

**AMENDED AND RESTATED  
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;**

**AND**

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

**EFFECTIVE SEPTEMBER 30, 2013**

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**AMENDED AND RESTATED  
COOPERATIVE ENDEAVOR AGREEMENT**

**THIS AMENDED AND RESTATED COOPERATIVE ENDEAVOR AGREEMENT** (“Agreement”) is made and entered into effective the 30th day of September, 2013 (“Effective 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”). (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 Louisiana Division of Administration (“DOA”) is an agency existing within the Office of the Governor, within the executive branch of the State, with duties and powers established by law;

WHEREAS, the Louisiana Department of Health and Hospitals (“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 and the State, 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;

WHEREAS, the Parties previously entered into the Original CEA, pursuant to which various commitments and obligations were agreed to by the Parties;

WHEREAS, DHH did not receive approval from CMS in connection with the funding provisions contemplated by the Original CEA; and

WHEREAS, this Agreement shall supersede in totality the Original CEA entered into by and among the Parties and DHH as of the Effective Date.

NOW THEREFORE, in consideration of the foregoing and the mutual covenants herein contained, LSU, BRF, BRFHH 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.

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 to 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 to the Commencement Date).

(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 BRFH 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 RESERVED**

### **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 BRFH 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 Effective Date unless otherwise agreed by LSU and BRFH. In addition to



considerations to ensure the LSUHSC-S Teaching Services 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 Effective 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.

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 the good-faith determination by the BRFHH Board of Managers and consistent with the mission of BRFHH, 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 will work in good faith to make available the Key Services Lines as described in this Article IV to high-risk Medicaid patients in accordance with the terms of this Agreement, subject to the good-faith determination by the BRFHH Board of Managers and consistent with the mission of BRFHH.

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 an agreement with the Department of Corrections pursuant to which BRFHH will receive 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. Subject to the good-faith determination by the BRFHH Board of Managers and consistent with the mission of BRFHH, BRFHH will make commercially reasonable efforts to assure telemedicine capability is available to LSU in accordance with Section 4.8 for use in providing cost-effective, medically necessary health care to State inmates.

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 at reasonably comparable levels, taking into account normal hospital operations and capacity fluctuation, subject to the terms and conditions of the MAA and the good-faith determination by the BRFHH Board of Managers and consistent with the mission of BRFHH. BRFHH may limit or reduce (but shall not discontinue) the provision of one or more Core Services outside the scope of normal hospital operations and capacity fluctuations (hereinafter referred to as a “Core Service Adjustment”) if it reasonably determines that the continued provision of such services at such levels will materially and adversely impact BRFHH or its subsidiaries or affiliates and that the limitation or reduction will not materially and adversely impact the Public Purpose per Article I of this Agreement in light of community need, patient access, cost and available resources (hereinafter collectively referred to as the “Community Access Standards”). In the event BRFHH makes such determination, it will provide advance written notice to LSU of its intention to make a Core Service Adjustment, which shall include a description of BRFHH’s basis for the same (a “BRFHH Core Service Adjustment Notice”). LSU may, within ten (10) days of a BRFHH Core Service Adjustment Notice, request to meet with BRFHH regarding BRFHH’s determination to make a Core Service Adjustment (a “LSU Core Service Request”). In the event LSU provides BRFHH with an LSU Core Service Request, LSU and BRFHH shall work together in good faith for a period of thirty (30) calendar days in an effort to develop an effective means of maintaining the provision of those services to be limited or reduced by BRFHH as described in the BRFHH Core Service Adjustment Notice. In the event that LSU and BRFHH are not able to resolve the issues described in the BRFHH Core Service Adjustment Notice within such thirty (30) day period, BRFHH by affirmative vote of its Board of Managers, taking into account the Community Access Standards, may commence to limit or reduce the Core Service(s) consistent with the BRFHH Core Service Adjustment Notice. Any limitation or reduction of the Core Services implemented in good faith by BRFHH in accordance with this Section 4.6, giving reasonable consideration to the Community Access Standards, shall not be deemed materially inconsistent with the Public Purpose as provided in Section 13.4.

