

COOPERATIVE ENDEAVOR AGREEMENT

BY AND AMONG

OUR LADY OF THE LAKE HOSPITAL, INC.;

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

THE STATE OF LOUISIANA THROUGH THE DIVISION OF ADMINISTRATION;

AND

THE LOUISIANA DEPARTMENT OF HEALTH & HOSPITALS

DATED FEBRUARY __, 2010

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COOPERATIVE ENDEAVOR AGREEMENT

THIS COOPERATIVE ENDEAVOR AGREEMENT (“Agreement”) is made and entered into this the ____ day of February, 2010 (“Effective Date”), by and between the **BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE** (“LSU”), a public constitutional corporation of the State of Louisiana, represented herein by John V. Lombardi, President of the Louisiana State University System, **OUR LADY OF THE LAKE HOSPITAL, INC.**, a Louisiana nonprofit corporation (“OLOL”), and the **STATE OF LOUISIANA**, through the Division of Administration (the “State”). The **LOUISIANA DEPARTMENT OF HEALTH & HOSPITALS** (“DHH”) joins in execution of this Agreement solely for purposes of consenting and agreeing to the terms set forth in Section 4.1(c)(vii), Article XI, Section 9.6, Section 8.8, and Article XVI (LSU and OLOL are sometimes individually referred to herein as “Party,” and collectively referred to as the “Parties”). Capitalized terms shall have the meanings set forth on Exhibit 1.

RECITALS

WHEREAS, OLOL is a nonprofit Louisiana corporation licensed as and operating a full service and accredited hospital with acute care beds, a multi-acre campus, the OLOL College and other facilities, located in Baton Rouge, Louisiana (the “OLOL Campus”), and operating under the sponsorship of the Franciscan Missionaries of Our Lady;

WHEREAS, OLOL is a Major Teaching Hospital committed to developing medical and clinical professionals in the State in order to improve access to healthcare in its Service Area;

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

WHEREAS, the office of the Commissioner of Administration is an instrumentality of the executive branch of the State, established pursuant to the authority set forth in set forth in La. Const. Art. IV, Section 1;

WHEREAS, DHH is a department of the executive branch of the State established pursuant to LA R.S. 36:251;

WHEREAS, OLOL and LSU believe that they maintain shared values and assumptions that support building a new model for the relationship between a Major Teaching Hospital and a health sciences center with respect to the LSU GME Programs (the “Collaborative”) and that this new model will provide physicians and patients with a new environment of care that optimizes the use of all resources;

WHEREAS, OLOL, LSU and the State desire to achieve a significant level of collaboration and cost efficiencies in joint program development, prioritization, implementation,

accountability, and mechanisms of funding GME Programs in general and the LSU GME Programs in particular through the Collaborative;

WHEREAS, LSU, OLOL and the State, through the Collaborative, desire to develop and maintain nationally recognized GME Programs with appropriate facilities, structure and funding at the OLOL Campus;

WHEREAS, LSU, through the Louisiana State University Health Science Center – New Orleans (“LSUHSC”), an institution under LSU’s supervision and management, is committed to developing medical and clinical professionals in Louisiana through accredited residency, fellowship and other graduate medical educational programs;

WHEREAS, LSU is obligated by Louisiana law to provide free or reduced cost care to certain patients who qualify for such care;

WHEREAS, the Earl K. Long Medical Center in Baton Rouge, Louisiana (with its successors, assigns and any other party that succeeds to or assumes its properties or operations “EKLMC”) is a Major Teaching Hospital in the State of Louisiana, housing at least seventy-five (75) graduate medical education positions (also referred to herein as “Residency Positions”), and is currently the primary site at which LSU provides medical care to patients in the Service Area as required by Louisiana law;

WHEREAS, LSU has determined that it is in Louisiana’s best interests to operate the LSU GME Programs at the OLOL Campus rather than in the EKLMC facility and to provide for the transition of current EKLMC patients, employees and the LSU GME Programs pursuant to a closure plan for the EKLMC facility in accordance with LA R.S. 17:1519.3;

WHEREAS, CMS provides, pursuant to the rules at 42 C.F.R. §§ 413.75 - 413.79 and 42 C.F.R. § 412.105, for direct graduate medical education (“DGME”) payments and indirect medical education (“IME”) reimbursement, to compensate EKLMC for certain costs associated with the residency positions at EKLMC;

WHEREAS, those DGME and IME payment rules establish “caps” on the number of residency positions that are reimbursable but allow the caps (the “Residency Caps”) to be shared among hospitals under certain circumstances;

WHEREAS, the Baton Rouge area is in need of an expanded trauma center to improve access to the most critical care needs;

WHEREAS, the development and operation of a trauma center through the Collaborative would be more cost efficient and timely than replacing and operating the EKLMC physical facility;

WHEREAS, in order for LSU to effectively provide the LSU GME Programs, LSU desires to have most of the training for certain Residency Positions take place on the OLOL Campus;

WHEREAS, Hurricanes Katrina and Rita and other natural disasters precipitated emergency measures in GME and the financing for the same, including the need to house certain GME Programs at the OLOL Campus;

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

WHEREAS, it is the sole purpose of OLOL that by entering into this Agreement the OLOL Hospital will help fulfill the need for continued physician education in the State of Louisiana;

WHEREAS, it is the sole purpose of LSU that by entering into this Agreement LSU will help fulfill the need for continued physician education in the State of Louisiana and meet its legal obligation to provide certain patient care services;

WHEREAS, the State's purpose of this initiative, which is recognized by OLOL 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, improve recipient satisfaction with access to care and the care experience and provide the State with improved budget predictability;

WHEREAS, in the interest of advancing the State's goal of improving integration and coordination of health care services for the low-income populations, and recognizing the opportunity presented by the integration of outpatient and community-based services provided by LSU, inpatient and outpatient services provided by OLOL, and a payment mechanism being made available by DHH that integrates all services through a prepaid model, the State, OLOL and LSU intend to participate as a coordinated care network within Medicaid as proposed by DHH;

WHEREAS, in order to successfully meet their respective purposes, OLOL, LSU and the State intend to enter into this public/private Collaborative whereby certain Residency Positions in the LSU GME Programs and patient care services will be relocated to the OLOL Campus;

WHEREAS, the Collaborative must comport with requirements of federal reimbursement for GME and accreditation;

WHEREAS, each Party has agreed to participate in and contribute to the Collaborative;

WHEREAS, 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, the State intends to use upper payment limit and similar reimbursement arrangements to create flexible funding sources to assist the State in creating access for patient care and Medicare eligible GME Programs;

WHEREAS, LSU has authority to exercise all power to direct, control, supervise and manage the LSU hospitals, including the EKLMC, pursuant to LA R.S. 17:1519 et seq.,

including, but not limited to, the power to enter into such contracts and agreements with any public or private party as may be necessary to assist the hospitals in carrying out their lawful purposes; and

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

NOW THEREFORE, in consideration of the foregoing and the mutual covenants herein contained, LSU, OLOL and the State agree as follows:

ARTICLE I OVERSIGHT OF THE COLLABORATIVE; BUDGETING

Section 1.1. Oversight Advisory Committee. OLOL and LSU will establish an Oversight Advisory Committee (the “OAC”). The OAC shall be comprised of six (6) members with the following, or equivalent, positions:

(a) For OLOL: The Chief Executive Officer, or his or her designee, and the Chief Financial Officer and the Vice President of Medical Affairs, or such other individuals as the Chief Executive Officer may appoint as designees for the Chief Financial Officer or Vice President of Medical Affairs.

(b) For LSU: The Vice President of Health Affairs, or his or her designee, and the Chief Financial Officer of the LSU Health Care Services Division, or successor position, and the Designated Institutional Official for the LSU GME Programs (“LSU DIO”), or such other individuals as the Vice President of Health Affairs may appoint as designees for the Chief Financial Officer of the LSU Health Care Services Division or LSU DIO.

Section 1.2. Responsibilities of the OAC. Subject to the other terms and conditions of this Agreement, the OAC shall have overall advisory responsibility for managing the Collaborative, including, without limitation:

(a) Review, oversight and recommending actions of the activities and findings of the finance advisory committee (“FAC”) established pursuant to Section 1.5;

(b) Review, oversight and recommending actions of the activities and findings of the quality advisory committee (“QAC”) established pursuant to Section 2.6;

(c) Review and analysis of the volumes and costs of inpatient and outpatient services provided through the Collaborative and financial resources and support for such services;

(d) Attempting to resolve any issues or disputes in the Collaborative that are subject to the Consultative Process; and

(e) General oversight and assessment of the clinical quality and financial performance of the Collaborative.

Section 1.3. OAC Advisory Only. Notwithstanding anything to the contrary in this Agreement, the OAC shall be an advisory committee to assist in the implementation and operation of the Collaborative. Final decision making authority with respect to the Collaborative will reside in the chief executive officers and governing boards of the Parties and each of the Parties reserves the right to make final decisions with respect to such Party's assets and operations.

Section 1.4. Meetings; Participation. The OAC shall meet as necessary, but not less than three (3) times annually, to review the clinical and financial performance and address any issues of the Collaborative. Each Party shall cause its designated representatives to regularly participate in OAC meetings and related activities and support the OAC in carrying out its purposes. Each Party may report any concerns or complaints regarding the performance or participation of a committee member to the Party appointing such committee member. Such appointing Party will promptly address any such concern or complaint and attempt to resolve such concern or complaint in good faith. If such concern or complaint is not resolved within three (3) days, the Parties will engage in the Consultative Process for thirty (30) days in an effort to resolve the issue. If the concern or complaint is not resolved as a result of the Consultative Process, either Party may request that the matter be mediated by delivering written notice of such request to the other Party within five (5) calendar days of the end of the Consultative Process. If a mediation notice is timely delivered, the Parties shall select a mutually agreeable mediator, or if the Parties cannot agree on a mediator within ten (10) days of the notice requesting mediation, each Party shall within five (5) days of the end of such ten (10) day period deliver a written notice to the other Party designating a mediator and those mediators shall within two (2) days select a mutually agreeable mediator for the Parties. If either Party fails to timely provide such notice of designation, the other Party's mediator shall perform the mediation. Such mediation shall be concluded as soon as possible, but in no event will the mediation last longer than ten (10) days from the date the mediator is identified. If the matter is not otherwise resolved through the Consultative Process or mediation, the appointing Party shall replace the committee member upon the request of complaining Party if for cause. For this purpose, "cause" shall mean: (1) physical or mental impairment or substance abuse that substantially interferes with the individual's ability to perform the functions of a committee member; (2) conviction of any felony or other crime or act of dishonesty or fraud, whether or not such act or failure to act occurred in the course of performing services under this Agreement; (3) any act or failure to act involving unprofessional conduct; (4) moral turpitude; (5) failure to satisfy the terms of this Agreement applicable to such committee member; (6) failure to comply with the OLOL Rules, including the Ethical and Religious Directives on the OLOL Campus; (7) failure to regularly participate in committee functions and responsibilities and participate in committee activities in a meaningful manner; or (8) exclusion from participation in Medicare or any "Federal health care program" as defined at 42 U.S.C. § 1320a-7b(f).

Section 1.5. Finance Advisory Committee. LSU and OLOL shall establish the FAC to be comprised of not more than six (6) total members, with an equal number of representatives from OLOL and LSU. The OLOL Chief Financial Officer and the Chief Financial Officer of the LSU Health Care Services Division, or their successor positions, will each be a member of the

FAC, with the other members to be appointed equally by the OLOL CEO and the LSU Vice President for Health Affairs, respectively. The FAC shall meet regularly, but not less often than every three (3) months, as necessary to adequately perform its functions hereunder. The FAC, subject to oversight by the OAC, shall have authority to review, analyze and monitor the financial operations of the Collaborative in an advisory capacity, including, without limitation, the following:

(a) LSU GME Budget. The FAC, with input from the Program Directors and LSU DIO, shall develop proposed annual budgets for each of the LSU GME Programs and a proposed annual overall budget for the LSU GME Program.

(b) Written Reports. The FAC will prepare and present written reports to the OAC as necessary including interim semi-annual and an annual report summarizing the overall financial performance of the Collaborative.

(c) Meetings; Participation. The FAC shall meet as necessary to review the financial performance of the Collaborative and perform its other duties. Each Party shall cause its designated representatives to regularly participate in FAC meetings and related activities and support the FAC in carrying out its purposes. Each Party may report any concerns or complaints regarding the performance or participation of a committee member to the Party appointing such committee member. Such appointing Party will promptly address any such concern or complaint and attempt to resolve such concern or complaint in good faith. If such concern or complaint is not resolved within three (3) days, the Parties will engage in the Consultative Process for thirty (30) days in an effort to resolve the issue. If the concern or complaint is not resolved as a result of the Consultative Process, either Party may request that the matter be mediated by delivering written notice of such request to the other Party within five (5) calendar days of the end of the Consultative Process. If a mediation notice is timely delivered, the Parties shall select a mutually agreeable mediator, or if the Parties cannot agree on a mediator within ten (10) days of the notice requesting mediation, each Party shall within five (5) days of the end of such ten (10) day period deliver a written notice to the other Party designating a mediator and those mediators shall within two (2) days select a mutually agreeable mediator for the Parties. If either Party fails to timely provide such notice of designation, the other Party's mediator shall perform the mediation. Such mediation shall be concluded as soon as possible, but in no event will the mediation last longer than ten (10) days from the date the mediator is identified. If the matter is not otherwise resolved through the Consultative Process or mediation, the appointing Party shall replace the committee member upon the request of complaining Party if for cause. For this purpose, "cause" shall mean: (1) physical or mental impairment or substance abuse that substantially interferes with the individual's ability to perform the functions of a committee member; (2) conviction of any felony or other crime or act of dishonesty or fraud, whether or not such act or failure to act occurred in the course of performing services under this Agreement; (3) any act or failure to act involving unprofessional conduct; (4) moral turpitude; (5) failure to satisfy the terms of this Agreement applicable to such committee member; (6) failure to comply with the OLOL Rules, including the Ethical and Religious Directives on the OLOL Campus; (7) failure to regularly participate in committee functions and responsibilities and participate in committee

activities in a meaningful manner; or (8) exclusion from participation in Medicare or any “Federal health care program” as defined at 42 U.S.C. § 1320a-7b(f).

Section 1.6. Budgeting Process.

(a) Not later than July 1 of each calendar year, the FAC shall submit to the OAC, the OLOL CEO and the LSU Vice President for Health Affairs a proposed annual budget to maintain the continuing viability of the Collaborative in accordance with the terms of this Agreement for the next State fiscal year (“Proposed Annual Budget”), which budget will consist of the OLOL Proposed Budget for the LSU GME Programs and the LSU Proposed Budget for the LSU GME Programs.

(b) The Proposed Annual Budget for periods after the GME Program Start Date shall consist of (i) the amount determined by the OLOL representatives on the FAC, after discussion with all members of the FAC, of the funding necessary and desirable for OLOL to perform its obligations under this Agreement with respect to the LSU GME Programs (the “OLOL Proposed Budget”), and (ii) the amount determined by the LSU representatives on the FAC, after discussion with all members of the FAC, of the funding necessary and desirable for LSU to satisfy its obligations under this Agreement and operate the LSU GME Programs at OLOL for the next State fiscal year (the “LSU Proposed Budget”).

Section 1.7. Determination of Annual Budget.

(a) Initial Determination of Proposed Budgets. The OLOL CEO and the LSU Vice President for Health Affairs shall review the budgets proposed by the FAC and jointly discuss the amounts and items included therein. If possible, they will jointly determine the OLOL Proposed Budget for the LSU GME Programs and the LSU Proposed Budget for the LSU GME Programs.

(b) Good Faith Negotiations. If the OLOL CEO and the LSU Vice President for Health Affairs cannot agree on the Proposed Annual Budget, each of them shall determine the OLOL Proposed Budget and the LSU Proposed Budget, respectively, and present such determination to the other for review and consideration. The Parties will diligently work in good faith to resolve any differences and propose solutions.

(c) Final Determination. After concluding the process set forth in Section 1.7(b), the OLOL CEO shall have the sole authority to approve the final OLOL Proposed Budget for the LSU GME Programs and the LSU Vice President for Health Affairs shall have sole authority for approving the LSU Proposed Budget. After determining such amounts, the Proposed Annual Budget may be submitted to the State as necessary to request funding for the next State fiscal year.

ARTICLE II
LSU GME PROGRAMS

Section 2.1. Description of GME Affiliation.

(a) In General. LSU will relocate certain Residency Positions (the “Collaborative Residency Positions”) in the LSU GME Programs identified on Schedule 2.1(a) from EKLMC to the OLOL Campus. LSU shall take the actions necessary to cause the Medicare Residency Caps associated with the Collaborative Residency Positions to be assigned or allocated to OLOL such that OLOL will be entitled to Medicare DGME and IME for such Collaborative Residency Positions. The Collaborative Residency Positions shall not include Residency Positions in obstetrics and gynecology. The LSU GME Programs will provide didactic and clinical education in the medical specialties identified in Schedule 2.1(a). The Parties will use their best efforts to collaboratively develop and grow the LSU GME Programs to result in nationally recognized GME Programs and a center of excellence for clinical education of residents and fellows. Subject to the other terms and conditions of this Agreement, OLOL will begin serving as the Major Participating Site for each of the LSU GME Programs no later than the GME Program Start Date and LSU will transfer its GME Programs and the Collaborative Residency Positions to the OLOL Campus no later than the GME Program Start Date.

(b) Placement of Residency Positions at OLOL Campus. LSU, as the Sponsoring Institution, shall arrange for the Collaborative Residency Positions to be located at the OLOL Campus. During the Term, LSU shall not enter into any other affiliation agreement or other arrangement for any other Person to serve as a Site, Participating Site, Major Participating Site, or otherwise provide for the allocation or placement of all or any portion of the Collaborative Residency Positions, except upon the written consent of OLOL, which consent will not be unreasonably withheld. Unless the Parties agree otherwise, the restrictions, limitations and conditions of this Agreement shall only apply to the Collaborative Residency Positions. LSU shall not assign or permit Residents or Fellows to rotate at OLOL to the extent such assignment would result in aggregate full-time equivalents of Residents and Fellows in excess of the Residency Caps associated with the Collaborative Residency Positions.

(c) Additional Residency Positions. In the event that LSU determines it would like to use OLOL to serve as the Site for additional GME Program residency positions, including positions related to Residency Caps currently allocated to the Medical Center of Louisiana at New Orleans, OLOL agrees it will accept up to an additional twenty-five (25) residency positions (measured on an FTE basis), provided OLOL reasonably determines that it has sufficient capacity and resources to accommodate such increase and the program training types are acceptable to OLOL. In that event, LSU and OLOL shall enter into a separate master affiliation agreement with terms and conditions mutually acceptable to the Parties; provided, however, that such agreement will include a provision for a Rolling Five-Year Term. Such additional Residency Positions shall only be subject to this Agreement if OLOL and LSU mutually agree to amend Schedule 2.1(a).

Section 2.2. OLOL Retains Institutional Control. Throughout the Term of this Agreement, consistent with the terms of this Agreement OLOL shall retain all authority and control over the business, policies, operation and assets of OLOL, and as it pertains to the OLOL Campus, LSU and the LSU Personnel shall perform their duties in accordance with the OLOL Rules. OLOL does not by virtue of this Agreement delegate to LSU any of the powers, duties and responsibilities vested by law or by OLOL's bylaws in OLOL's Board of Directors (the "OLOL Board"). OLOL, through its chief executive officer or his designee (the "OLOL CEO"), shall communicate all policies and rules and regulations to LSU. It is agreed that all medical and professional matters at the OLOL Hospital shall be the responsibility of the OLOL Board and the Medical Staff of OLOL. The agenda for all regular meetings of the medical executive committee will include a standing item for an update to be provided by the LSU DIO or his or her designee. In addition, it is agreed that medical treatment and patient care (including diagnosis, development of individual treatment plans, determining changes in the care plan and discharge planning) shall be directed or provided by members in good standing of the Medical Staff of OLOL.

Section 2.3. LSU Retains Control of the LSU GME Programs. Throughout the Term of this Agreement, consistent with the terms of this Agreement LSU shall retain all authority and control over the business, policies, operation and assets of the LSU GME Programs. LSU does not by virtue of this Agreement delegate to OLOL any of the powers, duties and responsibilities vested in LSU by law or as the Sponsoring Institution by the ACGME. LSU, through its President or his designee shall communicate all policies and rules and regulations of the LSU GME Programs to OLOL. It is agreed that all medical staff issues at OLOL Hospital shall be the handled in accordance with the Bylaws of the Medical Staff of OLOL consistent with ACGME requirements.

Section 2.4. ACGME Requirements. LSU and OLOL shall each use its best efforts to maintain the accreditation of the LSU GME Programs in accordance with ACGME requirements. These requirements, include, but are not limited to the following:

(a) Sponsoring Institution. LSU will be the Sponsoring Institution with respect to the LSU GME Programs. As the Sponsoring Institution, LSU has the primary responsibility of providing educational programs, materials, Academic Faculty and oversight of the LSU GME Programs as required by ACGME.

(i) ACGME Compliance. LSU, as the Sponsoring Institution, shall use its best efforts at all times to comply with the ACGME requirements applicable to Sponsoring Institutions including, without limitation, the Institutional Requirements with respect to the LSU GME Programs, and to assist OLOL in complying with any ACGME requirements applicable to OLOL as a Major Participating Site. LSU shall be responsible for the payment of fees applicable to Sponsoring Institutions to ACGME.

(ii) Adverse Actions. Should any action or inaction on the part of LSU result in an Adverse Action by ACGME with respect to the LSU GME Programs, LSU shall, notwithstanding the time frame described in Section 16.6, within five (5) Business Days of Knowledge of such Adverse Action, deliver to OLOL a

copy of the Letter of Notification of any such Adverse Action. LSU must either appeal or take such other action as may be necessary to resolve the Adverse Action in a timely manner.

(iii) Complaints. If LSU is advised by ACGME of the submission of a complaint involving the LSU GME Programs or becomes aware of any such complaint, LSU shall, notwithstanding the time frame in Section 16.6, within five (5) Business Days of Knowledge deliver to OLOL a copy of the complaint to OLOL. LSU will respond to and resolve as appropriate any complaints against or involving the LSU GME Programs in a timely manner.

(iv) Communication with Accreditation Bodies. LSU will provide to OLOL notice of and copies of all correspondence from accreditation bodies, including but not limited to ACGME, licensing bodies or Governmental Bodies to the extent such correspondence materially relates to OLOL's role as a Major Participating Site. LSU will timely apprise OLOL of any material communications related to accreditation of the LSU GME Programs.

(v) Grievance Procedures. LSU, as the Sponsoring Institution, shall provide Residents and Fellows in the LSU GME Programs with fair, reasonable, and readily available written institutional policies and procedures for grievance and due process. Except as prohibited by any Legal Requirement, LSU agrees to timely notify OLOL of all grievances filed by LSU Personnel or third parties involving the LSU GME Programs, and LSU will respond to any such grievance issues in a timely manner and shall provide OLOL with any information as requested by OLOL in writing.

(vi) Resident and Fellow Contracts. LSU, as the Sponsoring Institution, will enter into contracts with all Residents and Fellows outlining the terms and conditions of their appointment to the LSU GME Programs. Such contracts shall provide that if this Agreement is terminated or the Resident or Fellow ceases to be enrolled in the LSU GME Program, upon the written request of OLOL such Resident or Fellow shall resign his or her medical staff privileges, subject, in the case of termination of this Agreement, to the Wind Down Period in Section 13.5(b). LSU shall monitor and ensure that Residents and Fellows are informed of and adhere to established educational and clinical practices, policies, and procedures in the LSU GME Programs.

(b) Major Participating Site. OLOL is the Site providing educational assignments and rotations for Residents and Fellows in the LSU GME Programs and therefore OLOL shall be, subject to Section 2.1(b), the sole Major Participating Site for the LSU GME Programs. OLOL shall use its best efforts to fulfill all obligations as a Major Participating Site in accordance with the applicable ACGME requirements. OLOL agrees to timely notify LSU in the event of any action or inaction that could jeopardize the quality or viability of any of the LSU GME Programs.

(i) ACGME Compliance. OLOL, as the Major Participating Site, shall use its best efforts at all times to comply with the ACGME requirements applicable to a Major Participating Site and assist LSU in complying with the ACGME requirements applicable to the Sponsoring Institution with respect to the LSU GME Programs.

(ii) Adverse Actions. Should any action or inaction on the part of OLOL result in an Adverse Action by ACGME with respect to the LSU GME Programs, OLOL shall, notwithstanding the time frame described in Section 16.6, within five (5) Business Days of Knowledge of such Adverse Action, deliver to LSU a copy of the Letter of Notification of any such Adverse Action. OLOL must either appeal or take such other action as may be necessary to resolve the Adverse Action in a timely manner. LSU, as the Sponsoring Institution, will assist OLOL in its communication and negotiations with the ACGME.

