination Process and Wind Down Period Considerations ........................................... 9
Section 3.5.  Amendment .................................................................................................................................................... 9

ARTICLE IV CLINICAL SERVICES .................................................................................................................................. 9

Section 4.1.  Teaching Services; Patient Admission ............................................................................................................ 9
Section 4.2.  BRFHH Uncompensated and Charity Care Obligations .................................................................................. 10
Section 4.3.  Care for High-Risk Medicaid Patients ........................................................................................................... 10
Section 4.4.  Mental Health .................................................................................................................................................. 10
Section 4.5.  Inmate Care ..................................................................................................................................................... 10
Section 4.6.  Core Services .................................................................................................................................................. 10
Section 4.7.  Key Service Lines ........................................................................................................................................ 10
Section 4.8.  Telemedicine .................................................................................................................................................. 11
Section 4.9.  Closure; Reduction of Services ....................................................................................................................... 11
Section 4.10. Training Affiliations ..................................................................................................................................... 11

ARTICLE V CAPITAL COMMITMENTS .......................................................................................................................... 11

ARTICLE VI PERSONNEL ................................................................................................................................................ 11

Section 6.1.  Compensation and Benefits ........................................................................................................................ 11
Section 6.2.  Employee Matters ...................................................................................................................................... 11

ARTICLE VII MASTER COLLABORATIVE AGREEMENT ................................................................................................. 12

ARTICLE VIII REPRESENTATIONS AND WARRANTIES OF LSU .................................................................................. 13

Section 8.1.  Organization; Standing ................................................................................................................................ 13
Section 8.2.  Enforceability; Authority; No Conflict ............................................................................................................ 13
Section 8.3.  Employee Benefits ....................................................................................................................................... 14
Section 8.4.  Compliance with Laws .................................................................................................................................. 14
Section 8.5.  Legal Proceedings; Orders ............................................................................................................................. 15
Section 8.6.  Insurance; Malpractice .................................................................................................................................. 15
Section 8.7.  Taxes ............................................................................................................................................................... 15
Section 8.8.  Contracts and Other Commitments ................................................................................................................ 16
Section 8.9.  Reimbursement Contracts ................................................................................................................................ 16
Section 8.10. Cost Reports ................................................................................................................................................... 16
Section 8.11. Interim Changes ............................................................................................................................................ 17
<table>
<thead>
<tr>
<th>Final</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ARTICLE IX REPRESENTATIONS AND WARRANTIES OF THE STATE</strong> ................. 17</td>
</tr>
<tr>
<td>Section 9.1. Organization; Standing .............................................................. 17</td>
</tr>
<tr>
<td>Section 9.2. Enforceability; Authority; No Conflict .................................. 18</td>
</tr>
<tr>
<td>Section 9.3. Employee Benefits ................................................................. 18</td>
</tr>
<tr>
<td>Section 9.4. Legal Proceedings; Orders ...................................................... 18</td>
</tr>
<tr>
<td>Section 9.5. Full Disclosure ....................................................................... 18</td>
</tr>
<tr>
<td><strong>ARTICLE X BRFHH REPRESENTATIONS AND WARRANTIES</strong> .......................... 19</td>
</tr>
<tr>
<td>Section 10.1. Organization; Standing ............................................................ 19</td>
</tr>
<tr>
<td>Section 10.2. Enforceability; Authority; No Conflict ................................ 19</td>
</tr>
<tr>
<td>Section 10.3. No Operations ...................................................................... 20</td>
</tr>
<tr>
<td>Section 10.4. Legal Proceedings; Orders .................................................... 20</td>
</tr>
<tr>
<td>Section 10.5. Insurance .............................................................................. 20</td>
</tr>
<tr>
<td>Section 10.6. Compliance with Legal Requirements ................................. 20</td>
</tr>
<tr>
<td>Section 10.7. Title to Assets .................................................................... 20</td>
</tr>
<tr>
<td>Section 10.8. Contracts, Leases, Indebtedness ............................................ 20</td>
</tr>
<tr>
<td>Section 10.9. Undisclosed Liabilities ............................................................ 20</td>
</tr>
<tr>
<td>Section 10.10. Taxes; Tax Returns .............................................................. 20</td>
</tr>
<tr>
<td><strong>ARTICLE XI BRF REPRESENTATIONS AND WARRANTIES</strong> ....................... 20</td>
</tr>
<tr>
<td>Section 11.1. Organization; Standing ............................................................ 20</td>
</tr>
<tr>
<td>Section 11.2. Enforceability; Authority; No Conflict ................................ 20</td>
</tr>
<tr>
<td>Section 11.3. Financial Statements ............................................................. 21</td>
</tr>
<tr>
<td>Section 11.4. Compliance with Legal Requirements .................................. 21</td>
</tr>
<tr>
<td>Section 11.5. Legal Proceedings; Orders ..................................................... 22</td>
</tr>
<tr>
<td>Section 11.6. Full Disclosure .................................................................... 22</td>
</tr>
<tr>
<td><strong>ARTICLE XII COMMENCEMENT CONDITIONS; FURTHER COVENANTS OF THE PARTIES</strong> .... 22</td>
</tr>
<tr>
<td>Section 12.1. Commencement Date .............................................................. 22</td>
</tr>
<tr>
<td>Section 12.2. Conditions Precedent to Obligations of BRFHH .................. 22</td>
</tr>
<tr>
<td>Section 12.3. Conditions Precedent to Obligations of LSU ....................... 23</td>
</tr>
<tr>
<td>Section 12.4. Further Covenants of the Parties ......................................... 24</td>
</tr>
<tr>
<td>Section 12.5. CMS-855A ......................................................................... 25</td>
</tr>
<tr>
<td>Section 12.6. Further Acts and Assurances .............................................. 25</td>
</tr>
<tr>
<td><strong>ARTICLE XIII TERM AND TERMINATION</strong> .............................................. 25</td>
</tr>
<tr>
<td>Section 13.1. Term .................................................................................... 25</td>
</tr>
<tr>
<td>Section 13.2. Early Termination ................................................................. 26</td>
</tr>
<tr>
<td>Section 13.3. Termination Process ............................................................. 27</td>
</tr>
<tr>
<td>Section 13.4. Wind Down Period Upon Termination .................................. 28</td>
</tr>
<tr>
<td><strong>ARTICLE XIV CUMULATIVE REMEDIES; WAIVER</strong> ............................... 28</td>
</tr>
<tr>
<td>Section 14.1. Remedies Cumulative ............................................................ 28</td>
</tr>
<tr>
<td>Section 14.2. Federal Program Recoupment Action .................................... 28</td>
</tr>
<tr>
<td><strong>ARTICLE XV INSURANCE AND INDEMNIFICATION</strong> ............................... 29</td>
</tr>
<tr>
<td>Section 15.1. Insurance ............................................................................ 29</td>
</tr>
</tbody>
</table>
Section 15.2. Survival of Representations and Warranties; Indemnification. ..................................................... 29

ARTICLE XVI GENERAL PROVISIONS ............................................................................................................ 32

Section 16.1. Interpretation. ................................................................................................................................ 32
Section 16.2. In this Agreement, unless a clear contrary intention appears: ....................................................... 32
Section 16.2. Legal Representation of the Parties. .............................................................................................. 32
Section 16.3. Expenses. ...................................................................................................................................... 33
Section 16.4. Dispute Resolution. ....................................................................................................................... 33
Section 16.5. Public Announcements. ................................................................................................................ 33
Section 16.6. Confidential Information. .............................................................................................................. 33
Section 16.7. Notice of Force Majeure. ............................................................................................................... 36
Section 16.8. Notices. ......................................................................................................................................... 36
Section 16.9. Jurisdiction, Service of Process. ................................................................................................... 37
Section 16.10. Enforcement of Agreement; Legal Fees and Costs. ................................................................... 37
Section 16.11. Entire Agreement and Modification. .......................................................................................... 37
Section 16.12. Assignments, Successors and No Third-Party Rights. .................................................................. 38
Section 16.13. Severability and Reformation. .................................................................................................... 38
Section 16.14. Construction. ................................................................................................................................ 38
Section 16.15. Time of Essence. ........................................................................................................................ 38
Section 16.16. Governing Law. .......................................................................................................................... 38
Section 16.17. Execution of Agreement. ............................................................................................................ 38
Section 16.18. Compliance with Health Care Laws. ........................................................................................... 38
Section 16.19. Access to Records. ...................................................................................................................... 38
Section 16.20. Names and Trademarks. ............................................................................................................... 39
Section 16.22. BRF and BRFHH Not Intended to be Public Bodies. ................................................................... 40
Section 16.23. Legislative Auditor .................................................................................................................... 40
Section 16.24. Non-Discrimination Clause. ........................................................................................................ 40
Section 16.25. Further Acts and Assurances. ..................................................................................................... 40
COOPERATIVE ENDEAVOR AGREEMENT

THIS COOPERATIVE ENDEAVOR AGREEMENT ("Agreement") is made and entered into this 30th day of September, 2013 ("Execution Date"), by and among the BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE ("LSU"), a public constitutional corporation of the State of Louisiana, BIOMEDICAL RESEARCH FOUNDATION OF NORTHWEST LOUISIANA, a Louisiana nonprofit corporation ("BRF"), BRF HOSPITAL HOLDINGS, L.L.C. a Louisiana limited liability company ("BRFHH"), and the STATE OF LOUISIANA, through the Division of Administration (the "State"). The LOUISIANA DEPARTMENT OF HEALTH & HOSPITALS ("DHH") joins in execution of this Agreement solely for purposes of consenting and agreeing to the terms of this Agreement applicable to it. (LSU, BRF, BRFHH and the State are sometimes individually referred to herein as "Party," and collectively referred to as the “Parties”). Capitalized terms used but not otherwise defined in the Agreement shall have the meanings set forth on Exhibit 1.

RECITALS

WHEREAS, BRF is a nonprofit Louisiana corporation organized and existing under the laws of the State of Louisiana pursuant to LA R.S. 12:201, et seq.;

WHEREAS, BRFHH is a Louisiana limited liability company organized and existing under the laws of the State of Louisiana pursuant to LA R.S. 12:1301, et seq., having BRF as its sole member and as a result thereof being considered a disregarded entity for federal tax purposes;

WHEREAS, LSU is a public corporation created by La. Const. Art. VIII, Section 7, with duties and powers authorized by the laws of the State of Louisiana, and LSU’s 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, LSU, through the Louisiana State University Health Science Center at Shreveport ("LSUHSC-S"), a division under LSU’s supervision and management, is committed to educating medical and clinical professionals in Louisiana through accredited residency, fellowship and other graduate medical educational programs and undergraduate medical and allied health programs;

WHEREAS, LSUHSC-S operates the hospital facilities and associated outpatient clinics known as LSU Medical Center–Shreveport in Shreveport, Louisiana ("Shreveport Hospital") and E.A. Conway Medical Center in Monroe, Louisiana ("E.A. Conway" and together with Shreveport Hospital, referred to herein as the “Hospitals”);

WHEREAS, the Division of Administration is an agency existing within Office of the Governor, within the executive branch of the State, with duties and powers established by law;

WHEREAS, DHH is a department of the executive branch of the State with powers and duties established by law;

WHEREAS, LSU is obligated by Louisiana law pursuant to La. R.S. 17:1517 and La. R.S. 17:1518 to provide medical and surgical treatment for the Medically Indigent residents of Louisiana at the Shreveport Hospital and E.A. Conway;
WHEREAS, LSU, BRF, BRFHH, DOA, and DHH, recognize the need to work collaboratively and exercise their best efforts to secure funding from the State for the cost of services to uninsured patients at the Hospitals and to develop and maintain nationally recognized GME Programs with appropriate facilities, structure and funding (the “Collaborative”);

WHEREAS, the State’s purpose for this initiative, which is recognized by BRF, BRFHH and LSU, is to provide Medicaid recipients with integrated, coordinated care; management of chronic disease; improvement in access to preventive and diagnostic services for children and adults; and improved recipient satisfaction with access to care and the care experience and to provide the State with improved budget predictability;

WHEREAS, each Party has agreed to participate in and contribute to the Collaborative, and each Party will contribute significant financial and operational resources to the Collaborative to assure its success and achieve the purposes described in this Agreement;

WHEREAS, LSU has authority to grant a lease on the portion or portions of the grounds or campus of any college or university or of other immovable property under its supervision and management, for a term not to exceed ninety-nine years for each lease pursuant to LA R.S. 17:3361;

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;

NOW THEREFORE, in consideration of the foregoing and the mutual covenants herein contained, LSU, BRF, BRFHH, DHH and the State hereby agree as follows:

ARTICLE I
STATEMENT OF PUBLIC PURPOSE

Section 1.1. Public Purpose of Cooperative Endeavor. In accordance with Article VII, Section 14(c) of the Louisiana Constitution, the Parties enter into this Agreement for the public purpose of maintaining 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: (a) 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; (b) 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 (c) by focusing on and supporting the 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 (the “Contract Monitor”) whose role shall be to monitor the Parties’ compliance with the terms of this Agreement. The Contract Monitor shall be an employee of LSU or a successor or related institution under the supervision of the LSU Board of Supervisors. The Contract Monitor’s responsibilities with respect to this Agreement 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 as it may determine in its discretion.
ARTICLE II
LEASE OF FACILITIES AND EQUIPMENT AND ASSET TRANSFER

Section 2.1. BRFHH Lease of the Hospitals’ Operations and Facilities. Contemporaneous with, and subject to the terms and conditions of this Agreement, LSU, the State and BRFHH shall enter into, the Master Hospital Lease Agreement in the form attached as Exhibit 2.1 (“Master Hospital Lease”). Under the Master Hospital Lease, LSU agrees to take all the necessary actions required to transfer operations of the Hospitals as going concerns and possession of the Hospitals’ Facilities to BRFHH. The Master Hospital Lease shall include all property set forth in the Master Hospital Lease (the “Leased Premises”), but shall not include any liens, claims, security interests, charges, privileges, pledges, mortgages, deeds of trust or encumbrances (“Liens”), except as may be further described in the Master Hospital Lease. The rental payments to be paid by BRFHH for lease of the operations of the Hospitals as going concerns and the Hospital Facilities (“Rent”) as set forth in the Master Hospital Lease will represent the fair market value of the Hospitals as going concerns, including the fair market value of the Hospital Facilities and the fair market value of the Transferred Assets. The Master Hospital Lease may provide for the pre-payment of all or part of the rental payments on such terms and conditions as are mutually agreed to by LSU, the State and BRFHH now or any time in the future.

Section 2.2. BRFHH Lease of Certain Equipment. Contemporaneous with and subject to the terms and conditions of this Agreement, LSU and BRFHH will enter into an Equipment Lease Agreement in the form attached as Exhibit 2.2 (the “Equipment Lease”), which will govern the lease of certain equipment necessary for BRFHH’s operation of the Hospitals. The rental payments paid by BRFHH for the Hospital Equipment will represent fair market value, as set forth in the Equipment Lease.

Section 2.3. Asset Transfer. Upon the terms and subject to the conditions set forth in this Agreement, the Master Lease Agreement, and the Equipment Lease including but not limited to Section 13.3(b) following a Terminating Event, LSU will, effective as of the Commencement Date, deliver to BRFHH, the following assets and properties of LSU and the following assets and properties used or held for use in connection with the operation of the Hospitals, as the same exist on the Commencement Date (the “Transferred Assets”):

(a) Consumables and Inventory. All usable inventories of: (a) supplies, drugs, food, and other disposables; and (b) tangible assets valued at less than One Thousand and No/100 Dollars ($1,000) and that are untagged and untracked by LSU and DOA, and are necessary for the operation of the Hospitals and that are on hand at the Hospitals as of the Commencement Date.

(b) Personal Property Leases. To the extent permitted by law and the terms of the underlying lease, the leases of tangible personal (corporeal movable) property used in connection with the operation of the Hospitals that are identified in Schedule 2.3(b) (to be attached on or before the Commencement Date) as to which LSUHSC-S is the lessee or sub-lessee (collectively, the “Personal Property Leases”) shall be assigned to BRFHH.

(c) Assumed Agreements. To the extent assignable, all rights and interests of LSU or LSUHSC-S in the contracts, commitments, leases and agreements described in Schedule 2.3(c) (to be attached on or before the Commencement Date) as to which LSU or LSUHSC-S is a party and that are utilized in the conduct of the Hospitals’ operations.

(d) Permits. To the extent assignable, all Permits utilized in the operation of the Hospitals (including applications therefor) described in Schedule 2.3(d) (to be attached on or before the Commencement Date).
Final

(e) **Books and Records.** All Books and Records used or held for use in the operation of the Hospitals or otherwise relating to the Transferred Assets, other than the minute book or related corporate documents and corporate seal, if any, of LSUHSC-S (the “Books and Records”).

(f) **Claims.** To the extent permitted by law, all rights of LSUHSC-S under any claims, warranties, guaranties, refunds, causes of action, rights of recovery, rights of set-off and rights of recoupment of every kind and nature relating to the Transferred Assets.

(g) **Intellectual Property.** To the extent permitted by law and necessary for the ordinary operations of the Hospitals, all intellectual property (including any trademarks or copyrights) of LSU used in connection with the operation of the Hospitals which intellectual property will be transferred via license to BRFHH on terms comparable and consistent with the terms of this Agreement.

Section 2.4. **Retained Liabilities.** LSU will retain all liabilities arising in connection with the operation of the Hospitals prior to the Commencement Date, including, but not limited to, (a) all of the LSUHSC-S pension obligations, (b) any and all civil servant termination pay, unemployment obligations and other post-employment benefit obligations to civil servants; (c) all liabilities and obligations to any third party payors, including any governmental payors, arising in connection with the operation of the Hospitals prior to the Commencement Date; (d) all liabilities and obligations arising from the closing cost report to be prepared as a result of a change of ownership; and (e) all liabilities for professional liability (malpractice) claims arising in connection with the operation of the Hospitals prior to the Commencement Date (collectively the “Retained Liabilities”).

**ARTICLE III**

**FUNDING**

Section 3.1. **Required Funding.**

(a) **Rulemaking.** Subject to any approvals required by CMS, DHH shall publish and promulgate reimbursement rules pursuant to the Louisiana Administrative Procedures Act which will provide that DHH will pay to BRFHH total funding obligations (“Required Program Funding” or “Required Funding”) as defined in Exhibits 3.1(a) and 3.1(b) (for Shreveport Hospital and E.A. Conway, respectively) (collectively the “Cost Analysis Worksheets”). Failure to publish and promulgate these rules, the amendment or repeal of these rules without the consent of BRFHH, the failure to pay the Required Program Funding to BRFHH or a reduction in the amount of Required Program Funding in effect as of the Commencement Date will constitute a Terminating Event. Notwithstanding the foregoing, a reduction by the State in the overall funding available to pay all private non-state acute care hospital participants in the Medical Vendor Payment Program resulting in a reduction in the overall funding available to pay BRFHH will not constitute a Terminating Event as long as BRFHH continues to be paid 100% of its cost, subject to Cost Analysis Worksheets target threshold, using the funding methodologies described in Section 3.1(b) below.

(b) **Methodology.** With respect to determining the Required Program Funding, BRF, BRFHH, and DHH agree that the funding methodologies set forth and embodied in the Cost Analysis Worksheets (the “Cost 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.** As defined on the Cost Analysis Worksheets, Exhibits 3.1(a) and 3.1(b), the Required Program Funding shall equal the
total of the program costs listed in Line 13, Column 4 of each Cost Analysis Worksheet, less the total DHH payments listed in Line 17, Column 4 of each Cost Analysis Worksheet.

(ii) **Aggregation of Caps for the Hospitals.** Since BRFHH will operate the Hospitals as a system sharing in resources and efficiencies, the amount of costs in excess of the Caps described in lines 12 of the Cost Analysis Worksheets shall be applied in aggregate to the Hospitals. Hence, any amount in excess of the Cap in line 12 of one of the Hospital’s Cost Analysis Worksheet shall be offset by the amount under the Cap in line 3 of Exhibit 3.1a(i) or 3.1b(i) (as appropriate), not to exceed the excess reported in Line 12.

(c) **Modification to Methodology.** So long as the assumptions, payment sources and CMS cost reporting principles of the Cost Analysis Worksheets remain as they are on the Commencement Date, BRFHH and DHH will continue to use the Cost Analysis Worksheets 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 methodology for determining Required Program Funding shall be modified to account for such changes in a manner that is revenue neutral to BRFHH with respect to the amounts that would have been paid had the Cost 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 Worksheets are to be adjusted, and describe the proposed adjustments to the Cost Methodology, as applicable. DHH and BRFHH shall engage in good faith negotiations for a period of ten business (10) days following the receipt of the Methodology Adjustment Notice in an attempt to agree on any proposed adjustments to the Cost Methodology, as applicable. If DHH and BRFHH agree on the adjustments to the applicable Cost Methodology, such adjusted Cost Methodology shall be set forth in amended Cost Analysis Worksheets, 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 Worksheets shall be attached to and made part of this Agreement as of the Cost Methodology change date. If DHH and BRFHH do not agree on any proposed adjustments to the applicable Cost Methodology within such ten (10) day period, such failure to reach agreement shall constitute a potential Terminating Event and BRFHH will have the option, subject to Sections 3.3 and 13.2(g), to initiate the Termination Process in accordance with Section 13.4. During the Wind Down Period the Required Program Funding shall be determined and paid in accordance with the Cost Analysis Worksheets in place immediately before the Methodology Adjustment Notice.

(d) **Processes for Payment and Addressing Inadequate Funding.**

(i) **Payments.** DHH shall make payments to BRFHH based on the administrative rules described in Section 3.1(a). Medicaid per diem and other applicable payments pursuant to such rule shall be paid in accordance with DHH’s normal payment procedure. DHH shall make estimated prospective supplemental payments, with respect to Uncompensated Care Cost (“UCC”) and Disproportionate Share (“DSH”) amounts as will ultimately be determined in accordance with the Cost Analysis Worksheets. 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 (the “October UCC Payment”). BRFHH agrees to pay to LSUHSC-S that portion of the October UCC Payment for SFY 2014 for the period from July 1, 2013
until September 30, 2013 as reflected in Exhibits 3.1(a) and 3.1(b). BRFHH shall retain that portion of the October UCC Payment for SFY 2014 for the period from October 1, 2013 until June 30, 2014 as reflected in Exhibits 3.1(a) and 3.1(b). DHH, BRFHH and LSUHSC-S agree to adjust the estimated total UCC amount due for SFY 2014 for the period from July 1, 2013 until September 30, 2013 based on the actual operating experience and final Medicaid cost reports of the Hospitals during LSUHSC-S’ operation of the Hospitals. DHH and BRFHH agree to adjust the estimated total UCC amount due for SFY 2014 for the period from October 1, 2013 until June 30, 2014 based on the actual operating experience and interim Medicaid cost reports of the Hospitals during BRFHH’s operation of the Hospitals. BRFHH and LSUHSC-S will reconcile the Cost Analysis Worksheets for SFY 2014 no later than May 1st of SFY 2014, and DHH shall pay the balance of the interim estimated annual amount of UCC for SFY 2014 based on the reviewed reconciliation no later than June 30th of SFY 2014 (the “Balance UCC Payment”). BRFHH agrees to pay to LSUHSC-S that portion of the Balance UCC Payment for SFY 2014 for the period from July 1, 2013 until September 30, 2013. For SFY 2015 and thereafter, DHH and BRFHH 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 Hospitals during BRFHH’s operation of the Hospitals. For SFY 2015 and thereafter, BRFHH 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 audited cost reports and follow normal cost report settlement processes and DSH audit procedures. DHH and BRFHH shall establish a reasonable process for reconciling all costs and payments made pursuant to this Agreement and the repayment or offset of any differences resulting from such reconciliation.

(ii) Disputes Regarding Cost Calculations; Notice and Review. In reconciling the payments due to BRFHH as provided in Section 3.1(d)(i), the Required Program Funding will be based on the Cost Methodology as applicable under Section 3.1(b). If DHH disagrees with the nature or amount of the costs submitted by BRFHH, DHH shall prepare its calculations of the Required Program Funding (the “DHH Funding Calculations”) and provide a copy of such calculations to BRFHH. BRFHH will have eighteen (18) Business Days (the “Funding Review Period”) to review the DHH Funding Calculations. If BRFHH 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 BRFHH’s calculations of the Required Program Funding (the “BRFHH Funding Calculations”) and Section 3.1(d)(iii) shall apply.

(iii) Good Faith Negotiations. If BRFHH timely delivers notice of objection as provided in Section 3.1(d)(ii) above, BRFHH 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 BRFHH Funding Calculations. Final determination of acceptable solutions pursuant to such good faith negotiations, if any, will reside with the BRFHH CEO and the Secretary of DHH. If BRFHH 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 3.1(d)(iv) below.

(iv) Independent Review. If BRFHH and DHH are not able to resolve the disputed amounts in the DHH Funding Calculations and the BRFHH Funding Calculations as provided in Section 3.1(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 BRFHH, LSU or DHH during the two (2) year period prior to delivery of the objection notice by BRFHH described in Section 3.1(d)(iii) above (an “Academic Health System CPA”). BRFHH and DHH shall select a mutually agreeable Academic Health System CPA meeting the requirements described above. If BRFHH 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 3.1(d)(iii), each of BRFHH 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 BRFHH 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 CPA by the American Arbitration Association shall be final and binding on BRFHH and DHH, provided that nothing herein shall be construed as an intent to institute arbitration. Each of BRFHH 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 BRFHH Funding Calculations and render a written report to BRFHH 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 as applicable under Section 3.1(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 BRFHH. If the report of the Academic Health System CPA verifies or validates the BRFHH Funding Calculations, the cost of the Academic Health System CPA will be borne by DHH. The party whose Funding Calculations are farthest from the determined Funding Calculations 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 are 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 BRFHH is unlikely to receive the Required Program Funding without additional legislative appropriations, DHH shall immediately notify BRFHH and
BRF of such conclusion and the amounts by which DHH expects payments to BRFHH will fall short of the Required Program Funding.