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 the terms and conditions of the MAA and the good-faith determination by the BRFHH Board of Managers and consistent with the mission of BRFHH, the Hospitals will offer a baseline of services in the Key Service Lines at least at the level provided at the Hospitals on the Commencement 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 mix sufficient to support such growth. BRFHH may in its sole discretion, limit or reduce the provision of one or more Key Service Lines if its Board of Managers determines in its sole discretion that the continued provision of such services will materially and adversely impact BRFHH or its subsidiaries or Affiliates (hereinafter referred to as a “Key Service Line Adjustment”), provided, however, that BRFHH shall not reduce any Key Service Line below the minimum requirement necessary to maintain a GME Program that is based on such Key Service Line. In the event BRFHH makes a determination that the continued provision of such services will materially and adversely impact BRFHH or its subsidiaries or Affiliates, it will provide advance written notice to LSU of its intention to make a Key Service Line Adjustment, which shall include a description of BRFHH’s basis for the same (a “BRFHH Key Service Line Adjustment Notice”). LSU may, within ten (10) days of a BRFHH Key Service Line Adjustment Notice, request to meet with BRFHH regarding

BRFHH's determination to make a Key Service Line Adjustment (a "LSU Key Service Line Request"). In the event LSU provides BRFHH with an LSU Key Service Line Request, LSU and BRFHH shall work together in good faith for a period of thirty (30) calendar days in an effort to develop an effective means of maintaining the provision of those services to be limited or reduced by BRFHH as described in the BRFHH Key Service Line Adjustment Notice. In the event that LSU and BRFHH are not able to resolve the issues described in the BRFHH Key Service Line Adjustment Notice within such thirty (30) day period, BRFHH may commence to limit or reduce the Key Service Line(s) consistent with the BRFHH Key Service Line Adjustment Notice. Any limitation or reduction of the Key Service Lines implemented in good faith by BRFHH in accordance with this Section 4.7 shall not be deemed materially inconsistent with the Public Purpose as provided in Section 13.4.

Section 4.8. Telemedicine LSU and BRFHH will make commercially reasonable effort to provide the physician support and BRFHH will provide the infrastructure support, subject to the good-faith determination by the BRFHH Board of Managers and consistent with the mission of BRFHH, necessary to build and maintain the Hospitals' telemedicine program. LSU and BRFHH will make commercially reasonable efforts to collaborate to grow the Hospitals' telemedicine program, provided that a sustainable business model can be created and consistent with available financial resources, 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 or other professional services agreements.

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 Effective 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 have the option to 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 Effective 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 BRP 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 Effective 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; or

(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, represents and warrants that, as of the Effective 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, validly existing under the laws of Louisiana, with full power and authority to perform its obligations under this Agreement. Enforceability; Authority; No Conflict. This Agreement and any and all agreements, documents or instruments to which the State 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, enforceable against the State in accordance with its terms.

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

(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 DOA;

(ii) To the State'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 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 or DOA; or

(iv) Cause BRFH or BRF to become subject to, or to become liable for the payment of, any Liability of the State or DOA.

(d) The State, through 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 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 BRFH.

Section 9.3. Employee Benefits. No event has occurred that would result in, and consummation of the Contemplated Transactions shall not result in, BRFH 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 DOA's and the State's Knowledge, there is no Order to which the State or DOA is subject that would limit or affect the State's ability to enter into this Agreement or the State's or DOA's ability to consummate the Contemplated Transactions.

Section 9.5. Full Disclosure. No representation or warranty made by the State, through 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 BRFH REPRESENTATIONS AND WARRANTIES**

BRFH represents and warrants that, as of the Effective Date:

Section 10.1. Organization; Standing. BRFH is a Louisiana limited liability company. BRFH 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 BRFH is party and which are executed and delivered by BRFH pursuant to this Agreement constitute the legal, valid and binding obligations of BRFH, 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) BRFH has the requisite power and authority to execute and deliver this Agreement any and all agreements, documents and instruments to which BRFH is party and which are executed and delivered by BRFH pursuant to this Agreement, and such action have been duly authorized by all necessary action by the BRFH 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 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 Effective 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 Effective 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 12:00 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 and the State contained in this Agreement shall be true and correct in all respects as of the Effective 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 or the State 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 Effective 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 Effective 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 BRFH shall prepare and/or reasonably require in order to more effectively vest in BRFH, and put BRFH 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 BRFH contained in this Agreement shall be true and correct in all respects as of the Effective 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 BRFH on or before the Commencement Date pursuant to the terms hereof shall have been duly complied with and performed.

(b) BRF and BRFH 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 BRFH are parties to be performed or complied with BRF and BRFH at or prior to the Commencement Date.

(c) BRFH 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, BRFH 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 BRFH, and put BRFH in possession of, the Leased Premises and the Transferred Assets.

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

(a) Compliance with ACGME Requirements. The Parties shall use commercially reasonable efforts to cause the LSUHSC-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. BRFH 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 Effective 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.