(iii) Complaints. If OLOL is advised of the submission of a complaint involving the LSU GME Programs or becomes aware of any such complaint, OLOL shall, notwithstanding the time frame described in Section 16.6, within five (5) Business Days of Knowledge of such complaint, deliver to LSU a copy of the complaint to LSU. Subject to the OLOL Rules, OLOL will fully cooperate with LSU in responding to any complaints against or involving the LSU GME Programs in a timely manner.

(iv) Communication with Accreditation Bodies. OLOL will provide to LSU notice of and copies of all correspondence from accreditation bodies, including but not limited to ACGME and Joint Commission (or similar accrediting body), licensing bodies or Governmental Bodies to the extent such correspondence may affect the LSU GME Programs. OLOL will timely apprise LSU of any material communications related to accreditation, Medicare certification or licensure of the Hospital to the extent such communications involve matters that could jeopardize the quality or viability of any of the LSU GME Programs.

(c) Master Affiliation Agreement. Contemporaneously with the execution of this Agreement, LSU and OLOL shall enter into a Master Affiliation Agreement (“MAA”) in the form attached as Exhibit 2.4(c), or such other form as the Parties may agree, which documents the GME responsibilities between LSU and OLOL as well as a description of the LSU GME Programs. In the event of a conflict or inconsistency between the MAA and this Agreement, the terms of this Agreement shall control.

Section 2.5. Program Oversight.

(a) Designated Institutional Official. LSU shall appoint a person to act as the LSU DIO. The LSU DIO shall have the authority and responsibility over the LSU GME Programs in accordance with ACGME requirements. The LSU DIO must meet all ACGME qualification criteria. OLOL shall have input into who is appointed as the LSU DIO. The LSU DIO will be employed by LSU, shall directly report to the Dean of the

School of Medicine of the LSUHSC and shall collaborate and coordinate activities with the OLOL Vice President of Medical Affairs and OLOL GME Medical Director. The LSU DIO shall regularly and as requested meet with the OLOL Vice President of Medical Affairs and keep him/her informed of all material proposals, changes and events related to the LSU GME Programs. The LSU DIO may have more than one title and responsibility for more than one matter but shall not be designated as the DIO or be responsible for other LSU GME Programs located outside of Baton Rouge. OLOL may report any concerns or complaints regarding the job performance of the LSU DIO to the Dean of the LSU School of Medicine. The Dean or his/her designee will promptly address any such concern or complaint and attempt to resolve such concern or complaint in good faith. If such concern or complaint is not resolved within three (3) days, the Parties will engage in the Consultative Process for thirty (30) days in an effort to resolve the issue. If the concern or complaint is not resolved as a result of the Consultative Process, either Party may request that the matter be mediated by delivering written notice of such request to the other Party within five (5) calendar days of the end of the Consultative Process. If a mediation notice is timely delivered, the Parties shall select a mutually agreeable mediator, or if the Parties cannot agree on a mediator within ten (10) days of the notice requesting mediation, each Party shall within five (5) days of the end of such ten (10) day period deliver a written notice to the other Party designating a mediator and those mediators shall within two (2) days select a mutually agreeable mediator for the Parties. If either Party fails to timely provide such notice of designation, the other Party's mediator shall perform the mediation. Such mediation shall be concluded as soon as possible, but in no event will the mediation last longer than ten (10) days from the date the mediator is identified. If the matter is not otherwise resolved through the Consultative Process or mediation, LSU shall replace the LSU DIO upon the request of OLOL for cause. For this purpose, "cause" shall mean: (1) physical or mental impairment or substance abuse that substantially interferes with the individual's ability to provide medical care to patients; (2) conviction of any felony or other crime or act of dishonesty or fraud, whether or not such act or failure to act occurred in the course of performing services under this Agreement; (3) loss or any material restriction of state licensure; (4) loss or any material restriction of medical staff membership or privileges at OLOL; (5) any act or failure to act involving unprofessional conduct; (6) moral turpitude; (7) negligence; (8) exclusion from participation in Medicare or any "Federal health care program" as defined at 42 U.S.C. § 1320a-7b(f); (9) failure to maintain professional liability insurance as required under this Agreement; (10) failure to satisfy the terms of this Agreement applicable to LSU Personnel, including but not limited to compliance with the terms of Article V; (11) failure to comply with the OLOL Rules, including the Ethical and Religious Directives on the OLOL Campus; (12) failure to satisfy the requirements set forth in Section 5.2(a); or (13) failure to work cooperatively with OLOL staff or other LSU Personnel.

(b) Other Program DIOs. In addition to the LSU DIO, there will also be (i) a DIO appointed by OLOL ("OLOL DIO") to oversee the GME Programs for which OLOL is the Sponsoring Institution, and (ii) any other DIOs from other institutions overseeing GME Programs at the OLOL Campus separate and apart from the LSU GME Programs. The LSU DIO and OLOL DIO will work collaboratively with the QAC to facilitate communication among all GME Programs at OLOL. The OLOL DIO may have more than one title and responsibility for more than one matter. LSU shall have input into who is

appointed as the OLOL DIO. LSU may report any concerns or complaints regarding the job performance of the OLOL DIO to OLOL's Vice President of Medical Affairs. OLOL's Vice President of Medical Affairs or his/her designee will promptly address any such concern or complaint and attempt to resolve such concern or complaint in good faith. If such concern or complaint is not resolved within three (3) days, the Parties will engage in the Consultative Process for thirty (30) days in an effort to resolve the issue. If the concern or complaint is not resolved as a result of the Consultative Process, either Party may request that the matter be mediated by delivering written notice of such request to the other Party within five (5) calendar days of the end of the Consultative Process. If a mediation notice is timely delivered, the Parties shall select a mutually agreeable mediator, or if the Parties cannot agree on a mediator within ten (10) days of the notice requesting mediation, each Party shall within five (5) days of the end of such ten (10) day period deliver a written notice to the other Party designating a mediator and those mediators shall within two (2) days select a mutually agreeable mediator for the Parties. If either Party fails to timely provide such notice of designation, the other Party's mediator shall perform the mediation. Such mediation shall be concluded as soon as possible, but in no event will the mediation last longer than ten (10) days from the date the mediator is identified. If the matter is not otherwise resolved through the Consultative Process or mediation, OLOL shall replace the OLOL DIO upon the request of LSU for cause. For this purpose, "cause" shall mean: (1) physical or mental impairment or substance abuse that substantially interferes with the individual's ability to provide medical care to patients; (2) conviction of any felony or other crime or act of dishonesty or fraud, whether or not such act or failure to act occurred in the course of performing services under this Agreement; (3) loss or any material restriction of state licensure; (4) loss or any material restriction of medical staff membership or privileges at OLOL; (5) any act or failure to act involving unprofessional conduct; (6) moral turpitude; (7) negligence; (8) exclusion from participation in Medicare or any "Federal health care program" as defined at 42 U.S.C. § 1320a-7b(f); (9) failure to maintain professional liability insurance as required under this Agreement; (10) failure to comply with the OLOL Rules, including the Ethical and Religious Directives on the OLOL Campus; (11) failure to satisfy the requirements set forth in Section 5.2(a) that would apply if the OLOL DIO were a member of the Academic Faculty; or (12) failure to work cooperatively with OLOL staff or LSU Personnel.

(c) LSU Graduate Medical Education Committee ("LSU GMEC"). LSU currently has and shall maintain a Graduate Medical Education Committee that works in collaboration with the LSU DIO to oversee the LSU GME Programs and oversee compliance with ACGME requirements, laws, rules and regulations. The LSU GMEC shall coordinate with and assist the QAC to help facilitate communications among all GME Programs at OLOL and to provide the QAC with information necessary for the committee to perform its advisory functions. Notwithstanding the foregoing, the QAC shall have no authority or control over or with respect to the LSU GME Programs. The LSU GMEC will conduct its proceedings in accordance with all ACGME requirements. LSU, through its GMEC, shall use its best efforts to establish and maintain a nationally recognized quality program for all LSU GME Programs.

(d) OLOL Graduate Medical Education Committee ("OLOL GMEC"). The Parties acknowledge that OLOL has the responsibility, subject to Section 2.11, to establish

and maintain a graduate medical education committee with respect to the GME Programs for which it is the Sponsoring Institution. OLOL, through its GMEC, shall use its best efforts to establish and maintain a nationally recognized quality program for all GME Programs for which OLOL is the Sponsoring Institution. OLOL will have sole responsibility and authority with respect to the OLOL GMEC and the OLOL GMEC will be responsible for compliance with the ACGME requirements applicable to the GME Programs for which OLOL is the Sponsoring Institution. The OLOL GMEC shall coordinate with and assist the QAC to help facilitate communications among all GME Programs at OLOL and to provide the QAC with information necessary for the committee to perform its advisory functions. Notwithstanding the foregoing, the QAC shall have no authority or control over or with respect to the GME Programs for which OLOL is the Sponsoring Institution. OLOL, through its representatives on the QAC, shall use its best efforts to assist LSU in establishing and maintaining a nationally recognized quality program for all LSU GME Programs.

(e) LSU Program Directors. The LSU DIO shall appoint physicians to act as the LSU program directors (the “Program Directors”), with authority and accountability for the operation of each of the LSU GME Programs. The Program Directors shall report directly to the LSU DIO. The Program Directors must meet all ACGME qualification criteria and fulfill all responsibilities as set forth in the ACGME Common Program Requirements. OLOL may report any concerns or complaints regarding the job performance of any Program Director to the LSU DIO. The LSU DIO or his/her designee will promptly address any such concern or complaint and attempt to resolve such concern or complaint in good faith. If such concern or complaint is not resolved within three (3) days, the Parties will engage in the Consultative Process for thirty (30) days in an effort to resolve the issue. If the concern or complaint is not resolved as a result of the Consultative Process, either Party may request that the matter be mediated by delivering written notice of such request to the other Party within five (5) calendar days of the end of the Consultative Process. If a mediation notice is timely delivered, the Parties shall select a mutually agreeable mediator, or if the Parties cannot agree on a mediator within ten (10) days of the notice requesting mediation, each Party shall within five (5) days of the end of such ten (10) day period deliver a written notice to the other Party designating a mediator and those mediators shall within two (2) days select a mutually agreeable mediator for the Parties. If either Party fails to timely provide such notice of designation, the other Party’s mediator shall perform the mediation. Such mediation shall be concluded as soon as possible, but in no event will the mediation last longer than ten (10) days from the date the mediator is identified. If the matter is not otherwise resolved through the Consultative Process or mediation, LSU shall replace the Program Director upon the request of OLOL for cause. For this purpose, “cause” shall mean: (1) physical or mental impairment or substance abuse that substantially interferes with the individual’s ability to provide medical care to patients; (2) conviction of any felony or other crime or act of dishonesty or fraud, whether or not such act or failure to act occurred in the course of performing services under this Agreement; (3) loss or any material restriction of state licensure; (4) loss or any material restriction of medical staff membership or privileges at OLOL; (5) any act or failure to act involving unprofessional conduct; (6) moral turpitude; (7) negligence; (8) exclusion from participation in Medicare or any “Federal health care program” as defined at 42 U.S.C. § 1320a-7b(f); (9) failure to maintain professional liability insurance

as required under this Agreement; (10) failure to satisfy the terms of this Agreement applicable to LSU Personnel, including but not limited to compliance with the terms of Article V; (11) failure to comply with the OLOL Rules, including the Ethical and Religious Directives on the OLOL Campus; (12) failure to satisfy the requirements set forth in Section 5.2(a); or (13) failure to work cooperatively with OLOL staff or other LSU Personnel.

(f) Compliance Program. LSU shall adopt, implement and regularly update an effective corporate compliance plan to promote compliance with all legal, regulatory and accreditation requirements of the LSU GME Programs.

(g) Program Letter of Agreement. Prior to the applicable GME Program Start Date, OLOL and LSU shall execute a requisite program letter of agreement for each LSU GME Program at OLOL in accordance with ACGME Common Program Requirements. Such program letter of agreement shall have a Rolling Five-Year Term and shall comply with all ACGME requirements.

Section 2.6. Quality Advisory Committee; LSU GME Program Benchmarks.

(a) Committee Established. LSU and OLOL shall establish a quality advisory committee (the “QAC”) which will act as an advisory committee reporting to the OAC, the OLOL CEO and the LSU Vice President of Health Affairs.

(b) Purpose. The purpose of the QAC is to facilitate communications among all GME Programs at OLOL and measure the success of the LSU GME Programs at OLOL based in part on the benchmarks in accordance with Schedule 2.6(b). The benchmarks (the “Program Benchmarks”) will serve as goals for the operation of the LSU GME Programs. The QAC will provide a written annual report to the OLOL CEO and similarly designated official at LSU on the status of the LSU GME Programs. The QAC will meet to: (1) review the status of the LSU GME Programs to determine whether the Program Benchmarks have been attained or exceeded over the prior year; (2) make recommendations on achieving the Program Benchmarks; and (3) determine whether the Program Benchmarks should be revised in the interest of maintaining the highest possible quality of the LSU GME Programs. LSU and OLOL will each use their best efforts to achieve the Program Benchmarks. The LSU GMEC will consider in good faith all recommendations of the QAC and implement such recommendations to the extent the LSU GMEC approves such recommendations. Notwithstanding the foregoing, the QAC will only serve an advisory function and shall not have any authority over the LSU GME Programs. Nothing in this Section shall limit or prevent LSU from monitoring and measuring the performance of the LSU GME Programs based on any other performance standards LSU develops or deems appropriate.

(c) Composition. The QAC will have an equal number of representatives of both LSU and OLOL, half of which will be appointed by the OLOL CEO and half of which will be appointed by the LSU Vice President of Health Affairs. Each Party may change its appointees at such times as it deems appropriate and will notify the other Party of any such change.

(d) Meetings. The QAC will meet as necessary, but not less than four (4) times per year and at such other times requested by any member of the QAC, the OLOL CEO or the LSU Vice President of Health Affairs. Each Party shall cause its designated representatives to regularly participate in QAC meetings and related activities and support the QAC in carrying out its purposes. Each Party may report any concerns or complaints regarding the performance or participation of a committee member to the Party appointing such committee member. Such appointing Party will promptly address any such concern or complaint and attempt to resolve such concern or complaint in good faith. If such concern or complaint is not resolved within three (3) days, the Parties will engage in the Consultative Process for thirty (30) days in an effort to resolve the issue. If the concern or complaint is not resolved as a result of the Consultative Process, either Party may request that the matter be mediated by delivering written notice of such request to the other Party within five (5) calendar days of the end of the Consultative Process. If a mediation notice is timely delivered, the Parties shall select a mutually agreeable mediator, or if the Parties cannot agree on a mediator within ten (10) days of the notice requesting mediation, each Party shall within five (5) days of the end of such ten (10) day period deliver a written notice to the other Party designating a mediator and those mediators shall within two (2) days select a mutually agreeable mediator for the Parties. If either Party fails to timely provide such notice of designation, the other Party's mediator shall perform the mediation. Such mediation shall be concluded as soon as possible, but in no event will the mediation last longer than ten (10) days from the date the mediator is identified. If the matter is not otherwise resolved through the Consultative Process or mediation, the appointing Party shall replace the committee member upon the request of complaining Party if for cause. For this purpose, "cause" shall mean: (1) physical or mental impairment or substance abuse that substantially interferes with the individual's ability to perform the functions of a committee member; (2) conviction of any felony or other crime or act of dishonesty or fraud, whether or not such act or failure to act occurred in the course of performing services under this Agreement; (3) any act or failure to act involving unprofessional conduct; (4) moral turpitude; (5) failure to satisfy the terms of this Agreement applicable to such committee member; (6) failure to comply with the OLOL Rules, including the Ethical and Religious Directives on the OLOL Campus; (7) failure to regularly participate in committee functions and responsibilities and participate in committee activities in a meaningful manner; or (8) exclusion from participation in Medicare or any "Federal health care program" as defined at 42 U.S.C. § 1320a-7b(f).

Section 2.7. Disaster Plan. The Parties shall collaborate on issues of disaster preparedness so as to reconcile the Parties' obligations and facilitate a coordinated response under their respective disaster plans.

Section 2.8. LSU Faculty. LSU shall provide a sufficient number, in LSU's sole opinion, of LSU Faculty and Adjunct Faculty with documented qualifications as outlined in Section 5.2 necessary to instruct and supervise all LSU Residents and Fellows in the LSU GME Programs. LSU will instruct LSU Faculty and Adjunct Faculty to follow all applicable laws, rules and regulations and to devote sufficient time to the educational program to fulfill their supervisory and teaching responsibilities. LSU shall be responsible for training and continuing education of LSU Faculty and Adjunct Faculty in accordance with ACGME Common Program Requirements.

Section 2.9. Certain ACGME Compliance Requirements. At all times during the Term, LSU shall satisfy the following:

(a) Number of LSU Residents. LSU agrees that it will not appoint more Residents than approved by the ACGME Review Committee for the LSU GME Programs and that the full-time equivalent of Residents assigned to rotate at OLOL will not exceed the Residency Caps assigned to OLOL as part of the Collaborative.

(b) Educational Program. LSU's educational program curriculum shall meet all ACGME requirements as set forth in the Common Program Requirements.

(c) Evaluation. LSU shall meet all evaluation requirements for LSU Personnel, including the evaluation of LSU Residents, Fellows and Academic Faculty, and the LSU GME Programs as set forth in the ACGME Common Program Requirements. Evaluations of LSU Faculty and the LSU GME Programs must be conducted annually and as needed.

(d) Resident Duty Hours. LSU, in cooperation with OLOL, will work to ensure that the LSU GME Programs promote patient safety and Residents' and Fellows' well-being in the establishment of Duty Hour assignments.

(e) On-Call Activities. LSU shall comply with ACGME on-call requirements as set forth in the ACGME Common Program Requirements.

Section 2.10. Complaints; Removal. OLOL may report any concerns or complaints regarding the job performance of any Resident or Fellow to the applicable Program Director and Chairperson of the LSU GMEC. The Program Director or Chairperson of the LSU GMEC will promptly address any such concern or complaint and attempt to resolve such concern or complaint in good faith. If such concern or complaint is not resolved within three (3) days, the Parties will engage in the Consultative Process for five (5) days in an effort to resolve the issue. If the concern or complaint is not resolved as a result of the Consultative Process, either Party may request that the matter be mediated by delivering written notice of such request to the other Party within five (5) calendar days of the end of the Consultative Process. If a mediation notice is timely delivered, the Parties shall select a mutually agreeable mediator, or if the Parties cannot agree on a mediator within three (3) days of the notice requesting mediation, each Party shall within two (2) days of the end of such three (3) day period deliver a written notice to the other Party designating a mediator and those mediators shall within two (2) days select a mutually agreeable mediator for the Parties. If either Party fails to timely provide such notice of designation, the other Party's mediator shall perform the mediation. Such mediation shall be concluded as soon as possible, but in no event will the mediation last longer than ten (10) days from the date the mediator is identified. If the matter is not otherwise resolved through the Consultative Process or mediation, LSU shall prevent the Resident or Fellow from providing services on the OLOL Campus upon the request of OLOL for cause. For this purpose, "cause" shall mean: (1) physical or mental impairment or substance abuse that substantially interferes with the individual's ability to provide medical care to patients; (2) conviction of any felony or other crime or act of dishonesty or fraud, whether or not such act or failure to act occurred in the course of performing services under this Agreement; (3) loss or any material restriction of state

licensure; (4) loss or any material restriction of medical staff membership or privileges at OLOL; (5) any act or failure to act involving unprofessional conduct; (6) moral turpitude; (7) negligence; (8) exclusion from participation in Medicare or any "Federal health care program" as defined at 42 U.S.C. § 1320a-7b(f); (9) failure to maintain professional liability insurance as required under this Agreement; (10) failure to satisfy the terms of this Agreement applicable to LSU Personnel, including but not limited to compliance with the terms of ARTICLE V; (11) failure to comply with the OLOL Rules, including the Ethical and Religious Directives on the OLOL Campus; or (12) failure to satisfy the requirements set forth in Section 5.2(a).

Section 2.11. GME Program Expansion; UMC Closure.

(a) Additional Residency Programs of LSU. If LSU desires to expand any of the LSU GME Programs, increase the number of residency or fellowship slots of any LSU GME Programs, add specialties to any of the LSU GME Programs, or otherwise provide additional GME services in the Service Area, LSU shall first offer to OLOL the opportunity to serve as the Site for such expansion or addition by providing to OLOL a written summary of the proposed expansion or addition, which offer shall include the transfer to OLOL of residency slots equal to the number of residents proposed to be in the new or expanded program. OLOL will have sixty (60) days in which to notify LSU in writing whether OLOL desires to serve as the Site for such expansion or addition. If OLOL indicates its desire to serve as a Site, LSU shall not implement such expansion or addition except on the OLOL Campus, provided that nothing herein shall obligate LSU to implement such expansion or addition. If OLOL indicates it does not desire to serve as a Site for such expansion or addition, LSU may pursue such expansion or addition with any third party or parties, at its discretion. Any expansion or addition of the LSU GME Programs with respect to which OLOL serves as the Site will be subject to the terms and conditions of this Agreement.

(b) Additional Residency Programs of OLOL. If OLOL desires to sponsor a residency or GME Program other than the programs listed on Schedule 2.11(b) (the "Grandfathered OLOL Residency Programs"), OLOL shall first offer LSU the opportunity to serve as the Sponsoring Institution with the OLOL Campus serving as the Site for such new program by providing to LSU a written summary of the proposed new program. LSU will have sixty (60) days in which to notify OLOL in writing whether LSU desires to be the Sponsoring Institution for such new program. If LSU elects to sponsor such new GME Program, OLOL and LSU shall negotiate in good faith to prepare the definitive documents that will govern the development and operation of such new GME Program by LSU and OLOL. If LSU elects not to serve as the Sponsoring Institution or, after thirty (30) days of good faith efforts LSU and OLOL are unable to agree on the development and operation of the new GME program, OLOL may pursue becoming the Sponsoring Institution for the new program, at its discretion. Notwithstanding anything contained in this Section 2.11(b), (i) neither the Grandfathered OLOL Residency Programs, either as currently operated or as may be modified, restricted or expanded from time to time, or (ii) any pediatric or pediatric subspecialty residency/fellowship training programs that OLOL may initiate, sponsor or serve as a Site with respect thereto, shall be subject to the provisions of this Section 2.11(b).

(c) OLOL Campus as a Site for non-LSU and non-OLOL Programs.

(i) If OLOL desires to serve as a Site for a residency or GME Program with any entity other than LSU in a specialty area other than the LSU GME Programs listed on Schedule 2.1(a) or the Grandfathered OLOL Residency Programs listed on Schedule 2.11(b), OLOL shall first offer LSU the opportunity to utilize the OLOL Campus as a Site for a similar residency specialty or GME Program for which LSU is the Sponsoring Institution (including, without limitation, any residency or GME Program sponsored by LSU based in New Orleans, Louisiana). LSU will have sixty (60) days in which to notify OLOL in writing whether LSU desires to utilize OLOL as a Site for such purposes. If LSU elects to utilize OLOL as a Site, OLOL and LSU shall negotiate in good faith to prepare the Affiliation Agreement that will govern the location of LSU Residents or Fellows on the OLOL Campus. If LSU elects not to utilize the OLOL Campus as a Site or, after thirty (30) days of good faith efforts LSU and OLOL are unable to agree on the terms of an Affiliation Agreement, OLOL may pursue becoming a Site for such a program sponsored by a non-Affiliate of LSU, at its discretion, provided that OLOL shall not enter into an Affiliation Agreement with any non-Affiliate of LSU on terms or conditions more favorable than the terms and conditions OLOL offers to LSU. The relationship between LSU and OLOL with respect to any LSU Residents or Fellows located on the OLOL Campus as a Site under an affiliation agreement entered into pursuant to this Section 2.11(c)(i) shall be governed by such affiliation agreement and shall not be subject to the terms and conditions of this Agreement.

(ii) OLOL shall not serve as a Site for a residency or GME Program with any non-Affiliate of LSU (including, without limitation, other potential hospital sponsors not controlled by LSU or any of its Affiliates, or State of Louisiana governmental agencies) in a specialty area listed on Schedule 2.1(a) without LSU's express written consent.

(d) OLOL's Reservation of Rights. OLOL reserves the right to expand the number of residents in the Grandfathered OLOL Residency Programs and nothing in this Agreement shall restrict such right. Further, the provisions of this Agreement shall not apply to any pediatric or pediatric subspecialty residency/fellowship training programs that OLOL may initiate, sponsor or serve as a Site with respect thereto.