(ii) **Commissioner’s Required Efforts.** The DOA, through the Commissioner of Administration, covenants to: (A) include in the annual budget proposal to the Legislature a request for the appropriation of funds necessary to pay to BRFHH for the State’s next fiscal year the Required Program Funding for such period; and (B) use its best efforts to get such budget amounts 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 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 BRFHH for the State’s next fiscal year the Required Program Funding for such period, (ii) use its best efforts to get such budget amounts approved and funded by the Legislature and if such funds are appropriated, to provide such funding to BRFHH 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 BRFHH from all appropriate funds available to DHH.

(iv) **LSU’s Required Efforts; Appropriation Contingency.** LSU covenants to use its best efforts to support BRFHH, BRF, the Commissioner of Administration and DHH in their efforts to obtain the funding necessary to pay to BRFHH and its affiliates for the State’s next fiscal year the Required Program Funding for such period.

Section 3.2. **No Diminution in Funding.** The State, acting through DOA and DHH, warrants that the payment of the Required Program Funding will not result in a diminution in funding to any BRF or BRFHH hospital affiliate, unless such diminution is applicable to all similarly situated non-state owned private hospitals in the State of Louisiana. A violation of this Section 3.2 shall constitute a potential Terminating Event and BRFHH will have the option, subject to Sections 3.4 and 13.2(g), to initiate the Termination Process in accordance with Section 13.3.

Section 3.3. **Termination Considerations.** In determining whether to exercise its option to initiate the Termination Process as the result of a Terminating Event arising under the provisions of this Article, BRFHH will consider the total amount of funds provided by the State and DHH to the Hospitals, BRFHH’s role as a non-profit health care provider, and the aggregate impact of financial reimbursement levels made with respect to Medicaid and indigent care services on the Hospitals, as well as funding to any BRF or BRFHH hospital affiliate.
Section 3.4. Payments During Termination Process and Wind Down Period Considerations. If BRF elects to initiate the Early Termination Process in accordance with Article XIII, during the Early Termination Process and the Wind Down Period, if applicable, DHH shall continue to pay BRFHH the Required Program Funding accruing during the Wind Down Period (collectively the “Transition Payments”). Notwithstanding the foregoing, DHH shall have a Cure Period beginning on the first day of the Wind Down Period described above in which to pay all Required Program Funding accrued to but not yet paid to BRFHH. If such payment is made within such Cure Period, the Wind Down Period described above shall cease, the Termination by BRF 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 Wind Down Period will continue uninterrupted. If BRFHH fails to receive all Transition Payments during the Wind Down Period, BRF shall provide written notice to LSU and DHH, and the CEA will terminate upon conclusion of the Wind Down Period.

Section 3.5. Amendment. In the event that the state of Louisiana 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)(A)(i)(VIII)), as added by the Patient Protection and Affordable Care Act, then DOA, DHH and BRFHH agree to review, and if necessary, amend this Article 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 the same shall constitute a Terminating Event.

ARTICLE IV
CLINICAL SERVICES

Section 4.1. Teaching Services; Patient Admission.

(a) Admissions to Teaching Service. LSU will provide attending and supervising physicians to patients admitted to services utilizing Residents and Fellows, subject to the capacity of the Resident teams. The LSUHSC-S Teaching Service, subject to its capacity requirements, agrees to meet its legal obligation to provide certain necessary patient care services to uninsured and underinsured patients. Capacity of an LSUHSC-S Teaching Service will be limited by the applicable ACGME standards for Resident-to-patient ratios for the particular LSUHSC-S Teaching Service. The number of Residents available to provide inpatient services through the LSUHSC-S Teaching Services at BRFHH will be determined by the MAA, provided that such number will not be lower than the number of Residents available to provide inpatient services at the Hospitals on the Execution Date unless otherwise agreed by LSU and BRFHH. In addition to considerations to ensure the LSUHSC-S Teaching Services do not exceed the maximum regulatory standards for Resident-to-patient ratios, patient admissions to the LSUHSC-S Teaching Services must also reflect the need for adequate patient volumes to meet the minimum ACGME or regulatory standards for Resident-to-patient ratios. Therefore, a sufficient volume of admissions must be maintained to at least the levels adequate to support the current GME programs provided at the Hospitals prior to the Execution Date.

(b) Physician Coverage. The Parties will use good faith efforts to develop mutually acceptable arrangements to provide for physician coverage for uninsured or underinsured patients who are not admitted to the LSU Teaching Service; provided, however, that priority access to beds is based on acute patient needs and secondarily shall give preference to faculty physicians for patient admissions. Any such arrangements must comply with all applicable Legal Requirements and Health Care Laws, subject to available funding.
Section 4.2. BRFHH Uncompensated and Charity Care Obligations. Recognizing: (a) the State’s historical commitment to providing free or reduced cost health care to the uninsured and Medically Indigent populations, as defined by Louisiana law; and (b) LSU’s mission of providing access to high quality medical care for all patients, the Medically Indigent and uninsured populations, within available financing and approved budgets, and (c) the need to support the AMC’s education and training mission, BRFHH agrees, subject to its receipt of the Required Funding as provided in Article III, 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’s current policy for determining eligibility for free or reduced cost health care services at the Hospitals, which may be amended from time-to-time by LSU or BRFHH with proper notice to LSU in a manner consistent with the Public Purpose.

Section 4.3. 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, BRFHH and LSU will make available the Key Service Lines as described in this Article IV to high-risk Medicaid patients in accordance with the terms of this Agreement.

Section 4.4. Mental Health. LSU and BRFHH will work cooperatively with the Northeast Louisiana Service Office and the Northwest Louisiana Service Office and DHH Office of Mental Health to address the ongoing provision of mental health services in the Service Area.

Section 4.5. Inmate Care. Subject to its receipt of reasonable reimbursement from the Louisiana Department of Corrections, BRFHH, with the support of LSU, will provide medically necessary health care to inmates. In the event BRFHH does not receive reasonable reimbursement from the Louisiana Department of Corrections, it may suspend the provision of health care services to inmates, and the State shall arrange for alternative sources of medically necessary health care until such time as reasonable reimbursement is provided to BRFHH by the Louisiana Department of Corrections for such medically necessary services. Suspension of care to inmates due to lack of reasonable reimbursement from the Louisiana Department of Corrections for such services shall not constitute a violation of this Agreement.

Section 4.6. Core Services. Core Services are those services currently being provided to the North Louisiana Region through the Hospitals and identified as Core Services in the MAA (collectively, the “Core Services”). The Parties acknowledge and agree that BRFHH shall continue to provide the Core Services through the Hospitals or other facilities in the community on and after the Commencement Date, subject to receipt of the Required Funding and the terms and conditions of the MAA.

Section 4.7. Key Service Lines. Key Service Lines are those services that are critical not only to comprehensive patient care, but also to the mission of providing robust medical education and clinical research experiences. The Parties acknowledge and agree that the clinical service lines identified in the MAA (collectively, the “Key Service Lines”) constitute Key Service Lines. LSU and BRFHH agree that, subject to BRFHH’s receipt of the Required Funding and the terms and conditions of the MAA, the Hospitals will offer a baseline of services in the Key Service Lines at least at the level provided at the Hospitals on the Execution Date as agreed upon by BRFHH and LSU (the “Key Service Baseline”), and will work collaboratively with LSU to grow the Key Service Lines above the Key Service Baseline with a financially sustainable payer. Subject to receipt of the Required Funding and the terms and conditions of the MAA, BRFHH will not eliminate or substantially reduce a Key Service Line below the Key Service Baseline.
Section 4.8. **Telemedicine** Subject to receipt of the Required Funding, LSU will provide the physician support and BRFHH will provide the infrastructure support, necessary to build and maintain the Hospitals’ telemedicine program. LSU and BRFHH will collaborate to grow the Hospitals’ telemedicine program, provided that a sustainable business model can be created and receipt of the Required Funding, to serve patients in remote locations and fulfill the Hospitals’ role as a regional referral center within the AMC.

Section 4.9. **Closure; Reduction of Services.** BRFHH will not close the Hospitals or the Hospitals’ emergency rooms or reduce services except in compliance with any applicable Legal Requirements.

Section 4.10. **Training Affiliations.** BRFHH and LSUHSC-S agree to work cooperatively to keep in place and expand the affiliations the Hospitals currently have with the many colleges, universities and technical schools providing training of allied healthcare professionals.

**ARTICLE V**

**CAPITAL COMMITMENTS**

In addition to any rights and obligations contained in this Agreement, the rights and obligations of the Parties regarding the leased facilities and equipment shall be subject to the terms and conditions of the Master Hospital Lease and the Equipment Lease. The Parties commit to approaching facility improvement and development at Shreveport Hospital in general accord with the Master Facilities Plan effective April 2013, as amended from time to time, to be attached on or before the Commencement Date as Schedule 5(a), or as otherwise recommended by BRFHH. BRFHH shall be responsible for procuring all necessary governmental permits and approvals necessary to construct or renovate the Hospitals, including approvals of the Office of Facilities Planning & Control in the DOA. The DOA commits to fund and complete any projects at the Hospitals as identified in Schedule 5(b) and approved prior to the Commencement Date under the State Capital Outlay program, subject to approval by the State Bond Commission.

**ARTICLE VI**

**PERSONNEL**

Section 6.1. **Compensation and Benefits.** LSU will be solely responsible for all compensation, benefits and other consideration to be paid to or received by the LSU Personnel. BRFHH’s obligations to reimburse LSU for such costs shall be set forth in the MAA.

Section 6.2. **Employee Matters**

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

(b) **Offers of Employment.** LSU Hospital employees may apply to BRFHH for employment and BRFHH may offer employment to such LSU Personnel as BRFHH, in its discretion, deems necessary for the operation of the Hospitals. At any time prior to the Commencement Date, BRFHH may communicate with any of the Hospital employees to the extent necessary to allow such LSU employees to apply for employment, to offer employment and to otherwise reasonably permit BRFHH to satisfy its obligations under this Section 6.2(b).
(c) **BRFHH Terms and Conditions of Employment.** All LSU Hospital employees offered employment by BRFHH shall be hired on an at-will basis for job classifications and job descriptions established by BRFHH, and shall be employed subject to terms and conditions established by BRFHH.

(d) **Employee Assistance.** BRFHH shall establish a website or other mechanism through which LSU Hospital employees may apply for positions at BRFHH. In addition, LSU shall arrange for the Louisiana Workforce Commission (“LWC”) to host a job fair at the Hospitals. BRFHH, 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 LWC 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 the Hospitals employees, for wages and other compensation, under any LSU Benefit Plans and under applicable Laws. Without limiting the generality of the foregoing, BRFHH 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, BRFHH 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 BRFHH who formerly was an employee of LSU; (ii) his or her employment with and compensation from LSU or BRFHH; or (iii) rights or benefits under any employee plan or any personnel policy of LSU.

**ARTICLE VII**

**MASTER COLLABORATIVE AGREEMENT**

Subsequent to the Execution Date and consistent with the terms of this Agreement, but prior to or contemporaneously with the Commencement Date, LSU, BRFHH and BRF will enter into a Master Collaborative Agreement (the “MCA”) to address key operational issues related to the transition of the Hospitals from LSU to BRFHH in accordance with this Agreement. The MCA shall address, without limitation, the mutually agreeable terms and conditions under which:

(a) **Provider Numbers.** BRFHH shall accept: (i) the Shreveport Hospital’s Medicare Provider Agreements and corresponding provider numbers 19-0098 and 19-S098; (ii) the Shreveport Hospital’s Medicaid Provider Agreements and corresponding provider numbers 1737712 and 1705675; (iii) E.A. Conway’s Medicare Provider Agreements and corresponding provider numbers 19-0011 and 19-S011; and (iv) E.A. Conway’s Medicaid Provider Agreements and corresponding provider numbers 1720372 and 1705128 (the foregoing collectively the “Provider Agreements”);
(b) **Professional Services.** BRFHH shall contract with LSU and/or an LSUHSC-S Faculty Practice Organization to obtain the services of LSU physicians and related services necessary to provide patient care in the Hospitals and their provider-based outpatient clinics;

(c) **Accountable Care Services.** BRFHH 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 BRFHH Board of Managers, the Hospitals’ current medical staffs will be credentialed and/or recredentialed by BRFHH’s governing body upon transition of the Hospitals to BRFHH;

(e) **Medical Records.** The Parties will arrange for BRFHH to become the custodian of the Hospitals’ 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;

(f) **Transition Support Services.** BRFHH 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 VIII**

**REPRESENTATIONS AND WARRANTIES OF LSU**

LSU and LSUHSC-S represent and warrant that, as of the Execution Date:

**Section 8.1. Organization; Standing.** The Board of Supervisors for LSU is a public corporation organized under the constitution and laws of the State of Louisiana. LSU is validly existing and in good standing under the laws of the State of Louisiana, with full power and authority to perform all of its obligations under this Agreement.

**Section 8.2. Enforceability; Authority; No Conflict.** Subject to the approvals set forth on Schedule 8.2:

(a) This Agreement and any and all agreements, documents and instruments to which LSU is a party and which are executed and delivered by LSU pursuant to this Agreement constitute the legal, valid and binding obligations of LSU, enforceable against LSU in accordance with its terms. LSU has the power and authority to execute and deliver this Agreement and such other agreements, documents and instruments to which it is a party and such actions have 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 8.2(a).

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

(i) Breach any resolution adopted by the LSU Board of Supervisors;
(ii) Cause BRFHH or BRF to become subject to, or to become liable for the payment of, any Liability of LSU; or

(iii) Result in the LSUHSC-S GME Programs violating any rules, policies, procedures or accreditation requirements of ACGME or otherwise result in: (1) the LSUHSC-S GME Programs ceasing to be accredited by ACGME; (2) the LSUHSC-S GME Programs ceasing to be funded by the State; or (3) LSU ceasing to comply with or satisfy any CMS reimbursement requirements or regulations applicable to the LSUHSC-S 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, document or instrument to which it is a party and which is executed and delivered in connection with this Agreement or otherwise materially and adversely affect the Hospitals or the LSUHSC-S GME Programs without the prior written consent of an authorized representative of BRFHH.

Section 8.3. Employee Benefits. To LSU’s Knowledge, no event has occurred that would result in, and consummation of the Contemplated Transactions shall not result in, BRFHH 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 ("COBRA") with respect to all of its employees, including but not limited to the LSU Personnel, before and after the Commencement Date.

Section 8.4. Compliance with Laws. To LSU’s Knowledge, LSU Personnel have operated the Hospitals and the LSUHSC-S GME Programs in material compliance with all applicable Legal Requirements, including applicable Health Care Laws. To LSU’s Knowledge, in connection with LSU’s operation of the Hospital and LSUHSC-S GME Programs: (i) neither 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; and (ii) no Governmental Body or third party payer has formally alleged in writing, and LSU has not received any written or other notice of, any violation of any Health Care Law within the last five (5) years. Without limiting the generality of the foregoing:

(a) Permits, Licenses and Accreditation. The Hospitals have all permits and licenses and other governmental authorizations required by all Legal Requirements and are not in violation of any of said permitting or licensing requirements. The Hospitals are owned and duly licensed by the State and operated by LSU as general acute care hospitals. LSU has all permits and licenses necessary for the proper operation of the Hospitals and LSUHSC-S GME Programs, including valid Medicare provider numbers. The LSUHSC-S GME Programs are accredited by ACGME and, to LSU’s Knowledge, are in compliance in all material respects with the ACGME requirements necessary for accredited GME Programs.

(b) Medicare/Medicaid Participation. The Hospitals 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. None of the LSU Personnel is an Excluded Provider.

(c) Fraud and Abuse. Neither the Hospitals nor, to LSU’s Knowledge, LSU Personnel have engaged in any activities that 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 Hospitals.

Section 8.5. Legal Proceedings; Orders. There is no pending Proceeding that challenges, any of the Contemplated Transactions. 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.

Section 8.6. Insurance; Malpractice. All clinical LSU Personnel have been continuously insured for professional malpractice claims during the lesser of: (a) the last three (3) years; or (b) 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. To the best of LSU’s knowledge, none of the LSU Personnel is in default with respect to any provision contained in any policy covering the professional acts of such LSU Party 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 8.7. Taxes

(a) Examinations. With respect to the Hospitals, 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 Hospitals. 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 do there exist any facts that would provide a basis for any such assessment. With respect to the Hospitals, LSU has not filed any consent or agreement to extend the period for assessment or collection of any such taxes.

(b) Federal Tax Exemption. Except as set forth in Schedule 8.7(b), each Hospital is exempt from Federal income tax and each Hospital is a “hospital” within the meaning of Section 170(b)(1)(A)(iii) of the Code. 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 8.8. Contracts and Other Commitments

(a) Material Agreements. As of the Execution Date, LSU has provided or it will promptly thereafter provide to BRFHH 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 Hospitals will be subject on the Commencement Date (collectively, the “Material Contracts”). For the purposes of this Section 8.8, the term “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 8.8(a).

(b) List of Health Care and Other Agreements. Schedule 8.8(b) lists the following contracts, agreements and understandings, whether or not the same have been reduced to writing and whether or not the same constitute a Material Contract: (i) all agreements with health care providers from which the Hospitals receive referrals of patients; (ii) all agreements involving or affecting the Hospitals that are not terminable by LSU upon twelve (12) months or less notice; and (iii) all joint venture, partnership, residency training agreement or affiliation agreements involving or affecting the Hospitals.

(c) Enforceability of Material Contracts. To LSU’s Knowledge, each Material Contract 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 8.9. 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 Hospitals were 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: Cost Reports.

(a) Cost Reports; Copies; Filing; Disputes. LSU has delivered to BRF true and exact copies of: (i) all cost reports that LSU has filed with Medicare and Medicaid for the last five (5) years with respect to the Hospitals, 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 Hospitals; and (ii) all appraisal reports, surveys or other documents which evaluate or describe any of the assets of any of the Hospitals. The Medicare and Medicaid cost reports of the Hospitals 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 regarding such cost reports 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.

(b) Medicare and Medicaid Certification. With respect to the Hospitals, 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 Hospitals or any basis for the revocation or limitation on such participation. There is no pending or to LSU’s Knowledge, threatened criminal, civil, or administrative action, audit, or investigation by a fiscal intermediary or by the federal government with respect to the Hospitals, 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 Hospitals.

Section 8.11. Interim Changes. Except as set forth in Schedule 8.11, after March 31, 2013, there has not been:

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

(b) Any damage, destruction or loss with respect to either Hospital, whether or not covered by insurance, that has or would reasonably be expected to have, in the aggregate, a Material Adverse Effect on such Hospital;

(c) Any disposition of any property, rights or other assets owned by or employed by either Hospital, other than in the ordinary course of business, that has or would reasonably be expected to have, in the aggregate, a Material Adverse Effect on such Hospital;

(d) Any amendment or termination of any Material Contract of either Hospital that has or would reasonably be expected to have, in the aggregate, a Material Adverse Effect on such Hospital or the Provider Agreements.

Section 8.12. 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 IX
REPRESENTATIONS AND WARRANTIES OF THE STATE

The State, through DOA and DHH, represents and warrants that, as of the Execution Date:

Section 9.1. Organization; Standing. The State of Louisiana has full power and authority to
perform its obligations under this Agreement. DOA is an agency within the Office of the Governor and DHH is a department of the State of Louisiana, validly existing under the laws of Louisiana, with full power and authority to perform their obligations under this Agreement.

Section 9.2. Enforceability; Authority; No Conflict. This Agreement and any and all agreements, documents or instruments to which the State, through DOA and DHH, is a party and which are executed and delivered by the State pursuant to this Agreement constitute the legal, valid and binding obligations of the State, through DOA and DHH, enforceable against the State in accordance with its terms.

(b) DOA and DHH have the absolute and unrestricted right, power and authority to execute and deliver this Agreement and such other agreement, documents or instruments to which it is a party on behalf of the State and to perform obligations on behalf of the State under this Agreement and such other agreements, documents

(c) 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 BRFHH or BRF to become subject to, or to become liable for the payment of, any Liability of the State, DHH or DOA.

(d) 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 Hospitals without the prior written consent of an authorized representative of BRFHH.

Section 9.3. Employee Benefits. No event has occurred that would result in, and consummation of the Contemplated Transactions shall not result in, BRFHH incurring any Liability for any Benefit Plan of the State or to any employee of the State with respect to such Benefit Plans.

Section 9.4. 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 to consummate the Contemplated Transactions.

Section 9.5. 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 X
BRFHH REPRESENTATIONS AND WARRANTIES

BRFHH represents and warrants that, as of the Execution Date:

Section 10.1. Organization; Standing. BRFHH is a Louisiana limited liability company. BRFHH is validly existing and in good standing under the laws of the State of Louisiana, with full power and authority to perform all its obligations under this Agreement.

Section 10.2. Enforceability; Authority;

(a) This Agreement and any and all agreements, documents and instruments to which BRFHH is party and which are executed and delivered by BRFHH pursuant to this Agreement constitute the legal, valid and binding obligations of BRFHH, 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.

(b) BRFHH has the company power and authority to execute and deliver this Agreement any and all agreements, documents and instruments to which BRFHH is party and which are executed and delivered by BRFHH pursuant to this Agreement, and such action have been duly authorized by all necessary action by the BRFHH Board and its sole member. A copy of the authorizing resolutions or certified meeting minutes are attached as Exhibit 10.2(b).

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

(i) Breach: (1) any provision of any of the governing documents of BRFHH, including the Articles of Organization or the Operating Agreement; or (2) any resolution adopted by the BRFHH Board of Managers;

(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 BRFHH;

(iii) Result in the creation of any lien, charge, or encumbrance of any kind against BRFHH’s assets except as contemplated therein or the acceleration of any indebtedness or other obligation of BRFHH;

(iv) Be prohibited by, materially violate or conflict with any provision of, or constitute a default under or a breach of: (1) any judgment, decree, order, regulation or rule of any court or regulatory authority applicable to BRFHH; or (2) any law, statute, rule, regulation, order, writ, injunction, judgment or decree of any court or governmental authority or arbitration tribunal to which BRFHH is subject; or

(v) Have a Material Adverse Effect upon any contract, lease, agreement, indenture, mortgage, pledge, lease, sublease, option or commitment to which BRFHH is a
Final

party or by which BRFHH is bound, or any assignment, permit, license, approval or other commitment to which BRFHH is a party or by which BRFHH is bound.

Section 10.3.  No Operations. BRFHH has conducted no operations, has not had any employees and holds no licenses or permits.

Section 10.4.  Legal Proceedings; Orders. There is no Order to which BRFHH is subject that limits or adversely affects BRFHH’s ability to execute and deliver this Agreement. There is no material Proceeding pending against BRFHH.

Section 10.5.  Insurance. BRFHH shall carry insurance coverage of such types and with such limits as is required by the Master Hospital Lease and Equipment Lease and as is otherwise commercially reasonable for an owner and operator of a hospital.

Section 10.6.  Compliance with Legal Requirements. BRFHH has operated in compliance with all Legal Requirements, including Health Care Laws. Neither BRFHH nor any director, officer, or agent of BRFHH is an Excluded Provider. BRFHH is not a party to any Corporate Integrity Agreement or similar settlement, compliance or oversight agreement with any Governmental Body.

Section 10.7.  Title to Assets. BRFHH does not own or lease any real property, personal property, or intellectual property.

Section 10.8.  Contracts, Leases, Indebtedness. BRFHH is not a party to any contract, lease, or agreement. BRFHH has no indebtedness for borrowed funds.

Section 10.9.  Undisclosed Liabilities. BRFHH does not have any liabilities or obligations of any nature whatsoever, due or to become due, accrued, absolute, contingent or otherwise, that would materially and adversely affect BRFHH.

Section 10.10.  Taxes; Tax Returns. As of the Execution Date, BRFHH will take any and all actions required to be treated as a tax-exempt entity for purposes of federal income taxation.

ARTICLE XI
BRF REPRESENTATIONS AND WARRANTIES

BRF represents and warrants that, as of the Execution Date:

Section 11.1.  Organization; Standing. BRF 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 they are 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 11.2.  Enforceability; Authority:

(a) This Agreement and any and all agreements, documents and instruments to which BRF is party and which are executed and delivered by BRF pursuant to this Agreement constitutes the legal, valid and binding obligation of BRF, 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.
(b) BRF has the corporate power and authority to execute and deliver this Agreement and such other agreements, documents and instruments to which it is a party and to perform its obligations under this Agreement and such other agreements, documents and instruments, and such action has been duly authorized by all necessary action by the BRF Board. A copy of the authorizing consent resolution or certified meeting minutes is attached as Exhibit 11.2(b).

(c) 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: (1) any provision of the governing documents of BRF, including the Articles of Incorporation or Bylaws of BRF; or (2) any resolution adopted by the BRF Board;

(ii) Breach or give any Governmental Body or other Person the right to challenge any of the Contemplated Transactions or to exercise any remedy or obtain any relief under any Legal Requirement to which BRF may be subject; or

(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 BRF.

(d) BRF warrants that it will not take any action, fail to take any action, enter into any agreement or consummate any transaction that would prevent BRF from performing the Contemplated Transactions or performing its obligations under this Agreement or any agreement, document or instrument to which it is a party and which is executed and delivered in connection with this Agreement.

Section 11.3. Financial Statements. BRF has furnished to LSU: (a) BRF’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 BRF 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 BRF with respect to such fiscal year; and (b) unaudited interim financial statements for the quarter from the close of the most recently completed fiscal year through March 31, 2013, and shall furnish such unaudited interim financial statements for the quarterly periods, through the quarter ending immediately prior to the Commencement Date (collectively, the “Unaudited Financial Statements” and, together with the Audited Financial Statements, 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 BRF including all contingent liabilities, and fairly present the financial position of the BRF 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, BRF has not incurred any liabilities other than in the ordinary course of business. Since the date of the most recent Audited Financial Statements, BRF has not incurred any liabilities other than in the ordinary course of business and consistent with past practice.

Section 11.4. Compliance with Legal Requirements. To BRF’s Knowledge, BRF has operated in material compliance with all applicable Legal Requirements, including applicable Health Care Laws. To BRF’s Knowledge, none of BRF’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 BRF or any of their currently employed staff, within the last ten (10) years. Without limiting the generality of the foregoing, BRF has, or shall have at the time such services are performed, all permits and licenses and other Governmental Authorizations required by all Legal Requirements and, to BRF’s Knowledge, is not in material violation of any of said permitting or licensing requirements.

Section 11.5. 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 BRF’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 BRF’s ability to enter into this Agreement or consummate the Contemplated Transactions.