(e) Preservation of Property. From the Effective Date of this Agreement until the earlier of the Commencement Date or the termination of this Agreement, LSU shall not sell, transfer, lease, sublease, license or otherwise dispose of any material properties or assets (real, personal or mixed, including intangible property) of the 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 the Commencement Date.

(g) Notice of Material Changes. LSU shall give to BRF prompt notice of any fact that, if known on the Effective 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 Effective 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 Effective Date, 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 as 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 Effective 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 99<sup>th</sup> year.

Section 13.2. Early Termination. This Agreement shall terminate prior to the expiration of the Term only in accordance with Sections 13.2, 13.3 and 13.4, 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 other than under Section 13.3 or Section 13.4 shall be subject to the Wind Down Process set forth in Section 13.5 and the six (6) month Wind Down Period provided in Section 13.6. Subject to the foregoing, this Agreement shall, unless otherwise agreed in writing by all of the Parties or provided herein, 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; provided, however, that this Agreement will not terminate upon termination of the Master Hospital Lease if (i) BRF and BRFH H elect to continue to operate the Hospitals and otherwise satisfy their obligations under this Agreement and fulfill the Public Purpose at alternative hospital locations in Shreveport and Monroe, Louisiana, respectively, or (ii) the Louisiana Legislature approves closing the Hospitals and BRF and BRFH H continue to satisfy their obligations under this Agreement and fulfill the Public Purpose.

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

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

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

(h) Any final, non-appealable judgment against LSU or the State in favor of BRF or BRFH H 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;

(i) LSU or the State 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 BRFH H's ability to perform its obligations under this Agreement;

(j) 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 BRFH H'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;

(k) BRF or BRFH H 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 BRFH H'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

(l) BRF or BRFH H 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.

Section 13.3. BRF/BRFH H's Right to Exercise Without Cause Termination or Withdrawal. BRF and BRFH H may provide notice to LSU (a "BRF Termination Notice") at any time that they intend to cease to be Parties to this Agreement, which decision shall be in the sole discretion of BRF and BRFH H and may be made with or without cause. In determining whether to exercise their without cause

termination rights, BRF and BRFHH will act in good faith and with full consideration of the ability of BRFHH to be financially viable and sustainable, which determination will be made by the BRF Board and the BRFHH Board of Managers only after opportunity for consultation and input by LSU, pursuant to the Consultative Process, provided that the curative efforts shall not delay or extend the sixty (60) day period. This termination shall not otherwise be subject to Section 13.6. Upon receipt of a BRF Termination Notice, LSU shall have forty-five (45) days to notify BRF in writing (a “BRF Withdrawal Notice”) if it wants BRF to withdraw as a member of BRFHH. If LSU wants BRF to withdraw as a member of BRFHH, the notice provided by LSU must state who the successor member will be, if any, and who the members of the Board of Managers of BRFHH will be immediately after BRF’s withdrawal. Immediately prior to withdrawal, BRF will remove the then existing BRFHH managers and cause the managers designated by LSU to be appointed. If LSU fails to provide BRF with a BRF Withdrawal Notice within the period set forth above, this Agreement will automatically terminate upon on the sixtieth (60th) day after LSU receives the BRF Termination Notice. If LSU delivers a proper and timely BRF Withdrawal Notice to BRF, then this Agreement shall not terminate and BRF will withdraw as a member of BRFHH on the sixtieth (60th) day after LSU receives the BRF Termination Notice. If BRF withdraws as a member of BRFHH, the Parties shall take all steps reasonably necessary to amend BRFHH’s organizational documents to remove references to BRF.

Section 13.4. Termination or Forced Withdrawal by LSU for Breach of Public Purpose. Notwithstanding anything in this Agreement to the contrary, if BRFHH’s fails to perform its material obligations set forth in Section 1.1 of this Agreement and such failure has a Material Adverse Effect on the Public Purpose of this CEA (a “Public Purpose Breach”), LSU may terminate this Agreement or compel BRF to withdraw as a member of BRFHH as follows:

(a) Notice and Cure Period. LSU shall provide BRF and BRFHH written notice of such Public Purpose Breach, which notice shall include a detailed description of the basis for such Breach and LSU’s requirements to remedy such asserted Breach. The Party asserted to have Breached this Agreement shall be entitled to a cure period not to exceed fifteen (15) calendar days to cure the asserted Public Purpose Breach. Also during such cure period, BRF and BRFHH may elect to give a BRF Termination Notice as set forth in Section 13.3 above.