(e) UMC Merger; Rights to Caps. If following the merger of the EKLMC license into University Medical Center at Lafayette, Louisiana ("UMC"), UMC plans to merge or consolidate with any entity that is not an Affiliate of UMC, LSU will require as a condition of such transaction that the Medicare Residency Caps associated with the Residency Positions will remain at OLOL, subject to applicable Legal Requirements. As a condition of any such transaction, LSU shall cause the other party to such transaction to be bound to the terms of this Section and assume LSU's obligations under this Section and any applicable requirements of Section 8.2 must be satisfied.

Section 2.12. OLOL Support of LSU GME Programs. OLOL shall provide to the LSU

GME Programs the programmatic and financial support as required by the MAA to further the Parties' mutual goals of developing and maintaining nationally recognized GME Programs with appropriate facilities, structure and funding at the OLOL Campus.

Section 2.13. Access to LSU Libraries. LSU will make on-line book and journal access available to the LSU Academic Faculty, Fellows, Residents, and medical students at OLOL through the LSUHSC library as part of existing institutional agreements among the library and vendors for the on-line books and journals. To the extent allowable under the applicable vendor agreement without additional cost to LSU, LSU will provide library access for OLOL College students and faculty. If an agreement does not allow such access, LSU will use its best efforts to modify such agreements to provide such on-line access; provided, that OLOL shall be responsible for paying any incremental costs charged by such vendors or other costs incurred by LSU for access by the OLOL students and faculty. LSU shall also provide the OLOL College and its students access to any library facility located in the Medical Education Building in accordance with a shared space agreement or similar arrangement as provided in Section 4.1(c)(iv).

Section 2.14. Termination of Services. Except in the case of internal medicine, emergency medicine, surgery and ENT, which specialties OLOL shall continue to provide during the Term so long as LSU continues to offer LSU GME Programs at OLOL for such specialties, if OLOL determines after engaging in the Consultative Process for a period of thirty (30) days that a certain specialty or similar medical service area cannot be sustained for financial reasons and such specialty or service area is necessary for any residency or fellowship program that is part of the LSU GME Programs, OLOL shall notify LSU of its intent to discontinue offering such specialty or medical services upon completion of LSU's then-existing ACGME teaching obligations to Residents or Fellows in such specialty GME Program associated with such specialty or service. OLOL shall not cease offering such specialty or services until such teaching obligations are completed. The Parties will work cooperatively and use reasonable best efforts, but shall not be obligated, to arrange for any Residency Positions associated with such terminated specialty or service to be filled through other specialties or service areas available through the LSU GME Programs.

ARTICLE III CLINICAL SERVICES

Section 3.1. Teaching Services; Patient Admission.

(a) Admissions to Teaching Service. LSU will maintain services to provide physician care to patients utilizing the services of the Residents and Fellows, in addition to attending and supervising physicians, in the LSU GME Programs. Subject to the capacity of the Resident teams assigned for primary admission on the LSU Teaching Service and the capacity and availability of OLOL inpatient and outpatient services and any special patient requests, unassigned patients who require inpatient services at OLOL will be admitted to the appropriate LSU Teaching Service if the patient meets admission criteria. The LSU 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 LSU Teaching Service shall be limited by the applicable ACGME

standards for Resident-to-patient ratios for the particular LSU Teaching Service. The number of Residents available to provide inpatient services through the LSU Teaching Services at OLOL 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 EKLMC on the Effective Date unless otherwise agreed by LSU and OLOL. In addition to considerations to ensure the LSU Teaching Services not exceed the maximum regulatory standards for Resident-to-patient ratios, patient admissions to the LSU 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 unassigned admissions must be referred to the LSU Teaching Services to maintain the activity on those LSU Teaching Services at least at the levels provided at EKLMC 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. Any such arrangements must comply with all applicable Legal Requirements and Health Care Laws. Subject to available adequate funding, OLOL will treat physicians who are not employed by LSU (“Community Physicians”) and LSU Faculty in a fair and equitable manner with respect to the ability to participate in any payment arrangements OLOL has or puts in place for physicians to treat uninsured or underinsured patients admitted to the OLOL Hospital but not to the LSU Teaching Service. Any agreements in place for such services will be compliant with Legal Requirements and Health Care Laws.

Section 3.2. OLOL Uncompensated and Charity Care Obligations. OLOL and LSU shall adopt and comply with a charity care policy which at a minimum satisfies LSU’s legal obligations to address the provision of free and reduced cost care at the OLOL Hospital. Patients admitted to an LSU Teaching Service and other patients who qualify for free or reduced cost care in accordance with such requirements will be admitted to a bed in the unit within the OLOL Hospital that is appropriate for the patient’s medical condition provided such bed is available and other admissions criteria generally applicable to patients are satisfied. OLOL will not maintain separate or isolated locations or facilities for such patients.

Section 3.3. LSU Outpatient Clinics.

(a) In General. The Parties recognize the importance of LSUHSC’s continuing to maintain appropriate levels of services to the community. In consideration of LSUHSC’s continuing service to the community and the impact that any change or reduction in LSUHSC’s services to the community would have on OLOL, the Parties agree, subject to the terms and conditions of this Agreement, during the Term LSU will operate community outpatient clinics as provided in this Section 3.3.

(b) Urgent Care Clinic. LSU will construct, or arrange for the construction of, and operate a new, 24-hour urgent care center with necessary outpatient diagnostic support, to be located in or adjacent to LSU’s outpatient clinic on Airline Highway in the North Baton Rouge area (the “LSU Urgent Care Clinic”). The LSU Urgent Care Clinic must be constructed and operating prior to (1) any material reduction in services currently

being provided by the EKLMC emergency department, or (2) the GME Program Start Date. LSUHSC shall operate, or cause to be operated, the LSU Urgent Care Clinic on a 24-hour, seven (7) day a week basis and offer services at the LSU Urgent Care Clinic of a type and at a level consistent with urgent care clinics of similar size serving a similar patient base.

(c) Existing Outpatient Facilities. In addition to the LSU Urgent Care Clinic, LSUHSC shall maintain and operate, or cause to be operated, not less than four (4) operating rooms and two (2) endoscopy rooms at the surgical facility located at 9032 Perkins Road, Baton Rouge, Louisiana. Further, LSU shall operate, or cause to be operated, the outreach clinics currently associated with EKLMC, as set forth on Schedule 3.3 attached hereto (each an “Existing Outpatient Facility”) as follows:

(i) At all times during the Term of this Agreement LSUHSC shall operate, or cause to be operated, the Existing Outpatient Facilities in a manner and at such times as to permit such facilities to maintain a combined annual capacity of not less than 100,000 separate outpatient and urgent care patient visits that generate an E&M Code.

(ii) During the Term of this Agreement, LSUHSC will not close or materially reduce, or allow to be closed or materially reduced, the services currently provided by any Existing Outpatient Facility without OLOL’s written consent, which consent shall not be unreasonably withheld. OLOL acknowledges that LSU does not own the Leo Butler clinic space or the MidCity clinic space, and the location and/or operation of such clinics may change due to circumstances beyond LSU’s reasonable control. Regardless of the foregoing, however, LSU agrees that in the event of closure or a material reduction of services currently provided by an Existing Outpatient Facility, regardless of the reason for such closure or material reduction of services, it shall continue to provide, or cause to be provided, identical or substantially similar services without interruption through an alternate or successor facility located close enough to the facility being closed or materially reduced in services provided to continue to serve the same patient population, in order to comply with the requirements set forth in Section 3.3(c)(i).

(iii) The Parties acknowledge the importance of the Existing Outpatient Facilities and the LSU Urgent Care Clinic in providing for the continuum of care of patients in the community and in training Residents and Fellows in the LSU GME Programs. Therefore, notwithstanding anything to the contrary in this Agreement, LSU shall not allow or permit any of the Existing Outpatient Clinics or the LSU Urgent Care Clinic to be operated or controlled by any Person who is not an Affiliate of LSU unless LSUHSC first offers OLOL the right to operate or control such Existing Outpatient Clinics or LSU Urgent Care Clinic on similar terms and conditions proposed for such non-Affiliate. In that event, LSU shall cause notice to be provided to OLOL of the terms and conditions of such arrangement. OLOL shall have thirty (30) days to provide notice to LSU of its decision to accept such terms. If OLOL fails to provide timely notice of such

decision, the Existing Outpatient Clinics and LSU Urgent Care Clinic may be operated or controlled by such non-Affiliate on the terms and conditions set forth in the notice provided to OLOL, provided that LSU shall continue to manage the Existing Outpatient Clinics and Urgent Care Clinic.

(d) Clinic Funding.

(i) LSU will use its best efforts to obtain provider-based status or an equivalent status or other funding arrangement that will provide an equivalent funding stream for the LSU Urgent Care Clinic and the Existing Outpatient Facilities.

(ii) If an adequate funding arrangement cannot be obtained or maintained for the LSU Urgent Care Clinic or the Existing Outpatient Facilities, LSU may request OLOL to fund the clinic costs it determines necessary (the "Requested Clinic Costs") to operate the LSU Urgent Care Clinic or the Existing Outpatient Facilities as required by this Agreement and OLOL will provide the Requested Clinic Costs on the conditions that: (A) the funding structure with OLOL is compliant with applicable laws, (B) OLOL receives a favorable opinion, in OLOL's reasonable discretion, of the Office of Inspector General with respect to compliance with applicable Health Care Laws, (C) OLOL receives a favorable opinion, in OLOL's reasonable discretion, of a nationally recognized health care counsel as to the reimbursement issues of the funding structure, (D) OLOL receives a favorable opinion, in OLOL's reasonable discretion, of a recognized health care counsel licensed in Louisiana that the reimbursement structure is compliant with Louisiana law, (E) the Parties, in each Party's sole discretion, agree there is sufficient additional funding available to OLOL to fund the Requested Clinic Costs, (F) such funding will not contravene the Ethical and Religious Directives, and (G) at the time of such funding request the arrangement is approved by the Franciscan Missionaries of Our Lady Health System Corporate Members, with the advice and counsel of the Bishop of the Baton Rouge Diocese. With respect to the selection of a nationally recognized health care counsel, the Parties will mutually agree on such counsel. If they cannot agree on the selection of such counsel, OLOL will deliver to LSU a list of at least three (3) legal counsel meeting the qualifications described above and which have not been engaged by OLOL in the two (2) years prior to the date on which such funding is first required and LSU will select the counsel to render the opinion from such list. Notwithstanding the foregoing, any funding provided by OLOL will be structured in a manner to ensure OLOL is not the owner or operator of such clinics and if OLOL is required to provide the Requested Clinic Costs pursuant to this Section, it shall only be required to provide such Requested Clinic Costs to the extent it receives the revenue identified by the Parties in item (E) above. OLOL will be responsible for all costs associated with the opinions contemplated by this Section.

Section 3.4. Mental Health. LSU and OLOL will work cooperatively with Capital Area Human Services District and DHH Office of Mental Health to address the ongoing provision of mental health services in the Service Area.

Section 3.5. Inmate Care. LSU will not provide inpatient care to inmates in the custody of the Louisiana Department of Corrections at OLOL Hospital, and will make arrangements with the Department of Corrections for an alternative location to provide inpatient care to inmates.

Section 3.6. Medical Records. LSU and OLOL shall work together to establish the standards and process for access to and use of current LSU patient records from EKLMC and to provide access for the same, as well as other systems integration needs and similar technological needs associated with moving EKLMC patients and the LSU GME Programs to OLOL. LSU shall cause the LSU Personnel to use OLOL's electronic medical records system for all OLOL inpatients treated by LSU Personnel. LSU and OLOL shall further work together to establish processes and standards toward the timely, efficient and secure exchange of patient records, paper and/or electronic, as necessary to support the administrative processes and clinical workflows related to the delivery and continuity of inpatient and outpatient care. This work shall include, as each Party is able based on information systems management capabilities currently in place and planned for the future, the provision of direct access to, and the interfacing and/or integration of electronic patient records, utilizing where appropriate and feasible healthcare industry standards for electronic data interchange, data interoperability and security of protected health information.

Section 3.7. Research Activities; Institutional Review Boards.

(a) OLOL, as a Major Teaching Hospital and academic medical center, recognizes the importance of clinical research and will encourage the practice of research by LSU Academic and Adjunct Faculty at OLOL. OLOL's policies and procedures will facilitate the performance of research at the OLOL Hospital consistent with the terms of this Agreement.

(b) Set forth on Schedule 6.7 is a list of all clinical research, clinical trials, research projects and similar research activities ("Research Projects") being performed, or which has been proposed to be performed, by or through LSU or the LSU GME Programs and which LSU proposes will be or may be performed all or in part through the LSU GME Programs on the OLOL Campus or using any OLOL resources.

(c) LSU and OLOL agree that each Research Project requiring collaboration between OLOL and LSU or other research activities requiring collaboration between OLOL and LSU that involve any research activities including OLOL patients or OLOL patient records, that will be performed in whole or in part on the OLOL Campus or using OLOL resources, shall be subject to: (a) unless LSU and OLOL agree otherwise, a separate agreement between OLOL and LSU and any other necessary Persons, and (b) to the extent required by Legal Requirements, approval by the applicable Institutional Review Board ("IRB").

(d) LSU shall use its good faith efforts to cause its IRB to attain Full Accreditation status through the Association for the Accreditation of Human Research Protection Programs (“AAHRPP”) or similar accrediting body prior to the GME Program Start Date. All such Research Projects described in Section 3.7(b) shall be reviewed by an IRB selected by LSU, provided that any such IRB shall have attained and then have and maintain during such review Full Accreditation status through AAHRPP or a similar accrediting body or will be recognized under the Federalwide Assurances program established by the United States Department of Health and Human Services; provided, however, that if the IRB does not hold Full Accreditation status through AAHRPP or similar accrediting body and OLOL reasonably determines the quality and performance of such IRB is not satisfactory, OLOL may provide notice of such determination to LSU. Such notice shall include a detailed explanation of the reasons of OLOL’s determination. In that case, LSU may continue to use such IRB only if it cures the items set forth in the notice. In either case, LSU shall bear the expense of any such Research Project review by LSU’s selected IRB. The Parties will attempt to resolve any disputes regarding the cure of any quality or performance failures by engaging in the Consultative Process for ten (10) days.

(e) Any research conducted solely by OLOL shall be reviewed by OLOL’s selected IRB.

(f) Notwithstanding the foregoing, all Research Projects shall be subject to initial and continuing review by the OLOL Clinical Research Steering Committee, and OLOL shall retain the sole discretion to approve, reject, or require modification to such Research Projects based upon compliance with the OLOL Rules, including but not limited to the Ethical and Religious Directives. Any modification of a Research Project that has previously received IRB approval shall also require IRB approval of such modification. The OLOL Clinical Research Steering Committee shall include at least one (1) representative from LSU.

ARTICLE IV FACILITIES

Section 4.1. OLOL Facilities. Subject to the terms and conditions of this Agreement and provided this Agreement is not terminated prior to completion of the improvements set forth in this Section pursuant to Section 13.4(a), Section 13.4(c), Section 13.4(d), Section 13.4(e), Section 13.4(f), or Section 13.4(h) or by OLOL pursuant to Section 13.4(b), as part of OLOL’s contribution to the Collaborative, to accommodate the increased patient volume anticipated to occur at the OLOL Campus, and to provide for the educational needs of LSU with respect to the LSU GME Programs, OLOL shall be obligated to construct and maintain in a manner consistent with other buildings found throughout the OLOL Campus, certain improvements, including (i) the Expansion of OLOL Inpatient Facility, (ii) the Trauma Center, and (iii) the Medical Education Building, together with all related surface parking areas, driveways and other improvements set forth in the approved plans for such improvements. OLOL will complete construction of such improvements by December 31, 2013, subject to events of Force Majeure and LSU and OLOL approving the final design plans, which approvals will not be unreasonably withheld, and receiving a building permit for the Medical Education Building (the “Construction”

Completion Date”), provided that the Construction Completion Date may be extended by consent of the Parties, which consent will not be unreasonably withheld.

(a) Expansion of OLOL Inpatient Facility. OLOL shall expand the OLOL Hospital to add a minimum of sixty (60) inpatient beds to be owned and operated solely by OLOL (the “Expansion of OLOL Inpatient Facility”).

(i) Plans and Specifications. All plans and specifications regarding the Expansion of OLOL Inpatient Facility shall be determined by OLOL in its sole discretion. OLOL shall be responsible for procuring all necessary governmental permits and approvals necessary to construct the Expansion of OLOL Inpatient Facility

(ii) Retention of Ownership. At all times OLOL shall retain ownership and operational control of any expansion and/or improvements to its existing hospital facility. Nothing in this Agreement shall be deemed to be a dedication or transfer of any right or interest in, or creating a lien upon, the OLOL Hospital.

(b) Trauma Center. OLOL shall construct, or cause to be constructed, a trauma center to be located on the OLOL Campus (the “Trauma Center”). Upon completion of the Trauma Center, OLOL shall own and operate the Trauma Center.

(i) Plans and Specifications. All plans and specifications regarding the Trauma Center shall be determined by OLOL in its sole discretion after consultation with LSU. OLOL shall be responsible for procuring all necessary governmental permits and approvals necessary to construct the Trauma Center, provided that LSU will provide reasonable cooperation necessary to procure such permits and approvals.

(ii) Marketing. All advertising and signage regarding the Trauma Center shall, to the extent permitted by 42 C.F.R. § 413.65(d)(4), carry the brands of both LSU and OLOL and shall be subject to the prior approval of OLOL and LSU. In addition, the Parties may agree to joint marketing activities, the cost of which shall be allocated between OLOL and LSU on a reasonable basis.

(iii) Retention of Ownership. At all times OLOL shall retain ownership of the Trauma Center facility. Nothing in this Agreement shall be deemed to be a dedication or transfer of any right or interest in, or creating a lien upon, the Trauma Center.

(c) Medical Education Building. OLOL shall construct, or cause to be constructed, an approximately 35,000 square foot Medical Education Building together with all related surface parking areas, driveways, other improvements set forth in the final plans for such Medical Education Building to be located on the OLOL Campus. Upon completion of the Medical Education Building, OLOL shall transfer title to the Medical Education Building to LSU, in accordance with the terms and conditions of the Ground Lease attached hereto as Exhibit 4.1(c). LSU shall own and operate the Medical Education

Building in accordance with the terms and conditions of this Agreement and the written and executed Ground Lease.

(i) Plans and Specifications. All plans, specifications and construction cost budgets regarding the construction of the Medical Education Building, together with all related surface parking areas, driveways and other improvements, shall be determined through a collaborative effort by LSU and OLOL, and OLOL shall regularly consult with LSU in developing the plans, specifications and construction cost budgets for the Medical Education Building.

The parties agree to diligently work on and finalize the plans and specifications, in a reasonable timeframe so that OLOL may meet its obligation to complete construction of the Medical Education Building by December 31, 2013. LSU shall have thirty (30) calendar days after receipt of the final plans from OLOL within which to approve or reject the final plans. LSU shall return the final plans to OLOL, either approved without changes or approved "as noted," with all of LSU's required changes specifically noted on the final plans, whereupon OLOL shall use reasonable efforts to incorporate any such changes requested by LSU, so long as any such changes do not increase the construction costs for the Medical Education Building. In the event LSU fails to approve or provide comments to the final plans within thirty (30) calendar days after receipt of the final plans from OLOL, the final plans will be deemed approved by LSU. Regardless of anything to the contrary herein, OLOL shall not be required to approve any plans, specifications or construction cost budgets for the Medical Education Building, together with all related surface parking areas, driveways and other improvements, where the costs for such construction (including any "soft" costs, such as costs of architectural and any required engineering services) are anticipated to exceed, in the aggregate, \$19,000,000. To the extent the actual design and construction costs of the Medical Education Building, together with all related surface parking areas, driveways and other improvements, as determined in accordance with generally accepted accounting principles, are less than \$19,000,000, such amount shall be used for improvements to medical education equipment and fixtures in the Medical Education Building. With respect to the costs for parking, if the Parties determine a parking garage will be constructed in lieu of additional surface parking, the planned cost for such surface parking may be allocated for use in the construction of such parking garage. Promptly after completion of final plans, OLOL shall commence and pursue, at its expense, utilizing commercially reasonable efforts, the procurement of all required permits allowing for the construction and use of the Medical Education Building. LSU and OLOL agree to support each other in their efforts to obtain the required permits by, among other things, attending all required meetings, and to the extent commercially reasonable, providing any necessary technical and design support, and providing any other reasonable cooperation necessary to procure the required permits. Regardless of anything to the contrary herein, the Medical Education Building shall be built in a manner similar to, and the exterior shall be aesthetically comparable to, other buildings found throughout the OLOL Campus.

(ii) Ground Lease for Medical Education Building.

(1) OLOL agrees to lease the land described in the Ground Lease to LSU upon which the Medical Education Building will be constructed, in accordance with the terms of the Ground Lease. Except as set forth in this Agreement or the Ground Lease, under no circumstances will OLOL deny or restrict, or seek to deny or restrict, through equitable or injunctive relief or otherwise, LSU's right of access to the Medical Education Building and attendant parking until such time as LSU no longer retains title to the Medical Education Building.

(2) Subject to this Agreement and the Ground Lease, at all times OLOL shall retain ownership of the land upon which the Medical Education Building will be constructed. Nothing in this Agreement shall be deemed to be a dedication or transfer of any right or interest in, or creating a lien upon, property on the OLOL Campus, other than a leasehold interest in favor of LSU in the land described in the Ground Lease.

(3) As of the Effective Date of this Agreement, OLOL represents that it has valid and merchantable title to the land leased pursuant to the Ground Lease in fee, subject only to those encumbrances set forth in the Ground Lease.

(iii) Restrictions on Use of Medical Education Building. LSU agrees that the use of the Medical Education Building shall be restricted to the uses and limitations on use as set forth in the Ground Lease. LSU's use and operation of the Medical Education Building shall be subject to and in compliance with the Ethical and Religious Directives and the OLOL Rules and consistent with LSU's academic mission.

(iv) Lease of Space in Medical Education Building.

(1) Upon completion of the Medical Education Building and transfer of title to LSU, the Parties will use their best efforts to agree on a portion of the LSU Medical Education Building to lease to OLOL (for the benefit of its assignee, Our Lady of the Lake College, Inc.). The amount of space and terms of the lease for such shall be such amount and terms as the Parties may reasonably agree at such time; provided, however, that the rental amount for the space leased to OLOL shall be at fair market value as determined by a certified appraiser acceptable to both OLOL and LSU, and such lease shall include a provision addressing OLOL College's access to and shared use of certain laboratories, classrooms and the common areas located in the Medical Education Building. OLOL and OLOL College, and their employees, students, invitees, and guests, shall have the right to access and use the Medical Education Building's auditorium space, certain laboratories, and the common areas located in

the Medical Education Building (collectively, the “Shared Space”) during normal hours of operation at such times as such areas are not used exclusively by LSU, the scheduling of which shall be coordinated between the parties in good faith, and access and use of the Medical Education Building’s library areas on a non-exclusive basis at all times that the Medical Education Building is open. In the event LSU and OLOL or OLOL College are unable to reach an agreement with respect to a lease of space in the Medical Education Building in accordance with the foregoing, LSU and OLOL or OLOL College will enter into a shared space agreement or similar arrangement granting OLOL College the right to access and use the Shared Space, at such times as such areas are not used exclusively by LSU or any other Space Lessees (as defined in the Ground Lease). Such shared space agreement or similar arrangement shall be on terms and conditions reasonably acceptable to LSU and OLOL, and OLOL’s use shall be subject to any and all reasonable rules implemented by LSU.

(2) LSU shall only lease or authorize subleases of space in the Medical Education Building as provided in the Ground Lease.

(v) Right of First Refusal. At any time during the term of the Ground Lease, in the event LSU shall receive a bona fide written offer from an unrelated third party or non-Affiliate to purchase or otherwise convey its interests, in whole or in part, in the Medical Education Building, and LSU desires to accept such bona fide written offer, then LSU shall promptly deliver to OLOL a copy of such written offer and such other detailed information regarding the offer as OLOL may reasonably request. For purposes of this subsection, an unrelated third party shall not include an Affiliate of LSU or any booster, foundation or similar organization which has as one of its primary purposes the support of LSU or any of its Affiliates, their programs or their missions. OLOL may, within thirty (30) days after receipt of the written offer from LSU, elect to purchase LSU’s interest in the Medical Education Building on the same terms and conditions set forth in the offer notice from LSU. If OLOL shall not accept such written offer within thirty (30) days after its receipt from LSU, this right of first refusal shall cease to exist, and LSU shall have up to one hundred fifty (150) days to convey its interest in the Medical Education Building to the proposed offeror based upon the terms and conditions set forth in the original bona fide offer, which conveyance shall be subject to the terms and conditions of the Ground Lease and the rights of the OLOL College as set forth herein. As a condition of any such transfer, LSU shall require the transferee to execute and deliver to LSU an assumption of the Ground Lease pursuant to which the transferee assumes LSU’s obligations hereunder and consents to the terms and conditions herein. If LSU fails to convey its interests in such time frame, any proposed transfer after such time will again be subject to the terms of this subsection.