Section 11.6. Full Disclosure. No representation or warranty made by BRF 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
COMMENCEMENT CONDITIONS; FURTHER COVENANTS OF THE PARTIES

Section 12.1. Commencement Date. It is intended by the Parties that the consummation of the Contemplated Transactions shall be effective as of 12:01 A.M. (Central Time) on October 1, 2013 (the “Commencement Date”) for the purposes set forth herein. The Commencement Date shall occur after all of the conditions under this Agreement have been satisfied or waived by the Parties. The documents to be delivered by the Parties prior to the Commencement Date are referred to collectively as the “Transaction Documents.”

Section 12.2. Conditions Precedent to Obligations of BRFHH. The obligations of BRFHH hereunder are subject to the satisfaction, on or prior to the Commencement Date, of the following conditions (unless waived in writing by BRFHH):

(a) The representations and warranties of LSU, the State and DHH contained in this Agreement shall be true and correct in all respects as of the Execution Date and on the Commencement Date as though such representations and warranties had been made on the Commencement Date; and each and all of the terms, covenants and conditions of this Agreement to be complied with or performed by LSU, the State and DHH on or before the Commencement Date pursuant to the terms hereof shall have been duly complied with and performed.

(b) LSU shall have performed in all material respects all obligations and agreements and complied in all material respects with all covenants and conditions contained in this Agreement to which LSU is a party to be performed or complied with LSU at or prior to the Commencement Date.

(c) BRFHH shall have obtained documentation or other evidence that the Parties hereto have received approval from all Governmental Bodies or such other consents and approvals as may be legally or contractually required to consummate the Contemplated Transactions.
(d) No action or proceeding before a court or any other Governmental Agency or body shall have been enacted, issued, promulgated, enforced, entered, instituted or threatened to restrain or prohibit the consummation of the Contemplated Transactions.

(e) Since the Execution Date, no event or events shall have occurred or circumstances shall have developed to the effect of which, individually or in the aggregate, and in the opinion of BRFHH, in its sole discretion, has had or would have a Material Adverse Effect.

(f) On the Commencement Date, there shall be no injunction, writ, preliminary restraining order or any order of any nature in effect issued by a court of competent jurisdiction directing that the Contemplated Transactions, or any of them, not be consummated as herein provided and no suit, action, investigation, inquiry or other legal or administrative proceeding by any Governmental Authority or other Person shall have been instituted, or notice thereof received by LSU, which questions the validity or legality of the Contemplated Transactions or which, if successfully asserted, would have a Material Adverse Effect on the conduct of the Hospitals as of Commencement Date or impose any additional material financial obligation on BRF or BRFHH.

(g) As of the Commencement Date, there shall be no governmental surveys, inspections, audits, reviews, investigations or comparable governmental actions currently being undertaken of or at either of the Hospitals (other than routine audits of the cost reports of the Hospitals or routine surveys of the Hospitals).

(h) No Governmental Body (or their representatives) which administers Medicare, any other payor, or any other federal, state or local government or agency has passed, issued or promulgated any law, rule, regulation, standard or interpretation, including standards and interpretations of existing law, or any court of competent jurisdiction rendered any decision or issued any other pronouncement, which would result in a material adverse change in the third party payor programs in which the Hospitals participate or which would cause a material adverse change in the current operations of the Hospitals.

(i) There has been no material adverse change regarding the Transferred Assets or the Hospitals after the Execution Date.

(j) Execution and/or delivery by LSU and/or the State of the Master Hospital Lease, the Equipment Lease, the MAA, the MCA and such additional instruments of transfer, documents, certificates and forms as BRFHH may prepare and/or reasonably require in order to more effectively vest in BRFHH, and put BRFHH in possession of, the Leased Premises and the Transferred Assets.

Section 12.3. Conditions Precedent to Obligations of LSU. The obligations of LSU hereunder are subject to the satisfaction, on or prior to the Commencement Date, of the following conditions (unless waived in writing by LSU):

(a) The representations and warranties of BRF and BRFHH contained in this Agreement shall be true and correct in all respects as of the Execution Date and on the Commencement Date as though such representations and warranties had been made on the Commencement Date; and each and all of the terms, covenants and conditions of this Agreement to be complied with or performed by BRF and BRFHH on or before the Commencement Date pursuant to the terms hereof shall have been duly complied with and performed.
Final

(b) BRF and BRFHH shall have performed in all material respects all obligations and agreements and complied in all material respects with all covenants and conditions contained in this Agreement to which BRF and BRFHH are parties to be performed or complied with BRF and BRFHH at or prior to the Commencement Date.

(c) BRFHH shall have obtained documentation or other evidence that the Parties hereto have received approval from all Governmental Bodies or such other consents and approvals as may be legally or contractually required to consummate the Contemplated Transactions.

(d) No action or proceeding before a court or any other Governmental Agency or body shall have been enacted, issued, promulgated, enforced, entered, instituted or threatened to restrain or prohibit the consummation of the Contemplated Transactions.

(e) Execution and/or delivery by BRF, BRFHH and/or the State of the Master Hospital Lease, the Equipment Lease, the MAA, the MCA and such additional instruments of transfer, documents, certificates and forms as LSU may prepare and/or reasonably require in order to more effectively vest in BRFHH, and put BRFHH in possession of, the Leased Premises and the Transferred Assets.

Section 12.4. Further Covenants of the Parties. The Parties covenant that between the Execution Date and the Commencement Date:

(a) Compliance with ACGME Requirements. The Parties shall use commercially reasonable efforts to cause the LSU HSC-S GME Programs to maintain their accreditation by ACGME and to cause the LSUHSC-S GME Programs to continue to be in material compliance with all ACGME rules, regulations, policies, procedures and other accreditation requirements. BRFHH and BRF shall use commercially reasonable efforts to cause the Hospitals to maintain their status as a Major Participating Site in compliance with all ACGME rules, regulations, policies, procedures and other accreditation requirements.

(b) 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 Agreement.

(c) Access to Information. LSU shall give to BRF and its counsel, accountants, environmental consultants, engineers, architects and other representatives, for the purpose of audit, review and copying, reasonable access, during normal business hours and without disrupting the operations of LSU or the Hospitals, to such of the properties, books, accounts, records and personnel of LSU as are relevant to the Transferred Assets and the Hospitals, and furnish or otherwise make available to BRF all such information concerning the Transferred Assets and the Hospitals as BRF may reasonably request;

(d) Continuation of Hospitals Operations. From the Execution Date of this Agreement until the earlier of the Commencement Date or the termination of this Agreement, LSU shall, and shall cause the Hospitals to: (a) conduct the Hospitals’ operations in the ordinary course; and (b) 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 Hospitals and Facility.
(e) **Preservation of Property.** From the Execution 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 Hospitals, other than in the ordinary course of business. After the Commencement Date, BRFHH, its officers, agents and employees shall manage and hold the Transferred Assets and carry out any obligations associated with the Transferred Assets as a prudent business manager exercising reasonable business judgment. BRFHH shall indemnify the State and LSU for any damages, attorney fees, expert fees, or other costs that arise from its failure to act as a prudent owner, lessor, or manager of the Transferred Assets. A claim for fraud arising from the breach of this covenant may be brought by the State or LSU at any time during or after the term of this Agreement.

(f) **Tax-Exempt Determination.** BRFHH will utilize its good faith best efforts to be treated as a tax-exempt entity for purposes of federal income taxation at or prior to Commencement.

(g) **Notice of Material Changes.** LSU shall give to BRF prompt notice of any fact that, if known on the Execution Date, would have been required to be set forth or disclosed in or pursuant to this Agreement, or which would result in the breach in any material respect by LSU of any of its representations, warranties, covenants or agreements hereunder. BRF and BRFHH shall provide notice of the same to LSU.

Section 12.5. **CMS-855A.** On or after the Execution Date, LSU and BRFHH shall jointly submit duly executed form CMS-855As acknowledging the assignment by LSU to BRFHH of LSU’s interest in the Medicare provider agreements and Medicare Provider Numbers, it being understood by the Parties that LSU and BRFHH are jointly responsible for taking all actions necessary to ensure that CMS acknowledges BRFHH as the assignee of the Medicare provider agreements and Medicare Provider Numbers.

Section 12.6. **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. The Parties acknowledge and agree that, at no time, shall BRF or BRFHH be required to take any action which may, in their sole opinion, (i) jeopardize BRF’s or BRFHH’s tax exempt status; (ii) cause either BRF or BRFHH to be construed as a governmental or quasi-governmental organization; or (iii) require BRF or BRFHH to, in any way, be consolidated with the State, LSU or any other State agency are may be required under GASB14.

**ARTICLE XIII**  
**TERM AND TERMINATION**

Section 13.1. **Term.** Unless earlier terminated as provided herein, the Term of this Agreement shall begin on the Execution Date and shall expire five (5) years following the Commencement Date (the “Initial Term” and together with all extensions, the "Term"). Beginning on the first anniversary of the Commencement Date and continuing on each anniversary of the Commencement Date thereafter (each an "Extension Date"), the then-remaining portion of the Initial Term shall automatically be extended for an additional one (1) year period so that after the first anniversary of the Commencement Date, the Term of this Agreement shall be a rolling five-year Term; provided, however, that the extension provision of this sentence shall no longer apply if BRFHH provides the other parties written notice.
at least one hundred-eighty (180) calendar days prior to an Extension Date that BRFHH does not intend to extend the Term of this Agreement. Notwithstanding the foregoing, the Term of this Agreement shall not exceed a total of ninety nine (99) years and this Agreement shall automatically terminate upon completion of the 99th year.

Section 13.2. Early Termination. This Agreement shall terminate prior to the expiration of the Term only in accordance with this Section 13.2, and for no other reason, including, without limitation, any breach of this Agreement, the MCA or other agreement related to the Contemplated Transactions. Any early termination of this Agreement shall be subject to the Wind Down Process set forth in Section 13.3 and the six (6) month Wind Down Period provided in Section 13.4. Subject to the foregoing, this Agreement shall, unless otherwise agreed in writing by all of the Parties, terminate prior to the expiration of the Term on the occurrence of the following (each a “Terminating Event”):

(a) If the Contemplated Transactions shall not have occurred by September 30, 2013, or such other date as mutually agreed upon by the Parties;

(b) Upon the mutual agreement of all of the Parties;

(c) 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, agency, accreditation organization, or similar body, that has a Material Adverse Effect on the fundamental relationship of the Parties, and the Parties are unable to agree, after following the process in Section 16.4, on terms to amend this Agreement or otherwise address the consequences of the change in or new interpretation of the law; provided that if the Parties agree that a change in laws or interpretation thereof has occurred 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;

(d) The expiration or earlier termination of the Master Hospital Lease in accordance with its terms;

(e) A sale, merger or member substitution of BRF or BRFHH without the prior written consent of the Parties;

(f) Loss of tax-exempt status of BRF or BRFHH;

(g) Loss of one or more Material Provider Agreements;

(h) Any action, or sustained pattern or practice of action, by BRFHH or BRF that is materially inconsistent with the Public Purpose of this Agreement;

(i) The Required Program Funding as provided in Article III has not been timely received;

(j) Any final, non-appealable judgment against LSU or the State in favor of BRF or BRFHH that arises out of the terms, conditions or warranties in this Agreement remains unpaid for more than one (1) year from the date of the final judgment;

(k) LSU or the State, through DOA and DHH, 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 BRF’s or BRFHH’s ability to perform its obligations under this Agreement;

(l) LSU or the State shall have made any representation or warranty in this Agreement or in any agreement, document or instrument that is executed by such Party incident to this Agreement, which is inaccurate in any material respect as of the date made (unless the representation or warranty by its terms is intended to apply only to an earlier date) and the consequences of such inaccuracy has a Material Adverse Effect on BRF’s or BRFHH’s ability to perform its obligations under this Agreement, provided that inaccuracies that are not the result of intentional misrepresentation and that are corrected at or prior to the Commencement Date shall not give rise to a Terminating Event pursuant to this Section 13.2;

(m) BRF or BRFHH fails to perform or observe any covenant, term or condition of this Agreement to be performed by it which is solely within BRF’s or BRFHH’s ability to satisfy and which has a Material Adverse Effect on LSU’s or the State’s ability to perform its obligations under this Agreement; or

(n) BRF or BRFHH shall have made any representation or warranty in this Agreement or in any agreement, document or instrument which is executed by such Party incident to this Agreement, which is inaccurate in any material respect as of the date made (unless the representation or warranty by its terms is intended to apply only to an earlier date) and the consequences of such inaccuracy has a Material Adverse Effect on LSU’s or the State’s ability to perform its obligations under this Agreement, provided that inaccuracies that are not the result of intentional misrepresentation and that are corrected at or prior to the Commencement Date shall not give rise to a Terminating Event pursuant to this Section 13.2.

Section 13.3. Termination Process. On the occurrence of a Terminating Event, subject to the Wind Down Period in Section 13.4, the following shall apply consistent with the Wind Down Period (the processes and procedures set forth in this Section 13.3 and Section 13.4, the “Termination Process”):

(a) Each Party will 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) BRFHH will surrender possession, and deliver to the LSU, similar property equal to or greater than the property transferred under Section 2.3. In the event that the balances in the property transferred are less that the balances transferred as of the Commencement Date, BRFHH will make a settlement payment in the amount of the difference;

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

(d) BRFHH will vacate facilities owned by LSU;

(e) The Master Hospital Lease shall terminate; and

(f) Ownership of the Hospital’s Provider Numbers will be transferred to LSU.

Section 13.4. Wind Down Period Upon Termination. Any early termination of this Agreement allowed under Section 13.2 (except pursuant to Section 13.2(a)) shall be subject to a period not to exceed six (6) months (the “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 13.2 (except pursuant to Section 13.2(a)), any Party may give notice to the other Parties of its intent to terminate this Agreement. The 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 BRFHH Board of Managers, during the Wind Down Period, LSU, DOA, DHH, BRFHH and BRF will establish a committee consisting of at least six (6) people, with each of LSU and BRF appointing two (2) members to the committee and each of DOA and DHH appointing one (1) member to the committee, to work with the BRFHH Board of Managers in the transition of the operation of the Hospitals. To the extent necessary and applicable, the Parties will continue to comply with the terms and conditions of this Agreement during the Wind Down Period.

ARTICLE XIV
CUMULATIVE REMEDIES; WAIVER

Section 14.1. Remedies Cumulative. Except as otherwise expressly provided in this Agreement, all rights and remedies of any Party provided for in this Agreement 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 14.2. Federal Program Recoupment Action. Except with regard to Transferred Assets, in the event of a federal program recoupment action which results in a set-off of reimbursement due to the Hospitals as a result of an overpayment while LSU was responsible for the Hospitals’ Medicare and Medicaid Provider Numbers, the State will seek an immediate appropriation to reimburse the Hospitals, and BRFHH will assign to LSU any rights to negotiate, contest, settle or otherwise resolve such
recoupment action. Notwithstanding the foregoing, BRFHH shall have an immediate right of set-off against Rent due under the Master Hospital Lease to compensate BRFHH in an amount consistent with the amount withheld under the recoupment action.

ARTICLE XV
INSURANCE AND INDEMNIFICATION

Section 15.1. Insurance. BRFHH will maintain commercially reasonable insurance as provided in the Master Hospital Lease, Equipment Lease and the Professional Services Agreement. LSU will maintain extended reporting or “tail” insurance professional liability coverage for all claims arising on or before Commencement Date for a period of three (3) years after the Commencement Date.

Section 15.2. Survival of Representations and Warranties; Indemnification. All representations and warranties in this Agreement and any other certificate or document delivered pursuant to this Agreement shall survive the Commencement Date and any early termination of this Agreement for a period of ten (10) years, subject to any early termination of this Agreement and the provisions of Section 13.2. All covenants and obligations in this Agreement and any other certificate or document delivered pursuant to this Agreement shall survive the Commencement Date indefinitely.

(a) Indemnification by the Parties.

(i) To the extent permitted by applicable law, and except as otherwise provided in this Agreement, LSU will have liability (for indemnification for third party claims, for direct damages of any of the Parties 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”) arising as a result of: (1) a breach of any representation or warranty in this Agreement, or any related agreement, document or instrument to which it is a party, by LSU or its affiliate LSUHSC-S; or (2) the actions or failure to act by LSU Personnel; or (3) the Retained Liabilities, provided, however, that LSU’s obligation under this Section 15.2(a)(i) shall only apply if, on or before the third (3rd) anniversary of the Commencement Date, LSU is notified of a claim specifying the factual basis of the claim in reasonable detail to the extent then known by the Party asserting such claim. Notwithstanding the foregoing, with respect to an indemnification claim based on fraud, the failure to perform any covenant or obligation in this Agreement and any other certificate or document delivered pursuant to this Agreement or the failure to pay any Retained Liability, a claim may be made at any time. Notwithstanding the foregoing, with respect to an indemnification claim based on a federal program recoupment action or violation of a Health Care Law, a claim may be made within the applicable statute of limitations.

(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 for third party claims, for direct damages of any of the Parties or otherwise) for Damages as a result of a breach of any representation or warranty in this Agreement, or any related agreement, document or instrument to which the State is a party through DOA, by the State, provided, however, that the State’s obligation under this Section 15.2(a)(ii) shall only apply if, on or before the third (3rd) anniversary of the Commencement Date, the State is notified of a claim specifying the factual basis of the claim in reasonable detail to the extent then known by the Party asserting such claim.
Notwithstanding the foregoing, with respect to an indemnification claim based on fraud, a claim may be made at any time.

(iii) To the extent permitted by applicable law, and except as otherwise provided in this Agreement, State, through DHH, will have liability (for indemnification for third party claims, for direct damages of any of the Parties or otherwise) for Damages as a result of a breach of any representation or warranty in this Agreement, or any related agreement, document or instrument to which the State is a party through DHH, by the State; provided, however, that the State’s obligation under this Section 15.2(a)(iii) shall only apply if, on or before the third (3rd) anniversary of the Commencement Date, the State is notified of a claim specifying the factual basis of the claim in reasonable detail to the extent then known by the Party asserting such claim. Notwithstanding the foregoing, with respect to an indemnification claim based on fraud, a claim may be made at any time.

(iv) Except as otherwise provided in this Agreement, BRFHH will have liability (for indemnification for third party claims, for direct damages of any of the Parties or otherwise) for Damages as a result of: (1) a breach of any representation or warranty in this Agreement, or any related agreement, document or instrument to which it is a party, by BRFHH; or (2) the actions or failure to act by the employees or agents of BRFHH; provided, however, that BRFHH’s obligation under this Section 15.2(a)(iv) shall only apply if, on or before the third (3rd) anniversary of the Commencement Date, BRFHH is notified of a claim specifying the factual basis of the claim in reasonable detail to the extent then known by the Party asserting such claim. Notwithstanding the foregoing, with respect to an indemnification claim based on fraud, a claim may be made at any time.

(v) Except as otherwise provided in this Agreement, BRF will have liability (for indemnification for third party claims, for direct damages of any of the Parties or otherwise) for Damages as a result of: (1) a breach of any representation or warranty in this Agreement, or any related agreement, document or instrument to which it is a party, by BRF, or (2) the actions or failure to act by the employees or agents of BRF; provided, however, that BRF’s obligation under this Section 15.2(a)(v) shall only apply if, on or before the third (3rd) anniversary of the Commencement Date, BRF is notified of a claim specifying the factual basis of the claim in reasonable detail to the extent then known by the Party asserting such claim. Notwithstanding the foregoing, with respect to an indemnification claim based on fraud, a claim may be made at any time.

(b) Indemnification Process for Third Party Claims.

(i) Promptly after receipt by a Party entitled to indemnification under this Article XV (an “Indemnified Person”) of notice of the assertion of a claim for Damages by any third party against such Party (a “Third-Party Claim”), such Indemnified Person shall give notice to the Party(ies) obligated to provide indemnification under this Article XV (an “Indemnifying Person”) of the assertion of such Third-Party Claim; provided however, that the failure to notify the Indemnifying Person of any Third-Party Claim 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: (1) 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 (2) 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 XV 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 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 the Indemnifying Person’s consent, which may not be unreasonably withheld.

(iv) With respect to any Third-Party Claim subject to indemnification under this Article: (1) both the Indemnified Person and the Indemnifying Person, as the case may be, shall keep the other Party 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 (2) 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: (1) 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 (2) 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.

(c) 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 XVI
GENERAL PROVISIONS

Section 16.1. 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 16.2. Legal Representation of the Parties. Each Party to this Agreement is represented by legal counsel, and this Agreement was negotiated by the Parties hereto with the benefit of such legal representation, and any rule of construction or interpretation otherwise requiring this Agreement to be
construed or interpreted against any Party hereto shall not apply to any construction or interpretation hereof.

Section 16.3. Expenses. Except as otherwise expressly 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 16.4. 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 Agreement that are not Terminating Events as follows:

(a) Cure Period. If the basis of the dispute is alleged to constitute a breach of this Agreement, the MCA 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) Legal Remedies; No Termination Rights. If a dispute involves a non-Terminating Event and is not resolved pursuant to the Consultative Process, the Parties shall be entitled to such remedies as are available at law or in equity, including damages, but not including any equitable or injunctive relief which could or would limit LSU’s access to the Hospitals. No Party shall have the right to terminate this Agreement for a non-Terminating Event except by authority of a final order of a court of competent jurisdiction after all rights of appeal have been exhausted.

Section 16.5. 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 16.6. Confidential Information. Use of Confidential Information. Subject to Section 16.6(h) and 16.23, 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 BRF CEO with respect to Confidential Information of BRF, or the BRFHH CEO with respect to the Confidential Information of BRFHH. Each of BRF, BRFHH and LSU shall disclose the Confidential Information of the other Party(ies) only to its representatives who require such material for the purpose of evaluating the Contemplated Transactions and are informed by LSU or BRF or BRFHH, as the case may be, of the obligations of this Article with
respect to such information. Each of LSU, BRF and BRFHH shall: (aa) enforce the terms of this Article as to its respective representatives; (bb) take such action to the extent necessary to cause its representatives to comply with the terms and conditions of this Article; and (cc) be responsible and liable for any Breach of the provisions of this Article by it or its representatives.

(b) Exceptions. This Section 16.6 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 or the Confidentiality Agreement 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 16.6(h), 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 (“HITECH”), and the rules and regulations promulgated thereunder in each case, 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 HITECH and each Party will act in accordance therewith.

(h) **Public Records Request.** The financial and other records created by, for or otherwise belonging to BRF or BRFHH shall remain in the possession, custody and control of BRF and BRFHH, 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, BRF and BRFHH consider records of BRF to be proprietary to BRF, and records of BRFHH to be proprietary of BRFHH, and, to the extent that BRF or BRFHH 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 BRF or BRFHH, LSU will use its best efforts to give notice to BRF or BRFHH, as applicable, that LSU has received such a public records request prior to producing any documents considered to be proprietary to BRF or BRFHH, and if such notice cannot be provided to BRF or BRFHH before LSU is required to produce such documents, LSU shall provide notice to BRF or BRFHH, as applicable, as soon thereafter as possible. In the event that BRF or BRFHH objects to the production and believes that the records are not subject to production pursuant to the Public Records Act, BRF or BRFHH, as appropriate, will immediately so notify LSU in writing and take such action as BRF or BRFHH deems necessary to protect the disclosure of such records. In the event of a final, binding, non-appeal judgment that LSU’s refusal to produce such documents was in violation of the Public Records Law, BRF and BRFHH will indemnify and hold harmless LSU and the State, their employees, attorneys and agents from and against any costs, expenses, liabilities, attorneys’ fees, losses, damages, fines and/or penalties resulting from or relating to LSU’s failure to produce such documents in response to a public records request.
Section 16.7. 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 16.8. 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: F. King Alexander, President

With a copy to:

Taylor, Porter, Brooks & Phillips LLP
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 BRFHH:

BRF Hospital Holdings, L.L.C.
c/o Biomedical Research Foundation of Northwest Louisiana,
1505 Kings Highway
Shreveport, LA 71133
Attention: Office of the President

With a copy to:

Sullivan Stolier Knight LC
909 Poydras St. Suite 2600
New Orleans, LA 70112
Attention: Stephen M. Sullivan, Esq.
If to BRF:
Biomedical Research Foundation of Northwest Louisiana
1505 Kings Highway
Shreveport, LA 71133
Attention: Office of the President

With a copy to:
Sullivan Stolier Knight LC
909 Poydras St. Suite 2600
New Orleans, LA 70112
Attention: Stephen M. Sullivan, 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 16.9. 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, 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; 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. 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 16.10. Enforcement of Agreement; Legal Fees and Costs. Subject to the limitation on equitable or injunctive relief set forth in Section 16.4(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 16.11. 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, BRF and BRFHH.

Section 16.12. **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 16.13. **Severability and Reformation.** If any term, provision, covenant or condition of this Agreement 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 this Agreement or obligations of the parties, in which case this Agreement may be immediately terminated.

Section 16.14. **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 16.15. **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 16.16. **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 16.17. **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 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 shall be deemed to be their original signatures for all purposes.

Section 16.18. **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 16.19. **Access to Records.** To the extent that the services provided under this Agreement are deemed by the Secretary of the 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(b)(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 16.20. **Names and Trademarks.** Except as provided in this Agreement and the MCA, 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 16.21. **Cost-Report Matters.**

(a) LSU shall prepare and timely file all cost reports with respect to the Hospitals
relating to the periods ending prior to Commencement Date, including those relating to Medicare
and other third-party payors that settle on a cost-report basis (the “LSU Cost Reports”). As part
of compliance with this provision, LSU shall prepare and timely file all termination cost reports
with respect to the Hospitals relating to the periods ending prior to Commencement Date
(“Termination Cost Reports”). The Termination Cost Reports shall be filed by LSU in a manner
consistent with (i) prior cost reports filed by LSU with respect to the Hospitals, and (ii) applicable
laws, rules and regulations. At least ten (10) days prior to the filing of any LSU Cost Reports or
Termination Cost Reports, LSU shall forward them to BRFHH for its review. BRFHH shall
provide any comments to such cost reports within five (5) days prior to the filing date. BRFHH
shall forward to LSU any and all correspondence that it may receive relating to the LSU Cost
Reports or Termination Cost Report or rights to settlements and retroactive adjustments on the
LSU Cost Reports or Termination Cost Reports (“Agency Settlements”) within fifteen (15)
business days of receipt by BRFHH; provided, however, that BRFHH shall forward such
correspondence to LSU sooner if necessary for LSU to comply with a deadline stated in such
correspondence. LSU shall retain all rights to all the LSU Cost Reports and the Termination Cost
Reports, including any payables resulting therefrom or receivables relating thereto, and the right
to appeal any third-party payor determinations relating to the Agency Settlements.