(b) Consultative Process. If such Public Purpose Breach is not cured within the 15-day cure period, the Parties shall for a period of fifteen (15) calendar days engage in the Consultative Process to attempt to resolve the dispute.

(c) Executive Level Negotiations. If the Public Purpose Breach is not resolved during the Consultative Process, LSU’s Vice President for Health Care and BRFHH’s Chief Executive Officer, or his or her designee, shall discuss and negotiate in good faith for fifteen (15) calendar days to attempt to resolve the Public Purpose Breach.

(d) Termination Right. If the Public Purpose Breach is not cured or resolved pursuant to the procedures set forth above and if BRF and BRFHH do not provide a BRF Termination Notice as set forth in Section 13.3 above, LSU may declare its intent to terminate this Agreement by delivery of written notice of such intent to BRF and BRFHH and this Agreement will terminate fifteen (15) days later unless LSU elects to require BRF withdraw as a member of BRFHH, in which case LSU will deliver a BRF Withdrawal Notice (as contemplated by Section 13.3) to BRF within five (5) days of the expiration of the negotiation period set forth in subsection (c) above, and BRF will withdraw as a member of BRFHH on the tenth (10th) day after LSU delivers the Withdrawal Notice. Such right of termination shall be in addition to any other remedies which LSU may have at law, including damages. This termination shall not otherwise be subject to Section 13.6.

Section 13.5. Termination Process. On the occurrence of a Terminating Event, subject to the Wind Down Period in Section 13.6 unless otherwise provided herein, the following shall apply consistent with the Wind Down Period (the processes and procedures set forth in this Section 13.5 and Section 13.6, 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) BRFH 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 than the balances transferred as of the Commencement Date, BRFH 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) BRFH 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 13.6. Wind Down Period Upon Termination. Except in the event of termination under Sections 13.2(a), 13.3 and 13.4, any early termination of this Agreement allowed under Section 13.2 shall be subject to a wind down 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)), the applicable 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 BRFH Board of Managers, during the Wind Down Period, LSU, DOA, BRFH and BRF will establish a committee consisting of at least six (6) people, with each of LSU, BRF and DOA appointing two (2) members to the committee, to work with the BRFH 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 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 (3<sup>rd</sup>) 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 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 by the State of any representation or warranty in this Agreement, or any related agreement, document or instrument to which the State is a party, provided, however, that the State's obligation under this Section 15.2(a)(ii) shall only apply if, on or before the third (3<sup>rd</sup>) 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) RESERVED

(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 (3<sup>rd</sup>) 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 (3<sup>rd</sup>) 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. (a) 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 State or DOA:

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

With a copy to:

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

If to BRFH:

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

and

University Health System  
1541 Kings Highway  
Shreveport, Louisiana 71103  
Attn: General Counsel

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

and

University Health System  
1541 Kings Highway  
Shreveport, Louisiana 71103  
Attn: General Counsel

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, the State, 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 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, through DOA, BRFH and LSU have executed this Agreement as of the Effective Date.

Witnesses:

Lee M. King  
Linda Harris

**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  
F. King Alexander, President of Louisiana State University System  
Date: 10/16/14

Kristy Nichols

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

By: Kristy Nichols  
Kristy Nichols, Commissioner  
Date: \_\_\_\_\_

Pat Keele  
Holly C. Gaynor  
Pat Keele  
Holly C. Gaynor

**BIOMEDICAL RESEARCH FOUNDATION OF NORTHWEST LOUISIANA**

By: Stephen F. Skrivanos  
Stephen F. Skrivanos, Chairman  
Date: 10/13/14

**BRF HOSPITAL HOLDINGS, L.L.C.**  
By: Stephen F. Skrivanos  
Stephen F. Skrivanos, Chairman  
Date: 10/13/14

**EXHIBITS**

Definitions	1
Master Hospital Lease	2.1
Equipment Lease	2.2
LSU Authorizing Resolution	8.2(a)
BRFHH Authorizing Resolution	10.2(b)
BRF Authorizing Resolution	11.2(b)