(vi) OLOL to Purchase Medical Education Building. Upon termination of this Agreement for any reason, and notwithstanding any other provision herein,

after title to the Medical Education Building has been transferred to LSU, OLOL shall be obligated to purchase the Medical Education Building for fair market value at a closing (the “Closing”) to be held on such date as LSU elects to vacate the Medical Education Building (the “Closing Date”). LSU will give OLOL not less than one hundred eighty (180) days advance written notice of the Closing Date. In no event will the Closing Date be a date later than the first to occur of (A) two (2) years following the termination of the applicable Wind Down Period unless LSU, in its sole discretion, elects an earlier Closing Date, or (B) five (5) years after the beginning of the applicable Wind Down Period. If LSU fails to give notice of the Closing Date, the Closing Date shall be the first Business Day following the first to occur of (A) or (B) described in the prior sentence. The purchase price for the Medical Education Building will be paid in full at the Closing. For purposes of this Section 4.1.(c)(vi), “fair market value” shall be determined as set forth in the Ground Lease. The Ground Lease shall terminate effective with the Closing of the purchase of the Medical Education Building in accordance with its terms.

(vii) State’s Required Efforts. The State acknowledges and agrees that the purpose of the sale of the Medical Education Building is and will be to allow the LSU GME Programs to be relocated to another physical location owned by LSU following termination of this Agreement, specifically including, without limitation, acquisition or construction of a new education building owned by LSU for the LSU GME Programs.

(d) Clinic Space. OLOL is currently constructing a new medical building on O’Donovan Drive (the “OLOL MOB 4”). Upon completion of the OLOL MOB 4, OLOL shall lease approximately 15,000 square feet of space in the OLOL MOB 4, or other comparable space on the OLOL Campus (the “Leased Clinic Space”), to LSU in accordance with the terms and conditions of this Agreement and the written and executed lease attached hereto as Exhibit 4.1(d) which will be signed by the Parties contemporaneously with the signing of this Agreement and with an effective start date to coincide with the GME Program Start Date. The rental amount for the space leased to LSU shall be at fair market value. Nothing in this Agreement shall be deemed to be a dedication or transfer of any right or interest in favor of LSU, other than the leasehold interest set forth herein, in the OLOL MOB 4.

Section 4.2. New Urgent Care Clinic. In an effort to continue meeting the needs of the community, LSU shall construct, or cause to be constructed, the LSU Urgent Care Clinic.

(a) Construction. Subject to Section 3.3(b), LSU shall accomplish the completion of the LSU Urgent Care Clinic on or before the earlier of: (1) any material reduction in services currently being provided by the EKLMC emergency department; or (2) the GME Program Start Date.

(b) Facilities. The LSU Urgent Care Clinic shall contain no less than ten (10) examination rooms, shall be open 24 hours a day, 7 days a week, shall be fully staffed with both necessary clinical staff and administrative staff (including but not limited to adequate

on-call physician coverage), shall contain equipment appropriate for the intended use of the facility (including but not limited to X-ray capacity) and shall have all appropriate certifications and licensures as an urgent care outpatient clinic. The LSU Urgent Care Clinic shall be maintained in accordance with applicable State maintenance standards, shall meet all applicable requirements for facility maintenance and shall at all times comply with all Legal Requirements applicable to an urgent care outpatient facility.

ARTICLE V PERSONNEL

Section 5.1. LSU Staff and Resources. LSU shall provide all necessary professional, technical, and clerical personnel for the effective administration of the LSU GME Programs as well as the availability of adequate resources for the education and training of LSU Residents and Fellows.

Section 5.2. Qualifications. LSU represents, warrants and covenants that the following is, and through the Term of this Agreement, shall be true and correct:

(a) Qualifications of Academic Faculty. With respect to each member of the Academic Faculty who is a physician and will provide services at OLOL under the terms of this Agreement:

(i) The Faculty member is licensed to practice medicine in the State of Louisiana without restriction or subject to any disciplinary or corrective action;

(ii) The Faculty member has all customary certifications, professional memberships, and licenses required or appropriate for the practice of any medical specialty to be performed by such practitioner, including, without limitation, a valid, unrestricted narcotics and controlled dangerous substances certificate and registration issued by the Louisiana Board of Pharmacy and number issued by the U.S. Drug Enforcement Agency;

(iii) The Faculty member is a valid, unrestricted and qualified participating provider in the Medicare and Medicaid programs;

(iv) The Faculty member is, or prior to providing any medical services at OLOL will be, a member of the OLOL "Active" Medical Staff (as defined or contemplated by the OLOL medical staff bylaws); and

(v) The Faculty Member is not a Medicare excluded person.

(b) Qualifications of Non-Physician Academic Faculty. Each member of the Academic Faculty who is not a physician and will provide services at OLOL under this agreement, has appropriate qualifications in his/her field and holds appropriate institutional appointment, and will continue to have such qualifications and appointments throughout the Term.

(c) Qualifications of Residents and Fellows. With respect to each Resident and Fellow providing services at OLOL under the terms of this Agreement:

(i) The Resident or Fellow meets all eligibility requirements set forth in the ACGME Institutional Requirements to participate in the LSU GME Programs;

(ii) The Resident or Fellow is licensed to practice medicine in the State of Louisiana without restriction or subject to any disciplinary or corrective action;

(iii) The Resident or Fellow has all customary certifications, professional memberships, and licenses required or appropriate for the practice of any medical specialty to be performed by such practitioner;

(iv) The Resident or Fellow is a valid, unrestricted and qualified participating provider in the Medicare and Medicaid programs;

(v) The Resident or Fellow is a member of the Medical Staff of OLOL in the appropriate category as defined or contemplated by the OLOL medical staff bylaws; and

(vi) The Resident or Fellow is not a Medicare excluded person.

(d) Qualifications of Staff/Ancillary Personnel. With respect to each staff/ancillary personnel who will provide services at OLOL under this Agreement, all LSU staff and ancillary personnel, including nursing and allied health professionals, will have appropriate qualifications in their field and hold appropriate credentials/licenses which are in good standing and not subject to any restrictions and is not a Medicare excluded person.

Section 5.3. Nondiscrimination. LSU shall cause the LSU Personnel to provide, at all times while providing services under this Agreement, prompt and professional attention to the patients of OLOL irrespective of sex, race, religion, color, disability, national origin, sexual orientation, pregnancy, HIV status or veteran's status.

Section 5.4. Proper Medical Records; Billing Procedures. LSU shall cause the LSU Personnel to prepare and maintain appropriate charts, files and records of all professional services rendered under this Agreement, all in accordance with applicable third party payer reimbursement requirements, OLOL requirements and all applicable laws, rules and regulations. The LSU Personnel's responsibility for dictating medical reports shall be fulfilled upon the LSU Personnel providing such medical report in a form that complies with the applicable OLOL Rules. LSU shall cause the LSU Personnel to use and cooperate with OLOL's information system initiatives, including documentation and signing electronically. LSU shall cause the LSU Personnel to provide accurate and complete ICD-9 codes (or their successor codes or coding process) and other information required for billing and reimbursement to OLOL for the technical component of the services provided by OLOL and for the level of documentation contained in the medical records of the patients. All professional services billing by LSU Personnel will comply with all applicable laws. The obligations of LSU and the LSU Personnel described in

this Section for the completion of medical reports and provision of assistance to OLOL shall continue after the termination of this Agreement.

Section 5.5. Practice Standards. LSU shall require the LSU Personnel to render medical services at OLOL in accordance with the Ethical and Religious Directives, in a competent, professional and ethical manner, in accordance with prevailing standards of the medical profession, and in compliance with all applicable statutes, regulations, rules, orders and directives of any and all applicable governmental and regulatory bodies having competent jurisdiction. Further, LSU will require the LSU Personnel to treat all patients and their families and all OLOL staff in a courteous and professional manner in accordance with OLOL's service standards.

Section 5.6. Personal Conduct. LSU shall cause the LSU Personnel to act at all times in a professional manner, and shall refrain from any action or conduct that is disruptive, unprofessional, or harassing, including, but not limited to, conduct which is sexual in content or orientation. LSU shall cause the LSU Personnel to practice in a manner which does not interfere with the orderly and efficient rendering of services by OLOL or by other practitioners of OLOL and to work cooperatively with others.

Section 5.7. Dress Code. LSU shall require the LSU Personnel to dress in accordance with dress and personal appearance standards approved by OLOL. Such standards shall be in accordance with the OLOL's standards regarding same including all infection control issues.

Section 5.8. Health of LSU Personnel. All LSU Personnel shall pass a medical examination acceptable to OLOL prior to their participation in the LSU GME Programs. LSU shall cause all LSU Personnel to present appropriate and up-to-date health records before the first day of their services at the OLOL Campus, including without limitation the items set forth on Schedule 5.8. LSU shall be financially responsible for treatment and follow-up care in accordance with OLOL protocols when LSU Personnel are exposed to infectious or environmental hazards or other occupational injuries on the OLOL Campus; provided, however, OLOL shall use its good faith efforts to cooperate with and assist LSU in such treatment.

Section 5.9. Background Checks. LSU shall, in a timely manner at the expense of either LSU or LSU Personnel, conduct (or have conducted) a background check on each individual included among the LSU Personnel. The background check shall include, at a minimum, the information set forth on Schedule 5.9. If the background check discloses information as to any LSU Personnel that may reasonably be considered as "adverse," then LSU shall immediately disclose such information to OLOL which shall, in its discretion, have the right to require that LSU remove such individual from the OLOL Campus pursuant to Section 5.18.

Section 5.10. Religious Directives; OLOL Rules; Mission of OLOL. LSU shall comply, and shall cause the LSU Personnel to comply at all times LSU or the LSU Personnel are on the OLOL Campus, with the OLOL Rules as from time-to-time in effect, as if such OLOL Rules were set forth herein, and without any further amendment or modifications to this Agreement. OLOL may, from time to time, amend or modify the OLOL Rules, provided that OLOL complies with its prescribed procedures for amending or modifying such OLOL Rules to the

extent any such procedures apply, except in the case of the Ethical and Religious Directives, which may be amended or modified without any restrictions. LSU will comply with any amendments to the Ethical and Religious Directives as provided above without engaging in the Consultative Process, provided that OLOL will promptly provide any such amendments to LSU.

Section 5.11. Continuing Professional Education. LSU shall cause the LSU Personnel to do all things reasonably necessary and desirable to maintain their professional skills.

Section 5.12. Payer Arrangements. Each Party shall use its reasonable best efforts to participate in all arrangements with third party payers in which the other Party participates, and to support the other Party's efforts to participate in all arrangements with third party payers in which it participates.

Section 5.13. Meetings and Committees. LSU shall, consistent with the requirements of the Bylaws of the Medical Staff of OLOL, cause the LSU Personnel to (i) attend meetings and conferences of the Medical Staff, or departments thereof, to the extent applicable to such Person's medical practice and services rendered at OLOL, (ii) accept Medical Staff committee appointments, and (iii) cooperate actively with OLOL in promoting improved standards of patient care. LSU shall use its best efforts to assist OLOL in promoting improved standards of patient care.

Section 5.14. Use of Facilities. Except to the extent of any private medical practice by members of the Academic Faculty, Adjunct Faculty or LSU Covering Physicians, LSU and the LSU Personnel shall use OLOL facilities and the personnel, equipment and supplies provided by OLOL solely for the purposes of providing services pursuant to this Agreement and performing their duties under this Agreement.

Section 5.15. Agreement by Faculty and Residents. LSU shall direct and instruct LSU Personnel to perform services at OLOL in accordance with the terms of this Agreement.

Section 5.16. Appointment of OLOL Physicians as Adjunct Faculty. LSU and OLOL shall work collaboratively to establish a process to appoint Adjunct Faculty from the Medical Staff of OLOL and to contract with Community Physicians to train and supervise Residents and Fellows in connection with the LSU GME Programs. Any agreements in place for such services will be compliant with all applicable Legal Requirements, Health Care Laws and ACGME Requirements.

Section 5.17. Compliance Training. LSU shall provide directly or jointly with OLOL, and shall cause the LSU Personnel employed by LSU to participate in (to the extent applicable to the individual LSU Personnel in question), mandatory and effective education and in-service programs on an initial, annual and as needed basis to train such LSU Personnel on laws, rules and regulations applicable to (i) the LSU GME Programs, including but not limited to ACGME program requirements and billing and collections rules, and (ii) the workplace environment, including but not limited to training on supervision standards, harassment and discrimination.

Section 5.18. Removal of LSU Personnel. Subject to any OLOL Rules that may apply, if any LSU Personnel fails to satisfy any of the obligations under this Agreement applicable to or governing the conduct, qualifications or credentials of such LSU Personnel, then upon written

notice from OLOL, LSU and OLOL shall engage in the Consultative Process for a period of ten (10) days to attempt to address such failure in a manner agreeable to LSU and OLOL. If OLOL and LSU are unable to resolve such failure the matter will be referred to the OAC for resolution. If the OAC is unable to resolve the matter, upon the written request of OLOL LSU shall cause such LSU Personnel to be immediately removed from the OLOL Campus and will not allow such person to provide services under this Agreement without the consent of OLOL. If LSU fails to respond and cause such LSU Personnel to be removed from the OLOL Campus, OLOL shall have the right to remove such LSU Personnel from the OLOL Campus and prevent such LSU Personnel from providing services under this Agreement or on the OLOL Campus, in addition to any other remedies available to OLOL. Notwithstanding the foregoing, the removal of an OAC committee member of LSU, the LSU DIO, an LSU Program Director, a QAC committee member of LSU, Residents and Fellows, and FAC committee member of LSU shall be governed by Section 1.4, Section 2.5(a), Section 2.5(e), Section 2.6(d), Section 2.10, and Section 1.5(c), respectively.

Section 5.19. Compensation and Benefits. LSU shall be solely responsible for all compensation, benefits, and other consideration to be paid to or received by the LSU Personnel. OLOL's obligations to reimburse LSU for such costs shall be set forth in the MAA.

ARTICLE VI LSU REPRESENTATIONS AND WARRANTIES

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

Section 6.1. Organization and Good Standing. LSU is a public constitutional corporation organized under the 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 conduct its activities with respect to GME as it is now being conducted, to own or use the properties and assets that it purports to own or use, and to perform all its obligations under this Agreement, including the power and authority to operate the LSU GME Programs.

Section 6.2. Enforceability; Authority; No Conflict. Subject to the approvals set forth on Schedule 8.4:

(a) This Agreement constitutes the legal, valid and binding obligation of LSU, enforceable against it in accordance with its terms. Upon the execution and delivery by LSU of any document or agreement to be executed in connection with this Agreement, each other agreement will constitute the legal, valid and binding obligation of LSU, enforceable against LSU in accordance with its terms. LSU has the absolute and unrestricted right, power and authority to execute and deliver this Agreement and such other documents to which it is a party and to perform its obligations under this Agreement and such other documents, and such action has been duly authorized by all necessary action by 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 6.2.

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

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

(ii) Breach or, to LSU's Knowledge, 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 LSU 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 LSU;

(iv) Cause OLOL to become subject to, or to become liable for the payment of, any Liability of LSU; or

(v) Result in the LSU GME Programs violating any rules, policies, procedures or accreditation requirements of ACGME or otherwise result in (A) the LSU GME Programs ceasing to be accredited by ACGME, (B) the LSU GME Programs or the Existing Outpatient Facilities ceasing to be funded by the State, or (C) LSU ceasing to comply with or satisfy any CMS reimbursement requirements or regulations applicable to the LSU GME Programs.

(c) LSU warrants that it will not take any action, fail to take any action, enter into any agreement or consummate any transaction that would prevent LSU from performing the Contemplated Transactions or performing its obligations under this Agreement or any agreement delivered in connection with this Agreement or otherwise materially and adversely affect the LSU GME Programs without the prior written consent of an authorized representative of OLOL.

Section 6.3. Employee Benefits. To LSU's Knowledge, all employee pension benefit plans as defined in Section 3(2) of ERISA and employee health or welfare benefit plans as defined in Section 3(1) of ERISA (collectively the "Benefit Plans") of LSU and its Affiliates qualify as governmental plans as defined and provided by Sections 4(b)(1) and 3(32) of ERISA, and have been administered in accordance with applicable law in all material respects, to the extent such plans are established and administered by LSU. To LSU's Knowledge no event has occurred that would result in, and consummation of the Contemplated Transactions shall not result in, OLOL incurring any Liability for any 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.

Section 6.4. Compliance with Legal Requirements. To LSU's Knowledge, LSU Personnel have operated the Existing Outpatient Facilities and the LSU GME Programs in compliance with all Legal Requirements, including Health Care Laws. LSU covenants to

operate, or cause to be operated, the EKLMC, the LSU Urgent Care Clinic, the Existing Outpatient Facilities and the LSU GME Programs in compliance with all Legal Requirements, including Health Care Laws. To LSU's Knowledge, in connection with LSU's operation of the LSU GME Programs neither (i) LSU nor any LSU Personnel has received or made any payment or any remuneration whatsoever to induce or encourage the referral of patients or the purchase of goods and/or services as prohibited under any state law or Health Care Law, nor (ii) has any Governmental Body or third-party payer formally alleged in writing or LSU received any notice of any violation of Health Care Law within the last seven (7) years. Without limiting the generality of the foregoing:

(a) Permits, Licenses and Accreditation. All LSU Personnel performing or to perform services pursuant to this Agreement have or shall have at the time such services are performed 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 EKLMC is owned and duly licensed by the State of Louisiana and operated by LSU as a general acute care hospital. LSU has all permits and licenses necessary for the proper operation of the LSU GME Programs, including a valid Medicare provider number. The LSU GME Programs are accredited by ACGME and, to LSU's Knowledge, are in compliance with the ACGME requirements necessary for accredited GME Programs.

(b) Medicare/Medicaid Participation. 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. No LSU Personnel is an Excluded Provider. In the event it is determined that any LSU Personnel is or becomes an Excluded Provider, that individual shall be prohibited from performing services under this Agreement.

(c) Fraud and Abuse. To LSU's Knowledge no LSU Personnel has engaged in any activities which are prohibited under any Health Care Law, or the regulations promulgated thereunder pursuant to such statutes, or related state or local statutes or regulations, or which are prohibited by rules of professional conduct, including the following: (i) knowingly and willfully making or causing to be made a false statement or representation of a fact in any application for any benefit or payment; (ii) knowingly and willfully making or causing to be made any false statement or representation of a fact for use in determining rights to any benefit or payment; (iii) knowingly and willingly concealing any event affecting the initial or continued right to receive any benefit or payment with intent to fraudulently secure such benefit or payment in an amount or quantity greater than that which is due or which is authorized; or (iv) knowingly and willfully soliciting or receiving any remuneration (including any kickback, bribe, or rebate), directly or indirectly, overtly or covertly, in cash or in kind or offering to pay or receive such remuneration (1) in return for referring an individual to a person for the

furnishing or arranging for the furnishing or 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 EKLMC or any Existing Outpatient Facility.

Section 6.5. Legal Proceedings; Orders. There is no pending or, to LSU's Knowledge, threatened Proceeding that challenges, or that may have the effect of preventing, delaying, making illegal or otherwise interfering with, any of the Contemplated Transactions. To LSU'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. There is no Order to which LSU is subject that would limit or affect LSU's ability to enter into this Agreement or consummate the Contemplated Transactions. Except as set forth on Schedule 6.5 there is no Proceeding pending, or to LSU's Knowledge threatened against, or affecting the LSU GME Programs or any LSU Personnel and there is no basis for any of the foregoing. None of the Proceedings set forth in Schedule 6.5 could result in any adverse change in the operations, results of operations, or future prospects of the LSU GME Programs or result in loss of accreditation of the LSU GME Programs by ACGME.

Section 6.6. Insurance; Malpractice. All clinical LSU Personnel have been continuously insured for professional malpractice claims during the lesser of (i) the last three (3) years, or (ii) the period during which such LSU Personnel has been authorized to provide professional medical services on behalf of LSU. All clinical LSU Personnel are "qualified state health care providers" as defined in LA R.S. 40:1299.39, *et seq.*, and are thus named insureds covered under the State's professional liability insurance administered through the Office of Risk Management. No 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 6.7. Research Projects. Schedule 6.7 contains a list of all Research Projects being performed, or which has been proposed to be performed, by or through LSU or the LSU GME Programs and which LSU proposes will be or may be performed all or in part through the LSU GME Programs on the OLOL Campus or using any OLOL resources.

Section 6.8. 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 VII OLOL REPRESENTATIONS AND WARRANTIES

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

Section 7.1. Organization and Good Standing. OLOL is a Catholic, nonprofit Louisiana corporation operating under the sponsorship of the Franciscan Missionaries of Our Lady and organized under the laws of the State of Louisiana. OLOL is validly existing and in good standing under the laws of the State of Louisiana, with full power and authority to conduct its operations as it is now being conducted, to own or use the properties and assets that it purports to own or use, and to perform all its obligations under this Agreement.

Section 7.2. Enforceability; Authority; No Conflict. Subject to the approvals set forth on Schedule 8.4:

(a) This Agreement constitutes the legal, valid and binding obligation of OLOL, enforceable against it in accordance with its terms. Upon the execution and delivery by OLOL of any document or agreement to be executed in connection with this Agreement, each other agreement will constitute the legal, valid and binding obligation of OLOL, enforceable against it in accordance with its terms. OLOL has the absolute and unrestricted right, power and authority to execute and deliver this Agreement and such other documents to which it is a party and to perform its obligations under this Agreement and such other documents, and such action has been duly authorized by all necessary action by OLOL's Board. A copy of the authorizing consent resolution or certified meeting minutes is attached as Exhibit 7.2.

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

(i) Breach (A) any provision of any of the Governing Documents of OLOL or (B) any resolution adopted by OLOL's 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 OLOL 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 OLOL.

(c) OLOL warrants that it will not take any action, fail to take any action, enter into any agreement or consummate any transaction that would adversely affect in a material way or prevent OLOL from performing the Contemplated Transactions or performing its obligations under this Agreement or otherwise materially and adversely

affect the LSU GME Programs without the prior written consent of an authorized representative of LSU.

Section 7.3. Employee Benefits. All Benefit Plans of OLOL qualify as non-electing church plans as defined and provided by Sections 4(b)(2) and 3(33)(A) of ERISA, and Sections 414(e) and 501 of the Code. All such Benefit Plans have been administered in accordance with applicable law in all material respects. No event has occurred that would result in, and the consummation of the Contemplated Transactions shall not result in, LSU incurring any Liability for any Benefit Plan of OLOL or to any employee of OLOL with respect to such Benefit Plans.

Section 7.4. Compliance with Legal Requirements. To OLOL's Knowledge, OLOL has operated and shall operate in compliance with all Legal Requirements, including Health Care Laws. To OLOL's Knowledge, neither OLOL nor any OLOL Personnel has received or made any payment or any remuneration whatsoever to induce or encourage the referral of patients or the purchase of goods and/or services as prohibited under any state law or Health Care Law, nor has any Governmental Body or third-party payer formally alleged in writing any violation of Health Care Law by OLOL or any OLOL Personnel within the last seven (7) years. Without limiting the generality of the foregoing:

(a) Permits and Licenses. OLOL has or shall have at the time such services are performed all permits and licenses and other Governmental Authorizations required by all Legal Requirements for the operation of the OLOL Hospital and is not in violation of any of said permitting or licensing requirements. The OLOL Hospital is currently duly licensed by the State of Louisiana as having 712 beds. The ancillary departments and other operations thereof that are required to be specifically licensed are duly licensed by the appropriate state agencies.

(b) Medicare/Medicaid Participation. OLOL is 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 OLOL'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. Neither OLOL nor any OLOL Personnel is an Excluded Provider.

(c) Fraud and Abuse. To OLOL's Knowledge, neither OLOL nor any OLOL Personnel has engaged in any activities which are prohibited under any Health Care Law, or the regulations promulgated thereunder pursuant to such statutes, or related state or local statutes or regulations, or which are prohibited by rules of professional conduct, including the following: (i) knowingly and willfully making or causing to be made a false statement or representation of a fact in any application for any benefit or payment; (ii) knowingly and willfully making or causing to be made any false statement or representation of a fact for use in determining rights to any benefit or payment; (iii) knowingly and willingly concealing any event affecting the initial or continued right to receive any benefit or payment with intent to fraudulently secure such benefit or payment in an amount or quantity greater than that which is due or which is authorized; or (iv)

knowingly and willfully soliciting or receiving any remuneration (including any kickback, bribe, or rebate), directly or indirectly, overtly or covertly, in cash or in kind or offering to pay or receive such remuneration (1) in return for referring an individual to a person for the furnishing or arranging for the furnishing of any item or service for which payment may be made in whole or in part by Medicare or Medicaid or (2) in return for purchasing, leasing, or ordering or arranging for or recommending purchasing, leasing or ordering any good, facility, service or item for which payment may be made in whole or in part by Medicare or Medicaid. OLOL is not a party to any Corporate Integrity Agreement or similar settlement, compliance or oversight agreement with any Governmental Body.