(b) Upon reasonable notice and during normal business office hours, BRFHH shall
reasonably cooperate with LSU regarding the preparation, filing, handling, and appeals of the
LSU Cost Reports, including the Termination Cost Reports. Upon reasonable notice and during
normal business office hours, BRFHH shall reasonably cooperate with LSU in connection with
any cost-report disputes, appeals or other claim-adjudication matters relative to a governmental
program reimbursement. Such cooperation shall include the providing of statistics and obtaining
of files at the Hospitals, and the coordination with LSU, pursuant to adequate notice of Medicare
and other third-party payor exit conferences or meetings. BRFHH shall, upon reasonable notice,
during normal business office hours and at the sole cost and expense of LSU, and subject to
applicable law regarding confidentiality of patient records, provide LSU reasonable access to
relevant records of the Hospitals, and shall allow LSU and their representatives to copy any
documents relating to the LSU Cost Reports and appeals thereof.
(c) Notwithstanding any inference or expression to the contrary, all parties understand and agree that any liabilities or rights connected to the LSU Cost Reports and the Termination Cost Reports, including any payables resulting therefrom or receivables relating thereto, are the sole property of LSU. Accordingly, neither BRFHH nor any successor entity shall not have any rights to reimbursement resulting from settlements related to said cost reports or any rights to appeal any findings related to said cost reports, or any subrogation rights whatsoever related to said cost reports.

Section 16.22. BRF and BRFHH Not Intended to be Public Bodies. Nothing in this Agreement is intended, and it is not the intent of the Parties, DOA or DHH, to cause or result in BRF or BRFHH 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 16.23. Legislative Auditor. It is hereby agreed that the State and/or the Louisiana Legislative Auditor shall have the option of auditing all accounts of BRFHH which relate to this Agreement. Such audits shall be done during customary business hours upon reasonable prior written notice. Nothing in this Agreement is intended to prevent or otherwise impede the Legislative Auditor from reviewing or accessing documents the Auditor would otherwise be entitled to review under law.

Section 16.24. Non-Discrimination Clause. BRFHH 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 BRFHH agrees to abide by the requirements of the Americans with Disabilities Act of 1990. BRFHH 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 16.25. 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 reasonably 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 PAGE]
IN WITNESS WHEREOF, BRF, the State, though DOA and DHH, BRFHII and LSU have executed this Agreement as of the Execution Date.

Witnesses:

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

By: __________________________
F. King Alexander, President of Louisiana
State University System
Date: 9/30/13

STATE OF LOUISIANA, DEPARTMENT OF
HEALTH AND HOSPITALS

By: __________________________
Kathy Kliebert, Interim Secretary
Date: __________________________

STATE OF LOUISIANA, DIVISION OF
ADMINISTRATION

By: __________________________
Kristy Nichols, Commissioner
Date: __________________________

BIOMEDICAL RESEARCH FOUNDATION
OF NORTHWEST LOUISIANA

By: __________________________
Stephen F. Skrivanos, Chair
Date: __________________________

BRF HOSPITAL HOLDINGS, L.L.C.

By: __________________________
Stephen F. Skrivanos, Chair
Date: __________________________
IN WITNESS WHEREOF, BRF, the State, though DOA and DHH, BRFFH and LSU have executed this Agreement as of the Execution Date.

Witnesses:

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

By: __________
   F. King Alexander, President of Louisiana State University System
Date: __________

STATE OF LOUISIANA, DEPARTMENT OF HEALTH AND HOSPITALS

By: __________
   Kathy Kliebert, Interim Secretary
Date: 9/30/13

STATE OF LOUISIANA, DIVISION OF ADMINISTRATION

By: __________
   Kristy Nichols, Commissioner
Date: __________

BIOMEDICAL RESEARCH FOUNDATION OF NORTHWEST LOUISIANA

By: __________
   Stephen F. Skrivanos, Chair
Date: __________

BRF HOSPITAL HOLDINGS, L.L.C.

By: __________
   Stephen F. Skrivanos, Chair
Date: __________
IN WITNESS WHEREOF, BRF, the State, though DOA and DHH, BRFHH and LSU have executed this Agreement as of the Execution Date.

Witnesses:

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

By: ________________________________
F. King Alexander, President of Louisiana State University System

Date: ________________________________

STATE OF LOUISIANA, DEPARTMENT OF HEALTH AND HOSPITALS

By: ________________________________
Kathy Kliebert, Interim Secretary

Date: ________________________________

STATE OF LOUISIANA, DIVISION OF ADMINISTRATION

By: ________________________________
Kristy Nichols, Commissioner

Date: 9/30/13

BIOMEDICAL RESEARCH FOUNDATION OF NORTHWEST LOUISIANA

By: ________________________________
Stephen F. Skrivanos, Chair

Date: ________________________________

BRF HOSPITAL HOLDINGS, L.L.C.

By: ________________________________
Stephen F. Skrivanos, Chair

Date: ________________________________
IN WITNESS WHEREOF, BRF, the State, though DOA and DHH, BRFHH and LSU have executed this Agreement as of the Execution Date.

Witnesses:

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

By: ____________________________
   F. King Alexander, President of Louisiana State University System

Date: ____________________________

STATE OF LOUISIANA, DEPARTMENT OF HEALTH AND HOSPITALS

By: ____________________________
   Kathy Kliebert, Interim Secretary

Date: ____________________________

STATE OF LOUISIANA, DIVISION OF ADMINISTRATION

By: ____________________________
   Kristy Nichols, Commissioner

Date: ____________________________

BIOMEDICAL RESEARCH FOUNDATION OF NORTHWEST LOUISIANA

By: ____________________________
   Stephen F. Skrivanos, Chair

Date: ____________________________

BRF HOSPITAL HOLDINGS, L.L.C.

By: ____________________________
   Stephen F. Skrivanos, Chair

Date: ____________________________
## Final

### EXHIBITS

<table>
<thead>
<tr>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Definitions</td>
<td>1</td>
</tr>
<tr>
<td>Master Hospital Lease</td>
<td>2.1</td>
</tr>
<tr>
<td>Equipment Lease</td>
<td>2.2</td>
</tr>
<tr>
<td>Cost Analysis Worksheet-(Shreveport Hospital)</td>
<td>3.1(a)</td>
</tr>
<tr>
<td>Cost Analysis Worksheet-(E.A. Conway)</td>
<td>3.1(b)</td>
</tr>
<tr>
<td>LSU Authorizing Resolution</td>
<td>8.2(a)</td>
</tr>
<tr>
<td>BRFHH Authorizing Resolution</td>
<td>10.2(b)</td>
</tr>
<tr>
<td>BRF Authorizing Resolution</td>
<td>11.2(b)</td>
</tr>
</tbody>
</table>
EXHIBIT 1
DEFINITIONS

(1) “Academic Faculty” means the individuals designated as faculty of LSU with respect to the LSUHSC-S GME Programs, including physicians and other qualified teaching professionals.

(2) “Academic Health System CPA” has the meaning set forth in Section 3.1(d)(iv).

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

(4) “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.

(5) “Agreement” has the meaning set forth in the preface above.

(6) “Audited Financial Statements” has the meaning set forth in Section 11.3.

(7) “Benefit Plans” means each employee benefit plan subject to the Employee Retirement Income Security Act of 1974, as amended, and any other (written or unwritten) profit sharing, pension, savings, deferred compensation, fringe benefit, insurance, medical, medical reimbursement, life, disability, accident, post-retirement, health or welfare benefit, stock option, stock purchase, sick pay, vacation, employment, severance, termination or other plan or arrangement.

(8) “Breach” means any breach of, or any inaccuracy in, any representation or warranty or any breach of, or 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 event which with the passing of time or the giving of notice, or both, would constitute such a breach, inaccuracy or failure.

(9) “Books and Records” has the meaning set forth in Section 2.3(e).

(10) “BRF” has the meaning set forth in the preface above.

(11) “BRF Board” means the BRF Board of Directors.

(12) “Business Days” means any days on which the LSU System Office is open for business.

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


(15) “Collaborative” has the meaning set forth in the recitals of this Agreement.

(16) “Confidential Information” includes, to the extent allowed by law, any and all of the following information of LSU or BRF 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 either party (LSU on the one hand or BRF on the other hand) 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.

(17) “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 Collaborative. 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. Notwithstanding the foregoing, each such committee will be advisory only and the Parties each reserve final authority to agree to the terms of any proposed resolution as part of the Consultative Process.

(18) “Contemplated Transactions” mean all of the transactions contemplated by this Agreement.

(19) “Contract Monitor” has the meaning set forth in Section 1.2.

(20) “Core Service Lines” has the meaning set forth in Section 4.6.

(21) “Cost Analysis Worksheets” has the meaning set forth in Section 3.1(a).

(22) “Cure Period” means sixty (60) days.

(23) “Damages” has the meaning set forth in Section 15.2(a)(i).

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

(25) “DHH Funding Calculations” has the meaning set forth in Section 3.1(d)(ii).

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

(27) “DSH” means disproportionate share.

(28) “E.A. Conway” means E.A. Conway Medical Center in Monroe, Louisiana.

(29) “Equipment Lease” has the meaning set forth in Section 2.2.

(30) “Fellow” means a licensed physician participating in a fellowship program of the LSUHSC-S GME Programs.

(31) “Financial Statements” has the meaning set forth in Section 11.3.

(32) “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.

(33) “GAAP” means generally accepted accounting principles.

(34) “GME” means Graduate Medical Education.

(35) “GME Program” means graduate medical education programs generally.

(36) “Governing Documents” means with respect to LSU, its constitutional, statutory and bylaws provisions, and with respect to BRF, its articles of incorporation and its bylaws; and if another type of Person, any other charter or similar document adopted or filed in
connection with the creation, formation or organization of the Person, and any amendment or supplement to any of the foregoing.

(37) “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.

(38) “Governmental Body” or “Governmental Bodies” means any:
   i. nation, state, county, city, town, borough, village, district or other jurisdiction;
   ii. federal, state, local, municipal, foreign or other government;
   iii. 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);
   iv. multinational organization or body;
   v. body exercising, or entitled or purporting to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power; or
   vi. official of any of the foregoing.

(39) “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).

(40) “Inadequate Funding” means the failure of BRFHH to receive the Required Funding.

(41) “Indemnified Person” has the meaning set forth in Section 15.2(b)(i).

(42) “Indemnifying Person” has the meaning set forth in Section 15.2(b)(i).

(43) “Initial Term” has the meaning set forth in Section 13.1.

(44) “Intellectual Property” (IP) means all patents, copyrights, trademarks, trade secrets, inventions, discoveries, software, and other works of authorship developed as a result of research or other collaborative activities conducted jointly between BRF and LSU.

(45) “Key Services Baseline” has the meaning set forth in Section 4.7.

(46) “Key Service Lines” has the meaning set forth in Section 4.7.

(47) “Knowledge” means an individual will be deemed to have 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.

(48) “Layoff Plan” has the meaning set forth in Section 6.2(a).

(49) “Leased Premises” has the meaning set forth in Section 2.1.

(50) “Legal Requirement” means any 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.

(51) “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.

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

(53) “LSUHSC-S” has the meaning set forth in the recitals above.

(54) “LSU Personnel” means, whether singular or plural, all employees or agents of LSU providing health care services at the BRF Campus or participating in the LSUHSC-S GME Programs, including but not limited to Academic Faculty, Residents and Fellows.

(55) “LSU Teaching Service” means the LSU Faculty and Residents holding the Collaborative Residency Positions and having the capacity and expertise to provide the services to be rendered pursuant to Section 4.1.

(56) “LWC” means the Louisiana Workforce Commission.

(57) “MAA” means the Master Affiliation Agreement between LSU and BRFHH in such form as LSU and BRFHH may agree, which documents the GME responsibilities between LSU, LSUHSC-S and BRFHH and describes the LSUHSC-S GME Programs.

(58) “Major Participating Site” has the meaning set forth in the Glossary of Terms published by ACGME with respect to graduate medical education programs.

(59) “Master Hospital Lease” has the meaning set forth in Section 2.1.

(60) “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 obligations in this Agreement.

(61) “MCA” means the Master Collaborative Agreement set forth in Section 7.1.

(62) “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.

(63) “Methodology Adjustment Notice” has the meaning set forth in Section 3.1(c).

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

(65) “Party” and “Parties” has the meaning set forth in the preface.

(66) “Permits” means all permits, licenses, approvals, qualifications, rights, accreditations, certificates, certifications, consents, interim licenses, permits and other authorizations issued to or on behalf of LSUHSC-S or LSU benefiting, relating or affecting solely the Hospitals or the operation thereof, and all renewals, replacements and substitutions therefor, now or hereafter required or issued by any governmental authority related thereto.

(67) “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.

(68) “Personal Property Leases” has the meaning set forth in Section 2.3(b).

(69) “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.

(70) “Protected Health Information” or “PHI” has the meaning as defined in 42 U.S.C. §§ 1320d-1320d-8 and 42 C.F.R. §§ 160, 162 and 164, more commonly known as HIPAA.

(71) “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.
“Receiving Party” has the meaning set forth in the definition of “Confidential Information.”

“Resident” means an individual admitted to the LSUHSC-S GME Programs as a resident.

“Retained Liabilities” has the meaning set forth in Section 2.4.

“Service Area” means the primary sites at which LSU provides medical care to patients in the Shreveport and Monroe.

“Shreveport Hospital” means LSU Medical Center - Shreveport in Shreveport, Louisiana.

“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 by and through its Division of Administration.

“State Health Care Providers” means all clinical LSU Personnel as defined in LA R.S. 40:1299.39, et seq.

“Term” means the Initial Term and all extensions thereof.

“Termination Process” has the meaning set forth in Section 13.3.

“Terminating Event” has the meaning set forth in Section 13.2.

“Transferred Assets” has the meaning set forth in Section 2.3.

“Transition Payments” has the meaning set forth in Section 3.4.

“UCC” means Uncompensated Care Cost.

“Wind Down Period” has the meaning set forth in Section 13.4.
EXHIBIT 2.1
MASTER HOSPITAL LEASE
This Master Hospital Lease Agreement (this “Lease”) is made and entered into effective the 30th day of September, 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 F. King Alexander, President of the Louisiana State University System, duly authorized by virtue of Resolutions of the Board of Supervisors, adopted May 28 and June 7, 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”);

DIVISION OF ADMINISTRATION for the State of Louisiana, acting by and through the Commissioner of Administration (hereinafter referred to as “Division”);

THE 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, (herein referred to as “State”);

BRF HOSPITAL HOLDINGS, L.L.C., a Louisiana limited liability company, represented herein by Stephen F. Skrivanos, its Chairman, duly authorized by virtue of a resolution adopted September 25, 2013, with a mailing address of 1505 Kings Highway, Shreveport, Louisiana 71133 (Federal I.D. No. XX-XXX9229) (hereinafter referred to as “Lessee”); and

provides as follows:

WITNESSETH

WHEREAS, LSU is a public corporation organized and existing under the constitution and 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; and,
WHEREAS, Lessee is a limited liability company organized and existing under the laws of the State of Louisiana pursuant to La R.S. 12:1301 , et seq., committed to provide healthcare and hospital services and furthering the development of medical and clinical professionals in the State of Louisiana and, in particular, its service area; and,

WHEREAS, LSU, Lessee, the State and the Louisiana Department of Health and Hospitals ("DHH") are parties to a Cooperative Endeavor Agreement dated September 30, 2013 (as the same may be amended from time to time, the “CEA”), pursuant to which LSU, Lessee, the State and DHH will collaborate for Lessee to provide hospital services to patients and maintain nationally recognized graduate medical education programs; and,

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

WHEREAS, Lessor operates the hospital facilities and associated outpatient clinics known as LSU Medical Center–Shreveport in Shreveport, Louisiana (“Shreveport Hospital”) and E.A. Conway Medical Center in Monroe, Louisiana (“E.A. Conway” and together with Shreveport Hospital, referred to herein as the “Hospitals”); and,

WHEREAS, Lessor is the owner of (i) the parcel(s) of land located in Shreveport, Caddo Parish, Louisiana, as described on Exhibit A-1 attached hereto and made a part hereof (the “Shreveport Land”), (ii) all buildings (including the hospital building in which the Shreveport Hospital is located with an address of 1501 Kings Highway, Shreveport, Louisiana 71133), parking areas and lots appurtenant to such building and structures presently situated upon the Shreveport Land (collectively, the “Shreveport Improvements”); (iii) all servitudes, rights and appurtenances relating to the Shreveport Land and the Shreveport Improvements (collectively, the “Shreveport Appurtenant Rights”); and (iv) all equipment, machinery, fixtures, and other
items of property, including all components thereof, now and hereafter permanently affixed to or incorporated into the Shreveport Improvements, including, without limitation, all furnaces, boilers, heaters, electrical equipment, heating, plumbing, lighting, ventilating, refrigerating, incineration, air and water pollution control, waste disposal, air-cooling and air-conditioning systems and apparatus, sprinkler systems and fire and theft protection equipment, all of which to the greatest extent permitted by law, are hereby deemed by the parties hereto to constitute real estate, together with all replacements, modifications, alterations and additions thereto (collectively the “Shreveport Fixtures”, and together with the Shreveport Land, the Shreveport Improvements and the Shreveport Appurtenant Rights, the “Shreveport Premises”); and

WHEREAS, Lessor is the owner of (i) the parcel(s) of land located in Monroe, Ouachita Parish, Louisiana, as described on Exhibit A-2 attached hereto and made a part hereof (the “Monroe Land”), (ii) all buildings (including the hospital building in which E.A. Conway is located with an address of 4864 Jackson Street, Monroe, Louisiana 71202), parking areas and lots appurtenant to such building and structures presently situated upon the Monroe Land (collectively, the “Monroe Improvements”); (iii) all servitudes, rights and appurtenances relating to the Monroe Land and the Monroe Improvements (collectively, the “Monroe Appurtenant Rights”); and (iv) all equipment, machinery, fixtures, and other items of property, including all components thereof, now and hereafter permanently affixed to or incorporated into the Monroe Improvements, including, without limitation, all furnaces, boilers, heaters, electrical equipment, heating, plumbing, lighting, ventilating, refrigerating, incineration, air and water pollution control, waste disposal, air-cooling and air-conditioning systems and apparatus, sprinkler systems and fire and theft protection equipment, all of which to the greatest extent permitted by law, are hereby deemed by the parties hereto to constitute real estate, together with all
replacements, modifications, alterations and additions thereto (collectively the “Monroe Fixtures”, along with the Monroe Land, the Monroe Improvements and the Monroe Appurtenant Rights, the “Monroe Premises”) (the Monroe Premises and the Shreveport Premises collectively referred to as the “Leased Premises”); and,

WHEREAS, (1) the Shreveport Premises includes approximately 1,111,752 square feet in the aggregate of hospital, medical office, clinic space, and ambulatory surgical space; and (2) the Monroe Premises includes approximately 350,503 square feet of hospital, medical office, clinic space, and ambulatory surgical space; and,

WHEREAS, Lessee desires to lease the Leased Premises on which operations of the Hospitals are conducted; and, 

WHEREAS, this Lease furthers the educational and public service missions of Lessor.

NOW, THEREFORE, in consideration of Lessor’s obligation to lease the Leased Premises to Lessee, the rent to be paid by Lessee to Lessor during the term of this Lease, and the mutual benefits accruing to the parties under this Lease and the CEA, the parties do hereby enter into this Lease on the following terms and conditions:

ARTICLE I
LEASED PREMISES; TERM

Section 1.01 Leased Premises. For the consideration and upon the terms and conditions hereinafter expressed, Lessor leases the Leased Premises unto Lessee, here present and accepting the same, 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 in this Lease or in the CEA. Lessee or Lessee’s agent has had an opportunity to visually inspect the Leased Premises and acknowledges that the Leased Premises appear in good and acceptable condition as of the execution of this Lease.
**Section 1.02 Limited Waiver of Warranties.** Except as otherwise provided in this Lease, the State and LSU make no warranty of fitness, condition or title whatsoever, and Lessee hereby waives any such warranties and acknowledges that the State 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 Hospitals. Notwithstanding the foregoing, and to the extent allowed by law, the State and LSU hereby agree that the State and LSU, at their sole cost, shall defend and indemnify Lessee against any and all claims and lawsuits challenging the right of Lessee to lease and occupy, or otherwise materially disturbing Lessee's actual physical possession of, all or part of the Leased Premises which adversely affects the operations of the Hospitals.

**Section 1.03 Term of Lease.** The Term of this Lease shall begin on the Commencement Date, and, unless earlier terminated in accordance with Section 12.02, shall continue for an initial term of five (5) years (the “Initial Term” and together with all extensions, the "Term"). Beginning on the expiration of the first (1st) year of the Initial Term and continuing on each annual anniversary date thereafter (each an "Extension Date"). the then-remaining portion of the Initial Term shall automatically be extended for an additional one (1) year period so that after the first (1st) year of the Initial Term, the Term of this Lease shall be a Rolling Five-Year Term; provided, however, that the extension provision of this sentence shall no longer apply if Lessee provides the other parties with written notice at least one hundred eighty (180) calendar days prior to an Extension Date that Lessee does not intend to extend the Term of this Lease. Notwithstanding the foregoing, the Term of this
Lease shall not exceed a total of ninety nine (99) years and this Lease shall automatically terminate upon completion of the 99th year. During the first five months of the fifth year of the Initial Term and of each fifth year thereafter, Lessee and Lessor shall engage an independent nationally recognized valuation expert on hospital facilities to appraise the fair market value of this Lease, excluding Lessee’s building improvements. If the fair market value of the Lease payments, as determined by the valuation expert, is five percent (5%) less than or greater than the Leased Premises Rent payment in effect as of the valuation date, the Leased Premises Rent payment will be adjusted, up or down, to the fair market value. The adjusted fair market value Leased Premises Rent will then become the base rent for CPI adjustments as described in Section 2.04. Notwithstanding anything in this Lease to the contrary, the parties acknowledge that any early termination or the expiration of the CEA shall cause this Lease to simultaneously terminate; provided, however, any such termination of this Lease shall be subject to the Wind Down Period (as defined and described in the CEA).

Section 1.04 Commencement Date. For purposes of this Lease, the term “Commencement Date” shall mean 12:00 a.m. on October 1, 2013, unless otherwise mutually agreed upon by the parties in writing, which agreement not to be unreasonably withheld, conditioned or delayed.

ARTICLE II
RENT

Section 2.01 Monthly Base Rent. During the Term, the annual base rent for the Leased Premises (the “Leased Premises Rent”) shall be $38,763,891.38; provided, however, that during the Term, Lessee may seek to have certain portions of Shreveport Premises or the Monroe Premises removed from Exhibits A-1 and A-2 and to have the annualized Lease Premises Rent due and payable for the remainder of the Term (together with all installments
thereof as provided in this Article II) equitably adjusted to account for any such change(s) in the
Leased Premises.  Lessor and Lessee shall negotiate in good faith as to whether the requested
portion of the Shreveport Premises or the Monroe Premises should be removed from this Lease.
The Leased Premises Rent shall be payable by Lessee to LSU in twelve (12) equal monthly
installments (the “Leased Premises Monthly Rent”), with the rent for the first two months of the
Initial Term being due and payable on November 1, 2013, and the remaining installments being
due and payable, respectively on the first (1st) day of each calendar month thereafter during the
Term.  Notwithstanding the foregoing, the Leased Premises Monthly Rent for the months of
July, August and September, 2014 shall be paid by Lessee to Lessor on or before June 30, 2014
and no Leased Premises Monthly Rent payments shall be due during those months.  The
payment of the Leased Premises Monthly Rent shall resume on October 1, 2014 and shall
continue on the first (1st) day of each calendar month thereafter during the Term.
Notwithstanding the foregoing, Lessor, Lessee and the State may mutually agree in writing to
the pre-payment of all or part of the Leased Premises Monthly Rent at any time in the future on
such terms and conditions as are acceptable to them.  In the event the Commencement Date
should fall on a date other than the first day of a calendar month, the first Leased Premises
Monthly Rent payment shall be prorated based on the actual number of days in such calendar
month from and including the Commencement Date to and including the last day of such
calendar month.  In the event that the last day of the Term is a day other than the last day of a
calendar month, the last Leased Premises Monthly Rent payment shall be prorated based on the
actual number of days in such calendar month from and including the first day of such calendar
month to and including the last day of the Term.
Section 2.02 Additional Rent. In addition to the Leased Premises Monthly Rent, Lessee shall also pay any and all other charges or payments which Lessee is or becomes obligated to pay pursuant to this Lease (collectively, the “Additional Rent” and together with the Leased Premises Monthly Rent, the “Rent”). Except as otherwise set forth herein, any Additional Rent owed to Lessor shall be due within thirty (30) days after receipt of any invoice therefor from Lessor, which invoice shall include a description and itemization of such Additional Rent due.

Section 2.03 Rent Payments. All Rent is payable by Lessee to Lessor (i) at the following address, until notified differently in writing by Lessor: P. O. Box 91308, Baton Rouge, Louisiana 70821, or (ii) by wire transfer pursuant to the wiring instructions given to Lessee by Lessor.

Section 2.04 Adjustments to Leased Premises Monthly Rent.

(a) Commencing with the first anniversary of the Commencement Date, the Leased Premises Rent shall be adjusted upward or downward every anniversary of the Commencement Date, using the Index by dividing the Current Index by the Base Index and multiplying the resulting quotient by the annual Leased Premises Rent payable under Section 2.01 of this Lease. The adjusted Leased Premises Rent for the year following the adjustment shall be determined by using the applicable Current Index divided by the Base Index times the Leased Premises Rent set forth in Section 2.01. Notwithstanding the foregoing, the Leased Premises Rent shall not be adjusted downward to a level below the initial Leased Premises Rent amount.

(b) For purposes of this Lease, the term “Base Index” shall mean the Index for the month of September of 2013.
(c) For purposes of this Lease, the term “Current Index” shall mean the Index for the month of September immediately preceding each anniversary date of the Commencement Date.