**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) “ACGME” means the Accreditation Council for Graduate Medical Education.
- (3) “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.
- (4) “Agreement” has the meaning set forth in the preface above.
- (5) “Audited Financial Statements” has the meaning set forth in Section 11.3.
- (6) “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.
- (7) “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.
- (8) “Books and Records” has the meaning set forth in Section 2.3(e).
- (9) “BRF” has the meaning set forth in the preface above.
- (10) “BRF Board” means the BRF Board of Directors.
- (11) “Business Days” means any days on which the LSU System Office is open for business.
- (12) “CMS” means the Centers for Medicare/Medicaid Services (CMS), an agency of the U.S. Department of Health and Human Services.
- (13) “Code” means the Internal Revenue Code of 1986.
- (14) “Collaborative” has the meaning set forth in the recitals of this Agreement.
- (15) “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.
- (16) "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.
- (17) "Contemplated Transactions" mean all of the transactions contemplated by this Agreement.
- (18) "Contract Monitor" has the meaning set forth in Section 1.2.
- (19) "Core Service Lines" has the meaning set forth in Section 4.6.
- (20) "Cure Period" means sixty (60) days.
- (21) "Damages" has the meaning set forth in Section 15.2(a)(i).
- (22) "DHH" means the Louisiana Department of Health and Hospitals.
- (23) "Disclosing Party" has the meaning set forth in the definition of "Confidential Information."
- (24) "E.A. Conway" means E.A. Conway Medical Center in Monroe, Louisiana
- (25) "Equipment Lease" has the meaning set forth in Section 2.2.
- (26) "Fellow" means a licensed physician participating in a fellowship program of the LSUHSC-S GME Programs.
- (27) "Financial Statements" has the meaning set forth in Section 11.3.
- (28) "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.
- (29) "GAAP" means generally accepted accounting principles.
- (30) "GME" means Graduate Medical Education.
- (31) "GME Program" means graduate medical education programs generally.
- (32) "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.

- (33) “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.
- (34) “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.
- (35) “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).
- (36) “Indemnified Person” has the meaning set forth in Section 15.2(b)(i).
- (37) “Indemnifying Person” has the meaning set forth in Section 15.2(b)(i).
- (38) “Initial Term” has the meaning set forth in Section 13.1.
- (39) “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.
- (40) “Key Services Baseline” has the meaning set forth in Section 4.7.
- (41) “Key Service Lines” has the meaning set forth in Section 4.7.
- (42) “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.
- (43) “Layoff Plan” has the meaning set forth in Section 6.2(a).
- (44) “Leased Premises” has the meaning set forth in Section 2.1.
- (45) “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.
- (46) “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.

- (47) “LSU” means the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College.
- (48) “LSUHSC-S” has the meaning set forth in the recitals above.
- (49) “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.
- (50) “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.
- (51) “LWC” means the Louisiana Workforce Commission.
- (52) “MAA” means the Master Affiliation Agreement between LSU and BRFH in such form as LSU and BRFH may agree, which documents the GME responsibilities between LSU, LSUHSC-S and BRFH and describes the LSUHSC-S GME Programs.
- (53) “Major Participating Site” has the meaning set forth in the Glossary of Terms published by ACGME with respect to graduate medical education programs.
- (54) “Master Hospital Lease” has the meaning set forth in Section 2.1.
- (55) “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.
- (56) “MCA” means the Master Collaborative Agreement set forth in Article VII.
- (57) “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.
- (58) “Order” means any order, injunction, judgment, decree, ruling, assessment or arbitration award of any Governmental Body or arbitrator.
- (59) “Original CEA” means that certain Cooperative Endeavor Agreement dated September 30, 2013 to which the Parties and DHH are parties.
- (60) “Party” and “Parties” has the meaning set forth in the preface.
- (61) “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.
- (62) “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.
- (63) “Personal Property Leases” has the meaning set forth in Section 2.3(b).
- (64) “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.
- (65) “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.
- (66) “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.
- (67) “Receiving Party” has the meaning set forth in the definition of “Confidential Information.”

- (68) “Resident” means an individual admitted to the LSUHSC-S GME Programs as a resident.
- (69) “Retained Liabilities” has the meaning set forth in Section 2.4.
- (70) “Service Area” means the primary sites at which LSU provides medical care to patients in the Shreveport and Monroe.
- (71) “Shreveport Hospital” means LSU Medical Center - Shreveport in Shreveport, Louisiana
- (72) “Sponsoring Institution” has the meaning set forth in the Glossary of Terms published by ACGME with respect to graduate medical education programs.
- (73) “State” means the State of Louisiana by and through its Division of Administration
- (74) “State Health Care Providers” means all clinical LSU Personnel as defined in LA R.S. 40:1299.39, *et seq.*
- (75) “Term” means the Initial Term and all extensions thereof.
- (76) “Termination Process” has the meaning set forth in Section 13.5.
- (77) “Terminating Event” has the meaning set forth in Section 13.2.
- (78) “Transferred Assets” has the meaning set forth in Section 2.3.
- (79) “Wind Down Period” has the meaning set forth in Section 13.6.