Section 7.5. Legal Proceedings; Orders. There is no pending or, to OLOL's Knowledge, threatened Proceeding that challenges, or that may have the effect of preventing, delaying, making illegal or otherwise interfering with, any of the Contemplated Transactions. To OLOL'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. There is no Order to which OLOL is subject that would limit or affect OLOL's ability to enter into this Agreement or consummate the Contemplated Transactions.

Section 7.6. Insurance; Malpractice. OLOL has been continuously insured for professional malpractice claims during the last three (3) years. OLOL is a qualified health care provider covered under the provisions of the Louisiana Medical Malpractice Act, LA 40:1299.41, *et al.*, and is therefore a member of the Patient's Compensation Fund. OLOL is not in default with respect to any provision contained in any policy covering the professional acts of OLOL and OLOL has not failed to give any notice or present any claim under any such policy in a due and timely fashion. OLOL has maintained in effect and continues to maintain in effect such other policies of insurance as are customary for a health care provider of similar size and scope of the operations of OLOL, with such limits and other terms of coverage as are commercially reasonable for health care providers of similar in size and scope to OLOL.

Section 7.7. Full Disclosure. No representation or warranty made by OLOL 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 VIII ADDITIONAL COVENANTS OF LSU

Section 8.1. Compliance with ACGME Requirements. LSU shall use its best efforts to cause the LSU GME Programs to maintain their accreditation by ACGME and to cause the LSU GME Programs to continue to be in material compliance with all ACGME rules, regulations, policies, procedures and other accreditation requirements.

Section 8.2. Continuance of EKLMC Operations. LSU shall take all action necessary to cause EKLMC to continue to maintain its current hospital license and provider status without restriction or modification, including without limitation its Provider Numbers, or merge its license and provider status with UMC, and in either case will preserve or cause UMC to preserve at all times during the Term the seventy-five (75) Residency Caps associated with the Collaborative Residency Positions, all in accordance with CMS and ACGME requirements. Any

such merger with UMC shall provide that UMC will be subject to the terms and conditions of this Agreement. Any transfer, discontinuation, restriction, modification or other change in the rights and obligations associated with the EKLMC Hospital license or any other event or transaction resulting in any party other than LSU (an “EKLMC Successor”) operating or controlling the EKLMC hospital or its operations, other than merger of EKLMC into UMC, must be approved in writing by the OLOL CEO prior to the time of such event. The EKLMC Successor or UMC, as the case may be, must become a party to this Agreement and agree to be bound by all the terms and conditions contained herein, and must meet all ACGME and CMS requirements as they pertain to the LSU GME Programs. Further, LSU shall take all action necessary to ensure that the EKLMC Successor or UMC, as the case may be, and OLOL are a “Medicare GME affiliated group” as that term is defined in 42 C.F.R. § 413.75(b). Any permitted merger or closure of the EKLMC facility will be completed by LSU in a manner that provides for the transition of current EKLMC patients, employees and the LSU GME Programs pursuant to a closure plan for the EKLMC facility in accordance with LA R.S. 17:1519.3 and this Agreement.

Section 8.3. Exclusive Arrangement. During the Term of this Agreement prior to any applicable Wind Down Period, LSU shall not (i) pursue construction, acquisition, development or operation of an academic medical center or similar health care facility as a stand-alone facility in the Service Area; or (ii) except as provided in Section 2.11 and with respect to any Residency Positions not included in the Collaborative Residency Positions as of the Effective Date, affiliate with another health care provider with respect to services provided by the LSU GME Programs.

Section 8.4. Third Party Consents and Approvals. LSU will use its best efforts to obtain the Third Party Consents and Approvals set forth on Schedule 8.4.

Section 8.5. Further Acts and Assurances. LSU shall, at any time and from time to time at and after the execution of this Agreement, upon request of OLOL, 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.

Section 8.6. Nonsolicitation of OLOL Employees. LSU will not actively recruit employees of OLOL or target OLOL to recruit and solicit such employees to terminate their employment; however, this provision shall not prohibit advertisements of employment opportunities or solicitations for employment made to the public at large.

Section 8.7. Delivery of Legal Opinion. Upon execution of this Agreement, LSU has caused to be delivered to OLOL an opinion of counsel substantially in the form of Exhibit 8.7.

Section 8.8. Resource/Utilization Management. LSU agrees to implement and coordinate with OLOL a resource/utilization management program to ensure medically necessary and appropriate services are provided, and that services are cost-effective. It is recognized by DHH that additional services and treatments will be made available at OLOL that may not be available at EKLMC. The resource/utilization management program shall seek to ensure services are provided without unnecessary cost or utilization that is not medically

necessary. The resource/utilization management program will be submitted to DHH within thirty (30) days of the effective date of the rule contemplated by Section 11.1 and is subject to approval by DHH, which approval shall not be unreasonably withheld.

ARTICLE IX ADDITIONAL COVENANTS OF OLOL

Section 9.1. Compliance with ACGME Requirements. OLOL shall use its best efforts to cause OLOL to maintain its status as a Major Participating Site in compliance with all ACGME rules, regulations, policies, procedures and other accreditation requirements.

Section 9.2. Third Party Consents and Approvals. OLOL will use its best efforts to obtain the Required Consents.

Section 9.3. Further Acts and Assurances. OLOL shall, at any time and from time to time at and after the execution of this Agreement, upon request of LSU, 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.

Section 9.4. Nonsolicitation of LSU Personnel. Neither OLOL nor any of its Affiliates will actively recruit any LSU Personnel working at the OLOL Campus for the LSU GME Programs or target any LSU Personnel to recruit and solicit such employees to terminate their employment; however, this provision shall not prohibit advertisements of employment opportunities or solicitations for employment made to the public at large.

Section 9.5. Delivery of Legal Opinion. Upon execution of this Agreement, OLOL has caused to be delivered to LSU an opinion of counsel substantially in the form of Exhibit 9.5.

Section 9.6. Resource/Utilization Management. OLOL agrees to implement and coordinate with LSU a resource/utilization management program to ensure medically necessary and appropriate services are provided, and that services are cost-effective. It is recognized by DHH that additional services and treatments will be made available at OLOL that may not be available at EKLMC. The resource/utilization management program shall seek to ensure services are provided without unnecessary cost or utilization that is not medically necessary. The resource/utilization management program will be submitted to DHH within 30 days of the effective date of the rule contemplated by Section 11.1 and is subject to approval by DHH, which approval shall not be unreasonably withheld.

ARTICLE X CONDITIONS TO OBLIGATIONS

Section 10.1. Conditions to OLOL Performance. The obligations of OLOL to consummate the Contemplated Transactions are subject to the satisfaction (or written waiver by OLOL), at or prior to the time for OLOL's performance, of each of the following conditions:

(a) Consents. All consents, approvals, Orders or authorizations of, or registrations, declarations or filings with any Person required in connection with the execution, delivery or performance hereof shall have been obtained or made and shall be in full force and effect, in each case in form and substance reasonably satisfactory to OLOL.

(b) No Restraints. No temporary restraining order, preliminary or permanent injunction or other Order preventing the consummation of the Contemplated Transactions shall have been issued by any Governmental Body.

(c) No Proceedings. There shall not be pending or threatened any Proceeding: (i) challenging or seeking to restrain or prohibit the consummation of the Contemplated Transactions, or (ii) relating to the Contemplated Transactions and seeking to obtain from OLOL any damages or other relief that may be material to OLOL.

Section 10.2. Conditions to LSU Performance. The obligations of LSU to consummate the Contemplated Transactions are subject to the satisfaction (or written waiver by the LSU), at or prior to the time for LSU's performance, of each of the following conditions:

(a) Consents. All consents, approvals, Orders or authorizations of, or registrations, declarations or filings with any Person required in connection with the execution, delivery or performance hereof shall have been obtained or made and shall be in full force and effect, in each case in form and substance reasonably satisfactory to LSU.

(b) No Restraints. No temporary restraining order, preliminary or permanent injunction or other Order preventing the consummation of the transactions contemplated hereby shall have been issued by any Governmental Body.

(c) No Proceedings. There shall not be pending or threatened any Proceeding: (a) challenging or seeking to restrain or prohibit the consummation of the Contemplated Transactions, or (b) relating to the Contemplated Transactions and seeking to obtain from LSU any damages or other relief that may be material to the LSU.

ARTICLE XI FUNDING

Section 11.1. Required Funding.

(a) Rulemaking. Subject to any approvals required by CMS, the State, through DHH, shall publish and promulgate a reimbursement rule which will provide that the State, through DHH, will pay to OLOL the costs identified on Schedule 11.1(a) (the "Required Funding") incurred by OLOL on or after the date which is ninety (90) days prior to GME Program Start Date. OLOL and DHH believe that costs will be acceptably captured in the future based on the use of Medicaid/Medicare Cost Report data and the other elements of the Cost Analysis Worksheet described below. Failure to publish and promulgate this rule, the amendment or repeal of this rule without the consent of OLOL, or the failure to pay amounts to OLOL pursuant to such rule will be grounds for termination of this Agreement as provided in Section 11.3. The methodology for determining the

Required Funding shall be as set forth in subsection (b) below. If DHH, OLOL and LSU implement any coordinated care network or other managed care payment arrangement, such arrangement shall provide that OLOL will receive the Required Funding as described in this Agreement for the goods, services and actions provided by or through OLOL as part of such managed care payment arrangement.

(b) Methodology. With respect to determining the Required Funding, OLOL and the State agree the worksheet set forth on Exhibit 11.1 demonstrates an agreed application of accounting rules and cost calculations in determining the Required Funding, which calculations are based on estimates, payment sources and cost reporting rules existing on the Effective Date (the "Cost Analysis Worksheet"). So long as the assumptions, payment sources and cost reporting rules of the Cost Analysis Worksheet remain the same, OLOL and DHH will continue to use the Cost Analysis Worksheet in determining the Required Funding for the period in question. OLOL or DHH may request that the methodology for determining Required Funding be modified. In that case, such party will provide the other party and LSU with written notice (a "Methodology Adjustment Notice") of such request, which notice shall include an explanation of why such party has determined the Cost Analysis Worksheet is not applicable and describe the adjustments to the methodology it proposes. DHH and OLOL shall engage in good faith negotiations for a period of ten (10) days in an attempt to agree on any proposed adjustments of the methodology. If DHH and OLOL agree on the adjustments to the methodology, such adjusted methodology shall constitute the Cost Analysis Worksheet and shall apply in determining the Required Funding. If DHH and OLOL do not agree on any proposed adjustments to the methodology within such ten (10) day period, either of DHH or OLOL will be entitled to immediately provide a notice of nonrenewal of the Term to the other party and to LSU, in which case this Agreement will automatically terminate upon the expiration of the then-applicable Term without any further renewals. During the remainder of the Term the Required Funding shall be determined and paid in accordance with the Cost Analysis Worksheet in place immediately before the Methodology Adjustment Notice.

(c) Monitoring. The Secretary of DHH shall designate an individual (the "Contract Monitor") to be responsible for monitoring compliance with this Agreement in accordance with Executive Order BJ 08-29. The Contract Monitor shall implement a plan, consistent with the terms of this Article XI, for monitoring the Agreement, which plan shall include input from OLOL and LSU, and shall provide written reports to the Secretary of DHH and the State at least every six (6) months concerning the use of funds relative to the satisfaction of the specific goals and objectives of the Collaborative.

Section 11.2. Payment and Process for Addressing Inadequate Funding.

(a) Quarterly Payments. DHH shall make payments to OLOL based on the administrative rules described in Section 11.1. Medicaid per diem and other applicable payments pursuant to such rule shall be paid in accordance with DHH's normal payment procedure. Further, DHH shall make supplemental payments, as shown on the Cost Analysis Worksheet, to OLOL on a prospective basis at the beginning of each quarter of the State's fiscal years during the portion of the Term in which OLOL is entitled to the

Required Funding. The amount of such prospective supplemental payments for the first two (2) quarters of the first fiscal year of the State in which OLOL is entitled to payments under this Section will be determined based on a reasonable budget submitted to the State and LSU by OLOL for such year, and the remaining supplemental payments during the Term will be adjusted based on OLOL's cost experience for prior periods. DHH and OLOL shall establish a reasonable process for reconciling all costs and payments made pursuant to this Agreement and the repayment or offset of any differences resulting from such reconciliation and provide LSU a summary of such process.

(b) Disputes Regarding Cost Calculations; Notice and Review. In reconciling the payments due to OLOL as provided in Section 11.2(a), the Required Funding will be based on the methodology applicable under Section 11.1. If DHH disagrees with the costs submitted by OLOL, DHH shall prepare its calculations of the Required Funding (the "DHH Funding Calculations") and provide a copy of such calculations to LSU and OLOL. OLOL will have fifteen (15) Business Days to review the DHH Funding Calculations. If OLOL disagrees with the DHH Funding Calculations, it shall provide written notice to DHH and LSU of its objection within three (3) Business Days of the end of the fifteen (15) Business Day review period, which notice shall include a copy of OLOL's calculations of the Required Funding (the "OLOL Funding Calculations"). If OLOL agrees with the DHH Funding Calculations, the DHH Funding Calculations shall constitute the Required Funding for the period in question. Otherwise, Section 11.2(c) shall apply.

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

(d) Independent Review. If OLOL and DHH are not able to resolve the disputed amounts in the DHH Funding Calculations and the OLOL Funding Calculations as provided in Section 11.2(c), such disputed amounts shall be submitted to an independent third party certified public accountant. Such certified public accountant must be nationally recognized and possess significant experience in the review and analysis of the financial and reimbursement operations of hospital systems and academic medical centers and may not have been engaged by OLOL, LSU or DHH during the two (2) year period prior to delivery of the objection notice by OLOL described in subsection (b) above (an "Academic Health System CPA"). OLOL and DHH shall select a mutually agreeable Academic Health System CPA meeting the requirements described above. If OLOL and DHH cannot agree on an Academic Health System CPA within five (5) days of expiration of the ten (10) Business Day negotiation period in subsection (b), each of OLOL and DHH shall within (1) day of the expiration of such five (5) day period designate a certified public accountant (who will not be required to meet the experience requirements above) and those certified public accountants shall within three (3) days

select a mutually agreeable Academic Health System CPA. Each of OLOL and DHH shall be entitled to engage, at its own expense, any other professionals or advisors to assist in preparing or analyzing material to be presented to the Academic Health System CPA. The Academic Health System CPA so selected shall review the DHH Funding Calculations and the OLOL Funding Calculations and render a written report to OLOL, LSU and DHH within thirty (30) days of being engaged as to his or her conclusion as to what portion of the disputed amounts should be included in the Required Funding, determined by applying the applicable methodology under Section 11.1. Such determination shall be conclusive as to how to treat the disputed amounts in determining the Required Funding. If the report of the Academic Health System CPA verifies or validates the DHH Funding Calculations, the cost of the Academic Health System CPA will be borne by OLOL. If the report of the Academic Health System CPA verifies or validates the OLOL Funding Calculations, the cost of the Academic Health System CPA will be borne by DHH. Otherwise, the cost shall be shared equally by OLOL and DHH. OLOL and DHH shall provide LSU and the Academic Health System CPA their calculations, determinations, work papers and similar supporting materials to assist the Academic Health System CPA in reaching a conclusion.

Section 11.3. Termination of Agreement for Inadequate Funding. If OLOL fails to receive the Required Funding, this Agreement shall automatically terminate after completion of the process set forth in Section 13.5(b). However, the Wind Down Period for such process shall be at least six (6) months long (or such longer period to which DHH and OLOL agree at such time) beginning on the date the Required Funding is due but unpaid to OLOL, provided that during such Wind Down Period the State, through DHH, continues to pay OLOL the Required Funding accruing during such Wind Down Period (collectively the "Wind Down Payments"). Notwithstanding the foregoing, the State shall have a Cure Period beginning on the first day of the Wind Down Period described above in which to pay all Required Funding accrued to but not yet paid to OLOL. If such payment is made within such Cure Period, the Wind Down Period described above shall cease, this Agreement shall not terminate and the Parties shall continue the Collaborative pursuant to the terms of this Agreement. If OLOL fails to receive such Wind Down Payments during the Wind Down Period, OLOL shall provide written notice to the LSU and DHH and this Agreement will automatically terminate two (2) days thereafter.

Section 11.4. Access to Books and Records. OLOL shall provide reasonable access to the books, records and other financial information for purposes of and to the extent necessary to performing its functions for the Collaborative. Except as otherwise provided by applicable Legal Requirements, any such access shall be given on the condition that any information received or reviewed shall be considered confidential information subject to the terms and conditions of Section 16.5.

Section 11.5. Request for Appropriations.

(a) Obligations Conditioned on Appropriations; Notice of Expected Event of Inadequate Funding. All payment obligations under this Agreement may be subject to appropriation by the Legislature of sufficient funds and the availability of funds following such Legislative appropriation. If DHH becomes aware of circumstances that lead it to conclude that OLOL is unlikely to receive the Required Funding without

additional legislative appropriations, DHH shall immediately notify the Parties of such conclusion and the amounts by which DHH expects payments to the Party expected to experience the event of Inadequate Funding will fall short of the Required Funding.

(b) Commissioner's Required Efforts. The State, through the Commissioner of Administration, covenants to (i) consider in good faith and include in the executive budgets funding for the Proposed Annual Budget to the extent determined reasonable by the Commissioner of Administration, (ii) include in its annual budget request a request for the appropriation of funds necessary to pay to OLOL for the State's next fiscal year the Required Funding for such period, which request will be in the form of a line item executive budget request if requested by OLOL or LSU, and (ii) use its best efforts to get such budget amounts approved and funded by the Legislature. If the funds necessary to satisfy the Proposed Annual Budget are appropriated, the State agrees to provide such funding to the appropriate Party for the intended purpose and use of such funds under this Agreement.

(c) DHH's Required Efforts. DHH covenants to (i) consider in good faith and include in its executive budget request a request for the Proposed Annual Budget to the extent determined reasonable by the DHH, (ii) include in its annual budget a request for the appropriation of funds necessary to pay to OLOL for the State's next fiscal year the Required Funding for such period, (iii) use its best efforts to get such budget amounts approved and funded by the Legislature and if such funds are appropriated, to provide such funding to the appropriate Party for the intended purpose and use of such funds under this Agreement, and (iv) if the funds necessary to prevent an event of Inadequate Funding are not specifically identified as such and appropriated to DHH by the Legislature, use its best efforts to allocate and pay such amounts to OLOL and LSU, as the case may be, from all appropriate funds available to DHH.

(d) LSU's Required Efforts; Appropriation Contingency. LSU covenants to (i) include in its annual budget request a request for the LSU Proposed Budget, (ii) use its best efforts to obtain the LSU Proposed Budget, and (iii) use its best efforts to support OLOL, the Commissioner and DHH in their efforts to obtain the OLOL Proposed Budget, the Proposed Annual Budget and the funding necessary to pay to OLOL for the State's next fiscal year the Required Funding for such period. In the event no funds or insufficient funds are lawfully appropriated or otherwise become available for payment in any fiscal year of the State of Louisiana in order for LSU to fulfill its obligations hereunder during the next succeeding fiscal year, and the LSU Board at a regularly scheduled or special meeting determines that no funds or insufficient funds are lawfully appropriated and will thereafter become available in any fiscal year of the State of Louisiana for LSU to fulfill its obligations hereunder during the next succeeding fiscal year, LSU will immediately give written notice to the Parties that a non-appropriation has occurred.

Section 11.6. Obligations to Implement Upper Payment Limit. Subject to CMS approval, DHH will submit a State Plan Amendment, and promulgate a conforming rule, that will obligate itself to make supplemental Medicaid payments to OLOL equal to a total of \$129,000,000 for the period beginning October 1, 2009, through June 30, 2011. DHH will

make these payments within thirty (30) days of the beginning of each respective quarter. Further, subject to any required CMS approvals, DHH shall, no later than December 31, 2010, file a state plan amendment, and promulgate a conforming rule, to implement a Medicaid supplemental payment methodology subject to the Medicare upper payment limit. This methodology will cover dates of service July 1, 2011, through September 30, 2011. The total supplemental payments made in accordance with this methodology shall not exceed \$14,000,000 (the “FY 2012 Payment”). The FY 2012 Payment shall be equal to the amount of uncompensated care payments to which OLOL would have been entitled for fiscal years 2010, 2011 and 2012 if this Agreement had not been in effect. The FY 2012 Payment amount will be calculated as follows: OLOL will submit uninsured data annually to DHH as required for calculation of community hospital uncompensated care payments and DHH will calculate the payment amount that would be due to OLOL if this Agreement were not in place. OLOL must meet all qualifying criteria in order to have such amounts calculated. The portion of the FY 2012 Payment due under the calculation for fiscal years 2010 and 2011 shall be made to OLOL no later than Dec. 31, 2011. The portion of the FY 2012 Payment due under the calculation for fiscal year 2012 shall be made not later than Dec. 31, 2012.

Section 11.7. LSU Transitional Costs. The State and DHH acknowledge that the transition of the LSU GME Programs from EKLMC to OLOL will require LSU to incur costs that will require funding as part of the Collaborative.

Section 11.8. Intent to Establish Coordinated Care Network. OLOL and LSU acknowledge that one of the State’s purposes in entering into this Agreement 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, improve recipient satisfaction with access to care and the care experience and provide the State with improved budget predictability. In the interest of advancing the State’s goal of improving integration and coordination of health care services for the low-income populations, and recognizing the opportunity presented by the integration of outpatient and community-based services provided by LSU, inpatient and outpatient services provided by OLOL, and a payment mechanism being made available by DHH that integrates all services through a prepaid model, the State, OLOL and LSU acknowledge their intent to participate as a coordinated care network within Medicaid as proposed by DHH on terms and conditions the parties establish at that time.

ARTICLE XII TERM

Section 12.1. Term. Unless earlier terminated as provided herein, and subject to any applicable Wind Down Period provided in Section 13.5(b), this Agreement shall begin on the Effective Date and shall continue for ten (10) years (the “Initial Term”). Beginning on the expiration of the fifth (5th) year of the Initial Term and continuing on each annual anniversary date thereafter, (each an “Extension Date”), the then-remaining portion of the Initial Term shall automatically be extended for an additional one (1) year period so that after the fifth (5th) year of the Initial Term, 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 LSU or OLOL

provides the other Party written notice at least one hundred-eighty (180) days prior to an Extension Date that such Party does not intend to extend the Term of the Agreement.

ARTICLE XIII TERMINATION; DISPUTE RESOLUTION AND REMEDIES

Section 13.1. Classifying Breach Events. A Breach of this Agreement shall be classified either as a Potential Terminating Breach or a Non-Terminating Breach.

(a) Potential Terminating Breaches by OLOL. Provided that this Agreement is not earlier terminated pursuant to Section 11.3, an act constituting a Potential Terminating Breach by OLOL shall mean the occurrence of any of the following events:

(i) Failure by OLOL to complete construction and transfer title of the Medical Education Building to LSU, and complete construction of the Expansion of OLOL Inpatient Facility and Trauma Center by the Construction Completion Date (or with respect to the Medical Education Building, such later date as permitted by the Ground Lease), provided that the Construction Completion Date shall be extended by events of Force Majeure and may be extended by consent of the Parties, which consent shall not be unreasonably withheld;

(ii) Breach of the Ground Lease by OLOL resulting in LSU terminating the Ground Lease pursuant to its terms as a result of such breach;

(iii) Failure by OLOL to substantially comply with the charity care policy required by Section 3.2;

(iv) Failure by OLOL to sign and deliver the lease contemplated by Section 4.1(d);

(v) Institutional fraud or scandal by OLOL related to health care or medical education and affecting the Collaborative's reputation or public perception that is not promptly reported to LSU and adequately addressed by OLOL, provided that OLOL will be deemed to have adequately addressed any issue of institutional fraud if it has disclosed such issue to the proper Governmental Body and taken such steps to resolve the issue as the Governmental Body may require, including, without limitation, entering into a Corporate Integrity Agreement;

(vi) Refusal to remove the OLOL DIO if required by Section 2.5(b);

(vii) Failure or refusal by OLOL to enter into or renew the MAA or Breach of the MAA by OLOL resulting in termination of the MAA by LSU;

(viii) Failure of any LSU GME Program to maintain ACGME accreditation as a result of action or inaction of OLOL;

(ix) A Bankruptcy Event with respect to OLOL;

(x) Exclusion of OLOL from Medicare or Medicaid; or

(xi) Failure by OLOL to fund LSU's operation of the LSU Urgent Care Clinic and Existing Outpatient Facilities, if required, upon satisfaction of the conditions in Section 3.3(d)(ii); or

(xii) At any time after the expiration of the first ten (10) years of the Term, the occurrence of three (3) or more substantially similar Non-Terminating Breaches by OLOL within a twelve (12) month period, none of which are cured as permitted by Section 13.2(a).