(d) For purposes of this Lease, the term “Index” 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 or is no longer published at a frequency needed to calculate the aforementioned adjustment, then the current equivalent of the Index.

Section 2.05 No Adjustments or Offsets. This Lease is intended to be a net lease, meaning that except for any Rent abatement and set-off rights specifically set forth in this Lease or in Section 14.2 of the CEA, the Rent provided for herein shall be paid to Lessor without deduction for any expenses, charges, insurance, taxes or set-offs whatsoever of any kind, character or nature; it being understood and agreed to by Lessee that as between Lessee and Lessor, Lessee shall bear responsibility for the payment of all costs and expenses associated with the management, operation, maintenance and leasehold improvements of the Leased Premises, including without limitation all costs and expenses described in Article VI. Under no circumstances will Lessor be required to make any payment on Lessee’s behalf or for Lessee's benefit under this Lease, or assume any monetary obligation of Lessee or with respect to the Leased Premises under this Lease.
ARTICLE III
USE

Section 3.01 Permitted Use. (a) the Shreveport Premises shall be used and/or occupied by Lessee solely for a hospital, medical business offices, medical staff offices, medical education staff offices, medical clinics, outpatient pharmacy operations 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; and (b) the Monroe Premises shall be used and/or occupied by Lessee solely for a hospital, medical business offices, medical staff offices, medical education staff offices, medical clinics, outpatient pharmacy operations 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 (each of the uses described in Section 3.01(a) and Section 3.01(b) above, individually or collectively, a “Permitted Use”), and for no other purposes without the prior written consent of Lessor which consent shall not be unreasonably withheld, delayed or conditioned. Lessee will conduct the operations of the Hospitals on the Leased Premises in compliance with all federal, state, local and parish rules, laws, ordinances, and governmental regulations, orders, codes and decrees (individually or collectively, the “Law”) and in accordance with the provisions of the CEA.

ARTICLE IV
SUBLETTING AND ASSIGNMENT

Section 4.01 No Assignment. Lessee shall not assign this Lease or any interest therein without the prior written consent of Lessor, which consent shall not be unreasonably withheld, delayed or conditioned; provided, however, Lessee may, with prior written notice to Lessor, but without the consent of Lessor, assign its interest as Lessee under this Lease to a non-profit
corporation, limited liability company, limited liability partnership or other non-profit legal entity wholly owned or controlled by Lessee or Biomedical Research Foundation of Northwest Louisiana ("BRF"), or to any non-profit entity that is a successor by merger to the Lessee or that acquires Lessee or all or substantially all of the assets of Lessee, provided that such assignee assumes Lessee's obligations hereunder by operation of law or agrees to assume in writing Lessee's obligations hereunder without release of Lessee, all in form and substance approved in writing by Lessor.

Section 4.02 No Subletting. Lessee may not sublease all or any portion of the Leased Premises, without the prior written consent of Lessor, which consent shall not be unreasonably withheld, delayed or conditioned; provided, however, Lessee may, with prior written notice to Lessor, but without the consent of Lessor, sublease all or a portion of the Leased Premises to a nonprofit corporation, limited liability company, limited liability partnership, or other nonprofit legal entity wholly owned or controlled by Lessee or BRF, or to any nonprofit entity that is a successor by merger to Lessee or that acquires Lessee or all or substantially all of the assets of Lessee.

Section 4.03 Lessee Remains Liable. In no event shall any assignment or subletting of all or any portion of the Leased Premises release Lessee from any obligations under this Lease, unless such release shall be evidenced by Lessor’s express written agreement at the time of such assignment or subletting, which agreement may be granted or withheld in Lessor’s sole discretion.
ARTICLE V
IMPROVEMENTS AND ALTERATIONS BY LESSEE

Section 5.01 Lessee’s Improvements and Alterations.

(a) All alterations and improvements to the Leased Premises, including, but not limited to, Major Alterations (collectively, “Improvements”) shall be made in accordance with La. R.S. 17:3361, et seq. Such Improvements shall not reduce the then fair market value of the Leased Premises, and shall not adversely impact the structural integrity of the Leased Premises. Approval by Lessor or the Division of any Major Alterations shall not constitute any warranty by Lessor or the Division to Lessee of the adequacy of the design for Lessee's intended use of the Leased Premises. All work performed for or by Lessee shall be subject to and in accordance with all 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 Lessee, at Lessee's expense. All work shall be performed for or by Lessee in a good and workmanlike manner, and Lessee shall prosecute the same to completion with reasonable diligence. Lessee shall complete all Improvements so as not to create any liens or encumbrances against the Leased Premises or Lessee's leasehold interest or any of Lessor's property, and Lessee shall furnish: (i) a clear lien certificate for any Major Improvements to the Leased Premises; or (ii) any other evidence thereof with respect to any Improvements to the Leased Premises which are not Major Improvements. For purposes of this Lease, the term “Major Alteration” means any alteration or other change to the Leased Premises: (i) which is structural in nature; or (ii) which would materially change the Leased Premises exterior appearance; or (iii) which would materially change or affect the electrical, mechanical, life/safety, heating, ventilating and air conditioning or utilities systems or routing servicing of the
Leased Premises; and (iv) which is estimated in good faith to cost in excess of Five Hundred Thousand Dollars ($500,000.00).

(b) Before the commencement of any work in excess of Five Hundred Thousand Dollars ($500,000.00) for construction of Improvements, Lessee shall supply Lessor with appropriate performance and payment bonds. These bonds are at Lessee's expense and shall be issued in a form satisfactory to Lessor and in such a manner as to protect the Lessor's interest in the Leased Premises. Any requirement of this Section 5.01(b) may be waived with the consent of Lessor and Division, which consent shall not be unreasonably withheld, delayed or conditioned.

(c) The rights, responsibilities and obligations of the Division of Administration, Office of Facility Planning and Control ("FPC") shall be governed by the provisions of La. R.S. 17:3361, La. R.S. 40:1724, and all other regulatory and statutory authority granted to the Division of Administration, FPC with respect to maintenance, repair and/or improvements to public buildings and property.

(d) Upon termination of this Lease for any reason other than a Lessee Event of Default (as defined in Section 12.01 hereof), in addition to any other amounts that may be due to Lessee, LSU and DOA shall pay to Lessee an amount equal to the book value as of such termination date of the unamortized Major Alterations made by Lessee to the Leased Premises that were approved by Lessor and the Division in accordance with this Section 5.01, computed on a GAAP basis (herein "Unamortized Improvements"), but only to the extent such payment is funded by the State in accordance with Section 14.11 hereof; provided, however, any such obligation to pay pursuant to this Section 5.01(d), shall be reduced on a dollar-for-dollar basis to the extent any State, Division or Lessor funds are expended to improve the Leased Premises.
subsequent to the Commencement Date of this Lease, because of a failure by Lessee to satisfy its obligations hereunder. The Parties agree that no action is authorized under this Lease that would jeopardize the tax exempt status of any bonds that have been issued in connection with capital improvements contemplated on the Commencement Date in the Capital Outlay Act of 2013 or that may be issued after the Commencement Date.

Section 5.02 Cost of Lessee’s Improvements. Lessee shall be solely responsible for the costs of all Improvements to the Leased Premises undertaken by Lessee pursuant to Section 5.01. Following completion of any Improvements, Lessee shall provide to Lessor a lien waiver from Lessee’s contractor covering the cost of work, materials and equipment supplied by the contractor and all subcontractors and materialmen. All Improvements made to the Leased Premises by Lessee shall become and remain the property of Lessor at the termination of this Lease without any cost to Lessor. Notwithstanding the foregoing, if Lessee performs a Major Alteration without obtaining Lessor’s and Division’s consent (or deemed consent as set forth above) or subsequent written approval, in addition to any other remedy available for such violation, Lessor may, at its option, by written notice to Lessee require that Lessee remove the Major Alteration specified in such notice and return the Leased Premises to their condition prior to the unauthorized performance of the Major Alteration. If Lessee fails to remove such a Major Alteration and restore the Leased Premises to its original condition within sixty (60) days of the above-described written notice, or if such removal and restoration cannot be completed in sixty (60) days, and Lessee does not commence such removal and restoration within sixty (60) days and perform the removal and restoration diligently to completion, Lessee shall promptly reimburse, as Additional Rent, the Lessor for any expense that Lessor incurs in performing such removal and restoration. Lessee may purchase such additional personal property, fixtures,
equipment, furniture and other unattached items of personal property which Lessee may like to place in the Leased Premises including, but not limited to, counters, shelving, chairs and other unattached movable machinery, equipment and inventory (collectively, the “Personal Property”), and the Personal Property shall be owned by Lessee and may be removed from the Lease Premises by Lessee at the end of this Lease; provided, however, that Lessee shall repair any damage to the Leased Premises caused by such removal. Lessee's Personal Property shall not include the equipment leased by Lessor to Lessee pursuant to the Equipment Lease.

ARTICLE VI
OPERATION, MAINTENANCE, REPAIR, SECURITY AND OTHER SERVICES

Section 6.01 Operation. Lessee shall be responsible to procure and maintain all services and equipment necessary or required for its operation of the Hospitals and use of the Leased Premises.

Section 6.02 Use. Lessee shall procure and maintain all licenses, permits and accreditations (if any) required for its use of the Leased Premises.

Section 6.03 Maintenance and Repair.

(a) Lessee shall, during the Term, at its sole cost and expense, maintain the Leased Premises, including all fixtures located therein, and make and perform all maintenance, repairs, restorations, and replacements to the Leased Premises, including without limitation the heating, ventilating, air conditioning, mechanical, electrical, elevators, telephone, cable and other utility lines, plumbing, fire, life/safety, sprinkler and security systems, computer service, air and water pollution control and waste disposal facilities, fixtures, equipment, and appurtenances to the Leased Premises as and when needed to maintain them in as good a working condition and
repair (ordinary wear and tear and casualty excepted) as existed as of the Commencement Date, regardless of whether such maintenance, repairs, restorations or replacements are ordinary or extraordinary, routine or major, foreseeable or unforeseeable and regardless of by whom such items were placed in the Leased Premises. All maintenance, repairs, restoration, or replacements shall be of a quality and class equal to or better than the quality and class presently located in the Leased Premises. If Lessee fails to commence such maintenance, repairs, restoration, or replacements, within sixty (60) days of receipt of Lessor’s notice that such maintenance repairs, restoration, or replacements are necessary (or within such longer period of time as may reasonably be required to commence such work), Lessor may (but shall not be obligated to) make or cause to be made such repairs, restoration, and replacements, at the expense of Lessee, and shall be entitled to collect the same from Lessee as Additional Rental due hereunder within thirty (30) days of written demand by the Lessor.

(b) It is understood and agreed that except as provided in Section 5.1 of the CEA, Lessor 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. Except as provided in Section 5.1 of the CEA, Lessor 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 to maintain the Leased Premises in any respect whatsoever, whether at the expense of Lessor, Lessee or otherwise.

(c) Lessee agrees that all Improvements to the Leased Premises constructed by Lessee pursuant to this Lease shall comply with the requirements of Title 40, Chapter 8, Part V, of the Louisiana Revised Statutes, “EQUAL ACCESS TO GOVERNMENTAL AND PUBLIC FACILITIES FOR THE DISABLED COMMUNITY,” 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 a state agency.

(d) Lessee further agrees to make, at its own expense, all changes and additions to the Leased Premises required by reason of any change in Law that occurs after the Commencement Date (subject to obtaining any Lessor approvals that may be required by this Lease), including the furnishing of required sanitary facilities and fire protection facilities, and Lessee shall furnish and maintain all fire extinguishers and other equipment or devices necessary to comply with the order of the Louisiana State Fire Marshal; provided however, that in the event of any Major Alterations to the Leased Premises, the written consent of the Lessor must be obtained prior to the commencement of any work in accordance with Section 5.01 hereof. Lessee shall further be responsible for all costs associated with any required periodic inspections and servicing of fire extinguishers and other safety equipment or devices, or any licenses or permits required by the State Fire Marshal’s office. At no expense to Lessor, Lessee agrees to comply with any order issued during the Term by the State Fire Marshal’s Office within the timeframe mandated by that Office.

(e) Lessor agrees to preserve all available warranties of workmanship related to the Leased Premises and agrees to exercise its rights with respect to all such warranties with reasonable diligence following receipt of written request from Lessee.

(f) Lessee further agrees to do at no expense to Lessor, painting of the exterior and interior as applicable and as necessary to maintain the Leased Premises in a neat, clean, safe, sanitary and habitable condition.
(g) Lessee shall have the sole responsibility of all maintenance and repairs to all equipment operational at the time of occupancy, to the extent needed for its use of the Leased Premises or to the extent necessary to preserve and protect the Leased Premises, including but not limited to boilers, elevators, HVAC, fire panels, lock and security systems and the public address system, and shall ensure that all such equipment is properly maintained in clean, safe, and continues in an operable condition. Lessee shall be responsible for all routine preventative maintenance and repairs on all such operational equipment, including but not limited to, the HVAC systems; provided, however, that any such routine preventive maintenance and repairs shall be consistent with LSU’s current practice and performed in accordance with manufacturer recommended schedules and be performed by an authorized maintenance/repair contractor. Lessee 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.

(h) Without limiting anything in this Lease, Lessee shall comply with the maintenance standards outlined in maintenance policies, procedures, manuals and logs maintained by each Hospital’s Director of Physical Plant (the “Maintenance Standards”). Lessee may propose alternative equivalent maintenance standards for approval by Lessor within forty-five (45) days of the execution of this Lease by all of the parties. Lessor, to the best of its knowledge and belief, has maintained the Leased Premises in accordance with the Maintenance Standards.

Section 6.04 Security and Other Services. Lessee 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. Lessee acknowledges that Lessor 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 Lessee to provide for the security of persons on or entering the Leased Premises and/or property located at the Leased Premises, in accordance with Lessee’s reasonable and prudent business practices utilized for similar facilities.

**ARTICLE VII**

**UTILITIES**

Lessee shall arrange and timely 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 Hospitals and the Leased Premises (individually or collectively, the “Utility Service”), and all Utility Service shall be obtained in or transferred to Lessee’s name as of the Commencement Date and maintained in Lessee’s name throughout the Term. Such payments shall be made by Lessee directly to the respective utility companies furnishing such Utility Services under such contract or contracts therefor as Lessee may make. Lessor shall have no responsibility to Lessee for the quality or availability of Utility Service to the Leased Premises, or for the cost to procure Utility Service. Lessor shall not be in default under this Lease or be liable to Lessee or any other person for any direct, indirect or consequential damage, or otherwise, for any failure in supply of any Utility Service by the provider of any Utility Service. All future telephone and other communications lines which are an addition to those already present shall be installed at the expense of the Lessee. Lessee shall be responsible for providing entrance cable and facilities into
the building(s) to the extent not in place as of the Commencement Date to accommodate the telephone, computer and other electronic needs of the Leased Premises. Conduits of sufficient size to meet future or additional installation requirements of Lessee will be provided by Lessee.

ARTICLE VIII
INSURANCE

Section 8.01 Lessee Responsibility for Insurance Coverage. Throughout the Term, Lessee shall secure and maintain or cause to be secured and maintained at its sole cost and expense:

(a) Special form (formerly known as “all risk”) property insurance, including loss or damage caused by fire, lightening, earthquake, named storm, collapse, sewer backup, vandalism and malicious mischief, flood and storm surge which insurance shall be in an amount not less than one hundred percent (100%) of the then-full replacement cost of the buildings and improvements on the Leased Premises, without deduction for depreciation;

(b) A policy of commercial general liability insurance with respect to the Leased Premises and Lessee’s operations, whether conducted on or off the Leased Premises, against liability for personal injury (including bodily injury and death) and 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 Leased Premises of not less than $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, water damage legal liability, and contractual liability covering Lessee’s indemnification obligations under this Lease;
(c) A policy of motor vehicle liability insurance for all owned and non-owned vehicles, including rented or leased vehicles with coverage of not less than $5,000,000 combined single limit per occurrence;

(d) With respect to work to construct Improvements undertaken by Lessee on the Leased Premises, a Builder’s Risk policy protecting Lessor against damage caused by demolition, pile or any precarious work, which requirement may be satisfied, at Lessee's option, as a part of a Builder’s Risk policy provided by the contractor for a particular construction project.

(e) 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 reasonably acceptable to Lessor.

(f) 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, sufficient to cover all persons employed by Lessee in connection with its use of the Leased Premises.

(g) Pursuant to the provisions of La. R.S. 40:1299.39, et seq., medical malpractice liability insurance insuring claims arising out of malpractice or negligence occurring at or related to the operations of the Hospitals on the Leased Premises in an amount not less than $1,000,000; provided, however, the coverage will be increased to limits reasonably acceptable to Lessor and Lessee if Louisiana law limiting the amount of such claims is repealed or amended to raise the limits on such claims.
Section 8.02 Additional Requirements.

(a) All insurance required in this Article VIII and all renewals of such insurance shall be issued by companies authorized to transact business in the State of Louisiana, and rated at least A-Class VII by Best's Insurance Reports or as approved by Lessor, which approval shall not be unreasonably withheld, conditioned or delayed. All insurance policies provided by Lessee shall expressly provide that the policies shall not be canceled or materially altered without thirty (30) days’ prior written notice to Lessor and the Division. Lessee may satisfy its obligation under this Section by appropriate endorsements of its blanket or excess insurance policies.

(b) All policies of liability insurance Lessee maintains according to this Lease will name Lessor and its board members, officers, employees and agents, and such other persons or firms as Lessor reasonably specifies from time to time as additional insureds (collectively, the “LSU Insured Parties”), and Lessor shall also be named as a loss payee on any property damage insurance.

(c) Lessor reserves the right to reasonably request copies of original policies (together with copies of the endorsements naming Lessor, and any others reasonably specified by Lessor, as additional insureds). Certificates of insurance and the declaration page for each policy shall be delivered to Lessor upon occupancy of the Leased Premises. All insurance required hereby shall provide that any failure of Lessee to comply with reporting requirement of a policy required hereby shall not affect coverage provided to the LSU Insured Parties.

(d) All liability policies maintained by Lessee pursuant to this Lease shall be written as primary policies, not contributing with and not in excess of coverage that Lessor may carry, if any.
(e) All insurance required hereby shall provide that 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.

(f) The coverage required hereunder shall contain no special limitations on the scope of protection afforded to the LSU Insured Parties.

(g) All insurance required hereunder shall be occurrence coverage with the exception of medical malpractice insurance which may be claims made coverage. If BRFHH elects to procure a claims made policy for medical malpractice, BRFHH will ensure that the Commencement Date is the start date of the coverage under the policy, with LSU named as an additional insured. Additionally, BRFHH will be obligated to purchase an extended reporting endorsement on an unlimited basis (unlimited tail coverage) at the termination of this Lease regardless of cause.

(h) Any deductibles or self-insured retentions must be declared to Lessor. Lessee shall be responsible for deductibles and self-insured retentions.

Section 8.03 Condemnation, Casualty and Other Damage. The 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 (individually or collectively, the “Casualty”), or by the taking of all or any portion of the Leased Premises by condemnation, expropriation, or eminent domain proceedings or a conveyance in lieu thereof (individually or collectively, the “Expropriation”) is expressly assumed by Lessee. None of the foregoing 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 below.
Notwithstanding anything else in this Lease to the contrary, Lessor is not obligated to restore, replace or repair any damage to the Leased Premises or to Lessee's fixtures, furniture, equipment or other personal property or make any alterations, additions, or improvements to the Leased Premises caused as a result of a Casualty or an Expropriation.

Section 8.04 Restoration Obligations.

(a) If all or any portion of the Leased Premises is damaged or destroyed by a Casualty, Lessee shall, as expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted the repair, restoration, or replacement thereof, at Lessee’s sole cost and expense. Lessee may, at its option and sole discretion, opt to demolish the damaged or destroyed buildings in accordance with La. R.S. 38:2212.2; provided, however, that Lessee shall obtain prior written approval of the Lessor prior to demolishing any building that existed on the Leased Premises when the Lease commenced and constructing new replacement buildings or other improvements under the procedures described in Article V. Lessor shall not unreasonably withhold, condition or delay its consent to the demolition.

(b) In the event Lessee 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 paid to Lessor and shall be retained by Lessor, and Lessee shall pay to Lessor the amount of any unpaid deductible.

Section 8.05 Compensation Award. If either the Shreveport Premises or the Monroe Premises (or both) shall be taken by Expropriation, this Lease shall terminate as of the date of such taking, in which event, Lessor shall retain all compensation awarded or paid upon any such taking of the Leased Premises. If any part of the Leased Premises shall be taken by Expropriation, rendering the remaining portion unsuitable for the business of Lessee, Lessee
shall have the option to terminate this Lease. If the Lease is not terminated as provided in this Section 8.05, then the Rent shall be abated for the balance of the Term remaining in proportion to the portion of the Leased Premises so taken, unless Lessor, at its sole option, restores 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, all compensation awarded or paid upon a total or partial Expropriation of the Leased Premises shall belong to and be the property of Lessor without any participation by Lessee, except that Lessee shall have the right to receive and shall be paid a portion of the award to the extent of the replacement cost of Lessee's leasehold improvements approved by Lessor and the Division as provided herein. Lessee shall provide all evidence and documentation to support such allocation at its sole cost and expense, if a separate award can be made to Lessee. Lessee shall have the right to enter a separate claim against the condemning authority, in which event Lessee shall not participate in Lessor's award; provided, however, that no such separate claim by Lessee shall reduce any compensation or award to be made to Lessor.

**ARTICLE IX**

**HAZARDOUS MATERIALS**

**Section 9.01 Hazardous Materials.**

(a) Lessee shall not allow, cause or permit any Hazardous Materials (as defined below) to be generated, maintained, processed, produced, manufactured, used, treated, release, transported, stored, but not including materials existing in or about the Leased Premises prior to the Commencement Date, or disposed of in or about the Leased Premises by Lessee or its officers, directors, employees, agents, invitees or sublessees, other than those Hazardous Materials usually and customarily used for the Permitted Use, as long as such materials are lawfully stored and used by Lessee and the quantity of such materials does not equal or exceed a
“reportable quantity” as defined in 40 CFR § 302, and as may be amended, and so long as such Hazardous Materials are generated, maintained, processed, produced, manufactured, used, treated, released, stored or remediated or disposed of in compliance with all Laws applicable thereto. In no event shall Lessee cause the deposit, release, or discharge of any Hazardous Materials to the air, soil or groundwater of the Leased Premises in violation of applicable Law.

(b) Notwithstanding Section 9.01(a) above, Lessee shall have the right to continue to lawfully use and store certain Hazardous Materials as a “Large Quantity Generator” (collectively, “Permitted Excess”) directly related to the provision of medical services within the Leased Premises (collectively, “Permitted Excess Use”); provided, however, Lessee shall at all times fully comply with all applicable Laws and the provisions set forth in this Lease.

(c) In the event any Hazardous Materials are in any manner generated, maintained, processed, produced, manufactured, used, treated, released, transported, stored, remediated or disposed of in or about Leased Premises, Lessee shall:

   (i) fully comply with all applicable Laws; provided, however, to the extent any provisions of federal, state, local, and other Laws conflict or provide inconsistent standards with respect to Hazardous Materials, Lessee shall comply with the strictest of such Laws in each such event of a conflict or inconsistency; and

   (ii) apply for and maintain all required licenses, approvals, and other authorizations (including, without limitation, obtaining and maintaining for any Permitted Excess a Hazardous Waste Generator Identification Number from the U.S. Environmental Protection Agency or any successor thereto); and

   (iii) accurately mark and label all Hazardous Materials in or about the Leased Premises in accordance with applicable Laws; and
(iv) maintain at all times an accurate inventory of any Permitted Excess of Hazardous Materials in or about the Leased Premises (including, without limitation, the quantities all such Permitted Excess as well as the length of time such Permitted Excess is stored in or about the Leased Premises; and

(v) maintain, update, keep, and preserve all other information and documentation with respect to Hazardous Materials as may be required by applicable Law and as may otherwise be requested by Lessor; and

(vi) cause all Hazardous Materials to be transported from the Leased Premises and disposed of only by professional haulers authorized to handle and transport Hazardous Materials by the U.S. Department of Transportation (“DOT”), all in accordance with applicable Laws; and

(vii) maintain, update, keep, and preserve all material safety data sheets, record keeping, reporting, and other tracking systems for Hazardous Materials (which shall include, without limitation, such records and manifests related to the transportation and disposal of any Hazardous Materials); and

(viii) provide appropriate training and updated training of personnel with respect to Hazardous Materials; and

(ix) devise, update, and maintain at all times a contingency plan for emergencies related in any way to Hazardous Materials which may be located in or about the Leased Premises; and

(x) designate in accordance with applicable Laws and have available at all times such personnel and resources to respond to any emergency associated with Hazardous Materials; and
(xi) timely submit copies of all required reports, applications, inspections, renewals, updates, and other submittals to the appropriate authorities with copies simultaneously sent to Lessor and the Division; and

(xii) not at any time use, store, or handle any such Permitted Excess in quantities or for lengths of time exceeding those permitted by applicable Laws; and

(xiii) not apply for, seek or in any manner utilize any exemptions with respect to Hazardous Materials under applicable Laws without first obtaining Lessor’s prior written consent, which consent shall not be withheld, conditioned or delayed; and

(xiv) upon ceasing any Permitted Excess or Permitted Excess Use, comply with all closure provisions under applicable Laws and provide Lessor and the Division with copies of all reports and other submittals with respect to such closure as well as copies of the final closure documentation; and

(xv) promptly respond to inquiries from Lessor or the Division, or any other state agency, and provide such information and documentation with respect to Hazardous Materials in or about (or suspected to be in or about) the Leased Premises.

(d) Lessor shall have access to, and a right to perform inspections and tests of, the Leased Premises as it may desire to determine Lessee’s compliance with Laws and Lessee’s obligations under this Article IX. Access shall be granted to Lessor upon Lessor’s reasonable prior notice to Lessee and at such times so as to minimize, so far as may be reasonable under the circumstances, any disturbance to Lessee’s operations. Lessee shall reimburse Lessor for the costs and expenses incurred by Lessor for any such inspections and tests, and such amounts shall be deemed Additional Rent payable in accordance with Section 2.02 above. From time to time (including, without limitation, upon the expiration or earlier termination of this Lease), Lessor
shall have the right, at its option and at Lessor’s sole cost and expense, to undertake an environmental assessment of the Leased Premises to determine Lessee’s compliance with all Laws and Lessee’s obligations under this Article IX. Lessor and Lessee agree that Lessor's receipt of or satisfaction with any environmental assessment in no way waives any rights that Lessor holds against Lessee or affects any liabilities of Lessee under this Lease in any manner.

Section 9.02 Indemnification for Environmental Liabilities.

(a) Lessee agrees to indemnify, defend (with counsel reasonably acceptable to Lessor at Lessee’s sole cost) and hold Lessor and the Lessor Indemnitees (as defined below) 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 except as set forth below), 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 Lessor or any of Lessor Indemnitees in connection with or arising from or out of Lessee’s violation of any of its obligations set forth in Section 9.01; provided, however, that notwithstanding the foregoing, Lessee shall not be liable for indemnification of consequential damages arising out of or based on claims brought by Lessor or Lessor’s employees.

(b) Lessee agrees to indemnify, defend (with counsel reasonably acceptable to Division at Lessee’s sole cost) and hold Division and the Division Indemnitees (as defined below) 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 Division or any of Division Indemnitees in connection with or arising from or out of Lessee's violation of any of its obligations set forth in Section 9.01; provided, however, that notwithstanding the foregoing, Lessee shall not be liable for indemnification of consequential damages arising out of or based on claims brought by Division or Division’s employees.

(c) Nothing herein shall require Lessee to indemnify, defend and hold harmless Lessor or its employees, contractors or agents for any environmental liability arising from any Hazardous Materials which were present on the Leased Premises prior to the execution of this Lease, except to the extent Lessee or its employees, agents, or contractors exacerbates or mishandles the same in violation of applicable Law.

Section 9.03 Survival. The provisions of Section 9.02 will survive the expiration or earlier termination of this Lease for a period of five (5) years; provided, however, the aforementioned five (5) year period shall not apply to any claim, investigation, or other proceeding that is pending.

ARTICLE X INDEMNIFICATION

Section 10.01 Lessee’s Indemnification to Lessor.

(a) Lessee shall indemnify, defend and hold harmless Lessor and its board members, officers, agents, and employees, together with any of their respective successors and assigns (collectively, the “Lessor Indemnitees”), against any and all loss, cost, damage, liability or expense as incurred (including but not limited to actual attorneys’ fees and legal costs) arising
out of or related to any claim, suit or judgment brought by or in favor of any person or persons for damage, loss or expense due to, but not limited to, bodily injury, including death, or property damage sustained by such person or persons which arises out of, is occasioned by or is attributable to the acts, omissions, use of, and/or activities on, the Leased Premises by Lessee or its officers, agents, employees, invitees, permittees, contractors or subcontractors. Lessee shall further indemnify, defend and hold harmless the Lessor Indemnitees 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 and any violation of any Law, but solely to the extent any of the foregoing is due to the acts or omissions of Lessee or its officers, agents, employees, invitees, permittees, contractors or subcontractors occurring after the Commencement Date.

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

(c) Notwithstanding any provision to the contrary contained in this Lease, Lessor acknowledges that Lessee’s obligation to indemnify and hold any Lessor Indemnitees harmless under this Article X shall not extend to any loss, damages or other claims to the extent arising out of the gross negligence or willful misconduct of any Lessor Indemnitees.

Section 10.02 Lessee’s Indemnification to Division.

(a) Lessee shall indemnify, defend and hold harmless Division and its officers, agents, and employees, together with any of their respective successors and assigns (collectively, the “Division Indemnitees”), against any and all loss, cost, damage, liability or expense as incurred (including but not limited to actual attorneys’ fees and legal costs) arising out of or related to any claim, suit or judgment brought by or in favor of any person or persons
for damage, loss or expense due to, but not limited to, bodily injury, including death, or property
damage sustained by such person or persons which arises out of is occasioned by or is
attributable to the acts, omissions, use of, and/or activities on, the Leased Premises by Lessee, its
officers, agents, employees, invitees, permittees, contractors, or subcontractors. Lessee shall
further indemnify, defend and hold harmless the Division Indemnitees 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 and any violation of any Law, but solely to the
extent any of the foregoing is due to the acts or omissions of Lessee, its officers, agents,
employees, invitees, permittees, contractors or subcontractors, occurring after the
Commencement Date.

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

(c) Notwithstanding any provision to the contrary contained in this Lease, Division acknowledges that Lessee's obligation to indemnify and hold any Division Indemnitees harmless under this Article X shall not extend to any loss, damages or other claims to the extent arising out of the gross negligence or willful misconduct of any Division Indemnitees.

Section 10.03 Lessor’s Indemnification. To the extent authorized by Law, Lessor will indemnify, defend and hold harmless Lessee and its officers, agents and employees, together with any of their respective successors and assigns, from and against any claims, liabilities, damages, costs, penalties, forfeitures, losses or expenses (including but not limited to actual attorneys’ fees and legal costs) to the extent resulting from any injury, loss or damage to persons or property arising out of the negligence or willful misconduct of Lessor, its board members, officers or employees.
Section 10.04 **Division’s Indemnification.** To the extent authorized by Law, Division will indemnify, defend and hold harmless Lessee and its officers, agents and employees, together with any of their respective successors and assigns, from and against any claims, liabilities, damages, costs, penalties, forfeitures, losses or expenses (including but not limited to actual attorneys’ fees and legal costs) resulting from any injury, loss or damage to persons or property arising out of the negligence or willful misconduct of Division, its board members, officers or employees.

**ARTICLE XI**
**TAXES, FEES AND LICENSES**

**Section 11.01 Payment of Taxes.** Lessee shall collect (as applicable) and pay to the appropriate collecting authorities all federal, state and local taxes and fees, which accrue during the Term on or against or with respect to the Leased Premises, Lessee’s Improvements or the business conducted by Lessee on the Leased Premises, if any.

**Section 11.02 Licenses.** Lessee shall maintain in effect all federal, state and local licenses and permits required for the operation of the business conducted by Lessee on the Leased Premises.

**ARTICLE XII**
**EVENT OF DEFAULT; REMEDIES**

**Section 12.01 Lessee Event of Default.** Each of the following shall be an Event of Default by Lessee (each, a “Lessee Event of Default”) under the terms of this Lease:

(a) failure by Lessee to pay Rent to Lessor on any date on which the same is due under this Lease, and this failure shall not be cured within fifteen (15) business days after the date of written notice to Lessee of such failure;
(b) failure by Lessee to obtain and maintain all insurance as required under this Lease and/or to furnish to Lessor evidence thereof and/or evidence of payment thereof, if the failure is not cured within fifteen (15) business days after the date of written notice to Lessee of such violation;

(c) a court Order for relief in any involuntary case commenced against Lessee, as debtor, under the Federal Bankruptcy Code, as now or hereafter constituted, and said Order is not vacated within one hundred twenty (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 Lessee or a substantial part of the properties of Lessee or order winding up or liquidation of the affairs of Lessee, and the continuance of any such decree or order unstayed and in effect for one hundred twenty (120) consecutive days;

(d) commencement by Lessee of a voluntary case under the Federal Bankruptcy Code, as now or hereafter constituted;

(e) any failure by Lessee to comply with any material obligations of this Lease (other than those failures described in Sections 12.01(a)-(d)), if such failure is not cured within thirty (30) days after the date of written notice to Lessee of such Lease violation or such longer period of time as may reasonably be required for Lessee to cure the violation, provided that Lessee pursues the cure of the violation with reasonable diligence;

(f) the occurrence of a Terminating Event under the CEA or an Event of Default under that certain Equipment Lease Agreement between Lessor and Lessee dated as of September 30, 2013 (the “Equipment Lease”).
Section 12.02 Lessor Event of Default. A default by Lessor (a "Lessor Event of Default") will occur under this Lease if Lessor fails to perform any of its obligations or covenants under this Lease, and such failure is not cured within thirty (30) business days after Lessor’s receipt of written notice from Lessee of this failure; provided, however, that no Lessor Event of Default will occur if Lessor begins to cure the failure forming the basis of the Lessor Event of Default within thirty (30) business days after its receipt of such notice and continues such cure with reasonable diligence for such period as is reasonably necessary to cure the failure.

Section 12.03 Remedies.

(a) In addition to any other remedies provided by Law and except as otherwise provided herein, following the occurrence of a Lessee Event of Default (as defined below), Lessor may, but shall not be obligated to, terminate this Lease; provided, however, that any early termination of this Lease and any vacation and surrender of the Leased Premises by Lessee in connection therewith shall be subject to the provisions of Section 13.4 of the CEA.

(b) At the expiration of the Term or on the earlier termination of this Lease for any reason (subject to Section 12.03(a) above), Lessee shall vacate the Leased Premises and shall surrender the same to Lessor in good order and condition, ordinary wear and tear excepted.

(c) Except as otherwise expressly provided in this Lease, all rights and remedies of the parties provided for in this Agreement 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.
ARTICLE XIII
NOTICES

Section 13.01 Address for Notices. Any and all notice 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) certified United States mail, postage prepared, receipt requested, to the following addresses:

If to LSU:

Board of Supervisors of Louisiana State University and Agricultural and Mechanical College
3810 West Lakeshore Drive
Baton Rouge, LA 70808
Attention: F. King Alexander, President

With a copy to:

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

If to Division or to State:

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 Lessee:

BRF Hospital Holdings, L.L.C.
c/o Biomedical Research Foundation of Northwest Louisiana
1505 Kings Highway
Shreveport, LA 71133
Attention: Office of the President

With a copy to:

Sullivan Stolier Knight LC
909 Poydras St. Suite 2600
New Orleans, LA 70112
Attention: Stephen M. Sullivan, Esq.

Section 13.02 Timing of Notices. Any such notice or communication shall be deemed to have been given either at the time of delivery or on the business day on which delivery is first refused.
Section 13.03 Change in Notice Information. Each party shall promptly inform all other parties in accordance with the notice procedures set forth above of any changes in personnel or address for the purpose of sending required notices.

ARTICLE XIV
MISCELLANEOUS

Section 14.01 Lessor’s Right to Enter Property. Lessor reserves the right, but shall be under no obligation, to enter the Leased Premises at any time to inspect the same, as long as Lessor’s inspection does not unreasonably interfere with Lessee’s operations. Lessor shall attempt to provide Lessee with reasonable advance notice of its intent to inspect the Leased Premises, unless notice is impossible or impractical. Lessee shall have the right to have a representative accompany Lessor during such entry and inspection. Lessee shall not deny Lessor access to the Leased Premises in connection with Lessor’s exercise of its inspection rights under this Section 14.01.

Section 14.02 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 employees, agents, members or shareholders of the parties hereto creates a relationship other than the relationship between Lessor and Lessee as lessor and lessee or as described in the CEA.

Section 14.03 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 such term or condition, even if the party accepting or acquiescing in the non-conforming performance knows of the nature of the non-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.

Section 14.04 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 the CEA.

Section 14.05 Recordation of Lease. It shall be the responsibility of Lessee to prepare an notice of this Lease (the “Notice”), which each party agrees to execute and to record in each of the Office of the Parish Recorder of the Parish of Caddo and the Parish Recorder of the Parish of Ouachita. The form of the Notice shall require the written approval of Lessor prior to recording. Lessee shall provide Lessor with a certified copy of the recorded Notice. Recordation of the Notice shall be at Lessee’s expense.

Section 14.06 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 terms of this Lease.

Section 14.07 Counterparts. This Lease may be executed in duplicate counterparts, each of which shall be deemed an original, but all of which together will constitute only one agreement.
Section 14.08 **Entire Agreement.** This Lease, together with all exhibits attached hereto, sets forth the entire agreement of the parties with respect to the matters set forth herein, and no verbal commitments, except those reduced to writing in this Lease or the CEA, have any binding effect.

Section 14.09 **Choice of Law; Venue.** This Lease shall be construed under and in accordance with the Laws of the State of Louisiana without regard to any choice or conflicts of law principles (including those of the State of Louisiana) that would cause the application of the laws of any other jurisdiction. In the event of any court proceeding, the parties agree that such proceeding shall be filed in the Louisiana Nineteenth Judicial District Court.

Section 14.10 **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 Lessor by the President of the LSU System or his successor or designee, and on behalf of Lessee by any duly authorized representative of Lessee.

Section 14.11 **Appropriation of Funds.** All State, Division and Lessor obligations under this Lease to make payments of any kind in a future fiscal year, shall be subject to appropriation by the Louisiana Legislature of sufficient funds therefor and the availability of funds following Legislative appropriation.

Section 14.12 **Amendment.** Any amendments to this Lease must be reduced to writing and signed by all of the parties hereto. Upon the reasonable request of Lessee and after presentation of documentation supporting Lessee’s request, State, Division and Lessor agree to negotiate in good faith a modification of this Lease or the Term in the event that a determination is made that under Generally Accepted Accounting Principles this Lease must be treated by
Lessee as a capital lease or in the event that for cost report purposes this Lease is determined to be a virtual purchase in accordance with HIM 15.

[Remainder of this page intentionally left blank; Signatures begin on the following page]
IN WITNESS WHEREOF, the parties hereto have signed their names as of the 30th day of September, 2013, in the presence of the undersigned competent witnesses on the date set forth under their respective signatures:

WITNESSES:

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

By: F. King Alexander, President of Louisiana State University System

Date: 

DIVISION OF ADMINISTRATION, STATE OF LOUISIANA

By: Kristy Nicols, Commissioner

Date: 

STATE OF LOUISIANA, through the DIVISION OF ADMINISTRATION

By: Kristy Nichols, Commissioner

Date: 

[SIGNATURE PAGE TO MASTER HOSPITAL LEASE AGREEMENT]
BRF HOSPITAL HOLDINGS, L.L.C.

By: ____________________________
    Stephen F. Skrivanos, Chair

Date: ____________________________
EXHIBIT A-1

SHREVEPORT PREMISES
EXHIBIT A-2

MONROE PREMISES
EXHIBIT 2.2
EQUIPMENT LEASE
EQUIPMENT LEASE AGREEMENT

This Equipment Lease Agreement (this “Lease”) is made and entered into effective the 30th day of September, 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 F. King Alexander, President of the Louisiana State University System, duly authorized by virtue of Resolutions of the Board of Supervisors, adopted May 28 and June 7, 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
BRF HOSPITAL HOLDINGS, L.L.C., a Louisiana limited liability company, represented herein by Stephen F. Skrivanos, its Chairman, duly authorized by virtue of a resolution adopted September 25, 2013, with a mailing address of 1505 Kings Highway, Shreveport, Louisiana 71133 (Federal I.D. No. XX-XXX9229) (hereinafter referred to as “Lessee”).

WITNESSETH

WHEREAS, LSU is a public corporation organized and existing under the constitution and 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; and,

WHEREAS, Lessee is a limited liability company organized and existing under the laws of the State of Louisiana pursuant to La R.S. 12:1301 ,et seq., committed to provide healthcare and hospital services and furthering the development of medical and clinical professionals in the State of Louisiana and, in particular, its service area; and,
WHEREAS, LSU, Lessee, the Biomedical Research Foundation of Northwest Louisiana ("BRF"), the State of Louisiana through the Division of Administration (the “State”) and the Louisiana Department of Health and Hospitals ("DHH") are parties to a Cooperative Endeavor Agreement dated September 30, 2013 (as the same may be amended from time to time, the “CEA”), pursuant to which LSU, Lessee, BRF, the State and DHH will collaborate for Lessee to provide hospital services to patients and maintain nationally recognized graduate medical education programs; and,

WHEREAS, pursuant to the CEA, LSU, Lessee, the State and the Division of Administration for the State of Louisiana propose to enter into that certain Master Hospital Lease Agreement (the “Hospital Lease”), a form of which is attached hereto as Exhibit A, pursuant to which Lessee will lease from LSU certain Leased Premises (as defined and described more particularly in the Hospital Lease);

WHEREAS, Lessor operates the hospital facilities and associated outpatient clinics known as LSU Medical Center–Shreveport in Shreveport, Louisiana ("Shreveport Hospital") and E.A. Conway Medical Center in Monroe, Louisiana ("E.A. Conway" and together with Shreveport Hospital, referred to herein as the “Hospitals”); and,

WHEREAS, Lessor is the owner of certain furniture, fixtures, equipment and other personal property that is used by Lessor in connection with the operation of the Hospitals and the Leased Premises, which furniture, fixtures, equipment and personal property Lessor desires to lease to Lessee pursuant to this Lease;

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

WHEREAS, this Lease furthers the educational and public service missions of Lessor.
NOW, THEREFORE, in consideration of Lessor’s obligation to lease the Leased Equipment, the payments to be made by Lessee during the term of this Lease, and the mutual benefits accruing to the parties under this Lease and the CEA, the parties do hereby enter into this Lease on the following terms and conditions:

ARTICLE I
LEASED EQUIPMENT; TERM

Section 1.01 Leased Equipment. For the consideration and upon the terms and conditions hereinafter expressed, Lessor leases unto Lessee, here present and accepting the same, 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 in this Lease or in the CEA, all of the furniture, fixtures, equipment and personal property of Lessor identified in Exhibit B-1, with respect to the Shreveport Hospital, as amended from time to time pursuant to this Lease, and in Exhibit B-2, with respect to E.A. Conway, as amended from time to time pursuant to this Lease (collectively, the “Leased Equipment”). Lessee or Lessee’s agent has had an opportunity to visually inspect the Leased Equipment and acknowledges that the Leased Equipment appears in good and acceptable condition as of the execution of this Lease.

Section 1.02 Term of Lease. The term of this Lease shall begin on the Commencement Date, and, unless earlier terminated in accordance with Section 9.03, shall continue for a period of five (5) years (the "Term"). Notwithstanding anything in this Lease to the contrary, the parties acknowledge that any early termination or the expiration of the CEA or the Hospital Lease shall cause this Lease to simultaneously terminate; provided, however, any such termination of this Lease shall be subject to the Wind Down Period (as defined and described in the CEA).
**Section 1.03 Commencement Date.** For purposes of this Lease, the term “Commencement Date” shall mean 12:00 a.m. on October 1, 2013, unless mutually extended by the parties by written consent, which consent shall not be unreasonably withheld, conditioned or delayed.

**ARTICLE II LEASE PAYMENTS**

**Section 2.01 Lease Payment.** As of the Commencement Date, the annualized lease payment for the Leased Equipment (the “Lease Payment”) shall be $5,936,108.62, consisting of:

(a) $5,055,082.94 annual base rent for the Shreveport Leased Equipment, and (b) $881,025.68 annual base rent for the Monroe Leased Equipment; the Lease Payment will be updated based on the net book value of the Leased Equipment as of the Commencement Date for any changes in equipment to be leased; provided, however, that the Lease Payment shall be subject to adjustment as provided in Section 2.03. The Lease Payment shall be payable by Lessee to LSU in twelve (12) equal monthly installments, with the rent for the first two months of the Initial Term being due and payable on November 1, 2013, and the remaining installments being due and payable, respectively on the first (1st) day of each calendar month thereafter during the Term. In the event the Commencement Date should fall on a date other than the first day of a calendar month, the first Lease Payment shall be prorated based on the actual number of days in such calendar month from and including the Commencement Date to and including the last day of such calendar month. In the event that the last day of the Term is a day other than the last day of a calendar month, the last Lease Payment shall be prorated based on the actual number of days in such calendar month from and including the first day of such calendar month to and including the last day of the Term.
Section 2.02 **Address for Payments.** All Lease Payments are payable by Lessee to Lessor (i) at the following address, until notified differently in writing by Lessor: P. O. Box 91308, Baton Rouge, Louisiana 70821, or (ii) by wire transfer pursuant to the wiring instructions given to Lessee by Lessor.

Section 2.03 **Adjustments to Lease Payments.**

(a) Commencing with the first anniversary of the Commencement Date, the Leased Payment shall be adjusted upward or downward every anniversary of the Commencement Date, using the Index by dividing the Current Index by the Base Index and multiplying the resulting quotient by the annual Leased Payment payable under Section 2.01 of this Lease. Notwithstanding the foregoing, the Leased Payment shall not be adjusted downward to a level below the initial Leased Payment amount.

(b) For purposes of this Lease, the term “Base Index” shall mean the Index for the month of September 2013.

(c) For purposes of this Lease, the term “Current Index” shall mean the Index for the month of September immediately preceding each anniversary date of the Commencement Date.

(d) For purposes of this Lease, the term “Index” 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 or is no longer published at a frequency needed to calculate the aforementioned adjustment, then the current equivalent of the Index.
Section 2.04  **No Adjustments or Offsets.**

(a)  This Lease is intended to be a net lease. Except as provided for in the CEA, the Lessor shall not be responsible for, and the Lease Payments provided for herein shall be paid to Lessor without deduction for, any expenses, charges, insurance, taxes or set-offs whatsoever of any kind, character or nature including, without limitation, any of the following:

(i)  the Leased Equipment being damaged, lost, stolen, in need of maintenance or repair, or not in Lessee’s possession;

(ii) Lessee or any other person being insolvent;

(iii) the impossibility or the lack of power or authority of Lessee to enter into and perform this Lease; or

(iv) any transfer or assignment of this Lease by Lessor.

(b)  It is understood and agreed by Lessee that as between Lessee and Lessor, Lessee shall bear responsibility for the payment of all costs and expenses associated with maintenance and repairs to the Leased Equipment, including without limitation all costs and expenses described in Article IV. Under no circumstances will Lessor be required to make any payment to Lessee or on Lessee’s behalf or for Lessee's benefit under this Lease, or assume any monetary obligation of Lessee or with respect to the Leased Equipment under this Lease.

**ARTICLE III**

**POSSESSION AND SURRENDER OF LEASED EQUIPMENT; USE OF LEASED EQUIPMENT; OWNERSHIP**

Section 3.01  **Possession and Surrender of Leased Equipment.** Lessee shall take possession of the Leased Equipment on the Commencement Date. Lessor shall also, at no expense to Lessee and at Lessee’s request, exercise any and all rights it may have under any
warranties and guaranties for the Lease Equipment. Except as otherwise provided herein, at the expiration or on the earlier termination of this Lease, Lessee shall surrender the Leased Equipment to Lessor by transferring possession of the Leased Equipment to Lessor or its agent in good condition and working order, ordinary wear and tear, casualty unrelated to the fault of the Lessee and obsolescence excepted, as such existed at the Commencement Date.

Section 3.02 Use of Leased Equipment. The Leased Equipment shall be used by Lessee in a careful and proper manner and in connection with the operation of the Hospitals and the Leased Premises, together with any uses that are accessory to any of the foregoing (the “Permitted Use”). Lessee will use, maintain and store the Leased Equipment in compliance with all applicable federal, state, local and parish rules, laws, ordinances and governmental regulations, orders, codes and decrees (individually or collectively, the “Law”) and in accordance with the provisions of the CEA and all manufacturer or vendor guidelines and specifications. Except as otherwise provided herein, Lessee shall not attempt to sell or dispose of the Leased Equipment in any way. Lessee shall ensure that the Leased Equipment remains free and clear of encumbrances, other than any encumbrances attributable to Lessor as of the Commencement Date, unless approved in advance and in writing by Lessor.
Section 3.03 Ownership of Leased Equipment.

(a) Notwithstanding anything in this Lease or the CEA to the contrary, Lessee acknowledges that the Leased Equipment is and shall remain the exclusive property of the Lessor. Without limiting the generality of the foregoing, this Lease gives Lessee the right to use the Leased Equipment during the Term, and only if and so long as no Event of Default shall have occurred and be continuing under this Lease.

(b) Lessor may transfer, assign or encumber the Leased Equipment or Lessor’s interest in this Lease or file, subject to Lessee’s review, any filing or notification of interest to protect the interests of Lessor. Lessor shall ensure that any such transfer, encumbrance or filing does not impair or otherwise unreasonably affect Lessee’s use and possession of the Leased Equipment or materially alter the obligations of Lessee under this Lease.

(c) Any new parts that are used to repair the Leased Equipment or that are replaced in or on the Leased Equipment during the course of maintaining and repairing the Leased Equipment pursuant to Article IV or any accessions to the Leased Equipment that are acquired by Lessee shall be deemed immediately to become part of the Leased Equipment and shall become and be the property of Lessor.

(d) Notwithstanding the foregoing, Lessee may purchase such additional or replacement personal property, fixtures, equipment, medical equipment, furniture and other unattached items of personal property which Lessee may like to place in the Leased Premises including, but not limited to, counters, shelving, chairs and other unattached movable machinery, equipment and inventory (collectively, the “Lessee Personal Property”), and the Lessee Personal Property shall be owned by Lessee and may be removed from the Lease Premises by Lessee at
the end of this Lease; provided, however, that Lessee shall repair any damage to the Leased Premises caused by such removal. The Lessee Personal Property shall not include the original equipment leased by Lessor to Lessee pursuant to this Lease or any replacements parts for such original equipment.

ARTICLE IV
MAINTENANCE AND REPAIR; DAMAGE AND LOSS

Section 4.01 Maintenance and Repair.

(a) Lessee shall, during the Term, at its sole cost and expense, keep and maintain the Leased Equipment in good working order and repair regardless of whether any maintenance and repairs are ordinary or extraordinary, routine or major, foreseeable or unforeseeable. All maintenance and repairs shall be sufficient to maintain the Leased Equipment in as good condition as existed at the Commencement Date, ordinary wear, tear, casualty unrelated to the fault of the Lessee and obsolescence excepted, and shall comply with all manufacturer or vendor guidelines and specifications.

(b) If any material piece of the Leased Equipment is lost, stolen, destroyed, confiscated or damaged beyond repair, Lessee shall notify Lessor promptly of such event in writing. Lessee, at its sole cost and expense, shall replace any affected Leased Equipment with equipment of at least equivalent capability and of similar make, model, quality and function as the Leased Equipment being replaced.

(c) Once a material piece of the Leased Equipment is in the last two years of its useful life, should such material piece of Leased Equipment be lost, stolen, destroyed, confiscated or damaged beyond repair or be in need of any maintenance or repairs, then Lessee shall have the following options:
(i) To maintain or repair such piece of Leased Equipment;
(ii) To replace such piece of Leased Equipment with Leased Equipment of equivalent
capability and of similar make, model, quality and function (whether used or
new); or
(iii) if Lessee determines using reasonable business principles that such Leased
Equipment is no longer of any use to the Hospitals or essential to their operations,
to not replace or repair such Leased Equipment.