(b) Potential Terminating Breaches by LSU. Provided that this Agreement is not earlier terminated pursuant to Section 11.3, an act constituting a Potential Terminating Breach by LSU shall mean the occurrence of any of the following events:

(i) Failure of any LSU GME Program to maintain ACGME accreditation as a result of action or inaction of LSU or failure of LSU to remain accredited by ACGME as a Sponsoring Institution;

(ii) A Bankruptcy Event with respect to LSU;

(iii) Failure of LSU to sign and deliver the lease contemplated by Section 4.1(d);

(iv) Failure of LSU to abide by the Ethical and Religious Directives on the OLOL Campus;

(v) Failure or refusal of LSU to enter into or renew the MAA or Breach of the MAA by LSU resulting in termination of the MAA by OLOL;

(vi) Institutional fraud or scandal by LSU related to health care or medical education and affecting the Collaborative's reputation or public perception that is not promptly reported to OLOL and adequately addressed by LSU, provided that LSU will be deemed to have adequately addressed any issue of institutional fraud if it has disclosed such issue to the proper Governmental Body and taken such steps to resolve the issue as the Governmental Body may require, including, without limitation, entering into a Corporate Integrity Agreement;

(vii) Failure to operate, or cause to be operated, the LSU Urgent Care Clinic and Existing Outpatient Facilities as provided in Section 3.3, provided LSU has received adequate funding for such operations;

(viii) Refusal to remove the LSU DIO if required by Section 2.5(a);

(ix) Failure by LSU to transfer the Collaborative Residency Positions to OLOL by the GME Program Start Dates;

(x) Failure by LSU to cause the Residency Caps associated with the LSU GME Programs to be allocated to OLOL;

(xi) Breach of the Ground Lease by LSU resulting in OLOL terminating the Ground Lease pursuant to its terms as a result of such breach;

(xii) Failure of LSU to perform its obligations under Section 11.5(d);

(xiii) Exclusion of LSU from Medicare or Medicaid; or

(xiv) At any time after the expiration of the first ten (10) years of the Term, the occurrence of three (3) or more substantially similar Non-Terminating Breaches by LSU within a twelve (12) month period, none of which are cured as permitted by Section 13.2(a).

(c) Other Breaches. All other Breaches shall be Non-Terminating Breaches.

Section 13.2. Process for Addressing Non-Terminating Breaches. This Agreement may only be terminated as set forth in Section 13.4. The remedies available to a Party asserting a Non-Terminating Breach are as follows:

(a) Cure Period. A Party asserting a Non-Terminating Breach shall provide the other Party written notice of such Breach, which notice shall include a detailed description of the basis for such Breach and a description of what would be satisfactory to the non-Breaching Party to remedy such asserted Breach. The Breaching Party shall be entitled to a Cure Period to cure the alleged Breach. If the Breaching Party takes the actions described in the notice as to what would satisfy the non-Breaching Party to cure the Breach, the Breach shall be deemed cured. However, such actions shall not be the sole means of curing such a Breach and the Breaching Party shall be entitled to cure the Breach in any other way resulting in a cure of such Breach.

(b) Consultative Process. If such Breach is not cured within the Cure Period, the Parties shall engage in the Consultative Process for a period of ten (10) days to attempt to resolve the dispute.

(c) Right to Legal Remedies for Non-Terminating Breaches; No Termination Right. If such dispute involving a Non-Terminating Breach is not resolved pursuant to the Consultative Process, the Party alleging a Non-Terminating Breach shall be entitled to such remedies as are available at law, including damages, but not including any equitable or injunctive relief which could or would limit LSU's access to the Medical Education Building as provided in the Ground Lease. Neither Party shall have the right to terminate this Agreement for a Non-Terminating Breach except by authority of a final order of a court of competent jurisdiction after all rights of appeal have been exhausted.

Section 13.3. Process for Addressing Potential Terminating Breaches. The remedies available to a Party if there is a Potential Terminating Breach shall be as follows:

(a) Notice and Cure Period. A Party asserting a Potential Terminating Breach shall provide the other Party written notice of such Breach, which notice shall include a detailed description of the basis for such Breach and the non-Breaching Party's requirements to remedy such asserted Breach. The Party asserted to have Breached the Agreement shall be entitled to a Cure Period to cure the asserted Breach.

(b) Consultative Process. If such Potential Terminating Breach is not cured within the Cure Period, the Parties shall for a period of ten (10) days engage in the Consultative Process to attempt to resolve the dispute.

(c) Executive Level Negotiations. If an alleged Potential Terminating Breach is not resolved in the Consultative Process, the LSU Vice President of Health Affairs and the OLOL CEO, individually, shall discuss and negotiate in good faith for ten (10) calendar days to attempt to resolve the issue.

(d) Termination Right. If the dispute regarding the asserted Potential Terminating Breach is not resolved pursuant to the procedures in this Section set forth above, the non-breaching Party may declare its intent to terminate this Agreement by delivery written notice of such intent to the other Party (the "Termination Notice") and the Parties shall begin the Wind Down Period as provided in Section 13.5(b). Such right of termination shall be in addition to any other remedies which the non-breaching Party may have at law, including damages, but shall not include any equitable or injunctive relief which could or would limit LSU's access or use of the Medical Education Building as provided in the Ground Lease.

Section 13.4. Events of Termination. Notwithstanding any other provision of this Agreement or any agreement referenced herein, and subject to any applicable Wind Down Period set forth in Section 13.5(b) (including the right to shorten the Wind Down Period and terminate the Agreement to the extent provided in Section 13.5(b)), this Agreement may only be terminated as set forth in this Section 13.4.

(a) Termination For Convenience. This Agreement may be terminated at any time without cause upon the mutual agreement of all Parties, which termination shall occur on the terms and conditions as the Parties then agree.

(b) Termination for a Potential Terminating Breach. This Agreement may be terminated as provided in Section 13.3(d).

(c) Termination for Inadequate Funding. This Agreement may terminate as provided in Section 11.3.

(d) Termination for State Plan Amendment Failure and Related Failure to Pay. This Agreement will automatically terminate if (i) the state plan amendments and conforming rules contemplated by Section 11.6 are not finalized and approved by all applicable Governmental Authorities by the respective dates in Section 11.6, or (ii) if the state plan amendments and conforming rules contemplated by Section 11.6 are finalized and approved by the applicable dates, OLOL fails to receive (A) \$129,000,000 and the FY 2012 Payment at the times set forth in Section 11.6; notwithstanding the foregoing, unless

either Party notifies the other Party in writing it does not intend to waive strict compliance with this Section 13.4(d), the requirements in item (ii) above shall automatically be waived for a thirty (30) day period, at which time the payment required by item (ii) will again be due without further waiver of compliance.

(e) Termination for Change in Laws. If 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 materially and adversely affects the fundamental relationship of the Parties, then the Parties will negotiate in good faith to amend the Agreement to address the consequences of the change in or new interpretation of the law or to address the new law through legislation or rulemaking. If the Parties are unable within a six (6) month period to reach a new agreement, for a period of one hundred twenty (120) days thereafter, any Party may terminate this Agreement upon three (3) months written notice. If the Parties agree that a change in laws or interpretation thereof has occurred and are unable to reach a new agreement, 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. However, if they do not agree, either Party may terminate this Agreement, but the other Party will be entitled to pursue its legal remedies, including challenging whether a change in laws or interpretation thereof has occurred giving rise to a termination right under this Section. Notwithstanding the foregoing, a change in laws affecting the reimbursement of medical and related services provided by either Party pursuant to the Contemplated Transactions will not be considered a “change in laws” for purposes of this Section.

(f) Termination for Legal Jeopardy. The Parties acknowledge and agree that this Agreement is intended to comply with all Health Care Laws, and not jeopardize the Parties’ status as recipients of governmental or private funds for the provision of health care services, OLOL’s status as a tax-exempt organization, or OLOL’s ability to issue tax-exempt bonds and to maintain the tax exempt status of such bonds. Either LSU or OLOL may terminate this Agreement if, based on the written advice of nationally recognized, independent legal counsel (not engaged by such Party for any reason during the prior two (2) years) mutually agreeable to the Parties that the terms of this Agreement either more likely than not would be interpreted to violate any laws or regulations applicable to it or if, in the opinion of such counsel, under the circumstances the terms of the Agreement present an unacceptable legal risk of a material violation which, if violated, would jeopardize its status as a recipient of governmental or private funds for the provision of health care services or, in the case of OLOL, its status as a tax exempt organization, or its ability to issue tax exempt bonds or to maintain the tax exempt status of any existing bonds. In such event neither Party will be liable to the other Party for damages for terminating this Agreement. If the Parties cannot agree on the selection of such counsel, the Party requesting the opinion may engage its own counsel to render such opinion and present it to the other Party. The other Party may engage its own counsel to review such opinion or render another opinion. If the Parties do not agree on the conclusions in the opinion or opinions, either Party will have the right to terminate this Agreement, but the other Party will be entitled to pursue its legal remedies, including challenging whether an event has occurred causing a legal jeopardy giving rise to a termination right under this Section. Notwithstanding the right to terminate, the Parties shall first use good faith efforts

to amend this Agreement but only to the extent necessary to conform the potentially violative terms to the applicable law or regulation, and will only terminate this Agreement pursuant to this Section if the Parties determine, in their good faith judgment, that an amendment cannot be obtained or will not result in compliance, or would result in a material adverse effect to a Party. Any amendment of this Agreement may only be made as provided in Section 16.9 and the Parties will act in good faith to attempt to reach such mutual agreement.

(g) Failure to Fund Clinics. This Agreement may be terminated by OLOL or LSU if LSU fails to operate, or cause to be operated as provided in this Agreement, the LSU Urgent Care Clinic and Existing Outpatient Facilities as provided in Section 3.3 because LSU has not received adequate funding for such operations, provided such lack of funding is not due to OLOL's Breach of its obligations, if any, under Section 3.3(d)(ii).

(h) Termination Related to ERDs. If LSU determines that it no longer can comply with the requirements in this Agreement regarding compliance with the Ethical and Religious Directives on the OLOL Campus, LSU shall provide OLOL notice of its intent to terminate this Agreement, in which case this Agreement will terminate after and pursuant to the terms of the Wind Down Period set forth in Section 13.5(b), including continued compliance by LSU with the Ethical and Religious Directives on the OLOL Campus during the Wind Down Process.

Section 13.5. Effects of Termination.

(a) In General. In the event this Agreement is terminated for any reason after the GME Program Start Date, but subject to the applicable Wind Down Period in Section 13.5(b), the following shall apply consistent with the Wind Down Period:

(i) Each Party shall surrender possession, and deliver to the other 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;

(ii) After the Wind Down Period and upon termination of this Agreement, LSU shall cause the LSU Faculty, Residents and Fellows other than the Grandfathered LSU Medical Staff to resign their medical staff memberships at OLOL and voluntarily relinquish all clinical privileges at OLOL upon request of OLOL;

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

(iv) LSU shall vacate facilities owned by OLOL;

(v) The MAA and the Program Letter of Agreement shall terminate;

(vi) The lease for the Leased Clinic Space shall terminate in accordance with its terms;

(vii) LSU will not admit additional Residents or Fellows for training at OLOL; and

(viii) LSU shall continue to own the Medical Education Building and have access to the Medical Education Building and attendant parking in accordance with and to the extent provided in the Ground Lease.

(b) Wind Down Period. Any termination of this Agreement allowed under ARTICLE XIII, except termination occurring before the GME Program Start Date, shall be subject to a period where the Parties will unwind the Collaborative (the “Wind Down Period”). In the case of a termination of this Agreement subject to a Wind Down Period, LSU and OLOL will establish a committee consisting of at least four (4) people, with each of LSU and OLOL appointing an equal number of members of the committee, to coordinate and oversee the separation of the Collaborative. 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, including, without limitation, the functions of the FAC, the QAC and the OAC, and compliance with the Ethical and Religious Directives on the OLOL Campus as required by this Agreement. The Wind Down Period with respect to each residency and fellowship program in the LSU GME Programs shall be as follows:

(i) In the case of termination pursuant to Section 11.3, the date ending on the expiration of the applicable period set forth in Section 11.3;

(ii) In the case of termination due to a Breach by LSU for ceasing in bad faith to own and operate, or cause to be owned and operated pursuant to the terms of this Agreement, the Existing Outpatient Clinics and Urgent Care Center, the date ending six (6) months from the delivery of the Termination Notice;

(iii) In all other cases, the date ending no later than the expiration of the scheduled length of the residency or fellowship slots in the LSU GME Programs; provided however, that in no event will the Wind Down Period be longer than five (5) years from the date of the Termination Notice.

Notwithstanding the foregoing, in the event of termination pursuant to Section 13.1(b)(iv), as part of the wind down process LSU must remedy the violation, present a compliance plan describing the steps it will take to prevent further violation, and continue to comply with the Ethical and Religious Directives during the Wind Down Period. Continued noncompliance (three willful violations in a 12-month period) will be grounds for terminating the Agreement and ending the Wind Down Period on three (3) Business Days written notice from OLOL. Further, in the case of a termination under Section 13.4(e) or Section 13.4(f), the Wind Down Period shall be only as long as the arrangement between the Parties and Wind Down Period is permitted by law, and in all cases the Parties will use their best efforts to cause the Wind Down Period to be as short as reasonably possible. As part of this process, LSU and OLOL will use their best efforts to cause all Residents and Fellows to be relocated as soon as reasonably possible to another site for completion of their residencies and fellowships. LSU and OLOL will also take all reasonable steps

necessary to cause all LSU GME Program activities to be transitioned to another Site and otherwise separate the operations of OLOL from the LSU GME Programs. OLOL shall continue to meet its GME support obligations in accordance with the MAA to the extent applicable to any Residents or Fellows who remain located on the OLOL Campus during the Wind Down Period and LSU shall continue to comply with the Ethical and Religious Directives on the OLOL Campus during the Wind Down Period. Upon completion or expiration of the Wind Down Period, LSU and the LSU GME Programs will cease using any OLOL facilities or carrying on any activities on the OLOL Campus and this Agreement will terminate. During the Wind Down Period OLOL will be entitled to pursue its remedies under Section 11.2 if OLOL determines it has experienced an event of Inadequate Funding during the Wind Down Period or Section 13.1(b)(iv) if LSU fails to comply with the Ethical and Religious Directives on the OLOL Campus during the Wind Down Period.

(c) Special Damages for Certain Terminating Events.

(i) If this Agreement terminates due to a Breach described in Section 13.1(a)(i) and OLOL has received the funds contemplated by Section 11.6, the Parties acknowledge that the damages sustained by LSU would be difficult, if not impossible, to quantify. In that event, OLOL shall be obligated to pay LSU, as special damages for such Breach, the sum of \$19,000,000 and to the State, as special damages for such Breach, the sum of \$5,000,000. Other than terminating this Agreement, such amount of special damages shall be the exclusive remedy to LSU and the State with respect to such Breach. This subsection shall not apply if subsection (ii) below applies.

(ii) If this Agreement terminates on or after June 30, 2010, but prior to the transfer of title of the Medical Education Building to LSU for any reason other than a Potential Terminating Breach by LSU or Breach by OLOL as provided in Section 13.1(a)(i), as long as OLOL has received at least thirty-five percent (35%) of the aggregate amount DHH proposes to be paid to OLOL pursuant to Section 11.6 during the period October 1, 2009 to June 30, 2011, OLOL shall pay LSU the amount determined by the chart below. This subsection shall not apply if subsection (i) above applies.

<u>Termination Date</u>	<u>Payment to LSU</u>
Before 7/31/2010	\$0
On or after 7/31/10 and before 10/31/10	\$5,000,000
On or after 10/31/10 and before 1/31/11	\$10,000,000
On or after 1/31/11 and before 4/30/11	\$15,000,000
On or after 4/30/11	\$19,000,000

Section 13.6. Remedies Cumulative. Except as otherwise 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. Any Party shall have the right to pursue any or all of the rights or remedies set forth herein, as well as any other consistent remedy or relief which may be available at law or in equity, but which is not set forth herein. 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 13.7. 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 fifteen (15) 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.

ARTICLE XIV INSURANCE AND INDEMNIFICATION

Section 14.1. Insurance Requirements of LSU.

(a) Coverage to be Provided. LSU shall secure and keep in full force and effect and/or cause to be kept in effect, throughout the Term of this Agreement (and thereafter, if applicable) the following coverage at the sole cost and expense of LSU:

(i) Commercial General Liability Insurance or self-insurance through the State self-insurance program administered by the Office of Risk Management ("ORM"), including Contractual Liability, Broad Form Property Damage, Personal Injury Liability, Advertising Injury Liability, and public officials and employees' liability, written on an occurrence form, with combined bodily injury and property damage limits of liability of no less than \$5,000,000 per occurrence;

(ii) Automobile Liability Insurance, including owned, non-owned and hired car liability insurance for combined limits of liability of \$5,000,000 per occurrence; and

(iii) Worker's Compensation Insurance providing statutory benefits for LSU and its students and employees, and Employer's Liability coverage in an amount that is no less than \$1,000,000.

(b) Professional Malpractice Liability Insurance.

(i) Coverage of LSU Physicians and Students. LSU shall provide professional malpractice liability insurance for each medical student and each physician who is employed by, acting on behalf of LSU under a contract, or acting on behalf of LSU to provide professional services to patients who are either (i) assigned to an LSU Teaching Service or (ii) uninsured and assigned to the physician in accordance with a contract for professional services between LSU and the physician. Such malpractice insurance shall be provided in accordance with the State Medical Malpractice Act, LA R.S. 40:1299.39. LSU covenants to enter into a written contract with any physician providing professional medical services on LSU's behalf at the OLOL Campus.

(ii) Tail Coverage. In the event that this Agreement is terminated or any of the LSU Personnel cease to provide services under this Agreement, if such professional liability insurance was obtained on a "claims made" basis rather than an "occurrence" basis, LSU shall either (a) purchase "tail" coverage to continue the professional liability insurance coverage with a minimum extended reporting period of three (3) years, or (b) continue the insurance coverage required by this section in the same form and with the same coverage limits, and shall furnish OLOL with appropriate documentation of such coverage.

(c) OLOL as Additional Insured. OLOL, its subsidiaries and affiliates, and their respective officers, directors, shareholders, employees, and agents shall be included as Additional Insureds on the Commercial General Liability coverage required to be maintained by LSU under this Agreement.

(d) Insurer Requirements. All required insurance policies and bonds shall be maintained with (i) insurance companies licensed within the State of Louisiana and holding an AM Best rating of no less than A-, VII by AM Best, (ii) through a captive insurance company acceptable to the Department of Insurance for the State of Louisiana, or (iii) the self-insurance program administered by ORM. Said policies shall contain a provision that the coverage will not be canceled or non-renewed, until at least thirty (30) days prior written notice has been provided to OLOL.

(e) Delivery of Certificates of Insurance. LSU shall deliver certificates in a customary form evidencing all terms of this Article of the Agreement, to OLOL, or its agent, simultaneously with the execution of these Agreements. Similar certificates shall be delivered evidencing the renewal or replacement of such insurance upon written request.

(f) Blanket Coverage. The Commercial General Liability insurance and any other insurance provided for in this Article may be maintained by means of a policy or policies of blanket insurance covering additional items or locations or insureds, provided, however that (a) the coverage afforded the indemnitors will not be reduced or diminished by reason of the use of such blanket policy(ies) of insurance; and (b) the requirements set forth in this Article of the Agreement are otherwise satisfied.

Section 14.2. Insurance Requirements of OLOL.

(a) Policies to be Provided. OLOL shall secure and keep in full force and effect and/or cause to be kept in effect, throughout the Term of this Agreement (and thereafter, if applicable) the following coverage at the sole cost and expense of OLOL:

(i) Commercial General Liability Insurance, including Contractual Liability (to specifically include coverage for the indemnification clauses of this Agreement relating to bodily injury, death or property damage), Broad Form Property Damage, Personal Injury Liability and Advertising Injury Liability, written on an occurrence form, with combined bodily injury and property damage limits of liability of no less than \$2,000,000 per occurrence, \$5,000,000 per location general aggregate. During construction of the Expansion of OLOL Inpatient Facility, Trauma Center and Medical Education Building, Products & Completed Operations Liability (including XCU coverage) shall also be required, with such coverage to be written on a "per project" basis and to contain a provision for an extension of coverage for two (2) years beyond the completion of the work under this Agreement. This extended coverage is to have a separate aggregate limit. This policy should not include any exclusions or limitations beyond the basic coverage of this form;

(ii) Automobile Liability Insurance, including owned, non-owned and hired car liability insurance for combined limits of liability of \$1,000,000 per occurrence;

(iii) Worker's Compensation Insurance providing statutory benefits for OLOL and its employees, and Employer's Liability coverage in an amount that is no less than \$1,000,000;

(iv) Property Coverage covering damage to, or loss of use of equipment of LSU to the extent of damage or loss due to the negligence or fault of OLOL and those for whom OLOL is legally liable;

(v) Directors and Officers Liability Insurance; and

(vi) Umbrella and/or Excess Liability insurance on an occurrence basis with limits of not less than \$5,000,000 per occurrence in excess of the limits provided by OLOL's Employer's Liability, Commercial General Liability and Automobile Liability insurance. The coverage terms of the Umbrella/Excess insurance must be at least as broad as the underlying Employer's Liability, Commercial General Liability and Automobile Liability terms and conditions. OLOL shall continue to maintain such insurance for a period of two (2) years following termination of this Agreement.

(b) Professional Malpractice Liability Insurance.

(i) Coverage of OLOL Personnel. OLOL shall provide professional malpractice liability insurance for OLOL Personnel providing professional health

care services either by: (1) ensuring and maintaining throughout the Term of this Agreement, that OLOL and OLOL Personnel providing professional health care services are covered as qualified state health care providers in the Louisiana Patient's Compensation Fund under the provisions of the Louisiana Medical Malpractice Act, LSA R.S. 40:1299.41 *et seq.*, or (2) obtaining and maintaining professional liability insurance covering OLOL and the OLOL Personnel providing professional health care services for professional liability claims made during the Term of this Agreement and after termination of the Agreement with minimum limits of \$1,000,000 per claim or occurrence and \$3,000,000 per annual aggregate.

(ii) Tail Coverage. In the event that this Agreement is terminated, if such professional liability insurance was obtained on a "claims made" basis rather than an "occurrence" basis, OLOL shall either (a) purchase "tail" coverage to continue the professional liability insurance coverage with a minimum extended reporting period of three (3) years, or continue the insurance coverage required by this section in the same form and with the same coverage limits, and shall furnish LSU with appropriate documentation of such coverage.

(c) LSU as Additional Insured. LSU and its board members, officers, employees, and agents shall be included as Additional Insureds on the Commercial General Liability, Umbrella Liability and/or Excess Liability coverage required to be maintained by OLOL under this Agreement.

(d) Insurer Requirements. All required insurance policies and bonds shall be maintained with (i) insurance companies licensed within the State of Louisiana and holding an AM Best rating of no less than A-, VII, or (ii) through a captive insurance company providing coverage under the laws of the State of Louisiana. Said policies shall contain a provision that the coverage will not be canceled or non-renewed, until at least thirty (30) days prior written notice has been provided to LSU.

(e) Delivery of Certificates of Insurance. OLOL shall deliver certificates in the customary form, i.e. Accord 25, except Accord 28 for Property Insurance, evidencing all terms of this Section of the Agreement, to LSU, or its agent, simultaneously with the execution of these Agreements. Similar certificates shall be delivered evidencing the renewal or replacement of such insurance, at least ten (10) days prior to the effective date of such renewal or change of insurer.

(f) Blanket Coverage. The Commercial General Liability insurance and any other insurance provided for in this Article may be maintained by means of a policy or policies of blanket insurance covering additional items or locations or insureds, provided, however that (a) the coverage afforded the indemnitors will not be reduced or diminished by reason of the use of such blanket policy(ies) of insurance; and (b) the requirements set forth in this Article of the Agreement are otherwise satisfied.

Section 14.3. Indemnification.

(a) Survival. All representations, warranties, covenants and obligations in this Agreement and any other certificate or document delivered pursuant to this Agreement shall survive the consummation of the Contemplated Transactions and the termination of this Agreement, subject to Section 14.3(c).

(b) Indemnification. Each Party will indemnify the other Party in accordance with Paragraphs (c) through (e) of this Section 14.3.

(c) Time Limitations.