Lessee shall notify Lessor in writing of its decision with regard to the repair, replacement
or removal of such piece of Leased Equipment within five (5) days of making such decision.
Any new or used movable property purchased by Lessee shall remain the property of Lessee at
the expiration or earlier termination of this Lease and Lessor shall have no claim to ownership of
such new equipment. Any piece of Leased Equipment is removed from service by Lessee shall
be returned to Lessor or disposed of in the manner directed by Lessor.

(d) Once a piece of the Leased Equipment has exceeded its useful life, then Lessee
shall have the following options:

(i) To replace such piece of Leased Equipment with equipment of equivalent
capability and of similar make, model, quality and function as utilized by other
hospitals (whether used or new); or
(ii) if Lessee determines using reasonable business principles that such Leased
Equipment is no longer of any use to the Hospitals or essential to their operations,
to not replace or repair such Leased Equipment.

Lessee shall notify Lessor in writing of its decision with regard to the replacement or
removal of such piece of Leased Equipment within five (5) days of making such decision. Any
new or used movable property purchased by Lessee shall remain the property of Lessee at the
expiration or earlier termination of this Lease and Lessor shall have no claim to ownership of
such new equipment. Any piece of Leased Equipment that is removed from service by Lessee
shall be returned to Lessor or disposed of in the manner directed by Lessor.
(e) Except as set forth below, Lessee shall be entitled to receive all amounts which are payable by an insurer or other person as a result of an event described in Section 4.01(b). Lessee will apply such amounts against costs incurred in repairing or replacing the affected Leased Equipment pursuant to Section 4.01(b) unless Lessee decides not to repair or replace such Leased Equipment as provided above. If Lessee decides not to repair or replace such Leased Equipment as provided above, such amounts shall be paid to Lessor.

(f) If Lessee fails to commence any maintenance, repairs or restoration to any Leased Equipment required above within sixty (60) days of receipt of Lessor’s notice that such maintenance, repairs or restoration is necessary, Lessor may, but shall not be obligated to, perform or cause to be performed such maintenance, repairs or restoration, at Lessee’s expense, unless the Lessee provides evidence in the form of a qualified technician’s report or comparable report that the maintenance, repair or restoration is unnecessary. Lessee shall be required to pay any such amounts to Lessor within thirty (30) days of the date of a written demand therefor by the Lessor. The exercise of any right under this Section 4.01(e) by Lessor does and shall not be deemed to waive, reduce or remove any liability Lessee may have to Lessor for failing to perform its obligations under this Lease.

(g) Lessee accepts the Leased Equipment in “as is, where is, with all faults” condition, without representation or warranty, express or implied, in fact or in Law, oral or written, by Lessor.

Section 4.02 Compliance. With respect to the Leased 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 the following:

(a) Lessee shall designate one of its officers or employees as property manager for the Leased 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 Leased Equipment.

(c) Lessee and Lessee’s property manager shall maintain the property location index for all Leased 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 Leased Equipment transactions for the month.

(e) Lessee and Lessee’s property manager shall make a complete physical inventory of the Leased 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”) which contains a list of all Leased Equipment in Lessee’s custody, together with descriptive information as set forth in Section 4.02(g). 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 Leased Equipment available for transfer or disposition.

(g) Lessee shall maintain a master file of the Leased Equipment. The master file shall contain the following information: (i) a description of the Leased Equipment; (ii) the manufacturer's serial number, if any; (iii) the description and location of the identification mark; (iv) the original cost of the Leased Equipment; and (v) the principal place where the Leased Equipment is housed, garaged, stored, or used.

(h) Lessee and Lessee’s property manager shall keep the Leased Equipment master file updated by submitting to the LPAA monthly all Leased Equipment transactions.

(i) Lessee and Lessee’s property manager shall make all Leased 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 Leased Equipment, Lessee shall immediately notify the LPAA and LSU in writing. The Leased 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 Leased Equipment received by him or coming into his custody, and the new property manager shall be the custodian of all of the Leased Equipment.

(l) Whenever Lessee’s property manager has knowledge or reason to believe that any Leased 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 (3) years all inventories, forms, transmittals, letters of certification / acceptance / rejection, sequentially dated copies of all Leased Equipment transaction listings, sequential BF-11s submitted and responses received, and other records and documents regarding the Leased Equipment created after the Commencement Date.
ARTICLE V
ASSIGNMENT; SUBLEASE

Section 5.01  **No 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, provided that in the case of any assignment, the assignee shall agree to assume in writing Lessee’s obligations hereunder without release of Lessee, all in form and substance approved by LSU.

Section 5.02  **No Subletting.** Lessee may not, without the prior written consent of LSU, which consent shall not be unreasonably withheld or delayed, sublet 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, provided that in the case of any assignment, the assignee shall agree to assume in writing Lessee’s obligations hereunder without release of Lessee, all in form and substance approved by LSU.

Section 5.03  **Lessee Remains Liable.** In no event shall any assignment or sublease with respect to this Lease, if permitted, release Lessee from any obligations under this Lease, unless such release shall be evidenced by Lessor’s express written agreement at the time of such assignment or sublease, which agreement may be granted or withheld in Lessor’s sole discretion.
Lessee shall not permit any act or omission with respect to the Leased Equipment that would adversely affect Lessor’s title and rights thereto.

ARTICLE VI
INSURANCE

Section 6.01  Lessee Responsibility for Insurance Coverage. Throughout the Term of this Lease, Lessee shall at all times maintain or cause to be maintained, with respect to the Leased Equipment, the following insurance (or, in each case and with Lessor’s advance written approval, commercially reasonable programs of self-insurance coupled with commercially reasonable excess insurance):

(a)  Property insurance against loss and/or damage to the Leased 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 (full replacement cost less depreciation) of the Leased 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 Leased Equipment, and for injuries to persons and/or property occurring in or about the Leased Equipment, in the minimum amount of $5,000,000 combined single limit per occurrence.  Such comprehensive public liability

Page 16 of 28
insurance shall specifically include, but shall not be limited to, sprinkler leakage legal liability and water damage legal liability.

**Section 6.02 Additional Requirements.**

(a) All insurance required by Section 6.01 and all renewals of such insurance shall be issued by companies authorized to transact business in the State of Louisiana, and rated at least A-Class VII by Best’s Insurance Reports or as approved by Lessor, such approval not to be unreasonably conditioned, delayed or withheld. All insurance policies provided by Lessee shall expressly provide that the policies shall not be canceled or materially altered without thirty (30) days prior written notice to Lessor.

(b) All policies of liability insurance Lessee maintains according to this Lease will name Lessor and its board members, officers, employees and agents, and such other persons or firms as Lessor reasonably specifies from time to time as additional insureds (collectively, the “LSU Insured Parties”), and Lessor shall also be named as a loss payee on any property damage insurance. In the event that LSU approves Lessee’s use of a commercially reasonable program of self-insurance, Lessee shall extend the coverage afforded thereby and all protections and benefits associated therewith to the LSU Insured Parties as fully as though the LSU Insured Parties were named as additional insureds and loss payees, as applicable, on a policy of commercial insurance.

(c) Lessor reserves the right to reasonably request copies of original policies (together with copies of the endorsements naming Lessor, and any others reasonably specified by Lessor, as additional insureds). Certificates of insurance and the declaration page for each policy shall be delivered to Lessor upon delivery of the Leased Equipment. All insurance required
hereby shall provide that any failure of Lessee to comply with reporting requirement of a policy required hereby shall not affect coverage provided to the LSU Insured Parties.

(d) All liability policies maintained by Lessee pursuant to this Lease shall be written as primary policies, not contributing with and not in excess of coverage that Lessor may carry, if any.

(e) All insurance required hereby shall provide that 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.

(f) The coverage required hereunder shall contain no special limitations on the scope of protection afforded to the LSU Insured Parties.

(g) All insurance required hereunder shall be occurrence coverage. Claims-made policies are not allowed.

(h) Any deductibles or self-insured retentions 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.

(i) Lessee shall not: (i) do anything or fail to do anything which would allow an insurer insuring the Leased Equipment to refuse or reduce a claim; (ii) vary any required insurance in a manner that would adversely affect Lessor’s interests without Lessor’s prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed; or (iii) enforce, conduct, settle or compromise a claim relating to the Leased Equipment without the prior written consent of Lessor, which consent shall not be unreasonably withheld, conditioned or delayed.
ARTICLE VII
INDEMNIFICATION

Section 7.01  **Lessee’s Indemnification to Lessor.**

(a) Lessee shall indemnify, defend and hold harmless Lessor and its board members, officers, agents, employees, and contractors, together with any of their respective successors and assigns (collectively, the “Lessor Indemnitees”), against any and all loss, cost, damage, liability or expense as incurred (including but not limited to reasonable attorneys’ fees and actual legal costs) arising out of or related to any claim, suit or judgment brought by or in favor of any person or persons for damage, loss or expense due, but not limited, to bodily injury, including death, or property damage sustained by such person or persons, or any violation of Law, which arises out of, is occasioned by or is attributable to the acts, omissions, use, maintenance or storage of the Leased Equipment by Lessee or its officers, agents, employees, invitees, permittees, contractors or subcontractors at any time after the Commencement Date.

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

(c) Notwithstanding any provision to the contrary contained in this Lease, Lessor acknowledges that Lessee’s obligation to indemnify and hold any Lessor Indemnitees harmless under this Article VII shall not extend to any loss, damages or other claims to the extent arising out of the negligence or willful misconduct of any Lessor Indemnitees arising out of Lessor’s performance of its obligations under this Lease.

Section 7.02  **Lessor’s Indemnification.** To the extent authorized by Law, Lessor will indemnify, defend and hold harmless Lessee and its directors, officers, agents, employees and contractors, together with any of their respective successors and assigns, from and against any
claims, liabilities, damages, costs, penalties, forfeitures, losses or expenses (including but not limited to reasonable attorneys’ fees and actual legal costs) resulting from any injury, loss or damage to persons or property arising out of the negligent or willful misconduct of Lessor or the Lessor Indemnitees arising out of Lessor’s performance of its obligations under this Lease.

ARTICLE VIII
TAXES AND FEES

Lessee shall be responsible for and shall pay, and hereby indemnifies and holds Lessor harmless should Lessee fail to pay for, any and all taxes, fees, levies, imposts, duties, withholdings or other charges, including without limitation value-added taxes, ad valorem taxes, and any other fees, taxes or charges, if any (together with any related interest and penalties but excluding any taxes on the net income of Lessor), which may be payable or determined to be payable in connection with this Lease or the Leased Equipment.

ARTICLE IX
EVENTS OF DEFAULT; REMEDIES

Section 9.01 Lessee Events of Default.

(a) Each of the following shall be an Event of Default by Lessee (each, a “Lessee Event of Default”) under the terms of this Lease:

(i) failure by Lessee to make any Lease Payment to Lessor on any date on which the same is due under this Lease, and this failure shall not be cured within fifteen (15) business days after the date of written notice to Lessee of such failure;

(ii) failure by Lessee to obtain and maintain all insurance as required under this Lease and/or to furnish to Lessor evidence thereof and/or evidence of payment
thereof, if the failure is not cured within fifteen (15) business days after the date of written notice to Lessee of such violation;

(iii) a court Order for relief in any involuntary case commenced against Lessee, as debtor, under the Federal Bankruptcy Code, as now or hereafter constituted, and said Order is not vacated within one hundred twenty (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 Lessee or a substantial part of the properties of Lessee or order winding up or liquidation of the affairs of Lessee, and the continuance of any such decree or order unstayed and in effect for one hundred twenty (120) consecutive days;

(iv) commencement by Lessee of a voluntary case under the Federal Bankruptcy Code, as now or hereafter constituted;

(v) any failure by Lessee to comply with any of the obligations of this Lease (other than those failures described in Sections 9.01(a)(i)-(iv)), if such failure is not cured within thirty (30) days after the date of written notice to Lessee of such Lease violation or such longer period of time as may reasonably be required for Lessee to cure the violation, provided that Lessee pursues the cure of the violation with reasonable diligence; or

(vi) the occurrence of a Terminating Event under the CEA or the termination of the Hospital Lease.

Section 9.02 Lessor Events of Default. A default by Lessor (a “Lessor Event of Default”) will occur under this Lease if Lessor fails to perform any of its obligations or
covenants under this Lease, and such failure is not cured within thirty (30) business days after Lessor’s receipt of written notice from Lessee of this failure; **provided, however,** that no Lessor Event of Default will occur if Lessor begins to cure the failure forming the basis of the Lessor Event of Default within thirty (30) business days after its receipt of such notice and continues such cure with reasonable diligence for such period as is reasonably necessary, as agreed to by Lessee, to cure the failure.

**Section 9.03 Remedies.**

(a) In addition to any other remedies provided by Law and except as otherwise provided herein, following the occurrence of a Lessee Event of Default, Lessor may, but shall not be obligated to, terminate this Lease; **provided, however,** that any early termination of this Lease and surrender of the Leased Equipment by Lessee in connection therewith shall be subject to the provisions of Section 13.4 of the CEA.

(b) At the expiration of the Term or on the earlier termination of this Lease for any reason, Lessee shall deliver and return the Leased Equipment to Lessor, including any spare parts and accessories associated with the Leased Equipment, and any and all associated documents, including without limitation manuals, maintenance records, associated software, software licenses, keys and certificates of registration and warranty, all of which shall be in good working order and condition, ordinary wear and tear excepted.

(c) Except as otherwise expressly provided in this Lease, all rights and remedies of the parties provided for in this Agreement 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.
ARTICLE X
NOTICES

Section 10.01 Address for Notices. Any and all notice 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) certified United States mail, postage prepared, receipt requested, to the following addresses:

If to LSU:

Board of Supervisors of Louisiana State University and Agricultural and Mechanical College
3810 West Lakeshore Drive
Baton Rouge, LA 70808
Attention: F. King Alexander, President

With a copy to:

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

If to Lessee:

BRF Hospital Holdings, L.L.C.
c/o Biomedical Research Foundation of Northwest Louisiana
1505 Kings Highway
Shreveport, LA 71133
Attention: Office of the President

With a copy to:

Sullivan Stolier Knight LC
909 Poydras St. Suite 2600
New Orleans, LA 70112
Attention: Stephen M. Sullivan, Esq.

Section 10.02 Timing of Notices. Any such notice or communication shall be deemed to have been given either at the time of delivery or on the business day on which delivery is first refused.

Section 10.03 Change in Notice Information. Each party shall promptly inform all other parties in accordance with the notice procedures set forth above of any changes in personnel or address for the purpose of sending required notices.
ARTICLE XI
MISCELLANEOUS

Section 11.01 Lessor’s Right to Inspect. Lessor reserves the right, but shall be under no obligation, to inspect the Leased Equipment at any time, as long as Lessor’s inspection does not unreasonably interfere with Lessee’s day-to-day business operations or the provision of patient care at the Leased Premises. Lessor shall provide Lessee with reasonable advance notice of its intent to inspect the Leased Equipment. Lessee shall have the right to have a representative accompany Lessor during such entry and inspection. In furtherance of any exercise by Lessor of its inspection rights under this Section 11.01, Lessee shall not deny Lessor access to any portion of the Leased Premises in which the Leased Equipment may be located.

Section 11.02 Relationship of Parties. Except as set forth in the CEA, the relationship between the Parties is that of independently contracting Parties. Nothing should be interpreted or construed to establish a master/servant relationship between the parties, nor shall this Lease be interpreted to establish an agent/principal relationship either express or implied between the Parties.

Section 11.03 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 such term or condition, even if the party accepting or acquiescing in the non-conforming performance knows of the nature of the non-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.

Section 11.04 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 the CEA.

Section 11.05 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 terms of this Lease.

Section 11.06 Counterparts. This Lease may be executed in duplicate counterparts, each of which shall be deemed an original, but all of which together will constitute only one agreement.

Section 11.07 Entire Agreement. This Lease, together with all exhibits attached hereto, sets forth the entire agreement of the parties with respect to the matters set forth herein, and no verbal commitments, except those reduced to writing in this Lease or the CEA, have any binding effect. Any amendments to this Lease must be reduced to writing and signed by all of the parties hereto.
Section 11.08 Choice of Law; Venue. This Lease shall be construed under and in accordance with the Laws of the State of Louisiana without regard to any choice or conflicts of law principles (including those of the State of Louisiana) that would cause the application of the laws of any other jurisdiction. In the event of any court proceeding, the parties agree that such proceeding shall be filed in the Louisiana Nineteenth Judicial District Court.

Section 11.09 Dispute Resolution. The Parties shall in good faith attempt to resolve any controversy, dispute or disagreement arising out of or relating to this Lease, or the breach thereof, through the Consultative Process set forth in the CEA. If any such controversy, dispute or disagreement cannot be resolved by the parties through the Consultative Process the aggrieved party may pursue litigation consistent with the provisions set forth in Section 11.08 above.

Section 11.10 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 provided such party promptly recommences performance after a Force Majeure event.

Section 11.11 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 Lessor by the President of the LSU System or his successor or designee, and on behalf of Lessee by any duly authorized representative of Lessee.
Section 11.12 Execution Warranty. Each individual signing this Lease warrants that such execution has been duly authorized by the party for which such individual is signing, that the execution and performance of this Lease by such party has been duly authorized by all applicable laws and regulations and all necessary corporate action, if any, and that this Lease constitutes the valid and enforceable obligation of such party in accordance with the terms of this Lease and the CEA.

[Separate Signature Page to Immediately Follow.]
IN WITNESS WHEREOF, the parties hereto have signed their names as of the 30th day of September, 2013, in the presence of the undersigned competent witnesses on the date set forth under their respective signatures:

WITNESSES:

LESSOR:

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

By: F. King Alexander, President of Louisiana State University System

Date: ________________________________

LESSEE:

BRF HOSPITAL HOLDINGS, L.L.C.

By: Stephen F. Skrivanos, Chair

Date: ________________________________
EXHIBIT A

HOSPITAL LEASE
EXHIBIT B-1

SHREVEPORT HOSPITAL LEASED EQUIPMENT
EXHIBIT 3.1(a)
COST ANALYSIS WORKSHEET-(SHREVEPORT HOSPITAL)
### Shreveport/Biomedical Research

**Cost Analysis Worksheet**

#### Exhibit 3.1(a)

<table>
<thead>
<tr>
<th>Program Costs (from annual cost report with adjustments referenced in this worksheet)</th>
<th>Medicaid (b)</th>
<th>Medicaid Managed Care (c)</th>
<th>Uninsured</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Inpatient Acute</td>
<td>Wkst. D-1, Line 49 (hospital column)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Inpatient Distinct Part Psych</td>
<td>Wkst. D-1, Line 49 (Subprovider column)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Outpatient Cost Based</td>
<td>Worksheet D, Pt V, Line 202, Cost Columns</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Outpatient Fee Schedule:**

| | | | | | |
| --- | --- | --- | --- | --- |
| 4 | Outpatient Surgery | covered program charges X cost-to-charge ratio | | | $ | - |
| 5 | Outpatient Lab | covered program charges X cost-to-charge ratio | | | $ | - |
| 6 | Outpatient Rehab | covered program charges X cost-to-charge ratio | | | $ | - |
| 7 | Outpatient Clinic | covered program charges X cost-to-charge ratio | | | $ | - |
| 8 | Other Hospital outpatient fee based services | covered program charges X cost-to-charge ratio | | | | - |

| Program Costs (sum of 1-8) | | | | | $ | - |
| Less: payments from uninsured patients | XXXXXXXXXXXXX | XXXXXXXXXXXXX | | | | - |

| Reimbursable Program Costs (9 less 10) | | | | | $ | - |

| Cost in Excess of Cap | 3.1(a)(i) Line 4 | | | | $ | - |

| Total Costs to Reimburse per CEA (11 + 12) | | | | | $ | - |

**Less DHH Payments:**

| 14 | Total Claims Payment (d) | | | | $ | - |
| 15 | Outliers | | | | $ | - |
| 16 | supplemental/lump sum payments | | | | $ | - |

| Total payments (Sum of 14-16) | | | | | $ | - |

| Difference = Amount due Shreveport (13 less 17) (UCC) | | | | | $ | - |

(a) All references to the annual cost report worksheets, schedules, and line items shall include their successor equivalent provisions. Cost report schedules refer to the Medicaid cost report which includes allowable cost of graduate medical education and related teaching cost.

(b) Medicaid includes all Medicaid claims processed and paid by the state which includes traditional fee for service plus all shared savings or other plans paid directly by the state.

(c) Includes all Bayou Health or any other Medicaid managed care contracts that are not included in column 1.

(d) Payments include net amounts received on an interim basis for claims referenced in columns 1 & 2. Includes primary payer payments.
<table>
<thead>
<tr>
<th></th>
<th>Maximum Funding</th>
<th>Reimbursable Program Costs from Cost Analysis</th>
<th>Amount in Excess of Cap</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Exhibit 3.1(a)(ii)</td>
<td>Exh 3.1(a) Line 9</td>
<td>If Line 2 &gt; Line 1, then Line 3</td>
</tr>
<tr>
<td>2</td>
<td>$</td>
<td>$</td>
<td>To 3.1(a) Line 12</td>
</tr>
<tr>
<td>3</td>
<td>$</td>
<td>$</td>
<td></td>
</tr>
</tbody>
</table>

**Cap Computation**

<table>
<thead>
<tr>
<th></th>
<th>Medicaid</th>
<th>Managed Care</th>
<th>Uninsured</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**Shreveport/Biomedical Research**  
**Maximum Funding**  
**Exhibit 3.1(a)(ii)**

| Period: |  
| --- | --- |
| Maximum Funding |  

1. **Maximum Annual Funding -06/30/2014**
   - $263,600,000

<table>
<thead>
<tr>
<th>Col. A</th>
<th>Col. B</th>
<th>Average (Col A+Col B)/2</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMS IPPS Final Rule-Rate of Ceiling Increase for Hospitals Excluded From IPPS</td>
<td>Consumer Price Index-Medical Care</td>
<td></td>
</tr>
</tbody>
</table>

2. **Inflation Factor 06/30/15**
   - 0.0%
   - 0.0%
   - 0.0%
   - $263,600,000

3. **Inflation Factor 06/30/16**
   - 0.0%
   - 0.0%
   - 0.0%
   - $263,600,000

4. **Inflation Factor 06/30/17**
   - 0.0%
   - 0.0%
   - 0.0%
   - $263,600,000

**A**

- Transfer applicable year limit to Cap Exhibit 3.1(a)(i) Line 1

* Amount to be prorated based on number of days in period for initial short period cost report.

- **10/1/2013-06/30/2014**
  - 273/365 days
EXHIBIT 3.1(b)
COST ANALYSIS WORKSHEET-(E.A. CONWAY)
## EA Conway/Biomedical Research
### Cost Analysis Worksheet
#### Exhibit 3.1(b)

**Program Costs (from annual cost report with adjustments referenced in this worksheet):**

<table>
<thead>
<tr>
<th></th>
<th>Medicaid (b)</th>
<th>Medicaid Managed Care (c)</th>
<th>Uninsured</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Inpatient Acute</td>
<td>Wkst. D-1, Line 49 (hospital column)</td>
<td>$</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>Outpatient Cost Based</td>
<td>Worksheet D,Pt V, Line 202, Cost Columns</td>
<td>$</td>
<td>-</td>
</tr>
<tr>
<td>3</td>
<td>Inpatient Distinct Part Psych</td>
<td>Wkst. D-1, Line 49 (Subprovider column)</td>
<td>$</td>
<td>-</td>
</tr>
</tbody>
</table>

**Outpatient Fee Schedule:**

<table>
<thead>
<tr>
<th></th>
<th>Medicaid (b)</th>
<th>Medicaid Managed Care (c)</th>
<th>Uninsured</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Outpatient Surgery</td>
<td>covered program charges X cost-to-charge ratio</td>
<td>$</td>
<td>-</td>
</tr>
<tr>
<td>5</td>
<td>Outpatient Lab</td>
<td>covered program charges X cost-to-charge ratio</td>
<td>$</td>
<td>-</td>
</tr>
<tr>
<td>6</td>
<td>Outpatient Rehab</td>
<td>covered program charges X cost-to-charge ratio</td>
<td>$</td>
<td>-</td>
</tr>
<tr>
<td>7</td>
<td>Outpatient Clinic</td>
<td>covered program charges X cost-to-charge ratio</td>
<td>$</td>
<td>-</td>
</tr>
<tr>
<td>8</td>
<td>Other Hospital outpatient fee based services</td>
<td>covered program charges X cost-to-charge ratio</td>
<td>$</td>
<td>-</td>
</tr>
<tr>
<td>9</td>
<td>Program Costs (sum of 1-8)</td>
<td>XXXXXXXXXXXX</td>
<td>XXXXXXXXXXXX</td>
<td>$</td>
</tr>
<tr>
<td>10</td>
<td>Less: payments from uninsured patients</td>
<td>XXXXXXXXXXXX</td>
<td>XXXXXXXXXXXX</td>
<td>$</td>
</tr>
<tr>
<td>11</td>
<td>Reimbursable Program Costs (9 less 10)</td>
<td>$</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

**Cost in Excess of Cap** 3.1(b)(i) Line 4

<table>
<thead>
<tr>
<th></th>
<th>Medicaid (b)</th>
<th>Medicaid Managed Care (c)</th>
<th>Uninsured</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>Total Costs to Reimburse per CEA (11 +12)</td>
<td>$</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

**Less DHH Payments:**

<table>
<thead>
<tr>
<th></th>
<th>Medicaid (b)</th>
<th>Medicaid Managed Care (c)</th>
<th>Uninsured</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>14</td>
<td>Total Claims Payment (d)</td>
<td>$</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Outliers</td>
<td>$</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>supplemental/lump sum payments</td>
<td>$</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>Total payments (Sum of 14-16)</td>
<td>$</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

**Difference = Amount due Conway (13 less 17) (UCC)**

<table>
<thead>
<tr>
<th></th>
<th>Medicaid (b)</th>
<th>Medicaid Managed Care (c)</th>
<th>Uninsured</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>18</td>
<td>$</td>
<td>-</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(a) All references to the annual cost report worksheets, schedules, and line items shall include their successor equivalent provisions.