(i) Except as otherwise provided in this Agreement, LSU will have liability (for indemnification or otherwise) for all costs, expenses, losses, damages, fines, penalties, forfeitures or liabilities (including, without limitation, interest which may be imposed by a court in connection therewith), court costs, litigation expenses, reasonable attorneys' and paralegals' fees and accounting fees (collectively, the "Damages") incurred by OLOL as a result of (A) a Breach of any representation or warranty by LSU, or (B) the actions or failure to act by LSU Personnel; provided however, that LSU's obligation under this Section shall only apply if, other than with respect to a Breach resulting from fraud, in which case a claim may be made at anytime, on or before the third (3rd) anniversary of the termination of this Agreement, OLOL notifies LSU of a claim specifying the factual basis of the claim in reasonable detail to the extent then known by OLOL.

(ii) Except as otherwise provided in this Agreement, OLOL will have liability (for indemnification or otherwise) for all Damages incurred by LSU as a result of (A) a Breach of any representation or warranty by OLOL, or (B) the actions or failure to act by the employees or agents of OLOL; provided however, that OLOL's obligation under this Section shall only apply if, other than with respect to a Breach resulting from fraud, in which case a claim may be made at anytime, on or before the third (3rd) anniversary of the termination of this Agreement, LSU notifies OLOL of a claim specifying the factual basis of the claim in reasonable detail to the extent then known by LSU.

(d) Third-Party Claims.

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

(ii) If an Indemnified Person gives notice to the Indemnifying Person pursuant hereto of the assertion of a Third-Party Claim, the Indemnifying Person shall be entitled to participate in the defense of such Third-Party Claim and, to the extent that it wishes (unless (i) the Indemnifying Person is also a Person against whom the Third-Party Claim is made and the Indemnified Person determines in good faith that joint representation would be inappropriate or (ii) the Indemnifying Person fails to provide reasonable assurance to the Indemnified Person of its financial capacity to defend such Third-Party Claim and provide indemnification with respect to such Third-Party Claim), to assume the defense of such Third-Party Claim with counsel satisfactory to the Indemnified Person. After notice from the Indemnifying Person to the Indemnified Person of its election to assume the defense of such Third-Party Claim, the Indemnifying Person shall not, so long as it diligently conducts such defense, be liable to the Indemnified Person under this Article for any fees of other counsel or any other expenses with respect to the defense of such Third-Party Claim, in each case subsequently incurred by the Indemnified Person in connection with the defense of such Third-Party Claim, other than reasonable costs of investigation. If the Indemnifying Person assumes the defense of a Third-Party Claim, no compromise or settlement of such Third-Party Claim may be effected by the Indemnifying Person without the Indemnified Person's Consent unless (A) there is no finding or admission of any violation of a Legal Requirement or any violation of the rights of any Person; (B) the sole relief provided is monetary damages that are paid in full by the Indemnifying Person; and (C) the Indemnified Person shall have no liability with respect to any compromise or settlement of such Third-Party Claims effected without its consent.

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

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

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

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

ARTICLE XV OWNERSHIP AND MANAGEMENT OF INTELLECTUAL PROPERTY

Section 15.1. Research Activity Terms. With respect to any research activities conducted at OLOL Campus, including any Research Projects under Section 3.7(b), for which collaboration between OLOL and LSU may result in Inventions or other Intellectual Property, the provisions of this Article XV shall apply. Notwithstanding the foregoing, the Parties may elect to modify the provisions of Article XV for specific research activities by a separate agreement, the provisions of which shall supersede, to the extent inconsistent, the terms of this Article XV. All research activities conducted on the OLOL Campus shall comply with the applicable conflict of interest policies of OLOL and LSU.

Section 15.2. Government Rights. Certain Inventions may have been developed under a funding agreement with the United States and, if so, the United States may have certain rights relative thereto. The provisions of this Agreement relating to ownership and control of Intellectual Property and future licenses related thereto are explicitly made subject to the United States' rights under any agreement and any applicable law or regulation. If there is a conflict between any agreement, applicable law or regulation and this Agreement, the terms of the United States agreement, applicable law or regulation shall prevail.

Section 15.3. Development and Notice. As soon as reasonably possible in each case, and prior to any disclosure to third parties, all Inventions shall be disclosed in writing to the OLOL DIO and LSU DIO using an Invention disclosure form approved by both OLOL and LSU. The OLOL DIO and LSU DIO shall be kept fully informed in writing of the progress and results of all research and development work done with respect to such Inventions. Once such Invention is disclosed to the Parties, the Invention shall be maintained in confidence between the Parties, subject to the provisions of Section 15.9.

Section 15.4. Ownership; Prosecution.

(a) Unless otherwise agreed to by the Parties in a separate written agreement with respect to a particular Invention or other Intellectual Property, any Invention or Intellectual Property which results from any research or other collaborative activity conducted jointly between the Parties shall be owned equally by the Parties.

(b) The Parties will jointly select and approve outside counsel prior to incurring any IP Expenses. If the Parties cannot agree on outside counsel, OLOL shall select such outside counsel pursuant to its obligations under Section 15.4(d) hereof.

(c) The Parties will each use their best efforts to ensure that Joint Inventors, co-authors, and other persons involved in the development of the Intellectual Property fully cooperate in the preparation, filing, prosecution and maintenance of the Patent Rights and other Intellectual Property.

(d) Unless otherwise agreed to by the Parties with respect to a specific Invention or Intellectual Property, OLOL shall be responsible for preparing, filing, prosecuting, defending, and maintaining the Patent Rights or other IP rights made in the name of both Parties and will consult with and keep LSU fully informed of the status thereof. OLOL will copy LSU on all IP-related communications, including, but not limited to, patent applications, copyright applications, office actions, and responses. The Parties each have the right to review and comment upon the wording of specifications, claims, and responses to office actions prior to their submission to the appropriate governmental office. Patent Rights or other IP rights will not be abandoned without the written consent of both Parties. If OLOL anticipates extraordinary IP Expenses arising from the preparation, filing, prosecution, maintenance or defense of any patent application, patent, or other IP right contemplated by this Agreement, then OLOL will provide LSU with full details and together the Parties will determine a mutually acceptable course of action prior to incurring such expenditures.

(e) Either Party may, upon reasonable written notice to the other Party, discontinue paying its portion of the IP Expenses associated with any particular patent application, patent, or IP right within any national jurisdiction (the "Discontinuing Party"). The other Party may continue to pay the IP Expenses (the "Continuing Party") and in so doing will own all right, title and interest in and to that Intellectual Property and its associated patent application, patent, or applicable rights within such national jurisdiction. The Discontinuing Party shall have no further rights in and to that particular Invention, patent application, patent, or Intellectual Property within such national jurisdiction and shall execute any assignments necessary to transfer full title to the Continuing Party.

Section 15.5. Licensing. The Parties agree to cooperate to commercialize, utilize and exploit each Invention, Patent Rights, or Intellectual Property, and will keep each other informed of all interest expressed by third parties. Notwithstanding the above, neither Party has any right to commercialize, utilize, exploit and/or license the Invention, Patent Rights, or Intellectual Property without the express written permission of the other Party, which will not be unreasonably withheld. All licenses with respect to the Invention, Patent Rights, or Intellectual

Property will be made jointly in the name of and executed by both Parties and will be negotiated and administered by OLOL.

Section 15.6. Expenses, Payments, and Reports.

(a) Each Party agrees to share IP Expenses in proportion to its ownership interest in the IP. Each Party will be responsible for paying the percentage of IP Expenses equal to its respective ownership percentage interest in the IP. Both Parties recognize the other Party may incur certain legal expenses regarding the Invention, Patent Rights, or Intellectual Property with matters pertaining solely to the Party incurring such expense. In such circumstances, such expenses will not be considered IP Expenses. OLOL will maintain adequate records showing all IP Expenses incurred, which will be made available to LSU for inspection upon reasonable written notice.

(b) Within thirty (30) days of receiving bills for any IP Expenses, OLOL will provide LSU with an invoice for IP Expenses reporting the amount and purpose of incurring such expenses, and the amount of IP Expenses owed by LSU. Subject to the provisions of this Section 15.6, LSU shall reimburse OLOL within thirty (30) days of receiving an invoice for IP Expenses from OLOL.

(c) Subject to the provisions of Section 15.4(e) and Section 15.5, License Revenue shall be shared by the Parties. In accordance with Section 15.4(e), the Discontinuing Party shall receive no proceeds from License Revenue attributable to a discontinued patent, patent application, or other Intellectual Property right other than its reimbursement of contributed IP Expenses, if any. Any License Revenue will be first applied to any unreimbursed IP Expenses incurred by OLOL. In addition, after reimbursement of IP Expenses, the Parties may mutually agree to hold all or a portion of any remaining License Revenue in anticipation of future unreimbursed IP Expenses. When the Parties agree to distribute License Revenue, each Party will receive a percentage of License Revenue equal to its respective ownership percentage interest in the IP.

(d) Within thirty (30) days of receiving License Revenue from any licensee, OLOL will provide LSU with a written report accounting for the total amount of License Revenue received from any licensee, the amount of License Revenue to reimburse IP Expenses, the amount of License Revenue to be held in anticipation of future unreimbursed IP Expenses, the amount of License Revenue retained by OLOL, and the amount of License Revenue due LSU. Simultaneously with the report's delivery, OLOL will pay LSU the amount due LSU. All payments to LSU will be in U.S. Dollars, by check payable to LSU or its designated payee and sent to the address for Section 16.6, or such other address as LSU may designate in writing.

(e) LSU will have the right to hire an independent, certified public accountant reasonably acceptable to OLOL to audit financial records relating to License Revenue and/or IP Expenses at its own expense. Such audits may be exercised during normal business hours upon at least thirty (30) days prior written notice to OLOL.

(f) Each Party will be solely responsible for calculating and distributing License Revenues as specified under its respective patent policy or royalty policy to its respective Inventors and other persons involved in the development of the Intellectual Property.

Section 15.7. Prior Ownership.

(a) Notwithstanding the foregoing, OLOL retains ownership of any Intellectual Property that it owns prior to the Effective Date of this Agreement, or that is developed independently by OLOL and using only OLOL resources and facilities. Specifically, the systems, methods, procedures and controls employed by OLOL in the performance of this Agreement and hosting of the LSU GME Program at OLOL are proprietary in nature and shall be and remain the property of OLOL, and shall not at any time be utilized, distributed, copied or otherwise employed by LSU except in the performance of LSU's duties hereunder during the Term of this Agreement.

(b) Notwithstanding the foregoing, LSU retains ownership of any Intellectual Property that it owns prior to the Effective Date of this Agreement, or that is developed independently by LSU and using only LSU resources and facilities.

Section 15.8. Infringement.

(a) If either Party becomes aware of potential infringement of any Intellectual Property rights, including the Patent Rights, then that Party shall notify the other Party as soon as possible so that the Parties can discuss and determine how best to resolve such infringement. If the Parties agree to commence an action for patent infringement or other suitable cause of action, then they agree that the reasonable expenses and disbursements paid in connection with such action shall be considered IP Expenses and all monies actually received as a result of the infringement action shall be treated as License Revenue. If the Parties cannot agree to commence such an action, then either Party shall have the right to prosecute such action, and that Party shall bear all the expense and be entitled to retain all monies received from such action.

(b) The Parties will each use their best efforts to ensure that Joint Inventors or other persons involved with the Intellectual Property cooperate and supply all assistance reasonably requested in connection with any legal action to address such infringement.

(c) If during such legal action, either Party decides to discontinue its participation in the action, then the continuing Party may pay all future expenses associated with such action and will retain all monies or consideration from such action after first reimbursing any legal action related expenses incurred by the discontinuing Party at a rate equal to the percentage of total expenses contributed by the discontinuing Party.

Section 15.9. Confidential Information.

(a) Subject to the provisions of Section 16.5(h), other Legal Requirements related to Confidential Information and the publication rights as set forth in Section 15.9(b) and Section 15.9(c), OLOL, LSU, and Joint Inventors shall retain in confidence, and will

not disclose to a third party without the written consent of the other Party: (i) any Invention and documents related thereto, (ii) any information in documents marked “confidential” forwarded to one Party by the other Party, (iii) any biological materials related to the Invention, and (iv) any patent application included in the Patent Rights. Each Party’s obligation of confidence hereunder will be fulfilled by using at least the same degree of care with the other Party’s Confidential Information it uses to protect its own Confidential Information. This obligation shall exist while this Agreement is in force and for a period of three (3) years thereafter.

(b) Notwithstanding the provisions of Section 15.9(a), OLOL and LSU will be free to: (i) publish information relating to the Invention and/or Patent Rights in scientific journals, (ii) use the Invention and/or Patent Rights in research, teaching and other educationally-related purposes, and (iii) maintain the Invention and make it available to the nonprofit research community solely for non-commercial research, teaching and other educationally-related purposes; provided, however, that any such transfer or use of the Invention will be administered by a suitable agreement barring commercial use of the Invention (i.e., material transfer agreement, confidentiality agreement, etc.). Additionally, OLOL and LSU agree to supply the other with a copy of any manuscript prior to its submission for publication to permit the other to evaluate it in order to determine if it contains patentable subject matter relating to the Invention and/or Patent Rights. Within thirty (30) days after receiving a manuscript intended for publication, the receiving Party shall notify the submitting Party whether a patent application will be filed in accordance with the terms and conditions herein. At the request of the receiving Party, the submitting Party agrees to delay publication for no less than thirty (30) days from notice from the receiving Party (the “Delay Period”) in order to enable the preparation and filing of a patent application on any patentable subject matter described in the manuscript. If, at the end of the Delay Period, the Parties are unable to mutually agree to an acceptable publication date to allow a patent application to be filed, then the submitting Party shall be free to publish without the receiving Party’s approval.

(c) Nothing herein will preclude OLOL or LSU from making confidential reports or disclosures as required by any organizations which provided funding that resulted in the creation of all or a part of the Invention and/or Patent Rights.

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

Section 16.3. Expenses. Except as otherwise provided in this Agreement, each Party to this Agreement will bear its respective fees and expenses incurred in connection with the preparation, negotiation, execution and performance of this Agreement and the Contemplated Transactions, including all fees and expense of its representatives. If this Agreement is terminated, the obligation of each Party to pay its own fees and expenses will be subject to any rights of such Party arising from a Breach of this Agreement by another Party.

Section 16.4. Public Announcements. Any public announcement, press release or similar publicity with respect to this Agreement or the Contemplated Transactions will be issued, if at all, at such time and in such manner as OLOL and LSU mutually determine. Except with the prior consent of the other Party or as permitted by this Agreement, or as required by law, neither Party shall disclose to any Person any information about the Contemplated Transactions,

including the status of such discussions or negotiations, the execution of any documents or any of the terms of the Contemplated Transactions or the related documents (including this Agreement). OLOL and LSU will consult with each other concerning the means by which the Faculty and Residents and others having dealings with LSU GME Programs as well as the Medical Staff at OLOL will be informed of the Contemplated Transactions, and each party will have the right to be present for any such communication.

Section 16.5. Confidential Information.

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

(b) Exceptions. Section 16.5(a) 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 subsection (h) below, if a Receiving Party becomes compelled in any Proceeding or is requested by a Governmental Body having regulatory jurisdiction over the Contemplated Transactions to make any disclosure that is prohibited or otherwise constrained by this Article, that Receiving Party shall provide the Disclosing Party with prompt notice of such compulsion or request so that it may seek an appropriate protective order or other appropriate remedy or waive compliance with the provisions of this Article. In the absence of a protective order or other remedy, the Receiving Party may disclose that portion (and only that portion) of the Confidential Information of the Disclosing Party that, based upon advice of the Receiving Party's counsel, the Receiving Party is legally compelled to disclose or that has been requested by

such Governmental Body, provided, however, that the Receiving Party shall use reasonable efforts to obtain reliable assurance that confidential treatment will be accorded by any Person to whom any Confidential Information is so disclosed. The provisions of this Section do not apply to any Proceedings among the Parties to this Agreement.

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

(e) Attorney-Client Privilege. The Disclosing Party is not waiving, and will not be deemed to have waived or diminished, any of its attorney work product protections, attorney-client privileges or similar protections and privileges as a result of disclosing its Confidential Information (including Confidential Information related to pending or threatened litigation) to the Receiving Party, regardless of whether the Disclosing Party has asserted, or is or may be entitled to assert, such privileges and protections. The Parties (i) share a common legal and commercial interest in all of the Disclosing Party's Confidential Information that is subject to such privileges and protections; (ii) are or may become joint defendants in Proceedings to which the Disclosing Party's Confidential Information covered by such protections and privileges relates; (iii) intend that such privileges and protections remain intact should either party become subject to any actual or threatened Proceeding to which the Disclosing Party's Confidential Information covered by such protections and privileges relates; and (iv) intend that after the consummation of the Contemplated Transactions the Receiving Party shall have the right to assert such protections and privileges. No Receiving Party shall admit, claim or contend, in Proceedings involving either Party or otherwise, that any Disclosing Party waived any of its attorney work-product protections, attorney-client privileges or similar protections and privileges with respect to any information, documents or other material not disclosed to a Receiving Party due to the Disclosing Party disclosing its Confidential Information (including Confidential Information related to pending or threatened litigation) to the Receiving Party.

(f) Trade Secret Protection. Any trade secrets of a Disclosing Party shall also be entitled to all of the protections and benefits under applicable trade secret law and any other applicable law. If any information that a Disclosing Party deems to be a trade secret is found by a court of competent jurisdiction not to be a trade secret for purposes of this Article, such information shall still be considered Confidential Information of that Disclosing Party for purposes of this Article to the extent included within the definition. In the case of trade secrets, each of LSU and OLOL 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 rules and regulations promulgated thereunder, and such provisions, rules and regulations shall take precedence over any other provisions of this Agreement governing Confidential Information to the extent there is a conflict between the terms of this Agreement and such provisions, rules and regulations of HIPAA and each Party will act in accordance therewith.

(h) Public Records Request. The financial and other records created by, for or otherwise belonging to OLOL shall remain in the possession, custody and control of OLOL 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 and OLOL consider records of OLOL to be proprietary to OLOL and, to the extent that OLOL makes any such records or documents available to LSU, such records shall be clearly marked as confidential and/or proprietary to indicate OLOL’s 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 OLOL, LSU will use its best efforts to give notice to OLOL that LSU has received such a public records request prior to producing any documents considered to be proprietary to OLOL, and if such notice cannot be provided to OLOL before LSU is required to produce such documents, LSU shall provide notice to OLOL as soon thereafter as possible. In the event that OLOL objects to the production and believes that the records are not subject to production pursuant to the Public Records Act, OLOL will immediately so notify LSU in writing and take such action as OLOL deems necessary to protect the disclosure of such records. OLOL will defend, indemnify and hold harmless LSU and its employees, officers, 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 16.6. 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
Attn: President
3810 West Lakeshore Drive
Louisiana State University
Baton Rouge, Louisiana 70808

With a copy to:

General Counsel
Louisiana State University
3810 West Lakeshore Drive
Baton Rouge, Louisiana 70808

If to the State:

Louisiana Division of Administration
Attn: Commissioner
P.O. Box 94095
Baton Rouge, LA 70804

If to DHH:

Louisiana Department of Health & Hospitals
Attn: Secretary
628 North 4th, 9th Floor
Baton Rouge, LA 70821-3836

If to OLOL:

7777 Hennessy Boulevard
Suite 6002
Attn: Chief Executive Officer
Baton Rouge, LA 70808-4375

With a copy to:

Franciscan Missionaries of Our Lady
Attn: General Counsel
4200 Essen Lane
Baton Rouge, LA 70810

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 16.7. Jurisdiction; Service of Process. Any Proceeding arising out of or relating to this Agreement or any Contemplated Transaction may be brought in the 19th 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. The Parties agree that either or both 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 16.8. Enforcement of Agreement; Legal Fees and Costs. Subject to the limitation on equitable or injunctive relief set forth in Section 13.2(c) and Section 13.3(d), 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 of any of the provisions of this Agreement, 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 16.9. [Intentionally Deleted]

Section 16.10. Entire Agreement and Modification. This Agreement supersedes all prior agreements, whether written or oral, among the Parties with respect to its subject matter (including any memorandum of understanding between OLOL and LSU) and constitutes (along with the other documents 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 and OLOL; provided, however that any modification or amendment of Section 4.1(c)(vii), Article XI, Section 8.8, Section 9.6, or Article XVI will also require the written consent of the State and DHH.

Section 16.11. 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, except that OLOL may collaterally assign its rights hereunder to any

financial institution providing financing to OLOL. 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 16.12. Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

Section 16.13. 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 16.14. 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 16.15. 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 16.16. 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 16.17. 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 16.18. 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(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 16.19. Name and Trademark. Except as provided in this Agreement, no Party will use any other Party's name, symbol, or trademark in any marketing, advertising, or any other public communications without the prior written consent of such Party regarding the use of its name, symbol, or trademark.

Section 16.20. OLOL Not Intended to be Public Body. Nothing in this Agreement is intended, and it is not the intent of the Parties, the State or DHH, to cause or result in OLOL 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 or other disclosure procedures generally applicable to public bodies in the State.

Section 16.21. Right to Audit.

(a) It is hereby agreed that the State and/or the Legislative Auditor shall have the option of auditing all accounts of OLOL which relate to this Agreement. Such audits shall be at the expense of the State or the Legislative Auditor and shall be done during customary business hours.

(b) Subject to applicable Legal Requirements, LSU, or a third party auditor engaged by LSU, may, at its option and at its own expense, and during customary business hours, conduct internal audits of OLOL's books, bank accounts, records and accounts necessary for LSU to determine compliance with this Agreement.

(c) Subject to applicable Legal Requirements, OLOL, or a third party auditor engaged by OLOL, may, at its option and at its own expense, and during customary business hours, conduct internal audits of LSU's books, bank accounts, records and accounts necessary for OLOL to determine compliance with this Agreement.

Section 16.22. Ownership of Records. All records, reports, documents and other material delivered or transmitted to OLOL by the State shall remain the property of the State, and shall be returned by OLOL to the State, at OLOL's expense, at termination or expiration of this Agreement.

Section 16.23. Discrimination Clause. OLOL 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 OLOL agrees to abide by the requirements of the Americans with Disabilities Act of 1990. OLOL agrees not to discriminate in its employment practices, and will render services under this Agreement without regard to race, color, religion, sex, sexual orientation, national origin, veteran status, political affiliation, or disabilities.

[Signatures on following page.]

IN WITNESS WHEREOF, OLOL and LSU have executed this Agreement as of the date first written above.

Witnesses:

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

the

By: _____
Dr. John V. Lombardi, President of
Louisiana State University System

Date: _____

**OUR LADY OF THE LAKE
HOSPITAL, INC.**, a Louisiana nonprofit
corporation

By: _____
K. Scott Wester, CEO

Date: _____

**STATE OF LOUISIANA, through its
Division of Administration**

By: _____
Angele Davis, Commissioner

Date: _____

The undersigned joins in execution of this Agreement solely for purposes of consenting and agreeing to the terms set forth in Section 4.1(c)(vii), Article XI, Section 8.8, Section 9.6, and Article XVI.

**LOUISIANA DEPARTMENT OF
HEALTH & HOSPITALS**

By: _____
Alan Levine, Secretary

Date: _____

EXHIBITS

Definitions----- 1
Ethical and Religious Directives ----- 2
Master Affiliation Agreement -----2.4(c)
Medical Education Building Ground Lease -----4.1(c)
Lease for Clinic Space-----4.1(d)
LSU Authorizing Resolution ----- 6.2
OLOL Authorizing Resolution ----- 7.2
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EXHIBIT 1
DEFINITIONS

- (a) “AAHRPP” has the meaning set forth in Section 3.7(d).
- (b) “Academic Faculty” means the individuals designated as faculty of LSU with respect to the LSU GME Programs, including physicians and other qualified teaching professionals, but excluding the Adjunct Faculty.
- (c) “Academic Health System CPA” has the meaning set forth in Section 11.2(d).
- (d) “ACGME” means the Accreditation Council for Graduate Medical Education.
- (e) “ACGME Institutional Requirements” has the meaning of the term “Common Program Requirements” as set forth in the Glossary of Terms published by the ACGME with respect to GME Programs.
- (f) “ACGME Review Committee” means the ACGME committee responsible for the ACGME survey, review, and accreditation process.
- (g) “Adjunct Faculty” means the individuals appointed as faculty members of LSU for purposes of the LSU GME Programs pursuant to Section 5.16.
- (h) “Administrative Withdrawal” means that ACGME has deemed the program or institution to have voluntarily withdrawn from the ACGME accreditation process due to a failure to fulfill ACGME accreditation requirements.
- (i) “Adverse Action” means that ACGME has found the program or institution to be out of compliance with accreditation requirements and has taken one or more of the following actions against the program or institution including, a withholding of accreditation, probationary accreditation, withdrawal of accreditation, or a reduction in resident complement by the ACGME Review Committee.
- (j) “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.
- (k) “Agreement” has the meaning set forth in the preface above.
- (l) “Bankruptcy Event” means circumstances in which a party (i) is unable to pay its debts as they fall due, (ii) makes or commences negotiations with a view to making,

a general re-scheduling of its indebtedness, a general assignment, scheme of arrangement or composition with its creditors, (iii) takes any corporate action or any steps are taken or Proceedings are started for: its winding-up, dissolution, liquidation, or re-organization, other than to reconstruct or amalgamate while solvent on terms approved by the other Party (which approval will not be unreasonably withheld), the appointment of a controller, receiver, administrator, official manager, trustee or similar officer of it or of any of its revenues and assets; or seeks protection or is granted protection from its creditors, under any applicable legislation.