Cost report schedules refer to the Medicaid cost report which includes allowable cost of graduate medical education and related teaching cost.

(b) Medicaid includes all Medicaid claims processed and paid by the state which includes traditional fee for service plus all shared savings or other plans paid directly by the state.

(c) Includes all Bayou Health or any other Medicaid managed care contracts that are not included in column 1.

(d) Payments include net amounts received on an interim basis for claims referenced in columns 1 & 2. Includes primary payer payments.
<table>
<thead>
<tr>
<th></th>
<th>Maximum Funding</th>
<th>Medicaid</th>
<th>Managed Care</th>
<th>Uninsured</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Exhibit 3.1(b)(ii)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Reimbursable Program Costs from Cost Analysis Worksheet</td>
<td>Exh 3.1(b) Line 9</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>3</td>
<td>(Over)/Under Target</td>
<td>Line 1 - Line 2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Amount in Excess of Cap</td>
<td>If Line 2 &gt; Line 1, then Line 3</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Maximum Funding

**1 Maximum Annual Funding** - 06/30/2014

<table>
<thead>
<tr>
<th>Col. A</th>
<th>Col. B</th>
<th>Average (Col A+Col B)/2</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

* $58,000,000

**2 Inflation Factor 06/30/15**

| 0.0% | 0.0% | $58,000,000 |

**3 Inflation Factor 06/30/16**

| 0.0% | 0.0% | $58,000,000 |

**4 Inflation Factor 06/30/17**

| 0.0% | 0.0% | $58,000,000 |

A Transfer applicable year limit to Cap Exhibit 3.1(b)(i) Line 1

* Amount to be prorated based on number of days in period for initial short period cost report.

10/1/2013-06/30/2014 273/365 days
EXHIBIT 8.2(a)
LSU AUTHORIZING RESOLUTION
Minutes-Special Board Meeting
May 28, 2013

Cooperative Endeavor Agreement by and among the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, Biomedical Research Foundation of Northwest Louisiana, BRF Hospital Holdings, L.L.C., the State of Louisiana through the Division of Administration, the Louisiana Division of Administration, and the Louisiana Department of Health and Hospitals, relating to E. A. Conway Medical Center in Monroe, Louisiana and LSU Medical Center-Shreveport in Shreveport, Louisiana.

(AMENDED)

Upon motion of Mr. Lasseigne, seconded by Mr. Mallett, the Board unanimously voted to approve the following resolution, as amended:

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (herein "LSU Board of Supervisors") 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 the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, Biomedical Research Foundation of Northwest Louisiana, BRF Hospital Holdings, L.L.C., the State of Louisiana through the Division of Administration, the Louisiana Division of Administration, and the Louisiana Department of Health and Hospitals, in substantially the form presented to the LSU Board of Supervisors.

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, and Dr. Opelka, to execute said Cooperative Endeavor Agreement substantially in the form presented to the LSU Board of Supervisors and any related documents necessary or desirable to accomplish and implement the purposes of the Cooperative Endeavor Agreement that he deems to be in the best interest of the LSU Board of Supervisors, including, but not limited to, Legislative Auditor Review Authority, immovable property leases and subleases, equipment leases, transfer of certain assets and liabilities, and right of use and occupancy agreements, all such related documents to contain such terms and to be in such form and content and for such price and/or consideration as he deems appropriate, in consultation with its legal counsel and Dr. Opelka and to also authorize William L. Jenkins, Interim President of the LSU System, or his designee, to execute all such leases, subleases, equipment leases, transfer of certain assets and liabilities, right of use and occupancy agreements, and all other related documents.

(Copy of Cooperative Endeavor Agreement presented to the LSU Board of Supervisors is 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 May 28, 2013, at which meeting more than a quorum was present and voted.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the official seal of said Board of Supervisors this 10th day of June, 2013.

[Signature]

Administrative Secretary
Board of Supervisors of Louisiana State University and Agricultural and Mechanical College

SEAL
Recommendation to authorize President F. King Alexander to execute agreements, contracts, and other instruments on behalf of the LSU Board of Supervisors; to sell, assign, and endorse for transfer certificates representing stocks, bonds, and other securities; and to take actions based on authorizations given to former Interim President William L. Jenkins.

Upon motion of Mr. McCollister, seconded by Mr. Yarborough, the Board voted unanimously to approve the following resolution:

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College that effective June 24, 2013, Dr. F. King Alexander, President of the University System, is authorized and empowered for and on behalf of the Board of Supervisors to execute all agreements, contracts, and other such instruments, to establish bank accounts, and to perform any and all other acts as may be specifically authorized and directed by and on behalf of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College.

BE IT FURTHER RESOLVED that effective June 24, 2013, Dr. F. King Alexander, President of the University System, is hereby authorized to sell, assign, and endorse for transfer certificates representing stocks, bonds, and other securities now registered or hereafter registered in the name of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College or in the name of any campus or institution under the control of said Board of Supervisors.

BE IT FURTHER RESOLVED that effective June 24, 2013, Dr. F. King Alexander is authorized to take any and all actions delegated to Dr. William L. Jenkins previously authorized by this Board.
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 June 7, 2013, at which meeting more than a quorum was present and voted.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the official seal of said Board of Supervisors this 24th day of June, 2013.

[Signature]
Administrative Secretary
Board of Supervisors of Louisiana State University and Agricultural and Mechanical College

SEAL
EXHIBIT 10.2(b)
BRFHH AUTHORIZING RESOLUTION
ACTION WITHOUT A MEETING
OF
THE SOLE MEMBER AND MANAGER
OF
BRF HOSPITAL HOLDINGS, L.L.C.

The undersigned, being the sole member and manager of BRF Hospital Holdings, L.L.C., a Louisiana limited liability company (the "Company"), does hereby take the following action without a meeting by unanimous written consent as permitted under the Louisiana Limited Liability Company Law:

WHEREAS, there has been submitted for consideration by the sole member and manager of the Company, a draft of a Cooperative Endeavor Agreement ("CEA") regarding LSU Medical Center–Shreveport in Shreveport, Louisiana and E.A. Conway Medical Center in Monroe, Louisiana (collectively referred to herein as the "Hospitals") to be entered into by and among: (1) the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College ("LSU"), (2) Biomedical Research Foundation of Northwest Louisiana, a Louisiana nonprofit corporation ("BRI"), (3) the Company, (4) the State of Louisiana through the Division of Administration (the "DOA"), and (5) the State of Louisiana through the Department of Health and Hospitals ("DHH"); and

WHEREAS, as set forth in the CEA, the parties to the CEA will enter into the following series of transactions:

(a) LSU will lease the Hospitals to the Company pursuant to fair market value lease supported by appraisals;

(b) LSU will lease all furniture, fixtures and equipment used in connection with operation of the Hospitals to the Company for fair market value;

(c) LSU will transfer to the Company:

(i) all usable inventories of: (a) supplies, drugs, food, and other disposables; and (b) tangible assets valued at less than One Thousand and No/100 Dollars ($1,000) and that are untagged and untracked by LSU and DOA, used in connection with the operation of the Hospitals, and

(ii) all equipment leases, contracts, permits, licenses, books and records and prepaid expenses of the Hospitals, all in accordance with and subject to the terms and conditions of the CEA;

(d) The Company will assume all equipment leases, contracts, permits and licenses of the Hospitals, all in accordance with and subject to the terms and conditions of the CEA;
(e) The Company will assume responsibility for operating the Hospitals in accordance with and subject to the terms and conditions of the CEA; and

(f) The Company and BRF will commit to supporting LSU’s academic, clinical and research missions.

WHEREAS, the sole member and manager of the Company has reviewed the terms and conditions set forth in the current draft of the CEA; and

WHEREAS, the sole member and manager of the Company has also been provided with a comprehensive report from the Chief Executive Officer of BRF, John F. George, Jr., and the Chairman of the Board of Directors of BRF, Stephen F. Skrivanos, on the status of negotiations (i) with LSU, DOA and DHH with respect to the terms of the CEA and (ii) with DHH with respect to the future funding for the operation of the Hospitals (collectively, the “Negotiations”); and

WHEREAS, the sole member and manager of the Company, after due discussion thereof, deems it in the best interest of the Company to approve the terms and conditions set forth in the current draft of the CEA and to authorized the Chief Executive Officer of BRF, John F. George, Jr., and the Chairman of the Board of Directors of BRF, Stephen F. Skrivanos, each on behalf of the Company, acting jointly or singly, to complete the Negotiations on such terms and conditions as John F. George, Jr. as the Chief Executive Officer of BRF and/or Stephen F. Skrivanos as the Chairman of the Board of Directors of BRF may determine to be appropriate; and

NOW THEREFORE, BE IT RESOLVED, that the sole member and manager of the Company approves the terms and conditions set forth in the current draft of the CEA.

BE IT FURTHER RESOLVED, that the Chief Executive Officer of BRF, John F. George, Jr., and the Chairman of the Board of Directors of BRF, Stephen F. Skrivanos, each on behalf of the Company, acting jointly or singly, are authorized to take any and all actions necessary (i) to complete the Negotiations, (ii) to finalize the draft of the CEA and (iii) to negotiate the terms and conditions of such additional documents necessary to effectuate the purposes of the CEA (the “Ancillary CEA Documents”), all as John F. George, Jr. as the Chief Executive Officer of BRF and/or Stephen F. Skrivanos as the Chairman of the Board of Directors of BRF may determine to be appropriate.

BE IT FURTHER RESOLVED, that upon completion of the Negotiations and upon finalizing the drafts of the CEA and the Ancillary CEA Documents, John F. George, Jr. as the Chief Executive Officer of BRF and/or Stephen F. Skrivanos as the Chairman of the Board of Directors of BRF shall present such drafts of the CEA and of the Ancillary CEA Documents to the sole member and manager of the Company for final review and approval.
BE IT FURTHER RESOLVED, that upon final review and approval of the drafts of the CEA and of the Ancillary CEA Documents by the sole member and manager of the Company, the Chief Executive Officer of BRF, John F. George, Jr., and the Chairman of the Board of Directors of BRF, Stephen F. Skrivanos, each on behalf of the Company, acting jointly or singly, are authorized to execute (and/or issue) the CEA and the Ancillary CEA Documents and to take any and all such further actions and to execute any and all such additional documents necessary to effectuate the purposes of the CEA as John F. George, Jr. as the Chief Executive Officer of BRF and/or Stephen F. Skrivanos as the Chairman of the Board of Directors of BRF may determine to be appropriate.

BE IT FURTHER RESOLVED, that any actions related to the CEA, the Ancillary CEA Documents or the Negotiations taken by John F. George, Jr. as the Chief Executive Officer of BRF and/or Stephen F. Skrivanos as the Chairman of the Board of Directors of BRF prior to the date hereof which would have been authorized hereby except that such actions occurred prior to such date be, and each hereby is ratified, confirmed, approved and adopted.

Thus done as of the 15th day of August, 2013.

SOLE MEMBER:

Biomedical Research Foundation of Northwest Louisiana

[Signature]

Name: Stephen F. Skrivanos
Title: Chairman
ACTION WITHOUT A MEETING
OF
THE MANAGERS
OF
BRF HOSPITAL HOLDINGS, L.L.C.

The undersigned, being all of the managers of BRF Hospital Holdings, L.L.C., a Louisiana limited liability company (the "Company"), do hereby take the following action without a meeting by unanimous written consent as permitted under the Louisiana Limited Liability Company Law:

WHEREAS, there has been submitted for consideration by the managers of the Company, a final draft of a Cooperative Endeavor Agreement ("CEA") regarding LSU Medical Center—Shreveport in Shreveport, Louisiana and E.A. Conway Medical Center in Monroe, Louisiana (collectively referred to herein as the "Hospitals") to be entered into by and among: (1) the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College ("LSU"), (2) Biomedical Research Foundation of Northwest Louisiana, a Louisiana nonprofit corporation ("BRF"), (3) the Company, (4) the State of Louisiana through the Division of Administration (the "DOA"), and (5) the State of Louisiana through the Department of Health and Hospitals; and

WHEREAS, as set forth in the CEA, the parties to the CEA will enter into the following series of transactions:

(a) LSU will lease the Hospitals to the Company pursuant to fair market value lease supported by appraisals;

(b) LSU will lease all furniture, fixtures and equipment used in connection with operation of the Hospitals to the Company for fair market value;

(c) LSU will transfer to the Company:

(i) All usable inventories of: (a) supplies, drugs, food, and other disposables; and (b) tangible assets valued at less than One Thousand and No/100 Dollars ($1,000) and that are untagged and untracked by LSU and DOA, used in connection with the operation of the Hospitals, and

(ii) all equipment leases, contracts, permits, licenses, books and records and prepaid expenses of the Hospitals, all in accordance with and subject to the terms and conditions of the CEA;

(d) The Company will assume all equipment leases, contracts, permits and licenses of the Hospitals, all in accordance with and subject to the terms and conditions of the CEA;

(e) The Company will assume responsibility for operating the Hospitals in accordance with and subject to the terms and conditions of the CEA; and

(f) The Company and BRF will commit to supporting LSU's academic, clinical and research missions.
WHEREAS, the managers of the Company have reviewed the terms and conditions set forth in the final draft of the CEA and in the final drafts of the additional documents necessary to effectuate the purposes of the CEA (the “Ancillary CEA Documents’’); and

WHEREAS, the managers of the Company, after due discussion thereof, deem it in the best interest of the Company to approve the terms and conditions set forth in the final draft of the CEA and in the final drafts of the Ancillary CEA Documents and to authorize John F. George, Jr. and Stephen F. Skrivanos, each on behalf of the Company, acting jointly or singly, to execute (and/or issue) the CEA and the Ancillary CEA Documents on substantially the same terms and conditions set forth therein; and

NOW THEREFORE, BE IT RESOLVED, that the managers of the Company hereby approve the terms and conditions set forth in the final draft of the CEA and in the final drafts of the Ancillary CEA Documents.

BE IT FURTHER RESOLVED, that John F. George, Jr. and Stephen F. Skrivanos, each on behalf of the Company, acting jointly or singly, are authorized to execute (and/or issue) the CEA and the Ancillary CEA Documents and to take any and all such further actions and to execute any and all such additional documents necessary to effectuate the purposes of the CEA as John F. George, Jr. and/or Stephen F. Skrivanos as managers of the Company may determine to be appropriate.

BE IT FURTHER RESOLVED, that any actions related to the CEA or the Ancillary CEA Documents taken by John F. George, Jr. and/or Stephen F. Skrivanos as managers of the Company prior to the date hereof which would have been authorized hereby except that such actions occurred prior to such date be, and each hereby is ratified, confirmed, approved and adopted.

Thus done as of the 30th day of September, 2013.

MANAGERS:

Stephen F. Skrivanos

John F. George, Jr.

Malcolm S. Murchison

Robert A. Barish, M.D.

Richard Cascio
EXHIBIT 11.2(b)
BRF AUTHORIZING RESOLUTION
CERTIFIED RESOLUTIONS
OF
THE BOARD OF DIRECTORS
OF
BIOMEDICAL RESEARCH FOUNDATION OF NORTHWEST LOUISIANA

WHEREAS, there has been submitted for consideration by the Board of Directors of Biomedical Research Foundation of Northwest Louisiana, a Louisiana nonprofit corporation (the "Corporation"), a draft of a Cooperative Endeavor Agreement ("CEA") regarding LSU Medical Center–Shreveport in Shreveport, Louisiana and E.A. Conway Medical Center in Monroe, Louisiana (collectively referred to herein as the “Hospitals”) to be entered into by and among: (1) the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College ("LSU"), (2) the Corporation, (3) BRF Hospital Holdings, L.L.C., a Louisiana limited liability company (“BRF Holdings”), (4) the State of Louisiana through the Division of Administration (the "DOA"), and (5) the State of Louisiana through the Department of Health and Hospitals ("DHH"); and

WHEREAS, the Corporation will be the sole member of the newly-created BRF Holdings and as a result thereof BRF Holdings will be considered a disregarded entity for federal tax purposes; and

WHEREAS, as set forth in Article III of the CEA, the parties to the CEA will enter into the following series of transactions:

(a) LSU will lease the Hospitals to BRF Holdings pursuant to fair market value lease supported by appraisals;

(b) LSU will lease all furniture, fixtures and equipment used in connection with operation of the Hospitals to BRF Holdings for fair market value;

(c) LSU will transfer to BRF Holdings:

   (i) all inventory and other tangible personal (corporeal movable) property used in connection with the operation of the Hospitals,
   (ii) all accounts receivable for the Hospitals, and
   (iii) all equipment leases, contracts, permits, licenses, books and records and prepaid expenses of the Hospitals, all in accordance with and subject to the terms and conditions of the CEA;

(d) BRF Holdings will assume all accounts payable incurred in connection with the operations of the Hospitals and all equipment leases, contracts, permits and licenses of the Hospitals, all in accordance with and subject to the terms and conditions of the CEA;
(e) BRF Holdings shall have the right, but not the obligations, in its sole discretion, to offset any amounts due from BRF Holdings to LSU under the Master Hospital Lease or the Equipment Lease against (i) any amounts due to BRF Holdings from LSU under the CEA or (ii) any shortfalls in payment of the State’s obligation for funding for capital improvements pursuant to Section 4.3 of the CEA.

(f) BRF Holdings will assume responsibility for operating the Hospitals in accordance with and subject to the terms and conditions of the CEA; and

(g) The Corporation and BRF Holdings will commit to supporting LSU’s academic, clinical and research missions.

WHEREAS, the Board of Directors of the Corporation has reviewed the terms and conditions set forth in the current draft of the CEA; and

WHEREAS, the Board of Directors has also been provided with a comprehensive report from the Chief Executive Officer of the Corporation, John F. George, Jr., and the Chairman of the Board of Directors of the Corporation, Stephen F. Skrivanos, on the status of negotiations (i) with LSU, DOA and DHH with respect to the terms of the CEA and (ii) with DHH with respect to the future funding for the operation of the Hospitals (collectively, the “Negotiations”); and

WHEREAS, the Board of Directors of the Corporation, after due discussion thereof, deems it in the best interest of the Corporation to approve the terms and conditions set forth in the current draft of the CEA and to authorized the Chief Executive Officer of the Corporation, John F. George, Jr., and the Chairman of the Board of Directors of the Corporation, Stephen F. Skrivanos, each on behalf of the Corporation, acting jointly or singly, to complete the Negotiations on such terms and conditions as John F. George, Jr. as the Chief Executive Officer of the Corporation and/or Stephen F. Skrivanos the Chairman of the Board of Directors of the Corporation may determine to be appropriate; and

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors of the Corporation approves the terms and conditions set forth in the current draft of the CEA.

BE IT FURTHER RESOLVED, that the Chief Executive Officer of the Corporation, John F. George, Jr., and the Chairman of the Board of Directors of the Corporation, Stephen F. Skrivanos, each on behalf of the Corporation, acting jointly or singly, are authorized to take any and all actions necessary (i) to complete the Negotiations, (ii) to finalize the draft of the CEA and (iii) to negotiate the terms and conditions of such additional documents necessary to effectuate the purposes of the CEA (the “Ancillary CEA Documents”), all as John F. George, Jr. as the Chief Executive Officer of the Corporation and/or Stephen F. Skrivanos as the Chairman of the Board of Directors of the Corporation may determine to be appropriate.
BE IT FURTHER RESOLVED, that upon completion of the Negotiations and upon finalizing the drafts of the CEA and the Ancillary CEA Documents, John F. George, Jr. as the Chief Executive Officer of the Corporation and/or Stephen F. Skrivanos as the Chairman of the Board of Directors of the Corporation shall present such drafts of the CEA and of the Ancillary CEA Documents to the Board of Directors of the Corporation for final review and approval.

BE IT FURTHER RESOLVED, that upon final review and approval of the drafts of the CEA and of the Ancillary CEA Documents by the Board of Directors of the Corporation, the Chief Executive Officer of the Corporation, John F. George, Jr., and the Chairman of the Board of Directors of the Corporation, Stephen F. Skrivanos, each on behalf of the Corporation, acting jointly or singly, are authorized to execute (and/or issue) the CEA and the Ancillary CEA Documents and to take any and all such further actions and to execute any and all such additional documents necessary to effectuate the purposes of the CEA as John F. George, Jr. as the Chief Executive Officer of the Corporation and/or Stephen F. Skrivanos as the Chairman of the Board of Directors of the Corporation may determine to be appropriate.

BE IT FURTHER RESOLVED, that any actions related to the CEA, the Ancillary CEA Documents or the Negotiations taken by John F. George, Jr. as the Chief Executive Officer of the Corporation and/or Stephen F. Skrivanos as the Chairman of the Board of Directors of the Corporation prior to the date hereof which would have been authorized hereby except that such actions occurred prior to such date be, and each hereby is ratified, confirmed, approved and adopted.

CERTIFICATE

As Secretary of Biomedical Research Foundation of Northwest Louisiana, a Louisiana nonprofit corporation, I hereby certify that the foregoing is a true and correct copy of resolutions duly and legally adopted by the Board of Directors of Biomedical Research Foundation of Northwest Louisiana on May 24, 2013, and that said resolutions have not been rescinded, modified or recalled, and are in full force and effect.

WITNESS my signature on this 24th day of May, 2013.

Edie S. Cummings, Assistant Secretary
CERTIFIED RESOLUTIONS
OF
THE BOARD OF DIRECTORS
OF
BIOMEDICAL RESEARCH FOUNDATION OF NORTHWEST LOUISIANA

WHEREAS, there has been submitted for consideration by the Board of Directors of Biomedical Research Foundation of Northwest Louisiana, a Louisiana nonprofit corporation (the "Corporation"), a final draft of the Cooperative Endeavor Agreement ("CEA") regarding LSU Medical Center-Shreveport in Shreveport, Louisiana and E.A. Conway Medical Center in Monroe, Louisiana (collectively referred to herein as the "Hospitals") to be entered into by and among: (1) the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College ("LSU"), (2) the Corporation, (3) BRF Hospital Holdings, L.L.C., a Louisiana limited liability company ("BRF Holdings"), (4) the State of Louisiana through the Division of Administration (the "DOA"), and (5) the State of Louisiana through the Department of Health and Hospitals ("DHH"); and

WHEREAS, the Corporation is the sole member of BRF Holdings; and

WHEREAS, as set forth in the CEA, the parties to the CEA will enter into the following series of transactions:

(a) LSU will lease the Hospitals to BRF Holdings pursuant to fair market value lease supported by appraisals;

(b) LSU will lease all furniture, fixtures and equipment used in connection with operation of the Hospitals to BRF Holdings for fair market value;

(c) LSU will transfer to BRF Holdings:

(i) All usable inventories of: (a) supplies, drugs, food, and other disposables; and (b) tangible assets valued at less than One Thousand and No/100 Dollars ($1,000) that are untagged and untracked by LSU and DOA, used in connection with the operation of the Hospitals, and

(ii) all equipment leases, contracts, permits, licenses, books and records and prepaid expenses of the Hospitals, all in accordance with and subject to the terms and conditions of the CEA;

(d) BRF Holdings will assume all equipment leases, contracts, permits and licenses of the Hospitals, all in accordance with and subject to the terms and conditions of the CEA;

(e) BRF Holdings will assume responsibility for operating the Hospitals in accordance with and subject to the terms and conditions of the CEA; and
(f) BRF Holdings and the Corporation will commit to supporting LSU’s academic, clinical and research missions.

WHEREAS, the Board of Directors of the Corporation has reviewed the terms and conditions set forth in the final draft of the CEA and in the final drafts of the additional documents necessary to effectuate the purposes of the CEA (the “Ancillary CEA Documents”); and

WHEREAS, the Board of Directors has also been provided with a comprehensive report from the Chief Executive Officer of the Corporation, John F. George, Jr., and the Chairman of the Board of Directors of the Corporation, Stephen F. Skrivanos, on the extensive negotiations that have taken place with LSU, DOA and DHH with respect to the terms and conditions of the CEA and the Ancillary CEA Documents; and

WHEREAS, the Board of Directors of the Corporation, after due discussion thereof, deems it in the best interest of the Corporation and BRF Holdings to approve the terms and conditions set forth in the final draft of the CEA and in the final drafts of the Ancillary CEA Documents and to authorize the Chief Executive Officer of the Corporation, John F. George, Jr., and the Chairman of the Board of Directors of the Corporation, Stephen F. Skrivanos, each on behalf of the Corporation and BRF Holdings, acting jointly or singly, to execute (and/or issue) the CEA and the Ancillary CEA Documents on substantially the same terms and conditions set forth therein; and

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors of the Corporation hereby approves the terms and conditions set forth in the final draft of the CEA and in the final drafts of the Ancillary CEA Documents.

BE IT FURTHER RESOLVED, that the Chief Executive Officer of the Corporation, John F. George, Jr., and the Chairman of the Board of Directors of the Corporation, Stephen F. Skrivanos, each on behalf of the Corporation and BRF Holdings, acting jointly or singly, are authorized to execute (and/or issue) the CEA and the Ancillary CEA Documents on substantially the same terms and conditions set forth therein and to take any and all such further actions and to execute any and all such additional documents necessary to effectuate the purposes of the CEA as John F. George, Jr. as the Chief Executive Officer of the Corporation and/or Stephen F. Skrivanos as the Chairman of the Board of Directors of the Corporation may determine to be appropriate.

BE IT FURTHER RESOLVED, that any actions related to the CEA or the Ancillary CEA Documents taken by James D. Dean, John F. George, Jr. as the Chief Executive Officer of the Corporation and/or Stephen F. Skrivanos as the Chairman of the Board of Directors of the Corporation prior to the date hereof which would have been authorized hereby except that such actions occurred prior to such date be, and each hereby is ratified, confirmed, approved and adopted.
CERTIFICATE

As Secretary of Biomedical Research Foundation of Northwest Louisiana, a Louisiana nonprofit corporation, I hereby certify that the foregoing is a true and correct copy of resolutions duly and legally adopted by the Board of Directors of Biomedical Research Foundation of Northwest Louisiana on September 25, 2013, and that said resolutions have not been rescinded, modified or recalled, and are in full force and effect.

WITNESS my signature on this 27th day of September, 2013.

[Signature]

Johnette Magner, Secretary