(m) “Benefit Plans” has the meaning set forth in Section 6.3.

(n) “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.

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

(p) “Civil Monetary Penalties” means the imposition of a civil penalty and assessment against any Person determined to have violated federal law.

(q) “Clinical Research Steering Committee” means the OLOL committee that advises the OLOL Board and provides guidance on standards and strategies for the development, review, and implementation of human subjects protocols and research, IRB review, and compliance of Research Projects with the OLOL Rules, including the Ethical and Religious Directives

(r) “Closing” has the meaning set forth in Section 4.1(c)(vi).

(s) “Closing Date” has the meaning set forth in Section 4.1(c)(vi).

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

(u) “Code” means the Internal Revenue Code of 1986.

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

(w) “Collaborative Residency Positions” has the meaning set forth in Section 2.1(a).

(x) “Common Program Requirements” has the meaning set forth in the Glossary of Terms published by the ACGME with respect to GME Programs.

(y) “Community Physicians” has the meaning set forth in Section 3.1(b).

(z) “Confidential Information” includes, to the extent allowed by law, any and all of the following information of LSU or OLOL 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 OLOL 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.

(aa) “Construction Completion Date” has the meaning set forth in Section 4.1.

(bb) “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. The Consultative Process with respect to disputes primarily regarding financial issues shall include the FAC, and with respect to disputes primarily regarding programmatic issues will include the QAC, and with respect to all other disputes will include the OAC. 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.

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

(dd) “Continuing Party” has the meaning set forth in Section 15.4(e).

(ee) “Contract Monitor” has the meaning set forth in Section 11.1(c).

(ff) “Cost Analysis Worksheet” has the meaning set forth in Section 11.1(b).

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

(hh) “Damages” has the meaning set forth in Section 14.3(b).

(ii) “Delay Period” has the meaning set forth in Section 15.9(b).

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

(kk) “DIO” has the meaning set forth in the Glossary of Terms published by the ACGME with respect to GME Programs.

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

(mm) “Discontinuing Party” has the meaning set forth in Section 15.4(e).

(nn) “Duty Hour” has the meaning set forth in the Glossary of Terms published by the ACGME with respect to GME Programs.

(oo) “E&M Code” means an evaluation and management code as contemplated by generally accepted health care billing practices, which currently are translated into five digit current procedural terminology when billing for medical services. E&M Code includes any successor coding concept or similar billing identifier that relates to individual patient encounters.

(pp) “Effective Date” has the meaning set forth in the preface above.

(qq) “EKLMC” means the Earl K. Long Medical Center in Baton Rouge.

(rr) “EKLMC Successor” has the meaning set forth in Section 8.2.

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

(tt) “Ethical and Religious Directives” means the Ethical and Religious Directives for Catholic Health Care Services, the current version of which is attached as Exhibit 2, and the Catholic Social Teachings, in each case as such items may be amended from time to time.

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

(vv) “Existing Outpatient Facility” has the meaning set forth in Section 3.3(c).

(ww) “Expansion of OLOL Inpatient Facility” has the meaning set forth in Section 4.1(a).

(xx) “Extension Date” has the meaning set forth in Section 12.1.

(yy) “FAC” has the meaning set forth in Section 1.5.

(zz) “Fellow” means a licensed physician participating in a fellowship program of the LSU GME Programs.

(aaa) “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.

(bbb) “GME” means Graduate Medical Education.

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

(ddd) “GME Program Start Date” means the date that is sixty (60) days after (i) the issuance of certificate of occupancy or similar permit for the expansion of OLOL Inpatient Facility, the Trauma Center and the Medical Education Building, and (ii) issuance of all certifications or licenses necessary for the intended use of the OLOL Inpatient Facility, the Trauma Center and the Medical Education Building.

(eee) “Governing Documents” means with respect to LSU, its constitutional, statutory and bylaws provisions, and with respect to OLOL 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.

(fff) “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.

(ggg) “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.
- (hhh) “Graduate Medical Education Committee” has the meaning set forth in the Glossary of Terms published by the ACGME with respect to graduate medical education programs.
- (iii) “Grandfathered LSU Medical Staff” means the physicians on the OLOL medical staff as of the Effective Date.
- (jjj) “Grandfathered OLOL Residency Programs” means those programs set forth in Section 2.11(c).
- (kkk) “Ground Lease” means the lease contemplated by Section 4.1(c)(ii).
- (lll) “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).
- (mmm) “Inadequate Funding” means the failure of OLOL to receive the Required Funding.
- (nnn) “Indemnified Person” has the meaning set forth in Section 14.3(d).
- (ooo) “Indemnifying Person” has the meaning set forth in Section 14.3(d).
- (ppp) “Initial Term” has the meaning set forth in Section 12.1.
- (qqq) “Institutional Requirements” has the meaning set forth in the Glossary of Terms published by the ACGME with respect to graduate medical education programs.

(rrr) “Invention” means all ideas, discoveries, improvements, know-how, and information developed as a result of research or other collaborative activities conducted jointly between OLOL and LSU.

(sss) “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 OLOL and LSU.

(ttt) “IP Expenses” means all out-of-pocket expenses, as evidenced by actual invoices that were incurred in searching, preparing, filing, prosecuting, defending, and maintaining an Invention or other Intellectual Property.

(uuu) “IRB” has the meaning set forth in Section 3.7(c).

(vvv) “Joint Commission” means the Joint Commission responsible for accreditation of hospitals and other healthcare organizations.

(www) “Joint Inventors” means inventors identified as having collectively conceived and reduced to practice an Invention, wherein the inventors comprise at least one inventor employed by OLOL and at least one inventor employed by LSU. Specifically, any invention or discovery: (i) resulting from research carried on, by, or under the direction of any employee of LSU, and having all or part of the cost thereof paid from funds controlled or administered by OLOL; or (ii) which has been developed in whole or in part by any employee of LSU through the utilization of OLOL resources or facilities, shall be presumed to be a joint Invention owned equally by OLOL and LSU.

(xxx) “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.

A Person (other than an individual) will be deemed to have Knowledge of a particular fact or other matter if any individual who is serving, or who has at any time served, as a director, officer, partner, executor or trustee of that Person (or in any similar capacity) has, or at any time had, Knowledge of that fact or other matter (as set forth in (i) and (ii) above), and any such individual (and any individual party to this Agreement) will be deemed to have conducted a reasonably comprehensive investigation regarding the accuracy of the representations and warranties made herein by that Person or individual

(yyy) “Leased Clinic Space” has the meaning set forth in Section 4.1(d).

(zzz) “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.

(aaaa) “Letter of Notification” has the meaning set forth in the Glossary of Terms published by ACGME with respect to GME Programs.

(bbbb) “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.

(cccc) “License Revenue” means the transfer of value from third parties to the Parties in consideration of granted licenses or other rights to the Intellectual Property which may include, but is not limited to: actual royalties, fees, payments, equity securities and other sums.

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

(eeee) “LSU Covering Physician” means a physician who is not a Resident, Fellow or member of the Academic Faculty or Adjunct Faculty, but has a contract with LSU to provide care to patients admitted or assigned to an LSU Teaching Service.

(ffff) “LSU DIO” means LSU’s Designated Institutional Official with respect to the LSU GME Programs at OLOL.

(gggg) “LSU GMEC” has the meaning set forth in Section 2.5(c).

(hhhh) “LSU GME Programs” means Graduate Medical Education programs that will be operated at the OLOL Campus and are listed on Schedule 2.1(a) hereto.

(iiii) “LSUHSC” has the meaning set forth in the recitals above.

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

(kkkk) “LSU Proposed Budget” has the meaning set forth in Section 1.6(b).

(llll) “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 3.3.

(mmmm) “LSU Urgent Care Clinic” has the meaning set forth in Section 3.3(b).

(nnnn) “MAA” means the Master Affiliation Agreement between LSU and OLOL as described in Section 2.4(c).

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

(pppp) “Major Teaching Hospital” means a hospital that meets one of the following criteria:

(i) Be a major participant in at least four approved medical residency programs of which at least two of the programs shall be in medicine, surgery, obstetrics and gynecology, pediatrics, family practice, emergency medicine, or psychiatry; or

(ii) Maintain an intern and resident full-time equivalency of at least twenty filled positions with an approved medical residency program in family practice located more than one hundred fifty miles from the medical school accredited by the Liaison Committee on Medical Education.

(qqqq) “Medical Education Building” means the building to be constructed pursuant to Section 4.1(c).

(rrrr) “Medical Staff of OLOL” means the independent, fully licensed physicians who are appointed as members of the medical staff of OLOL in good standing pursuant to the Medical Staff By-laws of OLOL.

(ssss) “Medical Students” means the graduate students admitted to the LSU school of medicine and participating in the LSU GME Programs.

(tttt) “Methodology Adjustment Notice” has the meaning set forth in Section 11.1(b).

(uuuu) “OAC” has the meaning set forth in Section 1.1.

(vvvv) “OLOL” has the meaning set forth in the preface above.

(wwww) “OLOL Board” has the meaning set forth in Section 2.2.

(xxxx) “OLOL Campus” has the meaning set forth in the preface above, but includes any expansion or modification of such property that may occur in the future.

(yyyy) “OLOL CEO” has the meaning set forth in Section 2.2.

(zzzz) “OLOL College” means the institution of higher education operated by OLOL made up of two academic schools, the School of Arts, Sciences and Health Professions and the School of Nursing, and a Health Career Institute.

(aaaa) “OLOL DIO” means OLOL’s Designated Institutional Official as described in Section 2.5.

(bbbb) “OLOL GMEC” has the meaning set forth in Section 2.5(d).

(cccc) “OLOL GME Program” means the GME Programs currently housed at OLOL and as expanded as permitted by the terms of this Agreement.

(dddd) “OLOL Hospital” means the hospital facility owned and operated by OLOL and generally located on the OLOL Campus.

(eeee) “OLOL MOB 4” has the meaning set forth in Section 4.1(d).

(ffff) “OLOL Personnel” means all employees or agents of OLOL providing health care services at the OLOL campus or participating in the LSU GME Programs or the OLOL GME Program.

(gggg) “OLOL Proposed Budget” has the meaning set forth in Section 1.6(b).

(hhhh) “OLOL Rules” means all rules, regulations policies and procedures applicable to OLOL or any person present at or performing services at the OLOL Campus, including without limitations applicable Legal Requirements, The Joint Commission requirements, accreditation and licensing requirements, medical staff bylaws, hospital service standards, OLOL policies and procedures, OLOL corporate compliance programs, Ethical and Religious Directives, Catholic Social Teachings, OLOL codes of conduct, adopted “best practices,” departmental requirements and coding and billing procedures as they may be amended from time to time.

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

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

(kkkk) “Patent Rights” means the Parties’ respective rights in discoveries, know-how, information and inventions covered in patents and/or patent applications, whether domestic or foreign, which identify Joint Inventors as inventors and which relate to the Invention, and any patent application(s) claiming the benefit of priority thereof including all divisions and continuations of these applications, all patents issuing from such applications, divisions and continuations, and any reissues, reexaminations, and extensions of all such patents to the extent that Joint Inventors are named as inventors thereon.

(lllll) “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.

(mmmmm) “Potential Terminating Breach” means any of the events listed in Section 13.1(a) or Section 13.1(b).

(nnnnn) “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.

(ooooo) “Program Benchmarks” has the meaning set forth in Section 2.6(b).

(ppppp) “Program Director” has the meaning set forth in the Glossary of Terms published by ACGME with respect to GME Programs.

(qqqqq) “Program Letter of Agreement” has the meaning set forth in the Glossary of Terms published by the ACGME with respect to GME Programs.

(rrrrr) “Proposed Annual Budget” has the meaning set forth in Section 1.6(a).

(sssss) “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.

(ttttt) “QAC” has the meaning set forth in Section 2.6(a).

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

(vvvvv) “Requested Clinic Costs” has the meaning set forth in Section 3.3(d)(ii).

(wwwww) “Required Consents” means consent or approval of any third party, including any Governmental Body, necessary or required to consummate the Contemplated Transactions.

(xxxxx) “Required Funding” has the meaning set forth in Section 11.1(a).

(yyyyy) “Research Projects” has the meaning set forth in Section 3.7(b).

(zzzzz) “Residency Caps” has the meaning set froth in the recitals above.

(aaaaa) “Residency Positions” has the meaning set forth in the recitals.

(bbbbbb) “Resident” means an individual admitted to the LSU GME Programs as a resident.

(ccccc) “Rolling Five-Year Term” means a five (5) year term that will automatically be extended for an additional year on each anniversary date unless a Party provides the other Party written notice at least one hundred-eighty (180) days prior to the next anniversary date of its intention not to extend the term by an additional year.

(dddddd) “Service Area” means the following Parishes in Louisiana: East Baton Rouge, West Baton Rouge, Iberville, East Feliciana, West Feliciana, Ascension, Livingston.

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

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

(gggggg) “State” means the State of Louisiana by and through its Division of Administration.

(hhhhh) “Term” means the Initial Term and all extensions thereof.

(iiiiii) “Termination Notice” has the meaning set forth in Section 13.3(d).

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

(kkkkk) “Trauma Center” has the meaning set forth in Section 4.1(b).

(lllll) “UMC” has the meaning set forth in Section 2.11.

(mmmmm) “Unassigned Referrals” has the meaning set forth in Section 3.1.

(nnnnn) “Wind Down Period” has the meaning set forth in Section 13.5(b).

EXHIBIT 2
ETHICAL AND RELIGIOUS DIRECTIVES

See attachment.



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EXHIBIT 2.4(c)
MASTER AFFILIATION AGREEMENT

See attachment.

EXHIBIT 4.1(c)
MEB GROUND LEASE

See attachment.

EXHIBIT 4.1(d)
LEASE FOR CLINIC SPACE

See attachment.

EXHIBIT 6.2
LSU AUTHORIZING RESOLUTION

See attachment.

EXHIBIT 7.2
FORM OF OLOL AUTHORIZING RESOLUTION

WHEREAS, Our Lady of the Lake Hospital, Inc. (“OLOL”) is committed, consistent with its Catholic and charitable mission, to developing clinical professionals in the State in order to improve access to healthcare in its service area; and,

WHEREAS, OLOL and Louisiana State University (“LSU”) believe that it is in the best interest of the community to develop and maintain nationally recognized GME Programs with appropriate facilities, structure and funding at the OLOL campus through a public/private collaboration, the terms and conditions of which will be set forth in a cooperative endeavor agreement (“CEA”); and,

WHEREAS, the Earl K. Long Medical Center building is in serious disrepair; and,

WHEREAS, in order for LSU to effectively maintain its GME programs, LSU desires to have most of the training for certain of its residency positions to take place on the OLOL Campus; and,

WHEREAS, OLOL has determined that hosting certain of the LSU GME programs is consistent with its Catholic and charitable mission and should be provided at the OLOL campus; and,

WHEREAS, LSU is in need of clinical and educational space close to where LSU’s residents will be training; and,

WHEREAS, the Baton Rouge area is in need of a trauma center to improve access to the most critical care patient needs; and,

WHEREAS, the proposed collaboration by and between OLOL and LSU requires certain infrastructure and improvements (the “Capital Improvements”), including (i) expansion of OLOL’s inpatient capacity, (ii) construction of a trauma center, and (iii) construction of a medical education building (the “MEB”) on OLOL’s campus; and,

WHEREAS, as part of the transactions contemplated by the CEA, OLOL will transfer the MEB to LSU for its contribution to the collaboration, and simultaneously enter into a long term ground lease agreement (the “Ground Lease Agreement”), at fair market value, to lease to LSU certain land on which the MEB will be located; and

WHEREAS, as part of the transactions contemplated by the CEA, OLOL will enter into a lease agreement (the “MOB Lease Agreement”) with LSU to lease to LSU certain space in a medical office building owned by OLOL and located on the OLOL campus to be used as clinical space by LSU; and

WHEREAS, the State, through the Division of Administration and the Department of Health and Hospitals (“DHH”) have agreed to compensate OLOL for the cost for the provision of patient care related to this collaboration upon which all related agreements are conditioned; and,

WHEREAS, OLOL and LSU previously entered into a memorandum of understanding, as amended (the “MOU”), with respect to the transactions contemplated by the CEA; and,

WHEREAS, OLOL, LSU, the State, and DHH intend to enter in the CEA on or about February 3, 2010, authorized by this resolution and executed by the authorized representatives of the parties; and,

WHEREAS, the directors have reviewed the terms and conditions of the Executive Summary of the CEA attached as Exhibit A and have determined that the terms and conditions of the CEA are fair and reasonable and in the best interest and charitable purposes of OLOL;

WHEREAS, it is the sole purpose of the Board of Directors that by entering into the CEA the Hospital will help fulfill the need for continued physician education in the State of Louisiana;

NOW THEREFORE, BE IT:

RESOLVED, that the MOU is hereby ratified and all actions previously taken with respect to the MOU are approved and ratified; and

RESOLVED FURTHER, that the terms of the CEA as set forth in the Executive Summary presented to the Board of Directors, and the transactions contemplated thereby, including without limitation the (i) transfer of the MEB to LSU as contemplated by the CEA, (ii) the construction of the Capital Improvements, (iii) establishment of a trauma center, and (iv) adoption of a revised charity care policy to comply with the state law requirements imposed on LSU as the State’s charity care provider, are hereby approved and authorized, and the president and CEO of OLOL is hereby authorized, empowered and directed in the name of and on behalf of OLOL, to execute and deliver the CEA in a form consistent with the material terms of the Executive Summary, and consummate the transactions contemplated thereby, with such additions, modifications, or deletions thereto as the president and CEO of OLOL may deem necessary or appropriate; and

RESOLVED FURTHER, that the MOB Lease Agreement and the Ground Lease Agreement are hereby approved and that the president and CEO of OLOL are hereby authorized, empowered and directed in the name of and on behalf of OLOL, to execute and deliver the MOB Lease Agreement and the Ground Lease Agreement in substantially the form presented to the directors, with such additions, modifications, or deletions thereto as the president and CEO of OLOL may deem necessary or appropriate; and

RESOLVED FURTHER, that the president and CEO of OLOL is hereby authorized, directed and empowered to take any such actions, and to execute and deliver such other documents, certificates, agreements or other instruments that the president and CEO deems necessary or appropriate to carry out and perform the purposes and intents of the foregoing resolutions.

EXHIBIT 8.7
FORM OF LSU LEGAL OPINION

See attachment.

EXHIBIT 9.5
FORM OF OLOL LEGAL OPINION

See attachment.

EXHIBIT 11.1
COST ANALYSIS WORKSHEET



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SCHEDULE 2.1(a)
COLLABORATIVE RESIDENCY POSITIONS

1. Not less than 40 Internal Medicine slots
2. Not less than 15 Emergency Medicine slots
3. Not less than 6 Surgery slots
4. Not less than 4 ENT slots

SCHEDULE 2.6(b)
LSU GME PROGRAM BENCHMARKS

The following is a list of initial Program Benchmarks in connection with the GME Programs, subject to annual performance review of the GME Programs and revisions to the Program Benchmarks by the QAC pursuant to Section 2.6(b):

1. Unconditional accreditation of GME Programs sponsored by either organization participating at OLOL.
2. No withdrawal of programs or residents from OLOL that jeopardize the requirements of combined residency programs (ex. Med-Peds) or contingent programs.
3. OLOL maintains "Major Teaching Hospital" status. LSU will maintain those GME Programs at OLOL necessary for the maintenance of Major Teaching Hospital designation as defined by DHH.
4. Shared training programs with LSUHSC in New Orleans must be supported with financial, non-financial (ex. LSUHSC Library access, housing, attendance at post-graduate meetings), and personnel resources for faculty, residents, fellows and students at a level no less than the support provided in New Orleans.
5. Relocation of residents or programs currently allocated to the Medical Center of Louisiana at New Orleans by LSUHSC will not occur without LSU first conferring with OLOL to discuss the reasons and providing reasonable advance notice if such relocation is to be implemented. LSU and OLOL will use their best efforts to maintain such residents or programs at OLOL.
6. Resident slots will be filled primarily with US Medical School graduates.
7. Private practice location for graduates from GME Programs at OLOL will be tracked with a goal of 70% graduate retention within Louisiana.
8. Faculty standing and participation in national organizations will be reviewed.
9. Faculty teaching recognition via resident and student evaluations will be reviewed with expectations set annually.
10. Faculty clinical recognition on a regional and national scale will be reviewed.

11. Faculty certification of additional qualifications will be reviewed with expectations reviewed annually.
12. Academic publication rates for residents, faculty and individual programs will be benchmarked against national standards annually.
13. Board pass rate for residents will be reviewed with the expectation of >80% success for each program.
14. Rationale for anticipated major changes in program length or structure will be developed.

SCHEDULE 2.11(b)
GRANDFATHERED OLOL RESIDENCY PROGRAMS

1. Pediatrics
2. Chorioretinal
3. Laparoscopy
4. Urgent Care
5. Neurosurgery

SCHEDULE 3.3
EXISTING OUTPATIENT FACILITIES

North Baton Rouge Clinic
5445 Airline Highway
Baton Rouge, LA 70805-1712

Leo S. Butler Community Center
590 E. Washington St.
Baton Rouge, LA 70802-6622

LSU Mid-City Clinic
1401 North Foster Drive
Baton Rouge, LA 70806-1818

LSU Health System Surgical Facility
9032 Perkins Road
Baton Rouge, LA 70810-1507

SCHEDULE 5.8
HEALTH TESTING

- (a) Tuberculin skin test within the past twelve (12) months or documentation as a previous positive reactor;
- (b) Proof of Rubella and Rubella immunity by positive antibody titers or two (2) doses of Measles, Mumps, and Rubella Vaccine;
- (c) Varicella immunity, by positive history of chickenpox or proof of Varicella immunization, or serologic evidence of prior Varicella infection;
- (d) Proof of Hepatitis B immunization or declination of vaccine, if patient contact is anticipated; and
- (e) Any other health immunizations or requirements that the federal or Louisiana state government deem necessary.

**SCHEDULE 5.9
BACKGROUND CHECKS**

- (f) Social Security Number Verification;
- (g) Criminal Search (seven years or up to five criminal searches);
- (h) Employment Verification to include reason for separation and eligibility for re-employment for each employer for any Program Participant who is a licensed or certified caregiver;
- (i) Violent Sexual Offender and Predator Registry Search;
- (j) HHS/OIG List of Excluded Individuals/Entities;
- (k) GSA List of Parties Excluded from Federal Programs;
- (l) U.S. Treasury, Office of Foreign Assets Control (OFAC), List of Specially Designated Nationals;
- (m) State exclusion list, if applicable;
- (n) Education verification (all undergraduate college, and all post-graduate education and training);
- (o) Professional License Verification;
- (p) Certification & Designations Check;
- (q) Professional Disciplinary Action Search;
- (r) Department of Motor Vehicle Driving History, based on responsibilities; and
- (s) Consumer Credit Report, based on responsibilities.

SCHEDULE 6.5
LEGAL PROCEEDINGS; ORDERS

None.

**SCHEDULE 6.7
RESEARCH PROJECTS**



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SCHEDULE 8.4
THIRD PARTY CONSENTS AND APPROVALS

1. CMS approval of the proposed state plan amendments
2. Approval of the Louisiana Joint State Budget Committee
3. Approval of the Louisiana Office of Contractual Review
4. Approval of the Louisiana State Bond Commission, to the extent required by applicable Legal Requirements.

SCHEDULE 11.1(a)
REQUIRED FUNDING

1. Medicaid (or substantially similar program). No less than ninety-five percent (95%) of OLOL's Medicaid costs for all inpatient and outpatient services, as determined pursuant to the applicable methodology set forth in Section 11.1(b) of the Agreement.
2. Uninsured. No less than one hundred percent (100%) of OLOL's cost for inpatient and outpatient services provided to the uninsured, as determined pursuant to the applicable methodology set forth in Section 11.1(b) of the Agreement.
3. Physician Services. 100% of OLOL's costs for providing or causing to be provided physician coverage services for the Collaborative for uninsured patients, but no more than the fair market value for such services, as determined pursuant to the applicable methodology set forth in Section 11.1(b) of the Agreement.
4. Short Fall. Any short fall in reimbursement related to the cost of graduate medical education and the Trauma Center, as determined pursuant to the applicable methodology set forth in Section 11.1(b) of the Agreement.